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## CITY OF KELOWNA

# MEMORANDUM

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**Date:** April 5, 2001  
**File No.:** 5340-09  
**To:** City Manager  
**From:** Wastewater Manager  
**Subject:** Sewer Connection Charge bylaw amendments

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### RECOMMENDATION:

THAT the report from The Wastewater Manager dated April 5, 2001 and describing amendments to the Sewer Connection Charge Bylaw be received for information;

AND THAT Bylaw No. 8469, the Sewer Connection Charge Bylaw, be amended as required;

AND FURTHER THAT the Owner of Lot 1, Plan 22581 be refunded the amount of \$12,240 from Account No. 40-4900-SA521-W434 to address a previous Sewer Service Area payment made on the basis of 1 EDU per multi-family unit.

### BACKGROUND :

City Council adopted the Sewer Connection bylaw to establish consistent charges for connecting to the Sewer system in different areas of the City. The bylaw averted the likelihood of different property owners paying vastly different amounts for sewer service depending on their proximity to an existing sewer main or on the size and depth requirements in front of their specific property.

The cost and Equivalent Dwelling Unit (EDU) figures in the bylaw were set as closely as possible with the information that was available. As new mains are installed and Development occurs in Service Areas, the sewer installation cost and EDU's are intended to be adjusted to more accurately reflect the connection charges for the remaining properties. When we recently calculated the McKenzie bench Specified Area costs, we took the opportunity to re-calculate the estimated costs of installing sewer mains in the remainder of Service Area No. 21 (McCurdy).

In administering the Service Area charges in 2000, we dealt with a number of multi-unit property owners that felt our EDU conversion for multi-family buildings was unfair. The conversion used for low density multi-family is presently based on one EDU per dwelling unit. For these multi-family buildings, the Service Area charge would be 2-times for a duplex, four-times for a fourplex etc. Although this may be appropriate for downstream loading calculations, it does not appear equitable for apportioning costs for fronting sewer mains, as included in a Service Area. Staff conducted some research and determined that duplex's do not, on average, have double the frontage of a single family house, nor do four-plex's have four times the frontage, etc. The results of our research was reviewed with the Finance Department, and it was determined that it

would be more appropriate to charge 0.7 EDU's for units in multi-family buildings. This is one of the proposed changes in the Sewer Service Area connection charge bylaw. The consequence of this change, however, is substantial in areas where there are several multi-family units. The change will result in a shift of some of the servicing costs to the single family properties in the Service Areas.

In addition to the above mentioned change in costs, since the last estimates were produced pipe prices had increased substantially due to the market price of PVC resin, and asphalt prices had also increased substantially due to the world price of oil.

As a result of the aforementioned changes to the costs, Service Area charges will need to be increased and staff will recalculate and recommend the proposed new charges later this year. In Service Area No. 21 (McCurdy) we now have a reasonable estimate of the new costs to install the sewers and of the number of multi-family units in the area. The charges would have gone up substantially, but since the McKenzie Bench area received a Provincial Grant for \$1.77 Million, it will assist in keeping the Service Area charge close to where it was. We recommend that the connection charge for Sewer Service Area No. 21 be raised to \$7,100 per EDU.

While staff were researching the cost of main installation as it relates to low density multi-family units, the owner of a six-plex on Rutland Road encountered septic problems and was required to connect to the sewer and pay the Service Area charges based on 1 EDU per unit. This is the only multi-family building that we are presently aware of that has paid the Service Area fees. It is recommended that if the new EDU conversion for multi-family buildings is adopted by Council, that the owner of Lot 1, Plan 22581 be refunded the amount of \$12,240, which is the charge that was applicable at the time (\$6,800/EDU) times the number of units (6) times the proposed "discount" of 0.3 EDU's for multi-family units.

In the review of the Development plans for some properties in the Okaview Area, it was discovered that some existing properties that could connect to a proposed sewer main down Chute Lake Road, were not shown in Sewer Service Area No. 28. We intend to offer Developers the opportunity to recover their investment in the sewer main by repaying them a portion of the Service Area charges, as we have done in a few other locations. If the parcels are left out of the Service Area, the owners would not be required to pay the appropriate fees when they connect. The map depicting Sewer Service Area No. 28 (Okaview) boundaries is proposed to be amended by adding the properties along Chute Lake Road into the area.

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W.J. Berry, P.Eng.  
Wastewater Manager

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John Vos  
Director of Works & Utilities

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Cc Deputy Director of Finance  
General Accounting Manager