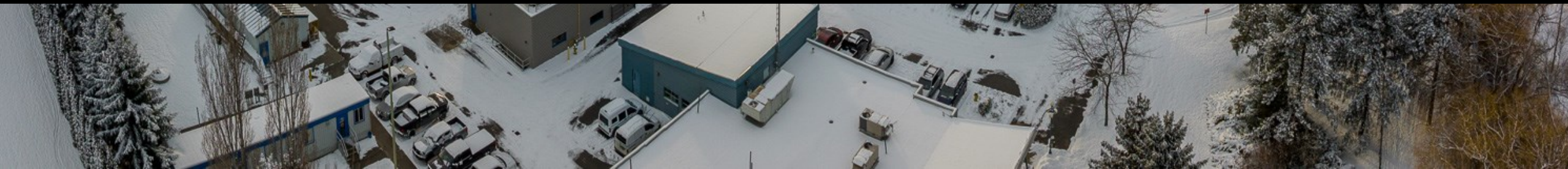




Sanitary Sewer Connection Area Program and Sewerage System User Bylaw Amendments

Presentation to Council

January 24, 2022



Objectives

- ▶ Background and rationale
- ▶ Outline the proposed financial framework
- ▶ Bylaw amendments
- ▶ Set the stage for the future Reports to Council
- ▶ Outcomes
- ▶ Questions

Challenges and considerations

Challenges

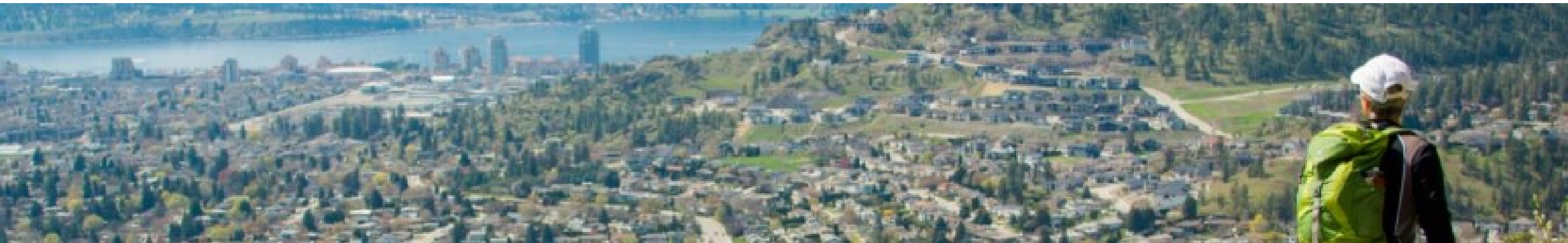
- ▶ Unsuccessful grant applications
 - ▶ Grantor (i.e., ICIP grant) requires applicant to have cash in hand
- ▶ Landowners are responsible for costs
 - ▶ Local Area Service (LAS) process is unpredictable
 - ▶ “Brownfield” construction is much more expensive

Considerations

- ▶ The majority of lots in the SSCA program are urbanized residential
 - ▶ This should not be the case in a modern City
- ▶ There is a demand from residents

Anticipated outcomes

- ▶ We need:
 - ▶ An improved plan
 - ▶ Improved health and environmental conditions
 - ▶ Financial conditions to support grant applications
 - ▶ To support responsible growth and development

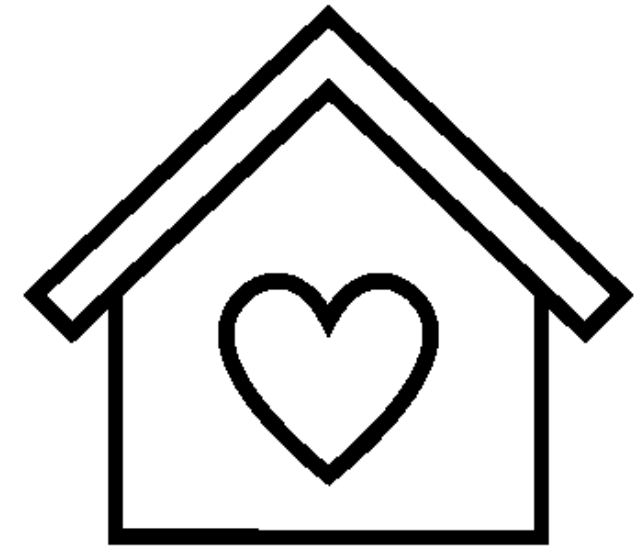


Guiding principles

- ▶ Guiding Principles for updated financing framework:
 - ▶ *FAIR*
 - ▶ *EFFICIENT*
 - ▶ *FLEXIBLE*
 - ▶ *OPPORTUNISTIC*
 - ▶ *EQUITABLE*

