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## CITY OF KELOWNA

# MEMORANDUM

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**Date:** July 15, 2003  
**File No.:** 0410-01  
**To:** City Manager  
**From:** Wastewater Manager  
**Subject:** Federal / Provincial Infrastructure Grant - 2003 applications

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### **RECOMMENDATION:**

THAT Council endorse the list of priorities for projects to be submitted for consideration of Grant applications for 2003, as follows;

1. Ultraviolet Water Treatment system (submitted earlier this year)
2. Fisher Road Water & Sewer Specified Area project

AND THAT staff be directed to prepare and submit an application under the Federal/Provincial Infrastructure Grant program, to the Ministry of Community, Aboriginal and Women's Services (Municipal Affairs), for the Fisher Road Water & Sewer Specified Area project.

### **BACKGROUND:**

In the spring of 2000, the Federal Government announced that it would direct \$2.65 Billion to create a Grant program to improve and enhance the Infrastructure in Canadian Municipalities. Later that year, an announcement was made that B.C. would be receiving about \$268 Million of that Federal money. The Province then developed an \$800 Million Canada/B.C. Infrastructure Grant program, which would be made up of the \$268 Million Federal share, \$268 Million Provincial Funds and the remaining \$268 Million from the benefiting Municipalities/Organizations. The Province of B.C. is the authority that evaluates and awards the Grants. The Grant program and the allocation of the funds were projected to extend over a 5-year period; however most of the funds have been allocated.

The City of Kelowna has benefited from previous Infrastructure Grant programs. A few years ago two areas in the N. Rutland Sewer area were awarded 2/3 Grants from the Province, which we combined to form the large North Rutland Sewer Specified Area project that is currently under construction.

Previously, City Council endorsed a schedule of priorities based on the Health & Welfare of our residents, the Environment and the benefit to the Community, and this list of priorities was to be utilized in applying for Grant money for Sewer projects. The top two priorities are the McCurdy and Fitzpatrick service areas in North Rutland. Both of these are presently being sewered utilizing the Infrastructure Grants that we have already received. The next priority is the Fisher Road area. The Fisher Road Water & Sewer service areas are shown on the attached map. This area consists of approximately 84 equivalent dwelling units, comprised predominantly of single family homes but includes the Mission Creek Golf Club. These premises presently have no municipal water system so they rely on wells for a water source. They also utilize septic

disposal fields to dispose of their wastewater. When these circumstances are combined with the fact that the area is subject to high groundwater, influenced by the proximity to Mission Creek, it is apparent why the Public Health Inspections section of Interior Health clearly supports our proposal to install Water & Sewer services in this area.

The Fisher Road Service Area presently has one of the highest Sewer Service Area fees of all the areas in the City, which is one of the reasons this area is suggested as the top priority of Sewer projects to obtain financial assistance. The current costs to provide Water & Sewer service to the Fisher Road area is approximately \$26,000 per Dwelling Unit. There are a few reasons for the higher per-unit cost, namely:

- This area requires both Water and Sewer services which, although it is most cost effective to construct both at the same time, still increases the costs substantially.
- The area is not densely developed, resulting in the costs of sewerage the area being apportioned between a small number of benefiting property owners, which increases the per-unit cost.

If an Infrastructure Grant is obtained for the area, the financial assistance will substantially reduce the cost of sewerage that area to an amount less than \$10,000 per Single Family Equivalent. The proposed boundaries of the two Spec. Areas are attached. The estimated cost of the project is approximately \$2.4 Million.

Based on several years of inquiries and requests for water and sewer service in the Fisher Road area we believe the area is experiencing well and septic field failures at an increasing rate. To ensure that the affected Owners were aware of what the process was, and what the costs were to obtain Utility services, we wrote a letter to all Owners in May, and hosted a public information meeting on June 5, 2003. We received a generally favourable, but not unanimous reception to our proposal to install Water & Sewer mains in the area. To attempt to better determine the desire of the Owners, we mailed questionnaires to all affected Owners to solicit their opinion. The results of the questionnaires are as follows:

- In the proposed Fisher Road Spec. Area, approximately 80 questionnaires were mailed out and as of the date of this report 42 responses have been received. Of the responses received, 21 owners representing 50% of all responses indicated that they wished to proceed with the project if a 50% Gov't Grant was obtained, and a couple of those wished to proceed even without a Grant. The other half of respondents expressed a desire to cancel the project and for the City not to pursue a Sewer installation project in their area. We are unaware of the opinion of the Owners who did not respond either way (almost half the Owners).

The amount of support is not as significant as anticipated, and it is speculated that the suggested Sewer Spec Area fee of \$13,300 per SFE that we used to determine the level of interest may be causing owners to resist the suggestion of proceeding with the Utility installation project. If we obtained a 2/3 Infrastructure Grant rather than the 50% Grant used in our calculations, the per-unit charge would be less and we believe that more Owners would support the project. On this speculation, we are requesting Council to endorse the recommendation to apply for a Canada/B.C. Infrastructure Grant with the hope that the Owners would seize the opportunity if it becomes available.

Although the Grant applications will be submitted to the Province with suggested priorities, the Ministry of Municipal Affairs has a matrix that they use to determine the priorities that they will award Grants with.

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

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John Vos  
Director of Works & Utilities



PROPERTIES TO BE SERVICED  
WITH WATER ONLY

PROPERTIES TO BE SERVICED WITH  
BOTH SEWER AND WATER

PROPOSED FISHER ROAD SEWER AND  
WATER SPECIFIED AREAS