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## CITY OF KELOWNA

# MEMORANDUM

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**Date:** November 28, 2006  
**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 November 28, 2006, describing amendments to the Sewer Connection Charge Bylaw be received for information,

THAT BYLAW No. 8469, the Sewer Connection Charge Bylaw, be amended to incorporate the following changes:

1. Amend Connection Charge Area No. 16 (Rio/Terrace) by adjusting the Connection Charge to be \$15,600 / SFE.
2. Re-create Connection Charge Area No. 20 (North Rutland) with the properties shown on Map A and establish the charge at \$6,900 /SFE.
3. Amend Connection Charge Area No. 21 by re-naming it to "Rutland - McKenzie Bench" and adding the properties shown on Map B, and removing Lot 1 Plan 43896 as shown on Map C.
4. Amend Connection Charge Area No. 22 (Rutland - Central) by removing the lot indicated on Map C (1060 Leathead Rd.), by adding Lot A, Plan KAP 77915 as shown on Map C, by removing the 4 properties shown on Map D, and by adjusting the Connection Charge to be \$12,400 / SFE.
5. Merge Connection Area 24 (St. Amand) with Connection Area 25 (Chamberlain) and name the new Connection Area No. 24 (St. Amand / Chamberlain) and establish the boundaries in accordance with Map E and the charge at \$21,300 / SFE.
6. Remove all the properties from Connection Area 26 (Fisher Road) and dissolve the Connection Area.
7. Add a new Connection Charge Area – Hall / Parsons Area No. 27 and establish the boundaries in accordance with Map F and the charge at \$27,100 /SFE.
8. Amend Connection Charge Area No. 28 (Okaview) by adjusting the Connection Charge to be \$22,000 / SFE.
9. Amend Connection Charge Area No. 31 (Boppart) by removing the properties indicated on Map G and adjusting the Connection Charge to be \$19,400 / SFE.
10. Amend Connection Charge Area No. 33 (Cary Road) by adjusting the Connection Charge to be \$5,600 / SFE.
11. Add a new Connection Charge Area – Sexsmith Road Area No. 35 and establish the boundaries in accordance with Map H and the charge at \$47,500 /SFE.
12. Add a new Connection Charge Area – Clifton Road North Area No. 36 and establish the boundaries in accordance with Map J and the charge at \$12,900 /SFE.
13. Replace Schedule 3 with the attached Schedule to reflect all the above mentioned adjustments to the Connection Charge amounts.

## **BACKGROUND:**

City Council adopted the Sewer Connection Charge 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 established to represent, as closely as possible, the information that is available at the time. As new mains are installed and development occurs in Service Areas, the sewer installation cost and SFE's need to be adjusted to more accurately reflect the current market connection charges for the remaining properties. Most of the Connection Areas have been identified as requiring an amendment to the Sewer Connection Charge Bylaw, and those changes are described below:

1. Construction costs have increased substantially across North America, and particularly in British Columbia. Existing Connection charges need to be increased to reflect the current market cost of installing the sewer systems. The cost of installing a sewer system in the Rio/Terrace area has increased. The cost listed in the recommendation indicates the current market estimate of installing a sewer system for the area.
2. Connection Area No. 20 existed before the area residents voted to proceed with the North Rutland Local Area Service (LAS) project which resulted in sewer service being provided to the area. Connection Area No. 20 was dissolved during the construction of the sewers in the area. During construction, sewer mains were installed as part of the LAS project that were accessible by abutting properties that were outside of the LAS boundary, but since those properties were not involved in the petitioning process, the owners could not be obligated to join the LAS project or pay the LAS charges. The properties that are adjacent to the LAS boundaries, that are able to utilize the mains installed by the LAS project, as shown on the attached Map A, will become Connection Area No. 20. This allows the abutting owners to connect to the LAS sewer mains when they choose to, and pay a connection charge that will be established to be equivalent to the LAS 20 Commutation price, and then the funds collected in the Connection Area will be transferred to the LAS to lower the annual payment costs for the LAS participants. The current Commutation price is \$6,900 /SFE.
3. Connection Area No. 21 was originally much larger and consisted of the entire catchment area to the McCurdy trunk sewer, but most of the properties in the area were combined with the North Rutland sewer (LAS) project and serviced with sewer. The properties that should be included in Connection Area No. 21 are those that either have developed, or may be developable, and will utilize sewer mains installed by the owners of the McKenzie Bench area (LAS No. 21A). This allows the abutting properties indicated on Map B to connect to the LAS sewer mains when they choose to, and pay a connection charge that will be set to be equivalent to the LAS 21A Commutation price, and then the funds collected in the Connection Area will be transferred to the LAS to lower the annual payment costs for the LAS participants. The current Commutation price is \$7,100 /SFE. When the North Rutland LAS project was carried out, Lot 1, Plan 43896 (as shown on Map C) was included in that project and no longer needs to be in a Connection Area.
4. When the North Rutland LAS project was carried out, 1060 Leathead Road (as shown on Map C) was included in that project and no longer needs to be in a Connection Area. Lot A, Plan KAP 77915 was an un-serviced City owned Park when the LAS project was carried out, but after Ben Lee park was developed the park was sold. The lot should be

added to Connection Area No. 22 so that appropriate Sewer Connection charges are collected upon development.