Single-family equivalent (SFE)

- ▶ SFEs are often used to standardize comparison between land use types
 - ▶ Residential
 - ▶ Commercial
 - ▶ Industrial
 - ▶ Public/Institutional
- ▶ Historically, the SSCA program relied on SFEs as the basis for planning and connection charge calculation
- ▶ **Key change:** transition from SFE- to connection-based charges



SFE: Single-family equivalent

SSCA: Sanitary Sewer Connection Area

New financial framework in action

- ▶ Once framework is adopted, the City will have kick-started a cyclical, reliable SSCA program to install sewer
- ▶ Resulting in:
 - ▶ More pipe in the ground
 - ▶ Increased opportunities for residents to connect
 - ▶ Reduced reliance on private septic
 - ▶ Improved ground and surface water quality
 - ▶ Future grant and re-development opportunities



Pre-serviced lots in a sanitary sewer connection area.

SSCA: Sanitary Sewer Connection Area

Fully adopted framework - flowchart



Funding sources:

- Sewer Connection Area Reserves
- Grant funds
- Septic Removal Specified Area Reserve

Construct public sewer system

- Add pre-serviced lots to Septic Removal Specified Area
- Connect and pay SDC at owner's discretion

SDC directed to Septic Removal Specified Area Reserve

SDC: Sewer Development Charge

SSCA financial framework updates

- ▶ Stage 1: Amend *Sewerage System User Bylaw No. 3480* and establish *Septic Removal Area Specified Reserve Fund*
- ▶ Stage 2: Rescind and replace *Sewer Connection Charge Bylaw No. 11540*
- ▶ Stage 3: Creation, closing, and updates to financial reserves

Note: some elements of Stage 3 may occur in advance of Stage 2.

Bylaw No. 3480 amendments

- ▶ Establish increased SDC for Septic Removal Specified Area
- ▶ SDC based on service type
- ▶ Clarification on charges at time of redevelopment
- ▶ Add 194 pre-serviced properties to the Septic Removal Specified Area

Service Type	Sewer Development Charge
100-mm residential service	\$7,500
150-mm multi-family/commercial service	\$10,000
Typical industrial service or >150-mm service	\$16,000

- ▶ **Key change:** transition from SFE- to connection-based charges

SDC: Sewer Development Charge

Financial implications for users

- ▶ Owners responsible for on-site costs (i.e., from building to property line)
- ▶ Current sewer utility users will not subsidize the SSCA program
- ▶ Timing of connection and payment of SDC at discretion of the user
- ▶ Residents that would have paid a lower connection charge (<\$7,500) under existing framework will have previous charges honoured
- ▶ No owners currently set to pay \$300 SDC will be added to the Septic Removal Specified Area

SDC: Sewer Development Charge
SSCA: Sanitary Sewer Connection Area

Next steps

- Core
framework
- ▶ Stage 2 – Rescind and replace *Sewer Connection Charge Bylaw No. 11540*
 - ▶ Stage 3 – Update existing reserves and other policies required to fully adopt framework
- Supporting
bylaws/policies
- ▶ *Subdivision, Development & Servicing Bylaw No. 7900* amendments
 - ▶ Standards and details for low pressure sewer (septic areas only)
 - ▶ Minor amendments to *Sanitary Sewer/Storm Drain Regulation Bylaw No. 10549*
 - ▶ Review of *Council Policy No. 304 – Expanding or Adding Properties to Specified Areas*

Outcomes

- ▶ We have an improved plan
- ▶ Improved health and environmental conditions
 - ▶ Ground and surface water quality
- ▶ Financial
 - ▶ Grant reliant – setup for success
 - ▶ Shovel-ready grant projects
- ▶ Responsible growth and development
 - ▶ New framework is required to achieve 2040 OCP (especially in Rutland)
 - ▶ Continuing to target highest impact areas



Questions?

For more information, visit kelowna.ca.