

QUESTION & ANSWER FACT SHEET

Proposed Hall / Parsons Local Area (Sewer) Service Area

Question: What initiated this process ?

Answer: Over the past few years a number of residents from the "Hall Road Area" have contacted the City of Kelowna asking if and how sewer mains can be extended into this area. The Fisher Road area (across from the Mission Creek Golf Course) will be serviced with sewer in 2007 and this will result in a sewer main being extended to the bridge at Mission Creek and leave the Hall Road area in a position to be able to obtain services. Utility mains are extended using a process called a "Local Area Service project".

Question: What does the project consist of ?

Answer: A Local Area Service project is a method to install sewer mains throughout an area and apportion the costs, or a portion of the costs to the benefiting property owners. If the project proceeds, sewer mains will be installed in the streets and in Rights-of-way if necessary, and sewer service connection pipes will be extended to the property line of each lot within the area.

Question: What area is affected ?

Answer: See the attached map, which indicates the approximate proposed boundaries of the project.

Question: If the majority of the Property Owners in the area would like to proceed with the Sewer project right away (without a Grant), what will it cost me ?

Answer: A brief outline of the projected costs is shown below:

- The full cost of the Local Area (Sewer) Service charges, to pay for the costs of the local mains and services to your property line, is approximately **\$28,700 per Single Family Equivalent (SFE)**.

The following calculation will be used to determine SFE's:

- Single Family Home: 1 home = 1 SFE
- Multi-family building: Each dwelling unit = 0.7 SFE (e.g. a 4-plex = 2.8 SFE's)
- Commercial/Public/Institutional properties (by zoning): every 2,600 ft² of building area = 1 SFE (The minimum charge is 1 SFE)
- Vacant properties: every vacant property will be charged 1 SFE

- Sewer Development fees will be charged to collect for a fraction of the costs of downstream trunks and the Treatment Plant capacity necessary to service your property. The cost for Residential properties is **\$300 for Sewer for each dwelling unit**. The Sewer Development fees for Commercial/Public/Institutional properties vary with the use, and are based on the water service size.

- Property Owners are responsible for the cost of connecting their building services to the service pipe installed to the property line and for de-commissioning the septic tank. Most property owners engage a Contractor to perform this work, and the costs vary depending on where the service lines come out of the building, and the route you choose to install the new pipes to the existing service.
- There is a Plumbing Permit fee applicable to your on-site work; the typical single family residential connection fee is **\$40**.
- Utility billing will commence upon completion of construction, which consists of a \$40/yr. Sewer Parcel Tax. Once you connect you will be charged the current monthly usage charge. The usage charge for residential dwellings is \$14.²⁰/month per unit (2006 rate) for Sewer. Industrial, Commercial and Institutional users pay different rates.

Question: If I choose to wait until a Government Grant is obtained, which may reduce the Lump Sum cost and the Annual Payment charges by an amount up to 66% of the project cost, when will everything occur and what should I expect to pay ?

Answer: Grants are not awarded on a regular basis, nor are we sure that we will obtain a Grant for this area, however if the majority of property owners indicate that they will support the project if we do receive a Grant, City staff will submit a Grant application. We will attempt to acquire a 66% Grant on your behalf and if we're successful, we estimate the Lump Sum cost (Cash Commutation price) of the project would be approximately **\$10,400** and that the Annual Payments would be reduced to approximately **\$1,200/year for 20 years**. The other associated fees, mentioned above, remain the same. Whether a Grant is obtained or not, the City has no intention on proceeding with construction without involving the Property Owners in the decision.

Question: What if I don't want to pay the Lump Sum amount ?

Answer: Property Owners can often obtain financing for Sewer installation costs from local Lending Institutions, pay the Lump Sum, and pay the Lending Institution on the terms of your choice.

Question: What if I don't want to pay in a lump sum, and I'm not interested in getting a loan from a Financial Institution ?

Answer: The City will send a notice after the construction has been completed, indicating a 60-day period that is available to make the lump sum payment. If payment is not made in that time period, the debt would then be collected as a levy on the property tax notice over a 20 year period. Our preliminary estimates indicate that the charge will be approximately \$3,000 per year for 20 years if we proceed without a Grant, or \$1,200 per year if a 66% Grant is obtained.

Question: If the majority of property owners are in favour of proceeding with this project right away without a Grant, and a Local Area (Sewer) Service bylaw is initiated by Council, when could I expect to be able to connect to the new system ?

Answer: If the majority of Owners indicate a preference to proceed right away, staff will submit a bylaw to City Council this winter, which will initiate a formal "vote" by the affected Owners. Owners will be sent a formal letter and be given a 30-day period in which to oppose the proposed project. If the project is not opposed by the majority of Owners, design work would start in the Spring of 2008, with construction work occurring throughout 2008 and 2009.

Question: If the majority of property owners wish to wait until a Provincial &/or Federal Assistance Grant is obtained when could I expect to be able to connect to the new systems ?

Answer: If the majority of Owners indicate that they will support the project if a Grant is obtained, City staff will attempt to gain City Council support and apply for applicable Grants. If and when a Grant is obtained, City staff will submit a bylaw to City Council which will initiate the same process described above. The timing and dates are unpredictable since we have no way of knowing if or when a Grant may be obtained.

Question: If and when the Local Area Service project proceeds and a Sewer service is installed to my property line, do I have to connect to it ?

Answer: Yes. Property Owners will be allowed at least one year from the date the new system has been completed in front of your property to connect to the service pipe. A letter will be sent out at the completion of the project that advises that the work is complete and will specify a period of time in which connections must be made.

Question: If and when the Local Area Service project proceeds and I connect to the service pipe, do I have to abandon my septic system ?

Answer: Yes, you do have to properly decommission your septic tank(s) when you connect to the sewer. This is usually done by your servicing Contractor.

Question: Will the asphalt road be replaced, and will I be getting concrete curb & gutter ?

Answer: All streets that are substantially removed or damaged by the Sewer installation will be replaced with a complete new surface, and those that have minor cuts may just get patched. There are no plans to install curb, gutter, sidewalks or any new concrete surface improvements in conjunction with the sewer work.

We will attempt to keep the affected Property Owners / residents updated on this project as new events occur. We will set up a Web page at: www.kelowna.ca Hover over the "Residents" box and then select: "City Projects" and then "Road, Sewer & Water". Select the "Hall / Parsons Sewer" project to access information particular to this project.

Proposed Hall Road Sanitray Sewer LAS

