
CITY OF KELOWNA

MEMORANDUM

Date: April 5, 2001
File No.: 5340-09-29
To: City Manager
From: Wastewater Manager
Subject: Totom/Campion Sewer Specified Area No. 29

RECOMMENDATION :

THAT the report from the Wastewater Manager dated April 5, 2001 describing the issues related to the proposed Totom/Campion Sewer Spec. Area No. 29 be received for information.

BACKGROUND :

The City Clerks office has submitted a Certificate of Sufficiency that states that there were not enough counter petitions submitted to require the project to be cancelled, which indicates the majority of the owners in the area are in favour and that council may proceed with the bylaw. It was possible for 368 owners to submit counter petitions, and 13 were received. The 13 petitions against the project represented 11 parcels in the proposed Spec Area.

This project was initiated in 1999 when a group of property owners contacted the City Wastewater Department to express their desire to have a sewer system installed in the Totom/Campion area. These Owners represented properties on Campion Rd., Totom Ave., Loyd Rd. and Willow Park Rd. An information meeting was hosted on Jan. 24th and all affected property owners were invited to attend. There are 27 properties in the proposed boundaries, with over 300 Owners, due to Strata ownership. The project consists of the installation of sewer mains and services for all the parcels, which are predominantly Industrial, but include one large Agricultural parcel. The lot sizes vary from 0.17 ha to 5.95 ha. The assessed values range from \$64,200 to \$2,828,000.

The Jan. 24th meeting allowed staff the opportunity to present the findings of the pre-design report and explain the reasons for the boundary and the cost allocation method proposed before submitting the bylaw to Council. It was explained that the boundary was set in the same manner as previous Spec Area projects, which was to service all the unserved properties in a contiguous area. The difficult issue in this project was to determine the allocation of costs between all the benefiting properties. With the properties varying so greatly in size and use, each option caused an inequity in the allocation. Our Engineering Consultant was required to investigate various alternatives to assess the costs, and in the end recommended a uniform per-parcel charge.

Fifteen people attended the Jan. 24th meeting and they represented about half the properties in the affected area. The majority of the property owners in the area that attended the meeting were in favour of proceeding with the sewer installation project, and no one opposed either the proposed Area boundary or the method of cost allocation for the project. On that basis, on February 19, 2001, the Totom/Campion Sewer Specified Area project was presented to City

Council with the recommendation that the Spec Area be initiated. That started the 30-day counter petitioning period to determine if the majority of the property owners are in favour of proceeding with the project or not.

After the bylaw had been given initial consideration, all the property owners were sent another letter notifying them of the proposed Specified Area, the terms of payment and of the opportunity to submit a counter-petition to oppose the project. In addition, an advertisement in the newspaper was posted, and another meeting was hosted on March 7th. At this meeting, many of the owners that were opposed to various facets of the project voiced their concern. The primary concerns were that the owners of the smaller lots that could be serviced without a lift station were opposed to contributing to a facility that would benefit others and in addition, the owners felt that an equal charge for each parcel was unfair. Because the piping connects at two different locations on the College Trunk sewer with one area requiring a Lift Station and the other not, some owners at the March 7th meeting saw the opportunity to split the areas to adjust the costs.

If the proposed Specified Area was split into two separate areas the lower, larger lots would be assessed an estimated \$62,600 each, and the lots at a higher elevation in the Willow Park area would be assessed \$37,100 each if the per-parcel allocation was used. It is certainly understandable that the owners of the smaller lots feel they are subsidizing the larger lots, however the benefit they receive is the same. All properties get a sewer service to their property line, and the larger lots do not necessarily have more use for the sewer than the small lots. Historically, Specified Areas have been established to service all properties in a contiguous area, and the City has attempted to equalize costs in an area rather than divide areas into different projects based on the area costs.

Once the Area has been selected, the apportionment of the costs within the Area becomes the challenge. In this Specified Area, because of the various uses, lot areas and sewer benefit from all the different businesses, it was very difficult to develop a cost allocation that did not create an inequitable charge for some owners. If parcel size is used, an agricultural property with a farmhouse would be burdened with the bulk of the costs. If assessed value is used, a fruit processing plant with a few bathrooms pays the bulk of the costs. Other options were considered but one that allocated the costs in accordance with the benefit derived was difficult to find. The recommendation of our Consultant in this regard, which we analyzed, debated and now support, was that we utilize a uniform per-parcel cost allocation for this project.

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

John Vos
Director of Works & Utilities

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