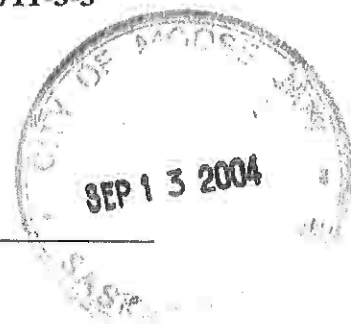


CITY OF MOOSE JAW**September 3, 2004****COMMUNICATION # 117****File No. 1711-3-3**

TO: Members of City Council
FROM: Engineering Department
SUBJECT: No-Corrode Pipe

**PURPOSE:**

To provide City Council with background information respecting the No-Corrode Sewer Pipe Replacement Program.

BACKGROUND:

City Council, at the regular meeting held on April 12, 2004, considered the April 5, 2004 minutes of the Budget Committee, and adopted the following motion:

“THAT City Administration prepare a report regarding the history of City’s policies concerning the use and replacement of no-corrode pipes.”

Between the mid-1950’s and the mid-1960’s, the City of Moose Jaw permitted the installation of a tar and paper pipe, more commonly referred to as no-corrode pipe for residential sewer connections. The pipe itself is hardened cardboard coated in tar. It was considered a superior product in its day because the pipe would never corrode, unlike cast iron connections that were commonly used prior to the 1950’s.

Unfortunately, no-corrode pipe has not performed as originally expected. Although the pipe is not susceptible to corrosion, the structure of the pipe lends itself to collapse, particularly in clay soils as well as penetration of tree roots. No-corrode pipe typically does not withstand the rigors of cleaning. Total replacement rather than repair has been the Engineering Department’s practice, in the event there is a problem with a no-corrode sanitary connection. In the 1970’s, a policy was established to replace no-corrode pipe within the City. The policy outlined a cost share arrangement where the City paid 75% and the homeowner paid 25% of the cost to replace the pipe.

In July of 1992, City Administration made the decision to discontinue the cost share arrangement leaving the benefiting property owner responsible for the entire replacement cost. The rationale for this change in policy was based on the fact that No-Corrode pipe had performed to a reasonable life expectancy (35 years, at that time) and the City should not be expected to warranty this material any further. This new policy treated all sewer connection replacements equally, regardless of the type of material they were constructed of.

The Joint Committee of Finance and General Committee and Public Works Committee, at a meeting held on January 8, 1996, considered a report dated January 4, 1996 from the Engineering Department respecting the City of Moose Jaw's "no-corrode" pipe replacement policy. The following motion was made:

"THAT the current City of Moose Jaw Policy, whereby the property owner is responsible for the total cost of replacement for a no-corrode sewer connection, as implemented on July 7, 1992, which is the same policy as all other sewer connection replacements, remain as is; and further

THAT Mr. Henry Barbier be provided with a copy of the report dated January 4, 1996 from the Engineering Department and thanked for his letter.

THAT the City Administration provide a report to the Joint Committee addressing the various options for financing the replacement of sanitary sewer and water service connections."

Councillor Schwinghamer, at a regular meeting held on August 24, 1998, by way of Notice of Motion introduced a motion to change the no-corrode Funding Policy and City Council adopted the following amended motion:

"WHEREAS during the period from the mid 1950's to the mid 1960's, there was installed, in the City of Moose Jaw, a type of sewer connection piping composed of tar and paper and referred to as no-corrode pipe; and

WHEREAS pipe constructed from no-corrode material performed poorly in clay soils and has experienced a higher number of collapse each year than pipe constructed of other material; and

WHEREAS, for example, there were six replacements of sewer pipe connection in the City of Moose Jaw in 1997 and six in 1996, and ten of those twelve replacements were constructed of no-corrode pipe; and

WHEREAS the City previously subsidized property owner's replacement of no-corrode pipe on the basis of a 25% property owner share and 75% City share; and

