
CITY OF KELOWNA

MEMORANDUM

Date: February 14, 2006
File No.: 5340-09-26

To: City Manager

From: Wastewater Manager

Subject: **Creation of Local Area Service project No. 26 (Fisher Rd. Water & Sewer)**

RECOMMENDATION:

THAT the City of Kelowna initiate Local Area Service Project No. 26 (Fisher Rd.) to include those properties identified on MAP 'A' as attached to the report of the Wastewater Manager dated January 30, 2006;

AND THAT Council direct staff to take the necessary steps to advise and involve the affected property owners as required by the *Community Charter*;

AND THAT Bylaw Nos. 9552, 9557, 9558 and 9559 (the Establishment and Loan Authorization bylaw for Local Service Area No. 26 (Fisher Road) Sewer and Water), be advanced for reading consideration;

AND THAT the 2006 Financial Plan be amended to include \$2,756,700 for this project in the Wastewater & Water budgets,

AND THAT Council consider funding the Road Improvement work for \$128,000 within the Transportation Division budget in the 2007 Financial Plan;

AND FURTHER THAT upon fourth and final reading and adoption of this bylaw, that Bylaw 8469 be amended so that all the properties within this Local Area Service boundary be removed from Sewer Service Area No. 26.

BACKGROUND:

Once the sewer project was underway in North Rutland, the next priority identified for servicing in the OCP was the Fisher Rd. area. In June of 2003 City Utility staff hosted an information meeting to discuss the options available for property owners in the 'Fisher Road' neighbourhood to obtain water and sewer service. The Fisher Road area includes Fisher, Polo, Como, Leader and KLO Road east of Benvoulin. City staff explained the "Specified Area" process that is used to install utility services in existing neighbourhoods and outlined the different options available to the owners, along with the anticipated timelines and cost of the project. There was an informative "question and answer session" and then staff spent some time addressing individual concerns of area residents. Shortly after that meeting, questionnaires were distributed to all the owners and about half of the owners who responded said they wished to proceed either with or without a grant.

The City then applied for a Canada/BC Infrastructure Grant for this project, but ended up being unsuccessful. We subsequently applied for a B.C. Water Improvement Program Grant. In December 2005 the Province announced that it had awarded the Fisher Rd. area a \$1.5 Million Grant to assist in the costs of installing sewer in the area.

To announce the news and to explain the Local Area Service process to the property owners' in advance of initiating the utility project, Wastewater and Water Utility staff hosted a Public Meeting for all the affected property owners on January 26th. We explained the projected costs, the Local Area Service process and the anticipated time-lines. Approximately 75 people attended and it appeared that many of those people were in favour of proceeding with the sewer and water installation project.

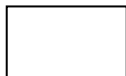
The area consists largely of homes of the same age, with septic fields and water wells that are now likely to be at or near the end of their useful life. There are approximately 82 Single Family Equivalents (SFE's) in the boundaries of the proposed Local Area Service project and the cost of the Sewer & Water work is estimated at approximately \$2,756,700. This amount includes \$245,000 that will be recovered from Sewer DCC's to oversize the sewer for potential development in the Hall Rd. area. In addition, the Transportation Division intends to invest \$128,000 (in the 2007 budget) for road improvements in conjunction with this project. The costs will be recovered from the affected property owners. Based on the estimated cost of construction (in 2007 \$), the Local Area Service project charges including the estimated interest charges results in a one-time payment (cash commutation) of approximately \$13,400 per SFE, or if the owner chooses to pay over a 20-year period the estimated annual payment is expected to be approximately \$1,340.

Following the initial reading of the Local Area Service bylaws, all the affected property owners will be sent a letter notifying them of our intent to initiate the proposed sewer & water installation project, and invite them to a (third) Public Meeting. In addition, multiple newspaper ads will be published. At the Open House meeting, which will be scheduled for early March at the Kelowna Christian School, staff will further outline the process and timelines that we intend to follow and we will explain the terms of payment. We are targeting construction of the sewer and water mains for this Local Area Service project to commence in the spring of 2007 with completion that summer. This project will only proceed as a combined (water & sewer) project providing that the petition is sufficient and all 4 bylaws are adopted.

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

WJB/ms
Attachment

cc Director of Financial Services
 City Clerk
 Revenue Manager
 Legislative Coordinator



Approved for inclusion:
John Vos
Director of Works & Utilities

PROPERTIES TO BE SERVICED WITH BOTH SEWER AND WATER

PROPOSED FISHER ROAD SEWER AND WATER SPECIFIED AREAS