
CITY OF KELOWNA

MEMORANDUM

Date: October 22, 2003
File No.: 5340-09-28A
To: City Manager
From: Wastewater Manager
Subject: Okaview Sewer Specified Area No. 28A.

RECOMMENDATION:

THAT Council accept the report dated October 22, 2003 from the Wastewater Manager and direct staff to continue with the engineering work for the Okaview sewer project and if Senior Government grant funding has not been announced by November 10, 2003, to take the appropriate steps to reconfigure the proposed project boundaries to facilitate a Sewer Specified Area of a reduced size.

BACKGROUND:

City staff have been working continuously since the Okanagan Mountain Park fire in an attempt to facilitate a sewer project for the affected Okaview area. After the fire destroyed many homes in the area, Wastewater staff attended the recovery forum at Skyreach place to address any questions that may arise about the timing of sewer installation in the area. An overwhelming number of affected property owners requested the City to consider providing sewer for the neighbourhood at this time, rather than allowing them to rebuild a septic system. Interior Health has stated that they will not certify for use, any existing septic fields of burned houses. Some septic fields melted in the fire, and others would not meet current standards for approval. If the fields were intact and usable after the fire, it is likely that construction activity during the house reconstruction stage would damage the field. In addition, Interior Health officials indicated an increasing number of septic system failures in the area, and strongly support any plans to install sewer in this area for both the remaining homes and the new ones to be constructed.

There are many areas of the City that do not presently have sewer service, and the Okaview area is one that still has over 600 homes utilizing septic fields. The areas that are feasible to service have been prioritized based on the soil conditions, number of septic failures, environmental issues etc. It was anticipated that the "Okaview" area property owners (generally, homes west of Chute Lake Road) would have been approached to consider sewer in three to five years.

To attempt to assist the owners of the Okaview area, staff prioritized this project and attempted to develop a potential Spec Area boundary that would service as many burned homes as possible as well as involving as few "unburned" homes as possible. The proposed boundary is shown on the attached Plan. Potential sewer routes were established and cost estimates were calculated based on these routes. It was determined that the estimated cost to service the 191 homes in the proposed boundary is approximately \$2.4 Million. When the costs are apportioned to the benefiting properties, the resulting cost is \$12,500 per home, if the owner chooses to pay in a lump sum. If the Owners wish to pay for the project costs over time, rather than a lump-sum payment, their payment is estimated to be \$1,207/year for 20 years.

This sewer project is unique due to the unfortunate circumstances that brought it about, and it is certain to raise issues that will be a concern to many of the affected property owners. Some of the items specifically related to this project are:

- Many of the owners of burned homes must either re-build a septic system or invest in a sewer system. It seems a poor investment for owners to put new money into a septic system when sewer is anticipated in 3 to 5 years. If the owners of the new homes that will be built install new septic systems, it is unlikely that those same owners will support a sewer project in a few years when the fields of the existing homes begin to fail. The result could be that the Okaview area could remain unsewered for quite some time.
- Normally, Grants are available to assist in projects of this nature, however, in recent years several Spec Area projects such as Gerstmar Rd., Hein Rd, Vista Road and others have proceeded without grants. The timing of these other projects was at the discretion of the affected owners, and not with as short a timeline as proposed for this project. Many of the owners of unburned homes have other unanticipated expenses and do not want to spend the proposed \$12,500 for a sewer installation at this time. These owners feel pressured that they are being asked to pay the full cost to facilitate the sewer installation for their neighbours, rather than wait until a grant is obtained at some time in the future. City staff and City Council have made every effort to acquire some financial assistance, however limited funding has been awarded to date.