5. Two small Connection Areas were initially created separately for the St. Amand area and Chamberlain area because the areas will be serviced from two independent sewer mains. A sewer main was installed in KLO Road, west of Benvoulin, by the Transportation Division in conjunction with the KLO improvement work, and now there is little main left to be installed in the Chamberlain area. It seems prudent to combine the areas and this will result in a Connection Area charge of \$20,800 /SFE for the merged area.
6. The property owners in the Fisher Road Area received a Federal/Provincial Grant and "voted" to proceed with the installation of sewer & water services through a LAS project. The Connection Area was essentially dissolved at that time, with only a few properties remaining in the Connection Area at the intersection of KLO and Benvoulin Rd. Major improvements were carried out at this intersection in 2005 and 2006, and one property was amalgamated with another, and one was rendered too small to develop. The other affected properties requested service during the construction period from the KLO sewer, which is in the St. Amand / Chamberlain Connection Area. Those properties are being added to the St. Amand / Chamberlain Area in item 5, above. There are no other properties in the Fisher Road Area, so the area may be dissolved.
7. The Fisher Road Local Area service project will be under construction in 2007. Sewer mains will be installed to the west side of the KLO bridge and be suitable to service the properties in the Hall and Parsons Road areas. In the event that a Development is proposed on the east side of Mission Creek before a Local Area Service project proceeds, a connection charge will ensure an equalized connection charge is collected. The Hall/Parsons area is designated as Connection Area No. 27 and the charges will be \$27,200 /SFE.
8. The costs of installing a sewer system in the Okaview area have increased and the Connection Area charge needs to be increased to represent the current market estimate. The charges will be \$22,000 per SFE.
9. The Development of the former Boppart property (the Sheerwater subdivision) will result in a new sewer lift station being constructed that will be able to service several properties along Clifton Rd. North {see item 12}. With the potential for gravity sewer on Clifton Road, several properties that are currently in the Boppart Connection Area would be more practically served by a Clifton Road sewer main, and it is recommended that 7 lots indicated on Map G be removed from the Boppart Connection Area. These lots will be added to the Clifton Rd. North Connection Area. One additional lot (Lot A, Plan KAP68067 as shown on Map G) must be removed from the Boppart Connection Area because this lot was pre-served by the original Developer in the area, and no fees are collectable. The costs of the Boppart area have been updated and should be adjusted to \$19,400 / SFE.
10. The costs of installing a sewer system in the Cary Road area have increased and the Connection Area charge needs to be increased to represent the current market estimate. The charges will be \$5,600 per SFE.
11. When a property owner on Sexsmith Road constructed a sewer main across Mill Creek and the railroad tracks last year, sewer service was made available to several properties on the west side of the creek with a potential need for the service. A Connection charge

will allow owners to connect and it will equalize the costs between all potential users. The Sexsmith Road Connection Area will be designated as Area No. 35. The lots in the area are essentially small farms and have expansive frontages, which results in a significant distance of sewer main being apportioned to a small number of properties. The Connection Area charge will be \$47,500 per SFE.

12. A new Sewer Connection Area is required for the area of Clifton Road North and this will be designated as Sewer Connection Area No. 36. The Development of the Sheerwater subdivision will result in a new sewer lift station and the potential for a sewer main being installed in Clifton Road, from Magic Drive to Lochview Road. Some of the 33 properties along Clifton Road may be able to utilize the new sewer system and will be included in the Connection area. The Connection Area charge will be \$12,900 / SFE.
13. Schedule 3 summarizes all the Connection Areas and lists the costs. A revised Schedule is attached, representing all the above mentioned amendments.



