

Lead Water Service Replacement Loan/Grant Program Guidelines

Purpose

Some homes in the City of Thunder Bay built before the mid-1950s have elevated lead levels in their water because of lead water service pipes running from the City's water main in the street to the home. Under the City's Lead Water Service Replacement Loan/Grant Program (the "Program"), an owner may be eligible to receive a loan to replace the private water service extension (located on private property) that is substantially composed of lead. Such a loan is only available to **owner occupied** dwellings. Grants are available to owners that qualify under the *Tax and Water Credit Program for Low-Income Seniors or Low-Income Persons with Disabilities* or the *Tax and Water Credit Program for Low-Income Persons*.

Definitions

"**contractor**" means the person who is licensed and hired by the owner to conduct the lead water service replacement work;

"**Director**" means the Director – Environment Division or designate;

"**owner**" means the registered owner or owners of the property;

"**service extension**" means the portion of a water service pipe located on private property from the property line to the water meter location, or for a fire service to the inside of the exterior wall of a structure, i.e. an extension of a service stub;

"**service stub**" means the portion of a water service pipe located on City property from a main to the property line which will always include one control valve;

"**water service pipe**" means the pipe and fittings that convey potable water from a connection on a main or private main to the meter location, or, for a fire service, to the inside of the exterior wall of a structure.

Loan & Grant Availability

Approval of all loan and grant applications is subject to availability of funding, as determined by Council in its sole discretion from time to time.

Eligibility for Loan &/or Grant

The following criteria must be met for an applicant to qualify for a loan and/or grant under the Program:

- applicant must be the owner of and reside in the residential property requiring lead water service replacement;
- all owners must apply for the loan and/or grant;
- applicant must complete and submit a Loan/Grant Application Form and a Job Estimate Form (the Job Estimate Form details what work is to be done, and separates out costs for each portion of work, i.e. separate line item prices for private water service replacement, surface restoration, internal plumbing modifications up to the water meter, etc.);
- the existing service extension must be substantially composed of lead to qualify for the loan and/or grant;
- work must be performed by a contractor who is licensed and the Contractor's Business License number must be provided on the Job Estimate Form;

- all municipal accounts (property taxes and water) must be current at the time of application and at the time of loan advance;
- the owner(s) must complete and sign the Private Lead Water Service Replacement Loan Agreement in a form acceptable to the City; and,
- the owner(s) must meet all conditions of this Program.
- If applying for a 10-year loan period and /or grant under the program, the applicant must have qualified under the *Tax and Water Credit Program for Low-Income Seniors and Low-Income Persons with Disabilities* or the *Tax and Water Credit Program for Low-Income Persons*.

The loan or grant under this Program is available to residential property owners only, thereby excluding industrial, institutional, commercial or rental properties.

Loan and Grant Details

The only work that is eligible for a loan or grant under the Program is the replacement, by an owner and/or its contractor, of a service extension that is confirmed by the City to be substantially composed of lead.

Loans or grants may be available to cover all eligible estimated costs (as approved and determined by the Director or designate) of replacing the owner's service extension, subject to the maximum loan amount. Loans or grants will **not** be available to cover any other non-eligible associated costs (e.g. the costs of relocating internal plumbing, repaving of a driveway, restoring landscaped yards, or any other such costs) that are deemed by the Director to be unnecessary for the replacement of the owner's service extension.

Loan/grant applications will be processed in chronological order based on the date of receipt.

Loan/grant approvals will be valid for twelve months from the effective date of the Private Lead Water Service Replacement Loan Agreement and will expire if the work is not completed within that time period (unless extended at the Director's sole discretion).

The amount of each loan will not exceed a maximum of \$5000 of eligible costs. If a \$1500 grant is awarded to those who qualify, the maximum loan amount will not exceed \$3500 of eligible costs.

The loan and/or grant, if approved, will only be advanced to the owner upon receipt of invoices for completed work, a completed pre-authorized payment form (in the case of a loan), and inspection report of the completed work by City staff under a building permit that includes plumbing for water service replacement.

The loan amount, will be set up as receivable with fixed pre-authorized payments which will be withdrawn on the 1st of every month with the banking information provided. The loan will be interest free for a maximum period of up to 60 months (which is equivalent to five years).

Loans for a 10-year period (120 months) are available for property owners that qualify under the *Tax and Water Credit Program for Low-Income Seniors and Low-Income Persons with Disabilities* or the *Tax and Water Credit Program for Low-Income Persons*. Application forms for these programs are available through the Revenue Department at 625-2255.

