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CITY OF KELOWNA

MEMORANDUM

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**Date:** March 21, 2007  
**File No.:** 0870-20  
**To:** City Manager  
**From:** Civic Properties Manager  
**Subject:** Kelowna Yacht Club Sewage Pump-Out Operation and Maintenance Funding

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**RECOMMENDATION:**

**THAT** City Council approve the reallocation of surplus funding from Project 10-230-C5361 (Kelowna Yacht Club Sewage) to a contribution to the Kelowna Yacht Club to cover the 2007 incremental costs of insurance, maintenance and operation incurred as a result of the public boater and commercial passenger ship access to the facility;

**AND THAT** the Civic Properties Manager be authorized to execute the contribution;

**AND FURTHER THAT** the Department of Recreation Parks and Cultural Services return to Council during the 2008 annual budget cycle for consideration of multi-year funding.

**BACKGROUND:**

In the 2006 Final Budget, Council approved \$30,000 to pay the costs of connecting a sewage pump-out facility to the City sewage system, so long as the system was equally accessible to all boaters at no cost, whether or not they were members of the Kelowna Yacht Club (KYC). The actual agreement with the Yacht Club under their lease was that the City would contribute up to 50% of the total project cost to a maximum of \$30,000. Through the exploration of various options and discussion with authorities having jurisdiction, it was determined that the best location was a platform adjacent to the Queensway Boat Ramp. The installation is now complete and ready for operation, under budget, and the City's contribution will now be less than \$20,000.

The City agreement, however, required that the KYC insure the operation of the facility for General Liability and environmental pollution. Their research revealed that the annual additional cost to their existing insurance for this coverage was \$1,000 if access was restricted to club members and \$10,000 if access was open to the public.

The KYC has requested that the City contribute the incremental cost of the insurance and 50% of the incremental cost of operation and maintenance. They anticipate a total city contribution of \$10,000 in 2007. Concerns over Okanagan Lake pollution continue to increase to the point that Transport Canada intends to begin strict enforcement of pollution regulations with the assistance of the RCMP. They are hopeful however, that they can advise all boaters that the new sewage pump-out at the KYC is open to the public, and therefore, there are no excuses for environmental infractions.

During the season, the City and the KYC will look for less expensive insurance options, although the City Risk Management Manager is satisfied that the price quoted is reasonable. Civic Properties will also

monitor the sewage pump-out operation as required to suggest cost saving means to run the facility safely, considering potential accidents from the standpoint of both users and the environment.

**FINANCIAL/BUDGETARY CONSIDERATIONS:**

It is recommended that Council approve the transfer of surplus capital funding on this project as a contribution to the incremental operating and maintenance costs of the facility during 2007. Staff will return with a request for on-going funding, estimated at \$10,000 annually, in the 2008 budget cycle.

**ALTERNATE RECOMMENDATION:**

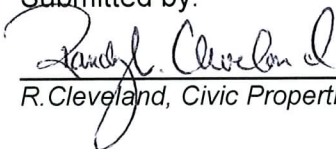
Other options were considered for public marine sewage pump-out facilities

1. The City could build and operate its own facility. This would involve new capital costs as well as on-going operating and maintenance costs, probably through a third-party contract. The option would not cost the City less than the proposed arrangement with the Kelowna Yacht Club.
2. Leases with other marina operators on City waterlots could require lessees to provide, insure, operate and maintain contemporary and reliable marine sewage pump-out facilities. Civic Properties will make this a requirement of all future marina leases (the first opportunity will be in the 2008 season). Some redundancy of service, however, is always beneficial in that it improves availability of the service and provides back-up should any of the systems be down for repair.
3. Impose a service charge on boaters for sewage pump-out to cover the O&M costs. At this time, the main concern is to minimize pollution by imposing no barriers to responsible sewage pump-out. Enforcement as a deterrent is not practical given its cost. User pay could be imposed at a later date once good sewage management practices become engrained in the boating public.
4. Do nothing. Given increasing concerns over Lake pollution, the public may expect that the city provide public sewage pump out facilities since it provides boating access to the lake. Civic Properties has been working with Transport Canada to make sure that the City plays a constructive role in providing options to dumping marine sewage directly in Okanagan Lake.

Considerations that were not applicable to this report:

- INTERNAL CIRCULATION TO:**
- LEGAL/STATUTORY AUTHORITY:**
- LEGAL/STATUTORY PROCEDURAL REQUIREMENTS:**
- EXISTING POLICY:**
- PERSONNEL IMPLICATIONS:**
- TECHNICAL REQUIREMENTS:**
- EXTERNAL AGENCY/PUBLIC COMMENTS:**

Submitted by:

  
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R. Cleveland, Civic Properties Manager

Approved for Inclusion:



c.c.: Risk Management Manager  
Financial Planning Manager