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

Approved for inclusion:  
John Vos  
Director of Works & Utilities

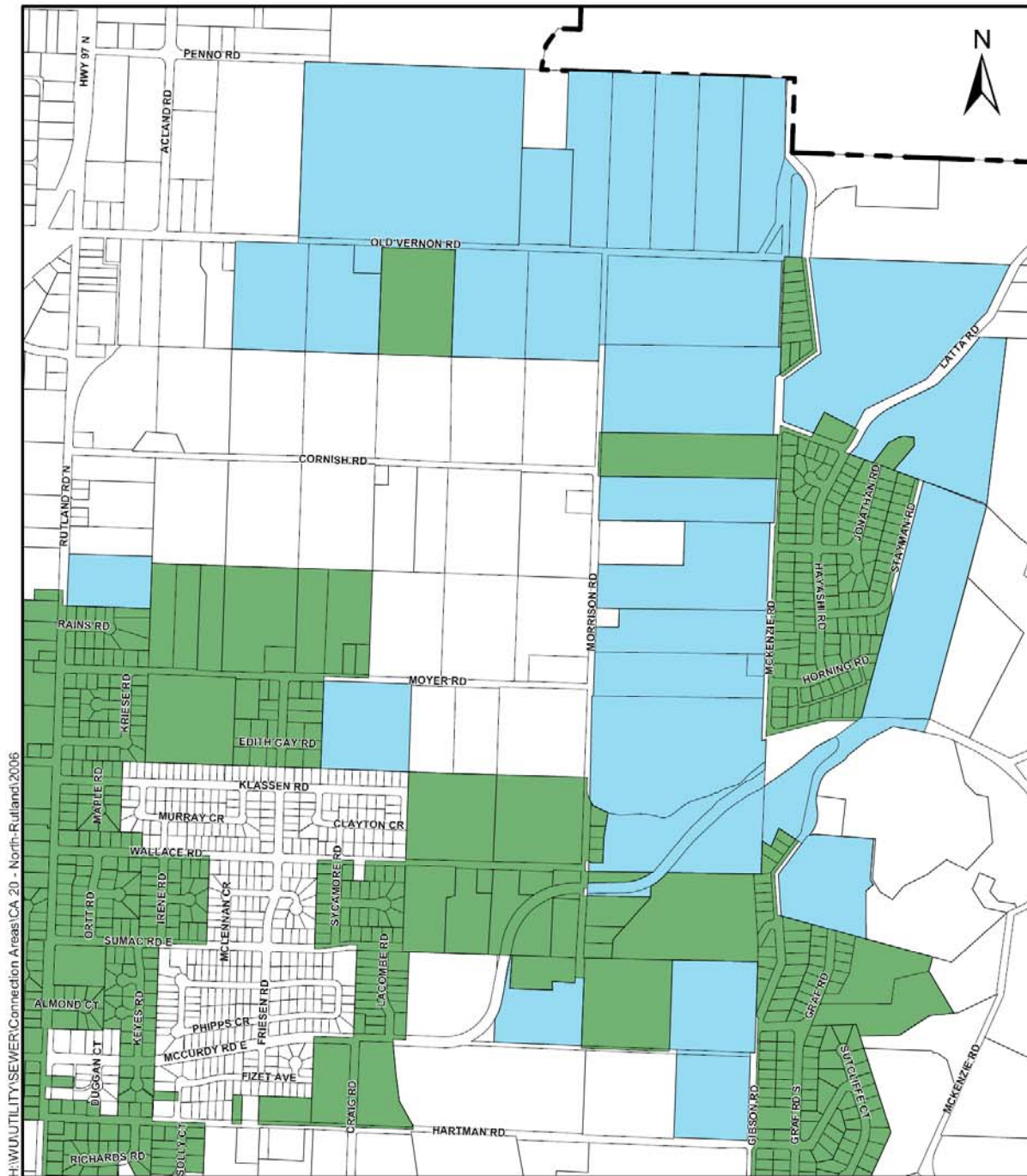
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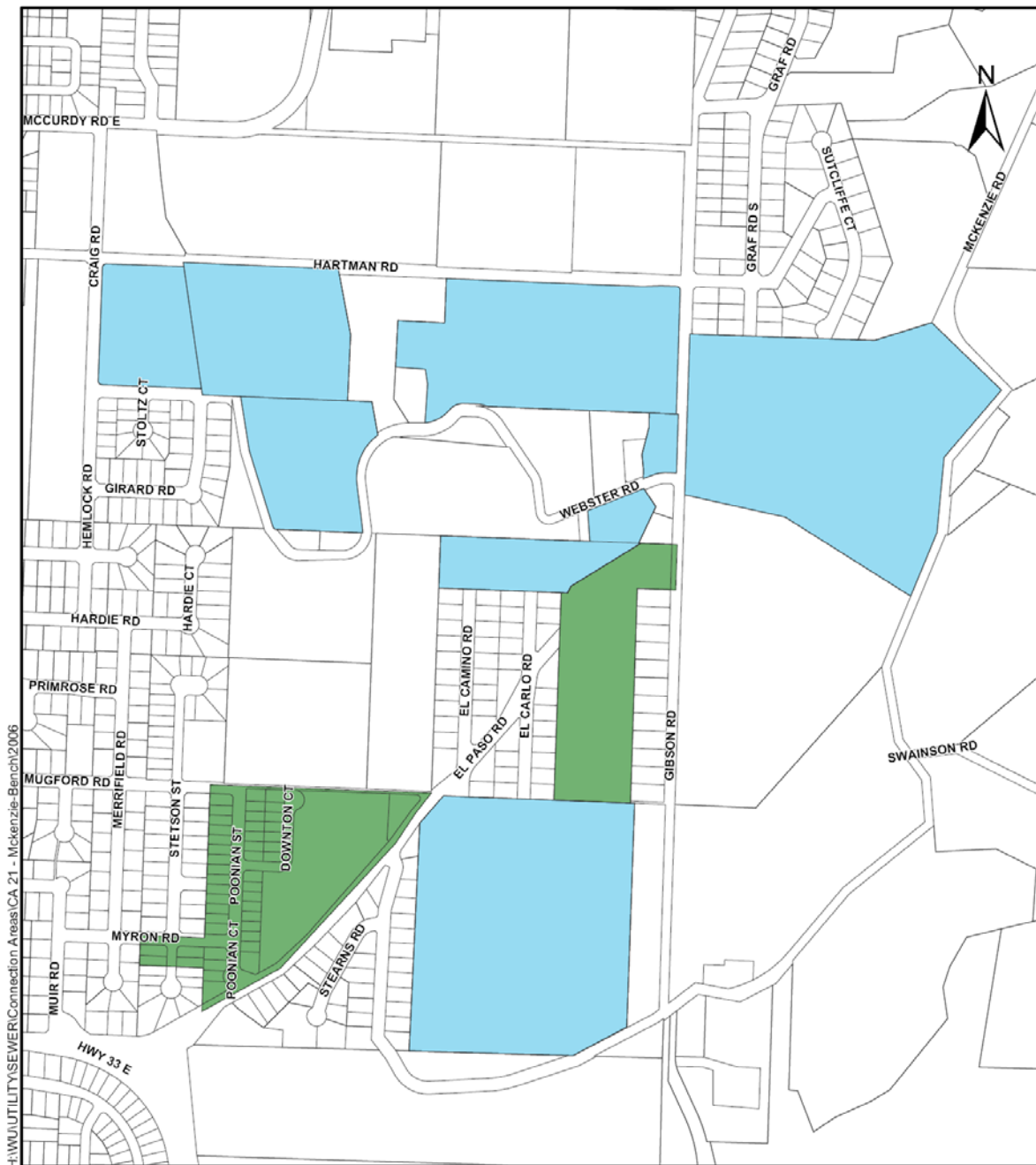
cc     Director of Financial Services  
       GIS Coordinator

