CITY OF KELOWNA

MEMORANDUM

 Date:
 October 2, 2002

 File No.:
 5340-05

To: City Manager

From: Director of Works and Utilities

Subject: Acland/Old Vernon Sewer Specified Area No. 30

RECOMMENDATION:

THAT the City of Kelowna initiate a Sewer Specified Area project pursuant to Section 646 of the Local Government Act, for the properties shown on Map A, which indicates the proposed service area on Acland Rd and Old Vernon Rd.;

AND THAT Council authorizes the single source Consultant selection of Protech Engineering Ltd. subject to acceptable fee and work plan proposal.

DISCUSSION:

The City has received a petition for a sewer specified area for selected properties on Ackland Rd and Old Vernon Rd. The properties are owned by a number of companies, all of which are part of the Argus Properties Ltd. group.

The petitioners have requested that this sewer specified area be implemented to initiate sewer servicing of the existing properties and to allow servicing of a new development at the old Ellison school site on Acland Rd. This new development is the Interior Health Region Health administration and warehouse facility. The petitioners have identified that the existing units on Acland Rd. are in need of sanitary sewer service due to insufficient capacity in the existing septic systems. The southerly portion of the Old Vernon Rd property (Lot 1, Plan 56729) is presently serviced and flows north towards the City's "Edwards" Lift Station. This property houses a high volume customer (Cintas) that presently discharges up to 11 litres per second. This flow, when combined with flows from the rest of the area, has on many occasions exceeded the capacity of the lift station, which has a capacity of 15 l/sec for the entire area. Due to these circumstances, staff support adding this property to an alternative gravity sewer (via the proposed Spec Area) to reduce the present flows to this lift station.

Connecting the Cintas building to the new sewer proposed by this Spec Area will save the Sewer Utility ongoing operating costs because the huge flows from this building will be diverted into the College Trunk sewer and no longer have to be pumped through our lift station. The Wastewater Utility has included a request for \$20,000 to be considered during the upcoming 2003 Financial Plan review, to upgrade the Edwards lift station to accommodate the new flows that are being encountered. We propose to direct those same funds toward a subsidy for this Spec Area, and assist in redirecting the new flows rather than upgrade the pump station to accommodate them.

The use of the Specified Area process to service selected properties is not consistent with City practice of servicing all properties within an area. We have encouraged the petitioners to approach all properties in the area but due to the time constraints of providing sewer on Ackland

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Rd. for the new development they advised this was not possible. The impact of not including the other properties is increased costs to the initial properties in the proposed Spec Area. The total estimated cost of constructing the proposed sewer mains is \$568,507. Other properties fronting the installed mains can join the specified area in the future at their convenience and their cost appears to be reasonable with the initial costs to the benefiting Owners estimated at \$7,209 per EDU for a lump-sum payment or \$764./EDU if they choose to pay over 20 years.

Due to the irregular nature of this specified area petition staff have sought advice from the City's lawyer who confirmed that Council could consider such a petition. Sewer Specified Areas are fully funded by the benefiting property owners. City costs including administration of the specified area project are recovered from the benefiting properties. Therefore there is no cost to the City taxpayer or Sewer Utility, except for the aforementioned subsidy. Staff have counseled the petitioners that they could install the sewer system themselves and then latecomer the other fronting properties, however, the petitioners have indicated the desire to service via the specified area method. Section 631 of the Local Government Act allows the owners to present a petition to Council, and if signed by at least 2/3 of the owners liable to be charged, then an advertising and voting period is not required. The City Clerk's office has deemed that the petition received is sufficient to create a sewer-specified area.

Normally staff would not recommend support for this irregular specified area that effectively services one Company's properties, however in this case, there is a benefit to the Utility by having the portion of Old Vernon Rd serviced by gravity and removing a high volume customer from the Edwards lift station. The cost of the line extension to the Cintas property is approximately \$120,000, which will be borne by the affected Property Owners.

The petitioners wish to install the sanitary sewer on the Old Vernon and Acland Rd areas yet this fall in order to be able to serve the new development later this winter. In order to achieve this, if Council approves the specified area, it will be necessary to single source the engineering design and tendering process. Protech Engineering Ltd. has been engaged by the petitioners to conduct their development work and are in position to move very quickly with the tendering of the sewer specified project. City staff will work to ensure that these costs are consistent with other sewer specified area costs.

On the basis of information, Council may favorably support this specified area on the basis that the petition meets the legal requirements of the Local Government Act, the servicing will allow additional existing properties to access sanitary sewer service and there is no cost to the City Sewer Utility customers. As well, the servicing of the Old Vernon Rd property by this gravity sewer will significantly reduce the loading on the Edwards lift station, saving the City costs

John Vos Director of Works & Utilities W.J. Berry, P.Eng. Wastewater Manager

cc. Director of Planning and Development Services Development Engineering Manager Wastewater Manager

