

Report to Council



Date: February 28, 2022
To: City Council
From: City Manager
Subject: Application - ICIP Green Infrastructure Environmental Quality Program – towards the Kelowna Septic System Elimination Project in Okaview
Department: Utility Planning

Recommendation:

THAT Council receives for information, the report from Utility Planning dated February 28, 2022, with respect to the Application for funding from Investing in Canada Infrastructure Program ICIP Green Infrastructure Environmental Quality Program towards the Kelowna Septic System Elimination Project – Okaview;

AND THAT Council authorizes staff to apply for an ICIP Grant - Kelowna Septic System Elimination Project – Okaview, as outlined in this report;

AND THAT Council authorizes staff to execute the Kelowna Septic System Elimination Grant and provide overall grant management, if the application is successful;

AND THAT the City of Kelowna commits to the City's share of the project, as well as responsibility for cost overruns, from the Sewer Connection Area Reserves;

AND FURTHER THAT the 2022 Financial Plan be amended to include this project at \$2,036,000 with funding of \$1,466,600 from grant funding and the remaining \$569,400 from the Sewer Connection Area Reserve if the application is successful.

Purpose:

To consider staff's recommendation to apply for the third program intake of the Investing in Canada Infrastructure Program - Green Infrastructure Environmental Quality Program.

Background:

Aging septic fields are a continued risk to the quality of water in the Okanagan, and their removal has long been a goal for the City and communities throughout the Okanagan basin. There are approximately 2,000 properties that remain on septic service that have the potential to 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 reliance on septic

fields. The policies have been effective on new development, however existing properties on septic have been slow to connect due to high costs and because some systems have no urgent operational need. Property owners often comment that the cost of connecting to the wastewater system is not affordable without grant funding support.

For this grant application, the proposed project will ultimately replace 121 aging or failing septic fields and connect these properties to the wastewater utility. This area was selected based on the size of available grant and the available matching reserves. The targeted Okaview areas have septic systems that were installed between 30 to 40 years ago and are near the end of their service life. The project will involve installing approximately 1,450 metres of sewer mainline, 121 connections to the property line and final connection to the City utility.

The total cost for this sewer installation in the grant application is \$2.036M. The City is applying for a \$1.466M grant from the Investing in Canada Infrastructure Program (ICIP) – Green Infrastructure – Environmental Quality Sub-Stream representing a 73% grant contribution maximum. The funding for the City component leverages available reserves found in existing individual Sewer Connection Area reserves to eliminate septic system use in the Okaview area.

Property owners will be asked to connect once the sewer is constructed but are under no obligation to connect. The City project will provide a stub connection to each property. When owners do choose to connect, they will pay a one-time \$7,500 connection charge and are responsible for their costs on-site to connect from the house to property line as per Sewer System User Bylaw 3480.

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

Internal Circulation:

Budget
Community Planning
Grants & Special Projects
Public Works
Wastewater Utility

Financial/Budgetary Considerations:

The City is requesting a \$1.466M grant from the Investing in Canada Infrastructure Program (ICIP) – Green Infrastructure – Environmental Quality Sub-Stream for the Kelowna Septic System Elimination Project. Sewer Construction Funding, \$570K, will be provided from the existing Okaview Sewer Connection reserves. Any additional funding required for cost overruns is the responsibility of the City and will be required to adhere to the City's Budget Amendment or Budget Transfer Policy.

Considerations not applicable to this report:

Alternate Recommendation:
Communications Comments:
Existing Policy:
External Agency/Public Comments:
Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:
Personnel Implications:

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cc: C. Weaden, Divisional Director, Corporate Strategic Services
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