### SCHEDULE 3

#### SEWER SERVICE CONNECTION AREA CHARGES

<u>Connection Charge Area</u>	<u>Area Number</u>	<u>Total Area Cost</u>	<u>Total Area SFE's</u>	<u>Cost / SFE (if pre-paid)</u>
Rio / Terrace	16	\$ 905,983	58	\$ 15,600
Rutland - North	20	Set to the LAS No. 20 Commutation price		\$ 6,900
Rutland -McKenzie Bench	21	Set to the LAS No. 21A Commutation price		\$ 7,100
Rutland - Central	22	\$ 7,021,762	567	\$ 12,400
Rutland - South-West	23	Set to the LAS No. 23 Commutation price		\$ 7,300
St. Amand / Chamberlain	25	\$ 901,354	42.4	\$ 21,300
Hall / Parsons	27	\$ 9,767,231	360.2	\$ 27,100
Okaview	28	\$ 10,365,104	471.9	\$ 22,000
Boppart	31	\$ 291,330	15	\$ 19,400
North End Industrial	32	\$ 3,850,000	1491	\$ 2,600
Cary Road	33	\$ 185,427	33	\$ 5,600
Sexsmith	35	\$ 3,075,311	64.8	\$ 47,500
Clifton Road North	36	\$ 439,178	34	\$ 12,900