WHEREAS in 1992, City Administration discontinued the subsidization policy and required property owners to pay the full cost of replacement of no-corrode sewer pipe; and

WHEREAS the City should bear 50% of the cost of no-corrode pipe replacement given its inferior life span; and

THEREFORE BE IT RESOLVED that the City institute the policy of subsidizing the replacement of no-corrode sewer pipe connections to the extent of 75% from the City and 25% from the property owner for that portion of the sewer connection from the sewer main to the building line; and further

THAT such policy be retroactive to January 1, 1992 and, to the extent possible, include all property owners who:

1. from 1992 to present, were required to replace defective no-corrode sewer pipe and paid in excess of 25% of the cost to do so; and
2. continue to own the property at which the sewer pipe was replaced."

As a result of this motion the City retroactively paid 75% of the cost to all of the existing homeowners who, at the time (1998) still resided in their homes from 1992 to 1998. This equated to approximately \$60,000. credited to 33 homeowners.

This policy still remains in effect and was ratified by City Council on January 14th, 2002, with the passing of the new Sewer and Water Utility Bylaw, Bylaw No. 5152. Section 32(1) of the Bylaw states:

"Notwithstanding any other provision of this Bylaw, the owners of a lot within the City of Moose Jaw where no-corrode pipe was used to construct sanitary sewer connections shall only be responsible for twenty-five percent (25%) of the cost to reconstruct such connections and the remainder of the cost shall be borne by the City at large."

DISCUSSION:

The Engineering Department performed a detailed assessment of no-corrode pipes in the City. There are an estimated 2,490 no-corrode connections in the City. Between 1992 and 1998 the City averaged 5 replacements per year. In the last six years, the City averaged 7 replacements per year. The Engineering Department anticipates that this rate will increase.

The City has had a policy respecting no-corrode pipe replacement since the 1970's, recognizing that no-corrode pipe is an inferior product. Notwithstanding the rates of failure for this pipe, no-corrode pipe has functioned for over forty years. In comparison, VCT pipe has performed for close to hundred years in many cases. At some point, the warranty of no-corrode pipe and the City's associated financial liability will have to end. Any new arrangement for a replacement strategy would be a decision of City Council.

ATTACHMENTS:

1. January 4th, 1996 report to Members of Joint Committee from the Engineering Department regarding Replacement of No-Corrode Pipe Sewer Connections.

ALTERNATIVES:

1. Receive and file as information.
2. Provide alternate direction as determined by City Council.

FINANCIAL IMPLICATIONS:

Currently, there are an estimated 2,490 no-corrode connections in the City, not excluding ones that have been replaced by the homeowners on their own. The average total cost to replace one is \$5,000. with the City's portion of \$3,750. each. The estimated total liability is \$9,337,500.

At the current rate of replacement, the City spends approximately \$26,250. annually, allocated from the Sanitary Sewer Utility.


SUMMARY:

The practice to replace no-corrode pipe was established in the 1970's when the City cost-shared the replacement with the benefiting property owners, at a rate of 75%/25% respectively. In 1992, City Administration changed the policy such that the replacement cost was entirely borne by the benefiting property owner. In 1998, City Council established the current policy that the homeowner may request that the City replace their no-corrode pipe on a cost-share where the City pays 75% of the replacement cost and the homeowner pays 25%. The estimated total liability is \$9,337,500. based on 2,490 existing no-corrode connections.

RECOMMENDATION:

THAT City Council receive and file this report as information.


Respectfully submitted



Ryan Johnson, M.A.Sc., P.Eng.
City Engineer

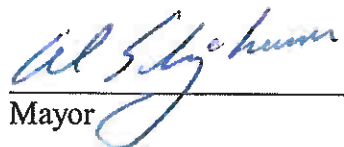
RJ/dr
Attach.

CITY MANAGER'S COMMENTS:



City Manager

MAYOR'S COMMENTS:



Mayor