

Report to Council



Date: September 19, 2016

File: 0600-10

To: City Manager

From: City Clerk
Utilities Planning Manager

Subject: Sufficiency Report for the Owner Initiated Local Area Service for Aspen Road
Report Prepared by: C. Boback, Legislative Coordinator, A. Reeder, Utilities Planning Manager

Recommendation:

THAT Council receives for information, the Report from the City Clerk and Utilities Planning Manager, dated September 19, 2016 pertaining to the receipt of Owner Initiated Local Area Service Petitions for Aspen Road services and improvements related to the provision of water from the City water utility;

AND THAT Council receive the Certificate of Sufficiency dated September 19, 2016 pertaining to the Owner Initiated Local Area Service for Aspen Road;

AND FURTHER THAT Bylaw No.11275 being Establishment and Loan Authorization Bylaw for Local Area Service Aspen Road be forwarded for Council consideration.

Purpose:

To receive the Certificate of Sufficiency for a Local Area Service for Aspen Road, and to review and authorize a local service area for upgrades necessary to build water improvements.

Background:

There are more than 27 small private water utilities throughout Kelowna which are the responsibility of the provincial government. Many were established decades ago. With the passage of time, health and liability standards have increased and many of these private water providers are now experiencing challenges similar to the Cedar Creek Water Users Community in the Aspen Road area of the City.

The City was approached this summer by residents of Aspen Road to obtain water from the City system. During their investigation into transitioning to the City utility, the Cedar Creek

Water Users Community discovered it was less expensive to join the City utility than to make the necessary upgrades to meet regulated standards.

Aspen Road Local Area Service

The Aspen Road residents are currently served by a volunteer-run water system, the Cedar Creek Water Users Community. This system has become unreliable for its customers, as there is no clear structure or management of the water system, repairs to the system are required more frequently and residents do not have the necessary means or expertise to maintain it. City staff worked with these residents over the summer to develop an affordable design and to develop a petition to create local service area necessary to fund improvements.

For a petition to be sufficient under the Community Charter, at least 50% of affected owners and at least 50% of the total assessed values must approve the local service area. As of August 29, 2016, the Office of the City Clerk received valid signatures representing 5 of the 6 affected properties.

With the Community Charter conditions achieved, Council may consider construction of the requested improvements.

The improvements would consist of a new 150-mm water main that connects to the City water system, new water connections to the existing water services at the property line, new shut off valves at the property line, fire hydrants, pressure reducing valves inside the homes, and new water meters in each home.

These improvements will result in the provision of safe drinking water, improved fire protection, and a more reliable water service with professional staff providing service twenty-four hours a day, seven days a week.

Should the local service area be approved by Council, detailed design would commence immediately with the construction of the works to be completed in the spring of 2017.

Summary

In keeping with Council's ongoing efforts to ensure all Kelowna residents have access to a reliable supply of safe drinking water, staff are in contact with some small utilities experiencing difficulties. Council's previously stated preference is for an orderly, planned transition of independent water providers to the City utility versus the ad hoc emergency approach taken today. It should be noted that not all situations can be fixed this quickly or for this minimal investment.

As discussions with the province and larger independent water providers continue on the future of Kelowna's water systems, staff will seek clarity on how these small systems fit into those ongoing discussions.

Financial/Budgetary Considerations:

The proposed budget for the water system improvements is \$48,000.

The estimated costs of the water improvements were provided to each of the residential users for their property in an information package that went to every home owner inside the potential Local Service Area. The costs to each of these residents were based on the total

cost of the improvements allocated equally to each of the properties. Residential costs are \$8,500 for each property. Once the project is complete property owners will be able to either pay for these costs up front or as a Local Area Service tax over a twenty-year period.

Residents will have the choice to make a onetime payment of approximately \$8,500, or annual commuted value of approximately \$560 depending on the actual of the project. Upon completion of the project a letter will be sent out to residents indicating final projects costs and an option to pay for a onetime payment. A sixty-day grace period for a onetime payment will be provided, with the default being a commuted value that will be added to annual taxes.

Legal/Statutory Authority:

Community Charter - Section 212 - Requirements for the Owner initiated Local Area Service.
Community Charter - Section 212(2) to (6) - Petitioning requirements and Corporate Officer sufficiency determination.

Internal Circulation:

Infrastructure Planning
Financial Services
Communications

Considerations not applicable to this report:

Legal/Statutory Procedural Requirements:

Existing Policy:

Financial/Budgetary Considerations:

Personnel Implications:

External Agency/Public Comments:

Communications Comments:

Alternate Recommendation:

Submitted by:

S. Fleming, City Clerk

A.Reeder, Utilities Planning Manager



Approved for inclusion: R. Mayne, Divisional Director of Corporate and Protection Services

cc: G. Filafilo, Financial Projects Manager

CITY OF KELOWNA

OFFICE OF THE CITY CLERK

CORPORATE OFFICER CERTIFICATE OF SUFFICIENCY

I hereby certify that the Office of the City Clerk received **sufficient** signatures and assessed values in relation to the Owner Initiated Local Area Service opportunity for Aspen Road. The Local Area Service for Aspen Road is providing for the installation of a new 150mm PVC Main complete with the necessary Valves, Tee's, and Elbows; installation of new water service to property line complete with new curb stops; installation of a fire hydrant for fire protection; paving of the portion of road that is disturbed by construction; decommission of the existing water system; installation of a Pressure Reducing Valve inside home; and installation of a Water Meter inside home.

Dated this 7th day of September, 2016.

S. Fleming, City Clerk

Total No. Of Affected Parcels	No. of Required Valid Petitions to Create the LAS for Aspen Road (At least 50% of Total Parcels Affected)	Total No. of Valid Petitions Received	Total Assessed Value of Land and Improvements for the Affected Parcels	Total Assessed Value Required to Create the LAS for Aspen Road (At least 50% of Total)	Total Petitioners' Assessment
6	3	5	\$3,549,000.00	At Least \$1,777,500.00	\$2,985,000.00