## McKENZIE BENCH - CONNECTION AREA 21 MAP "B"

### Legend

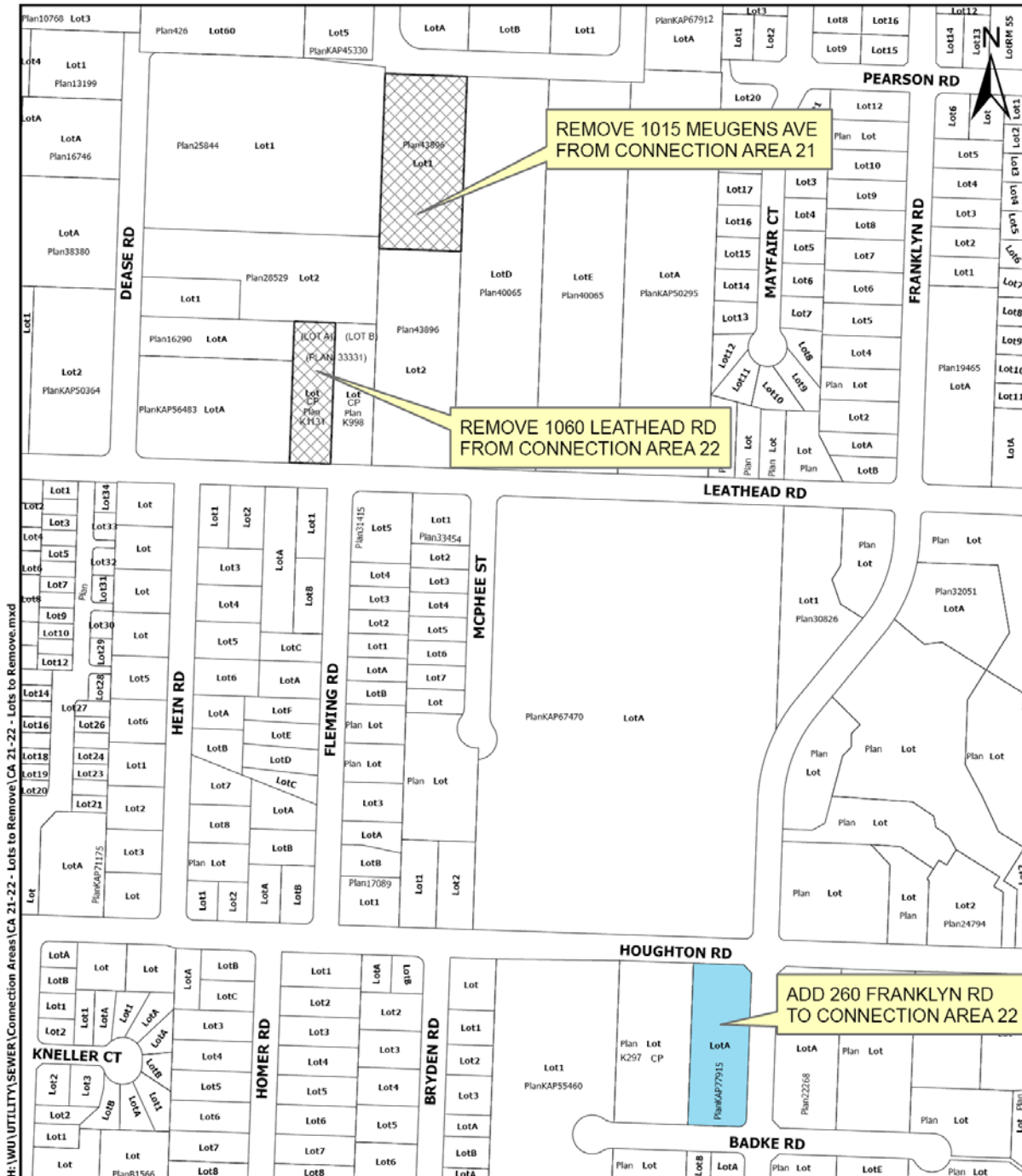
- Add to Connection Area 21
- Existing Sewer Service Connection Area #21

REV.

SCALE: NTS



DATE: Nov. 2006



# **McKENZIE BENCH / CENTRAL RUTLAND - CONNECTION AREAS 21 & 22** **MAP "C"**

## **Legend**

- REMOVE FROM CONNECTION AREA 21
- REMOVE FROM CONNECTION AREA 22
- ADD TO CONNECTION AREA 22

REV.

SCALE: NTS



DATE: Nov. 2006



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## CENTRAL RUTLAND - CONNECTION AREA 22 MAP "D"

