

Report to Council



Date: August 27, 2018
File: 0710-60
To: City Manager
From: Utilities Planning Manager
Subject: Investing in Canada Infrastructure Program (ICIP) – Green Infrastructure – Sanitary Sewer Connection Area Water Quality Enhancement Project

Recommendation:

THAT Council receives, for information, the report from the Utilities Planning Manager dated August 27, 2018, with respect to Investing in Canada Infrastructure Program (ICIP) – Green Infrastructure – Sanitary Sewer Connection Area Water Quality Enhancement Project;

AND THAT Council authorizes staff to apply for an ICIP – Green Infrastructure – Environmental Quality Sub-Stream grant in the amount of \$44.1 million as outlined in this report;

AND THAT Council authorizes the Infrastructure Director or designate to execute the ICIP – Green Infrastructure – Environmental Quality Sub-Stream Grant, if the application is successful;

AND FURTHER THAT upon confirmation of the grant award staff will report back to Council.

Purpose:

To outline the Investing in Canada Infrastructure Program (ICIP) and to request Council support of the recommendation to apply for a grant in the amount of \$44.1M as outlined by staff in this report.

Background:

In 1973, the City of Kelowna boundary was extended with the goal of integrating several villages, communities, housing developments, commercial properties, improvement districts and industrial areas with the existing City service utilities. Since that time, the City has developed a centralized wastewater treatment facility and compost system which is the envy of the BC Interior. The facilities provide the necessary bio-solid removal, nutrient removal and solids management necessary to allow discharge directly into Okanagan Lake.

The City has grown significantly since 1973, and while sewer utility infrastructure has been provided to many of the areas, significant un-serviced areas remain, with high costs of installation.

There are approximately 2,000 properties that remain on septic service that can be connected to the City Wastewater Utility. The City maintains an aggressive policy through its Subdivision and Servicing Bylaw 7900 and Sanitary Service Connection Area Bylaw 11540 to reduce the numbers of those on septic fields. The high costs of brownfield installations must be cost recoverable, and the result has been that communities and commercial areas on septic have not connected to the City system. For many residents, the cost of connecting to the wastewater system is not affordable without grant funding support.

There are several local residential areas in Kelowna and throughout the Okanagan that remain self-serviced with septic fields. These private septic fields are a continued risk to the quality of water in the Okanagan, and their removal has long been an outcome for the City and Okanagan Basin Water Board (OBWB).

The primary water supply to the City of Kelowna is from Okanagan Lake and its upper watershed tributaries. Kelowna relies on and values Okanagan Lake for its:

- abundant supply,
- high water quality, and
- cultural significance and recreational opportunities.

Okanagan Lake is also a resource shared by many communities, and much of our water supply flows through and across multiple jurisdictions. The City of Kelowna is actively working towards delivering long-term management solutions ensuring our Okanagan waters are swimmable, fishable and drinkable. This project provides the collection system necessary to route, treat and release treated effluent safely into Okanagan Lake. In 2010, the City identified and prioritized a series of community sewer areas as part of the City's Official Community Plan.

In the past the City has successfully applied for grants and used these funds to provide wastewater service to residents through the Local Area Service process where the benefitting property owners pay the balance of the project costs. The last successful sewer grant dates back to 2008. We have not received a grant recently for wastewater servicing despite several applications for the Hall Road area. The ICIP grant is an excellent opportunity to provide wastewater service to the remaining connection areas in Kelowna that rely on septic systems.

The objectives of this project are to meet the following outcomes of the Investing in Canada Infrastructure Program:

- Increase the City's capacity to manage wastewater;
- Increase the capacity to reduce and remediate soil and groundwater pollutants.

The City is applying for a \$44.1M grant from the Investing in Canada Infrastructure Program (ICIP) – Green Infrastructure – Environmental Quality Sub-Stream - Sanitary Sewer Connection Area Water Quality Enhancement Project. This represents a 73.33% grant for a project anticipated to cost \$60.1M in total. Landowners within the project areas will be expected to pay the remaining share through payments following a Local Area Service process.

As part of the application process, a Council resolution is required indicating support for the current proposed activities and willingness to provide overall grant management.

Internal Circulation:

Community Planning Department Manager
Divisional Director, Corporate Strategic Services
Divisional Director, Infrastructure
Financial Planning Manager
Grants & Special Projects Manager
Infrastructure Engineering Manager
Transportation Engineering Manager
Utility Services Manager

Financial/Budgetary Considerations:

If the application is successful, the next step would be to implement a comprehensive Local Area Service (LAS) program for project delivery starting in Fall of 2019. This process of leveraging grant funds in combination with an LAS was used extensively by the City to service a large part of Rutland and the Fisher Rd and Okaview areas. The City will fully recover all costs involved in the installation of the wastewater system. The City is requesting a \$44.1M grant from the Investing in Canada Infrastructure Program (ICIP) – Green Infrastructure – Environmental Quality Sub-Stream - Sanitary Sewer Connection Area Water Quality Enhancement Project.

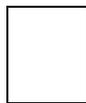
Considerations not applicable to this report:

Existing Policy:
Legal/Statutory Authority:
Legal/Statutory Procedural Requirements:
Personnel Implications:
External Agency/Public Comments:
Communications Comments:
Alternate Recommendation:

Submitted by:

Rod MacLean, P. Eng.
Utilities Planning Manager

Approved for inclusion:



A. Newcombe, Infrastructure Divisional Director

cc: Divisional Director, Community Planning & Strategic Investments
Divisional Director, Corporate Strategic Services
Divisional Director, Financial Services
Divisional Director, Infrastructure