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## CITY OF KELOWNA

# MEMORANDUM

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**Date:** February 28, 2001  
**File No.:** 5340-09-22

**To:** City Manager

**From:** Wastewater Manager

**Subject:** Leathead Road Trunk Sewer Latecomer Agreement

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### **RECOMMENDATION:**

THAT the City of Kelowna enter into an agreement with Phoenix Investments Ltd. (Jacobson GM), entitled the Leathead Road Trunk Sewer Agreement No.1;

AND THAT Mayor and City Clerk be authorized to execute and affix the corporate seal to this agreement.

### **BACKGROUND:**

Phoenix Investments Ltd. owns two properties on Leathead Rd., namely the Jacobson GM dealership and the Jacobson GM body shop. In 2000, the Owner approached the City to facilitate the installation of a sewer system to service their buildings.

The basis of the agreement is that Phoenix Investments Ltd. will take steps to construct the trunk sewer in Leathead Road, from Lester Road to Hein Road at an approximate cost of \$178,000. Phoenix is obligated to contribute approximately \$98,000 toward the trunk sewer and therefore, will be entitled to recover their additional investment of approximately \$80,000. Phoenix's contribution to the Sewer Service Area is based on \$5,700 per EDU, which was the quote that they were provided in 2000. The Sewer Service Area charge for this area was adjusted to a higher amount in December of 2000, but because this agreement was in progress at the time, we intend to honour the original Service Area charge.

Phoenix will be repaid under the terms of the Leathead Road Trunk Sewer Agreement, which commits the City to pay them 95% of Sewer Connection Area Fees collected from other property owners who choose to connect to the newly installed sewer line, up to a maximum of the additional funds that they invested. The City will track the fees collected and reimburse Phoenix until their entire additional investment is repaid. This is a very similar mechanism as that used with Intrawest for the McCurdy Road Trunk Sewer agreement.

The result of this partnership and agreement is that a sewer main will be constructed for a few blocks in Leathead Road and all the fronting properties will be provided with a sewer service up to their property line. If it is installed, the sewer extension will open up opportunities for more neighbourhoods to further extend the sewer system to serve their properties and should facilitate an easier and more cost-effective connection to sewer for most of these properties. This agreement will be transparent to the affected property owners on Leathead, as they will still only pay the current Sewer Service Area Connection Charge (presently \$6,800 per EDU) plus

their ancillary costs. We believe that this arrangement will further benefit our goal of providing sewer to the Rutland area.

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W.J. Berry, P.Eng  
Wastewater Manager

Attachment

WJB/ms

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John Vos  
Director of Works & Utilities

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The following is a list of the attachments that are **not** available with the electronic version of this report. The attachments can be viewed in the City Clerk's Department (3<sup>rd</sup> level, City Hall):

- Leathead Road Sewer Agreement No.1, between Phoenix Investments Ltd. and City of Kelowna
- Works & Service Agreement between Phoenix Investments Ltd. & City of Kelowna.