### Legend

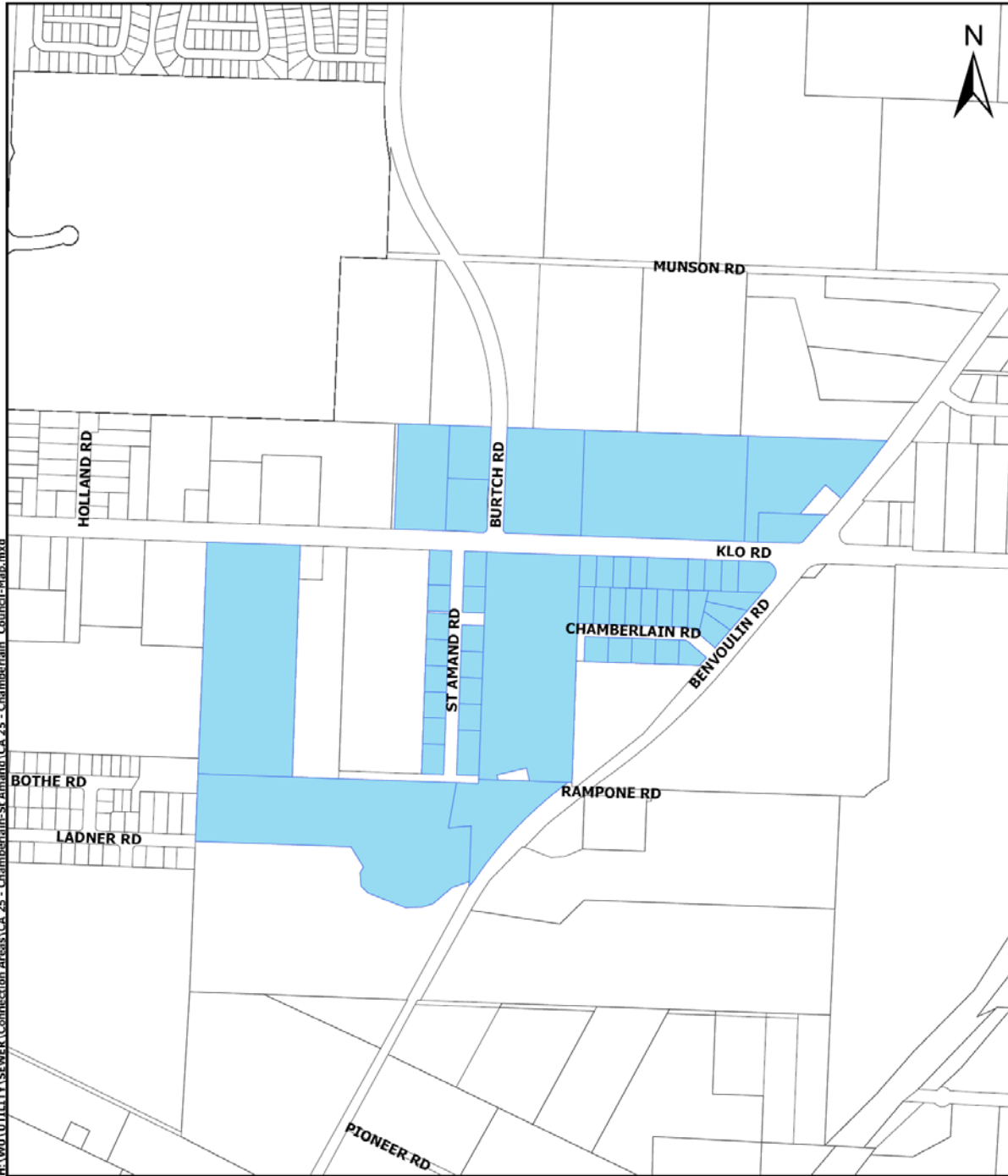
- Sewer Service Connection Area 22
- Remove from Connection Area 22

REV.

