

Appendix "B" to Water and Wastewater Infrastructure Support Community Improvement Plan

Lead Water Service Replacement Loan Program (LWSRLP) Guidelines

1.0 Purpose

- 1.1 The following description provides details relating to the eligibility for Program participation, scope of eligible works, loan values, application process, and other requirements related to the Lead Water Service Replacement Loan Program (LWSRLP).

2.0 Eligibility

- 2.1 Only residential properties with an existing private water service line substantially composed of lead confirmed by the City of Hamilton are eligible for the Program.
- 2.2 Only the registered owners of the property shall be eligible for the loan and must be the registered owner at both the time the works were completed and the application for reimbursement is submitted.

3.0 Scope of Eligible Works

- 3.1 Works which are eligible for the loan under this Program are limited to the following:
- 3.2 Replacement of a private water service line that is confirmed by the City to be substantially composed of lead.

4.0 Loan Value

- 4.1 Residential property owners will be eligible, upon approval from the City, for a single interest bearing loan, up to a maximum of \$2,500 for eligible works. The General Manager of Finance and Corporate Services has been authorized by Council to review the maximum loan amount under the LWSRLP on a quinquennial (every five years) basis and increase the maximum loan amount based on the Statistics Canada Construction Price Index. Council may also revise the maximum loan amount at its sole discretion.

5.0 Loan Details:

- 5.1 Loans may be available to cover all applicable estimated costs (as approved and determined by the General Manager of Public Works) for undertaking lead

water service replacements measures, as described in Paragraph 3. Loans will not be available to cover any other associated costs (e.g. it will not cover the costs of repaving of an entire driveway, restoration of landscaped yards, or any other such costs that are deemed by the General Manager to be unnecessary for the replacement of the private water service line).

- 5.2 The loan, if approved, will only be advanced to the property owner upon receipt of invoices for completed work and inspection of the completed work by City staff under a Water Service Replacement Permit.
- 5.3 Any work that is commenced or completed, prior to the loan application approval, will be ineligible under the LWRSLP (unless waived at the General Manager of Public Works discretion).
- 5.4 The loan amount, plus any applicable interest, will be transferred to the Alectra Utilities' water account for the owner's residential property, as a payment arrangement. The monthly loan amount, plus applicable interest, will be billed monthly for a maximum period of up to 120 months or 10 years.
- 5.5 Loan approvals are subject to the availability of funding, at any given time, as determined by Council. Loan applications will be processed in chronological order based on the date of receipt of applications.
- 5.6 Loan approvals will be valid for 12-months and will expire if the work is not completed within that time period (unless extended at the General Manager of Public Works discretion).

Security:

- 5.7 The loan will be secured by a Commitment Letter and Promissory Note that must be signed by all registered owners of the Property in connection to which the loan is advanced and will be added to the owner's Alectra Utilities water and wastewater/storm account. The loan will show as a payment arrangement on the Alectra Utilities water and wastewater/storm account.

Repayment of the Loan:

- 5.8 Full repayment (including Repayment of the loan plus applicable interest will be made monthly through the owner's Alectra Utilities water and wastewater/storm account for a term agreed upon in the Commitment Letter and Promissory Note signed by the Property owner(s). Full repayment (including interest) 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 (including principal and applicable interest) **will immediately become due and payable by the owner(s)**. A penalty of 19.56% per annum will be applied against the unpaid balance. Amounts that remain outstanding 60 or more calendar days beyond the invoice 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 agrees to the terms and conditions of the loan by executing a Commitment Letter and Promissory Note in the form acceptable to the City.