Security

The loan will be secured by a Private Lead Service Replacement Loan Agreement that must be signed by the registered owner(s) of the Property in connection to which the loan is advanced. A status update letter will be sent to the owner at the end of each calendar year indicating the balance due.

Repayment of the Loan

Repayment of the interest free loan will be made monthly through pre-authorized payments as set out in the agreement signed by the owner(s). Full repayment can be made at any time with no penalty to the owner.

In the event of default of any of the conditions of advancement, default in loan repayment, or in the event of disposition of the Property or any part of the Property in connection to which the loan was advanced, the outstanding loan balance **will immediately become due and payable by the owner(s)**. Amounts that remain outstanding 60 or more calendar days beyond the due date will be transferred to the property tax roll. For each transfer of arrears to the tax roll an administration fee will be applied to the account. The balance transferred to the tax roll will incur a penalty of 15% per annum will be applied against any unpaid balance applied at 1.25% per month applied the first day past due.

In the sole discretion of the City, the loan may be transferred to a new owner of the Property for which the loan was advanced on the same re-payment terms provided that the new owner(s) agrees to the terms and conditions of the loan by executing a new agreement signed by the new owner(s).

Application Procedure

1. The applicant owner will be required to complete a Loan/Grant Application Form provided by City of Thunder Bay – Environment Division. Every person who is registered on title as an owner of the property for which the loan/grant application is being filed is required to sign the Loan/Grant Application Form.

In addition to the completed Loan/Grant Application Form, the applicant must:

- submit a completed Job Estimate Form (only prices for water service line replacement are eligible for the loan);
- submit such other further information or documentation as may be required by the Director – Environment Division;
- provide access to the Property to the Environment Division or designate to confirm that the water service line material is lead.

Any work that is started or completed prior to the approval of the loan application will be ineligible under the Program (unless this condition is waived at the Director's sole discretion).

2. The City will review the Loan/Grant Application Form and supporting documentation, decide whether to approve the loan and/or grant, and determine the approximate loan amount. The City will advise the applicant in writing of its decision and will provide a Private Lead Water Service Replacement Loan Agreement for all of the registered owners to sign, along with a Pre-Authorized Payment form (if applicable).
3. The owner(s) will complete and sign the Private Lead Water Service Replacement Loan Agreement and Pre-Authorized Payment form, forwarding the originally signed version to Environment Division – City of Thunder Bay, PO Box 800, Thunder Bay, ON P7C 5K4.
4. The owner or contractor must co-ordinate work with the City sufficiently in advance. The owner or contractor must ensure that all utility locates are obtained for the work.
5. The owner or contractor must obtain any necessary permits, including a Building Permit for water service replacement from the City's Building Services Division (2nd Floor, Victoriaville Civic Centre 111 Syndicate Ave S, 625-2203) prior to work commencing. Failure to obtain a permit prior to work

commencing will result in cancellation of any approved loan amounts. Visit the following link for online permit application: <https://www.thunderbay.ca/en/city-services/building-and-plumbing-permits-online.aspx>

6. The Contractor or the owner must arrange for an inspection by the City with respect to the Building Permit. Building permits that have not had an inspection by the City will result in cancellation of any approved loan amounts.
7. Within twelve months of executing the agreement with the City, the owner must submit to the City the final invoice from the contractor setting out the amount due for the work and/or invoices for materials and equipment related to the service line replacement work performed by the owner. Any invoice submitted more than twelve months after the date of the Private Lead Water Service Replacement Loan Agreement will be ineligible for payment of the loan and/or grant. The City will not provide a loan for an amount greater than the maximum loan amount of \$5,000, even where the final invoice is greater than the maximum loan amount.

Information to Accompany Application Form

- completed Loan/Grant Application Form signed by all registered owners;
- completed Job Estimate Form (only prices for service line replacement are eligible for the loan);
- such other further information or documentation as may be required by the Director.

Not Retroactive

The Private Lead Water Service Replacement Loan/Grant Program will not be retroactive to apply to works started prior to the 2023 construction season.

Discontinuation of Program

The terms of the Program are subject to change. The City may periodically review the Program Guidelines to determine if the Program should continue, be modified, or cease to issue any new loans or grants. The City may discontinue the Program at any time.

City Not Liable

The Loan Agreement will contain provisions requiring the Applicant to acknowledge that the City shall not be liable for any damage to the owner's property as a result of any lead private water service extension replacement work and that the City is not responsible for the quality of the material or workmanship or for any warranty relating to the work.