SCALE: NTS



DATE: Nov./2006



## CHAMBERLAIN / ST. AMAND - CONNECTION AREA 25 MAP "E"

### Legend

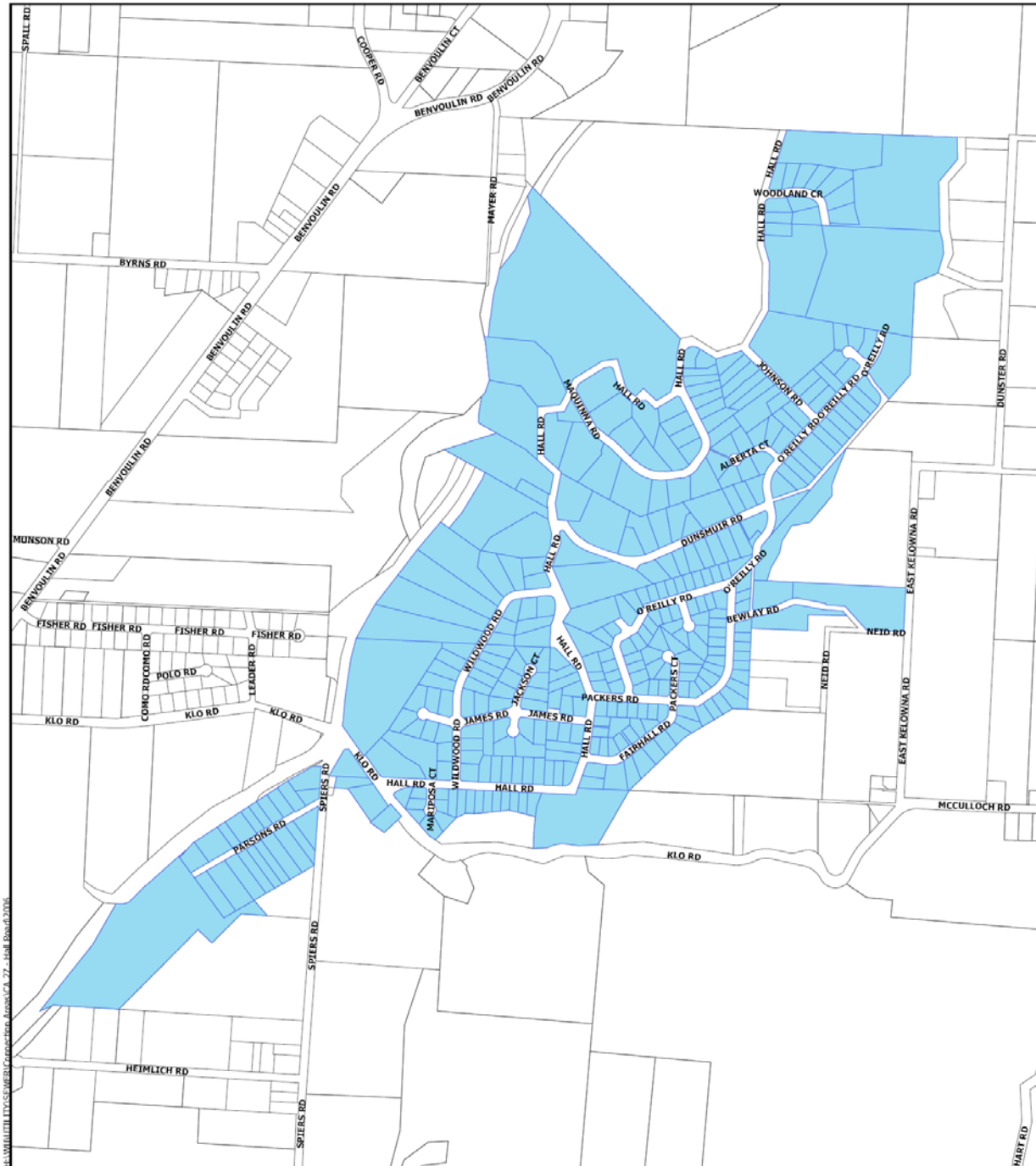
Sewer Service Connection Area 25

REV.

SCALE: NTS



DATE: Nov./2006



## HALL / PARSONS - CONNECTION AREA 27 MAP "F"

### Legend

Sewer Service Connection Area 27

REV.

SCALE: NTS



DATE: Nov./2006



Legend

Connection Area 31

Sewer Service Connection Area 31

Property to be Removed from Connection Area 31

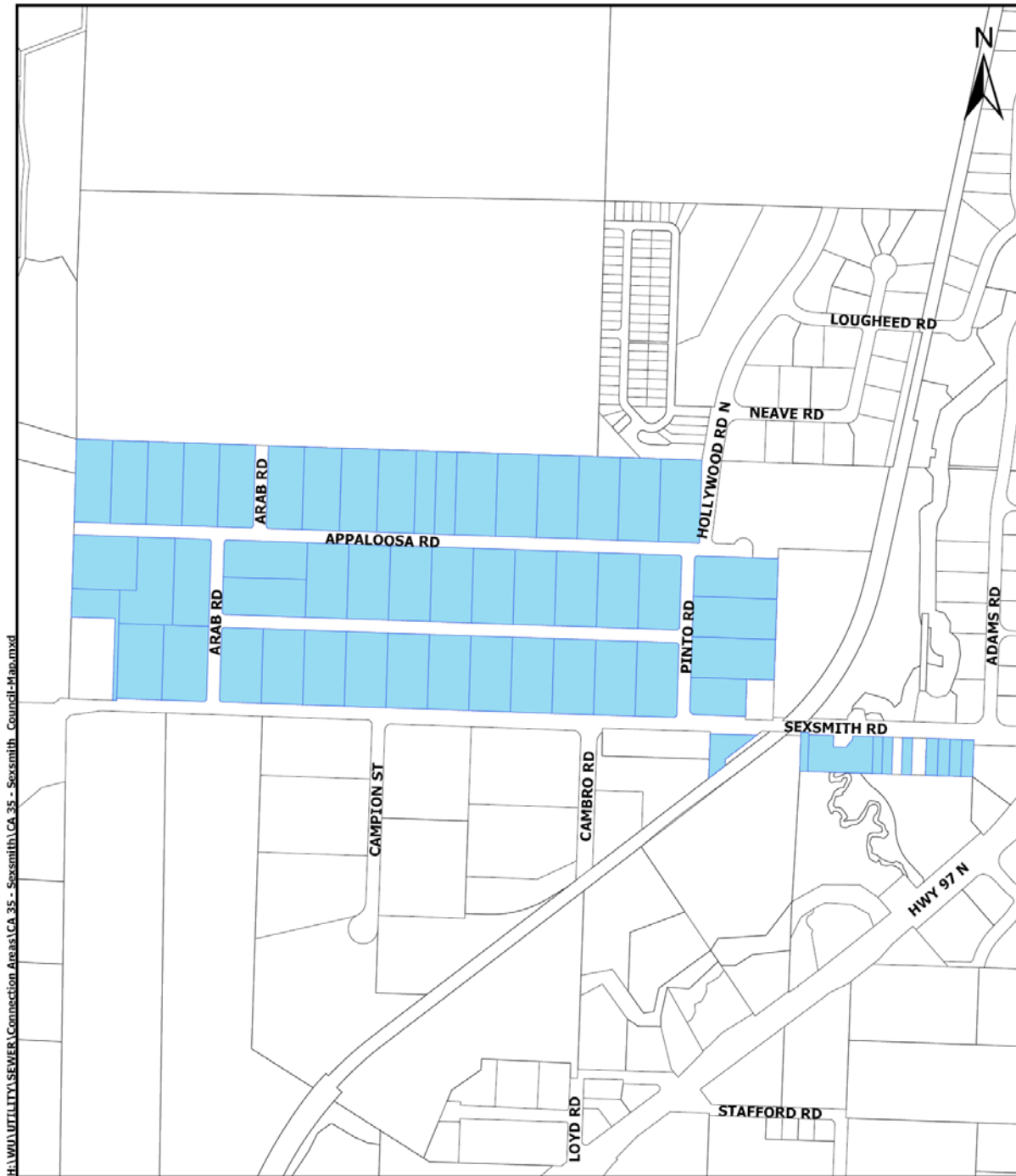
## BOPPART - CONNECTION AREA 31 MAP "G"



REV.

