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## CITY OF KELOWNA

# MEMORANDUM

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**Date:** January 5, 2004  
**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 January 5, 2004 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 to incorporate the following changes:

1. Add a new Connection Charge Area - North End Industrial area
2. Add a new Connection Charge Area – Cary Road
3. Increase the Connection Charge amount in Schedule 3 for Service Area No. 23 (Rutland -South) from \$6,900 /SFE to \$7,300 /SFE.
4. Add certain properties to Connection Charge area No. 28 (Okaview)
5. Remove all the properties in Specified Area No. 20 from their respective Connection Charge areas.
6. Remove a property from Connection Charge area No. 21.
7. Change certain properties from Connection Charge area No. 21 to Connection Charge area No. 22
8. Change any references to EDU (Equivalent Dwelling Unit) in the bylaw to SFE (Single Family Equivalent).
9. Amend Schedule 1 to change Mobile Homes from 1 SFE to 0.7 SFE's.
10. Re-number Connection Area No. 29 (Bopart) to Connection Area No. 31.

### **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 Single Family Equivalent (SFE) figures in the bylaw are set as closely as possible with the information that is available at that time, however, as new mains are installed and development occurs in Service Areas, the sewer installation cost and SFE's need be adjusted to more accurately reflect the connection charges for the remaining properties. Over the last year, several items were identified as requiring an amendment to the Sewer Connection Charge Bylaw, and those changes are described below:

A new Sewer Connection Area that is now required, is one affecting the Northern Industrial Area (the old Hiram Walker area). Sewer service has recently been extended to Jim Bailey Road, through a partnership with McIntosh Properties Ltd, which makes sewer available to a number of properties that previously only had dry sewer pipes in their area. A sewer connection charge is required to allow the Utility to recover its portion of the investment in the lift station and

downstream forcemain and gravity sewer. In addition, the connection charge is intended to generate the funds required for the cost of the incremental expansions/improvements to the new system that will allow the entire area to be serviced. Immediately adjacent to the Northern Industrial lands, is IR #7 land which is not presently included in the proposed Sewer Connection charge area. The Band has expressed an interest in obtaining sewer service, and discussions will be arranged to determine issues such as financial terms, contractual issues and timing. If a Memorandum of Understanding is achieved, a report will be presented to City Council to suggest any potential changes in the Service Area and charges that may be needed to add these lands. At the present time, the proposed Sewer Connection charge area is proposed without the IR #7 lands, as shown on Map A. The charge is recommended to be \$2,584 per SFE, which works out to \$17,870 per hectare of Industrial land area serviced, and will be added to Schedule 3 of the bylaw. This Connection Area charge is unique in that the charge will serve to recoup the costs of constructing the downstream facilities to serve the entire area. If certain streets need sewer mains installed in the future it is anticipated that a Spec Area will be created and that charge would be in addition to, not instead of, the Sewer connection area charge.

When the Transportation Division constructed the Enterprise Way road extension in the summer of 2003, a sewer main was constructed within the roadway, by neighbouring developers. It seemed appropriate to stub the sewer main into Cary Road, in conjunction with the construction, to avoid having to cut into the new road to install sewer in the next few years. The stubbed sewer main was front-ended by the Utility, and allows some properties on Cary Road to obtain sewer service quite easily and economically now. To recoup the Utilities investment, and to equalize the costs for all the un-serviced Cary Road owners, a new Sewer service connection area (Sewer Service Connection Area No. 33) is proposed. The area is as shown on Map B, attached, and the charge will be \$4,613 per SFE.

When the Springfield Road trunk sewer was installed, the contributing (upstream) sewer mains had to be investigated in more detail to allow the trunk to be constructed at a sufficient depth to service all the streets in the area. The level of geotechnical and engineering investigation work that was performed allowed our Consultant to refine and update the costs of servicing the South Rutland area. The costs of servicing the Rutland (South) sewer connection charge area No. 23 are now proposed to be \$7,300 per SFE.