In an attempt to initiate a sewer installation project in the Okaview area, some of the owners in the area took a petition of support around to their neighbours and then submitted it to wastewater staff as an “expression of interest”. To help the neighbourhood facilitate an “Owner initiated” petition, City staff prepared a formal petition suitable to allow Council to initiate a Spec Area bylaw if an adequate number of owners signed it. To explain the Specified Area process, and the petitioning requirements, a large number of staff from the Wastewater Division, City Clerks office, Land Dept., Finance Dept., Building Dept., Interior Health and Urban Systems Ltd. hosted an information meeting on September 25th at the Evangel Church. The affected property owners were sent a letter inviting them to this Public Meeting. Staff outlined the process and timelines that we hoped to proceed with if enough people supported the project, and we explained what was involved in construction and the terms of payment if the project was successful. Following this meeting, Okaview residents have expressed their views, both for and against the proposed project.

As of last week, slightly over half of the affected property owners have signed the formal petition in support of the project under the financial terms that we have been able to offer. The number required to allow Council to proceed with an Owner initiated Spec Area project is 2/3 of the affected owners, so we cannot proceed in this manner. At this point, Council has various options to deal with the sewer issue in the Okaview area, some of which are listed below:

1. The project could be put on hold until Grant funding is obtained. To date, we have no commitments of Federal/Provincial funding and this could be weeks or years away.
2. There is an indication, but no commitment to date, that the Okanagan Basin Water Board may be able to assist in the costs of this project in an amount slightly more than \$400,000. This would be the first time that Kelowna has ever been considered for OBWB funds without first having received Provincial funding. The OBWB funding, if applied to the initially proposed Spec Area, would lower the cost-per-lot to approximately \$10,300.
3. The boundaries of the proposed Spec Area could be reduced/modified to include only those neighbourhoods that wished to proceed under the present terms that can be offered. Staff

could create a new owner initiated petition and work with motivated owners to facilitate a sewer installation project.

{NOTE – To date, our Land Dept. has not been successful in obtaining all the Rights-of-way that are required to construct all sections of the proposed sewer project and therefore the ability to service all the properties in the initially proposed boundaries may not be possible at this time}

4. Council could initiate a Specified Area (rather than owner initiated) which would change the manner in which the process works. In this case the new costs would be used for a bylaw that would be given initial consideration and the owners in the Spec Area boundaries would be given a 30-day period in which to submit a petition in opposition to the project. If the majority of the owners do not oppose the project, the project could proceed.
5. Wait for an announcement on Grant funding until a point when the engineering work is sufficient to start construction, and then create a new Spec Area boundary to facilitate service to interested homeowners.

Although we have made every attempt to obtain senior Government funding, we remain at this time without a commitment, which would certainly help many of the owners make the decision to support the neighbourhood project. At the present time some homeowners are either delaying or not rebuilding their homes because of the uncertainty of obtaining sewer service or not. Because the owners of the destroyed homes need to know very soon if and when we can install sewer for them, there is a risk of going back to the originally established area with the new cost, (after taking into account the OBWB funding). Many owners were annoyed about the short notice for the first meeting and they would likely be annoyed about short notice again. The process would invariably take many weeks and it is possible that a cost of \$10,300 still may be unacceptable to many of the owners, and we may have lost the window of opportunity to get some sewer constructed this year.