SCALE: NTS

DATE: Nov./2006



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## SEXSMITH ROAD - CONNECTION AREA 35 MAP "H"

### Legend

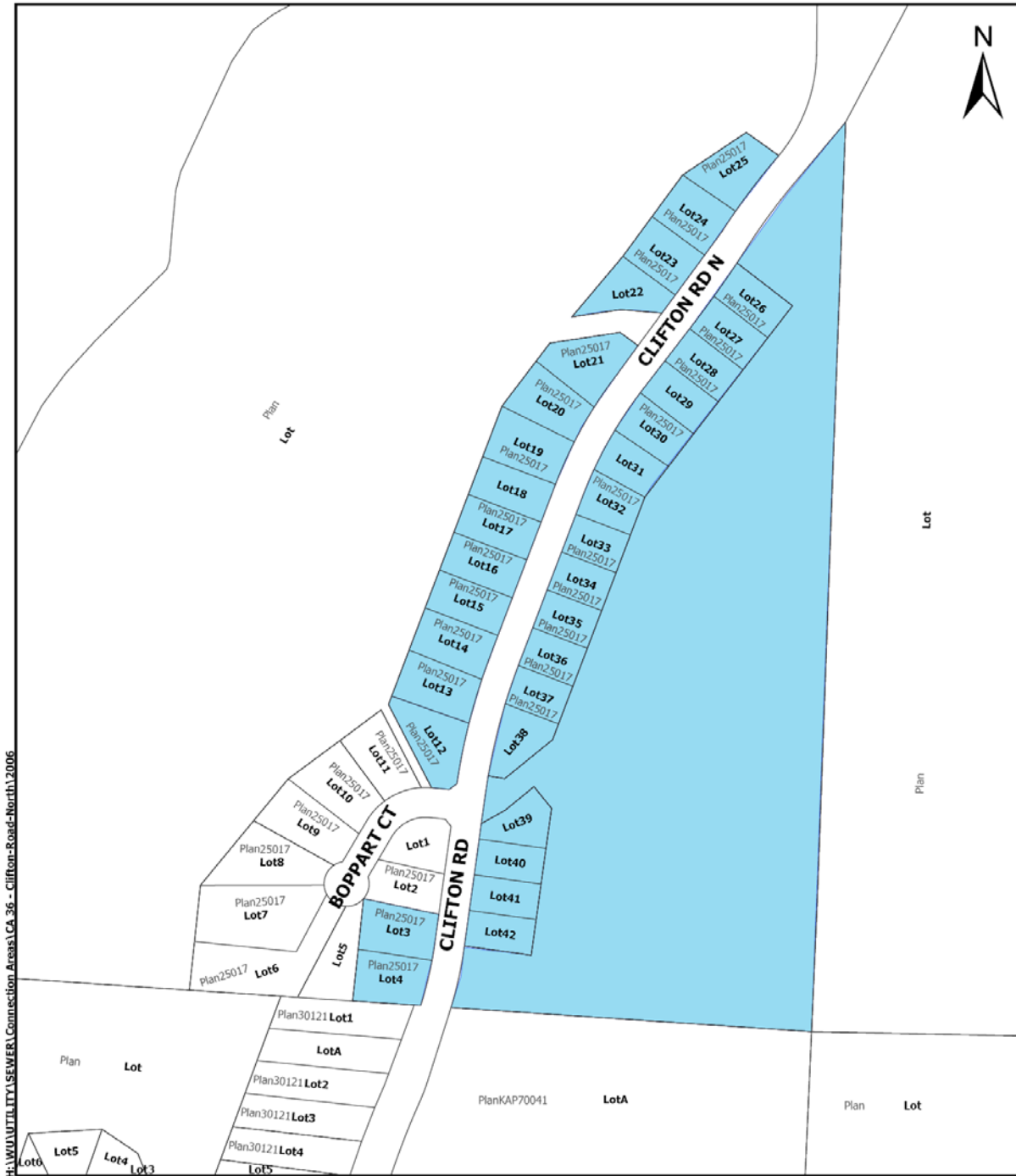
Sewer Service Connection Area 35

REV.

SCALE: NTS



DATE: Nov./2006



## CLIFTON ROAD NORTH - CONNECTION AREA 36 MAP "J"

### Legend

Sewer Service Connection Area 36

REV.

SCALE: NTS



DATE: Nov./2006