When the Okaview sewer connection charge area was established, several large agricultural properties were omitted because it was believed that they would not utilize the sewer service. There are now indications that some of these properties may wish to connect to the sewer system in the future. It is proposed that these parcels be added to the Connection charge area to allow equalized fees to be charged and credits offered for any neighbourhood sewers installed by these property owners. The 10 properties being added are listed below:

- Lot A, Plan 67429
- Lot's 1 and 3, Plan 1722
- Lot A, Plan 25711
- Lot's 1 and 2, Plan 3679
- Lot A, Plan 33821
- Lot A, Plan 4175
- Lot 1, Plan 31820
- Parcel B5804

Because the City's automated Utility charge system layers all the connection charges for each affected property, it is our standard practice to remove all properties from the Sewer Connection area upon creation of a Specified Area project to avoid the possibility of double-charging any properties for sewer. When the large North Rutland Specified Area No. 20 was created, we inadvertently failed to remove all the affected properties from the two sewer connection areas

that the Spec Area overlapped. It is recommended that all the properties within Sewer Spec Area No. 20 be removed from the Sewer Connection Areas at this time.

It was recently discovered that a property on Alsgard Road was already serviced as a result of a Development that occurred years ago. It is recommended that Lot 5, Plan 45330 be removed from Sewer Connection Charge Area 21.

During the design of the sewer mains for the North Rutland Sewer Spec area project, it was determined that a few very long properties would be better serviced from Leathead Road than from a Spec Area sewer main that is north of the properties. The sewer main that will be extended up Leathead Road in the future, is in Sewer Connection Charge Area No. 22, so it is seems appropriate to move those lots into that area. It is recommended that Lot A, Plan 50295 and Lot's D & E, Plan 40065 be removed from Sewer Connection Charge area No. 21 and added to Sewer Connection Charge area No. 22.

Historically, the term EDU's (Equivalent Dwelling Units) has been used for the calculation of Units to determine Development Cost Charges. This conversion addresses the cost apportionment associated with downstream Trunks and Treatment Plant costs. The Sewer Connection Charge bylaw was drafted using the same EDU term and conversions as the DCC bylaw. Because the DCC bylaw is intended to charge on the basis of downstream flow and load produced by occupant loading, while the charges for Spec Area's and Connection Charge areas are geared more towards apportioning costs on the basis of the length of main and services required for local sewers, recent Spec Areas have been developed with a new terminology for cost apportionment called SFE's. A SFE (Single Family Equivalent) conversion will allow, in the future, the use of a different conversion factor for all Connection Charge Areas than the new density gradient calculation that is proposed to be used in DCC calculations. It is recommended that all references to EDU in the Service Connection Charge bylaw be changed to SFE.

Mobile Home Parks generally require less sewer main per dwelling unit than single family homes. To address the differential, it is recommended that all Mobile Home units on land zoned RM7 be calculated at 0.7 SFE per Mobile Home, and that Schedule 1 be amended accordingly. On occasion, a Mobile Home is situated on a Residential lot, and in that case we intend to charge Mobile Homes the same as a Single Family home (1 SFE).

Previously, the Bopart area was established as Sewer Connection Charge area No. 29. When the Campion/Cambro Sewer Specified Area was initiated, it was numbered Specified Area No. 29. To eliminate any confusion between the Sewer Connection Charge area and the Specified Area, it is recommended that the Bopart Connection Charge area be re-numbered to Area 31.