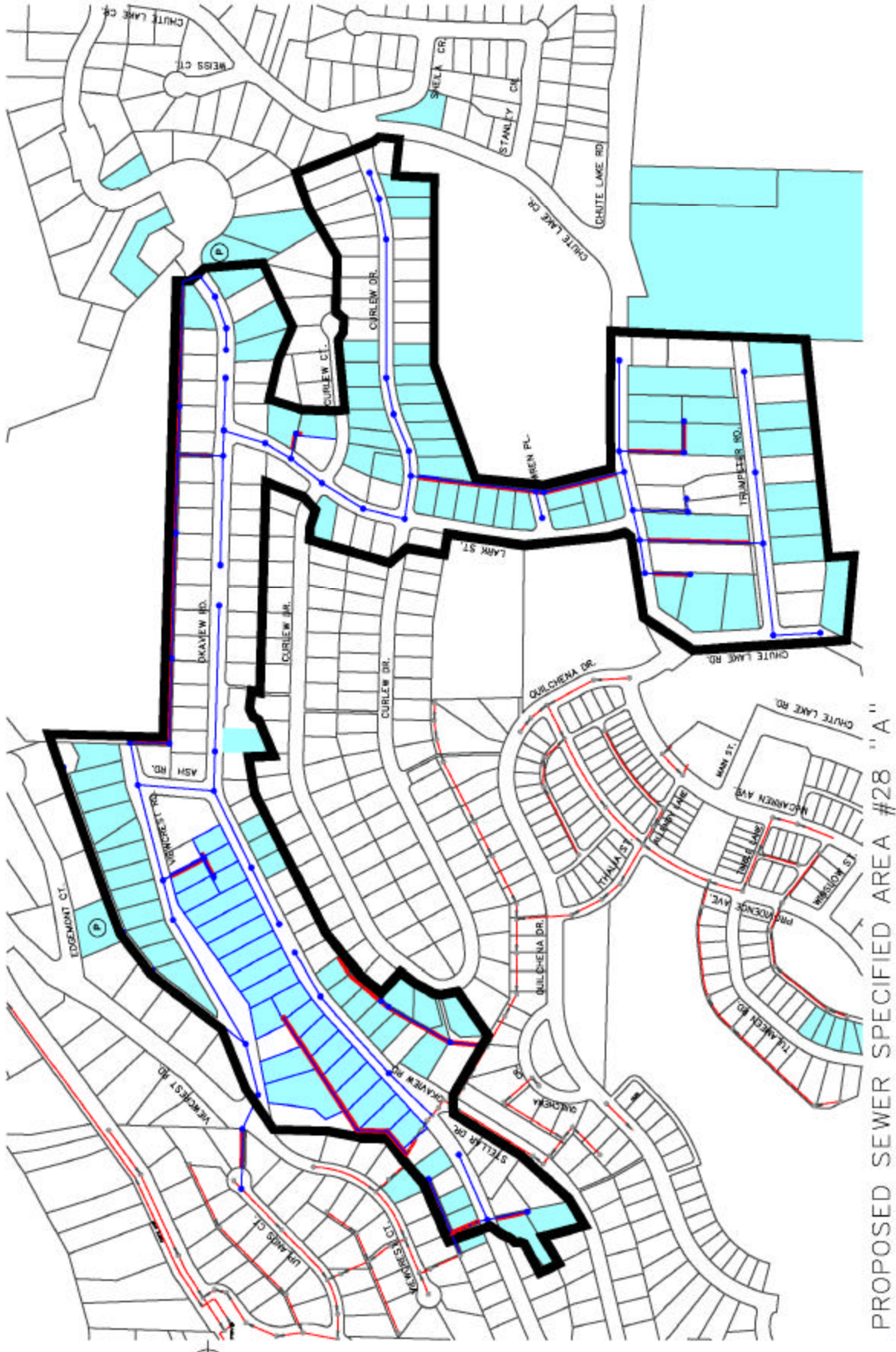
Staff will continue to work to assist any of the owners in the Okaview area to obtain sewer, as we have done for dozens of other areas in the past. It appears very likely that we could gain sufficient support for a reduced Spec Area in the Okaview / Viewcrest Road area and attempt to proceed with some construction this winter or early spring. Since the OBWB apportions their funding on a basis of a percentage of construction cost, a smaller area could benefit from the grant if they proceeded right away and the remaining area is also likely to be able to utilize the remaining grant if they choose to proceed at a later date.

To maximize our chances of benefiting the most people in the area that we can, we suggest that Council wait until the Senior Governments have had the opportunity to allocate any funding, but not too long that we delay owners much further from rebuilding their homes. We're at the end of our potential construction window for this year, and if the Okaview area has not been awarded any funding assistance by November 10th, staff would be hard pressed but would do their best to develop a Sewer Spec Area project for those owners that wish to proceed under the best terms that we are able to offer with the present level of funding assistance.

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

John Vos
Director of Works & Utilities

WJB/
attachment



PROPOSED SEWER SPECIFIED AREA #28 "A"

- PROPERTY DESTROYED BY FIRE
- STATUTORY RIGHT OF WAY REQUIRED
- PROPOSED SANITARY SEWER

NTS