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

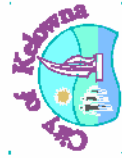
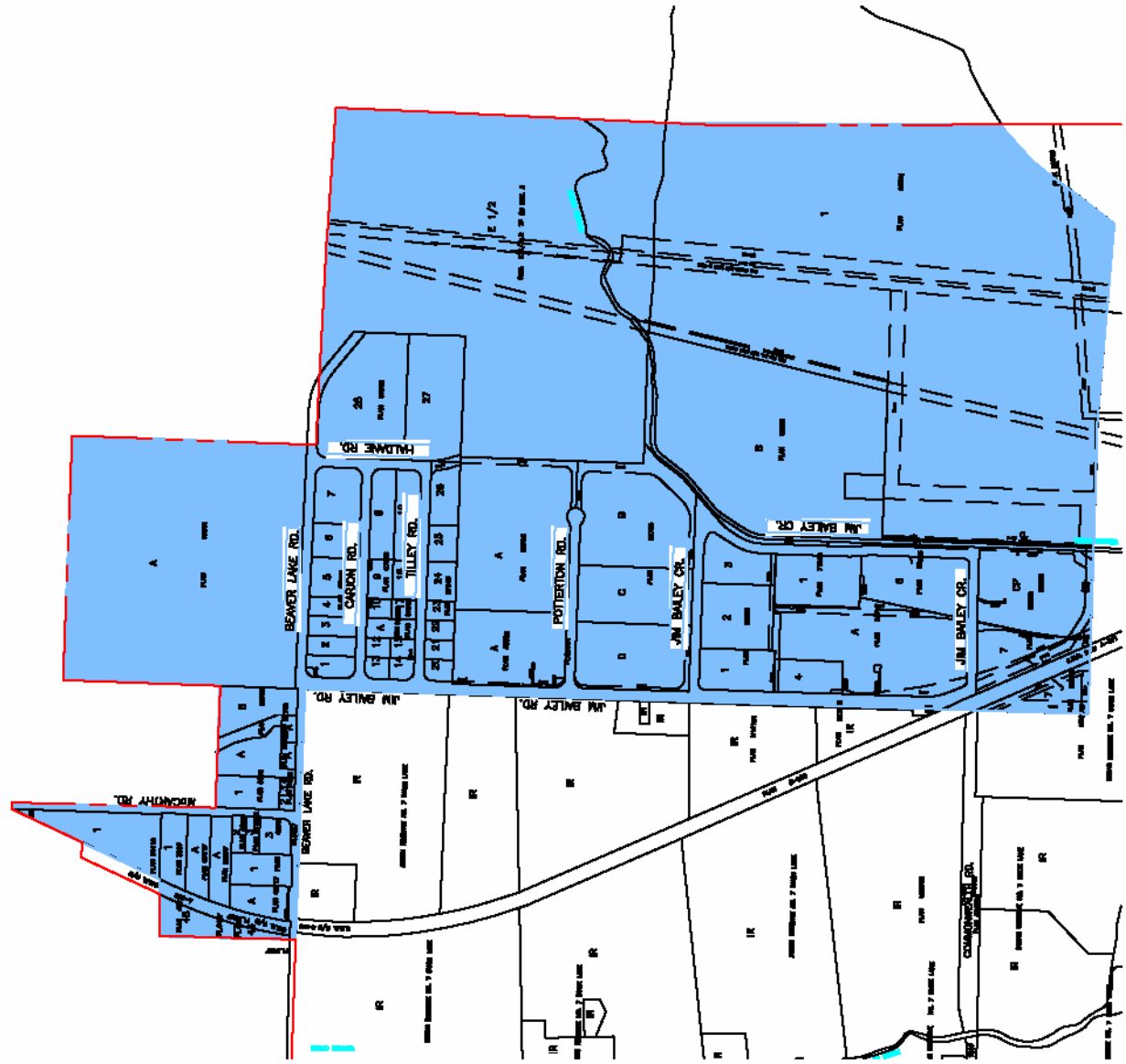
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John Vos  
Director of Works & Utilities

wjb/ms

cc     Director of Financial Services  
       GIS Coordinator

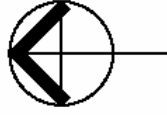
# MAP "A"



Title: **NORTH END INDUSTRIAL  
CONNECTION AREA #32**

DATE: DEC. 23 / 03  
REV:

**CITY OF KELOWNA**  
WORKS AND UTILITIES



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