



THE CORPORATION OF THE
DISTRICT OF SUMMERLAND
REQUEST FOR DECISION

DATE: July 18, 2023 FILE:
TO: Graham Statt, Chief Administrative Officer
FROM: Joe Mitchell, Director of Works & Infrastructure
SUBJECT: Deer Ridge Sewer Extension Options

STAFF RECOMMENDATION:

THAT Staff be directed to proceed with detailed design of Option 1 in the July 18, 2023 Deer Ridge Sewer Extension Options Report from the Director of Works & Infrastructure;

AND THAT Staff be directed to initiate the Council Initiated Local Area Service process for Option 1 of the Deer Ridge Sewer Extension in accordance with Community Charter S. 213.

STRATEGIC PRIORITY:

To Protect and Enhance Core Infrastructure and Essential Services

CULTURAL IMPACT STATEMENT:

Quality of Life- "Improve physical connections and flows around the community including trail systems, bus transport, accessibility, etc."

*District of Summerland Cultural Plan (2016)

PURPOSE:

To select an alignment and funding model for the extension of sanitary sewer to the Deer Ridge neighbourhood.

DISCUSSION:

As detailed in Attachment 1 (Sanitary Servicing Options and Cost Breakdown Memorandum from Associated Engineering), two sewer routing options have been reviewed for servicing the Deer Ridge neighbourhood. Option 1, shown in Figure 1 below, includes a gravity sewer from Deer Ridge along the Eco-Village frontage, along the flume trail right-of-way to Taylor Place, connecting to the existing sewer along Cartwright Avenue.

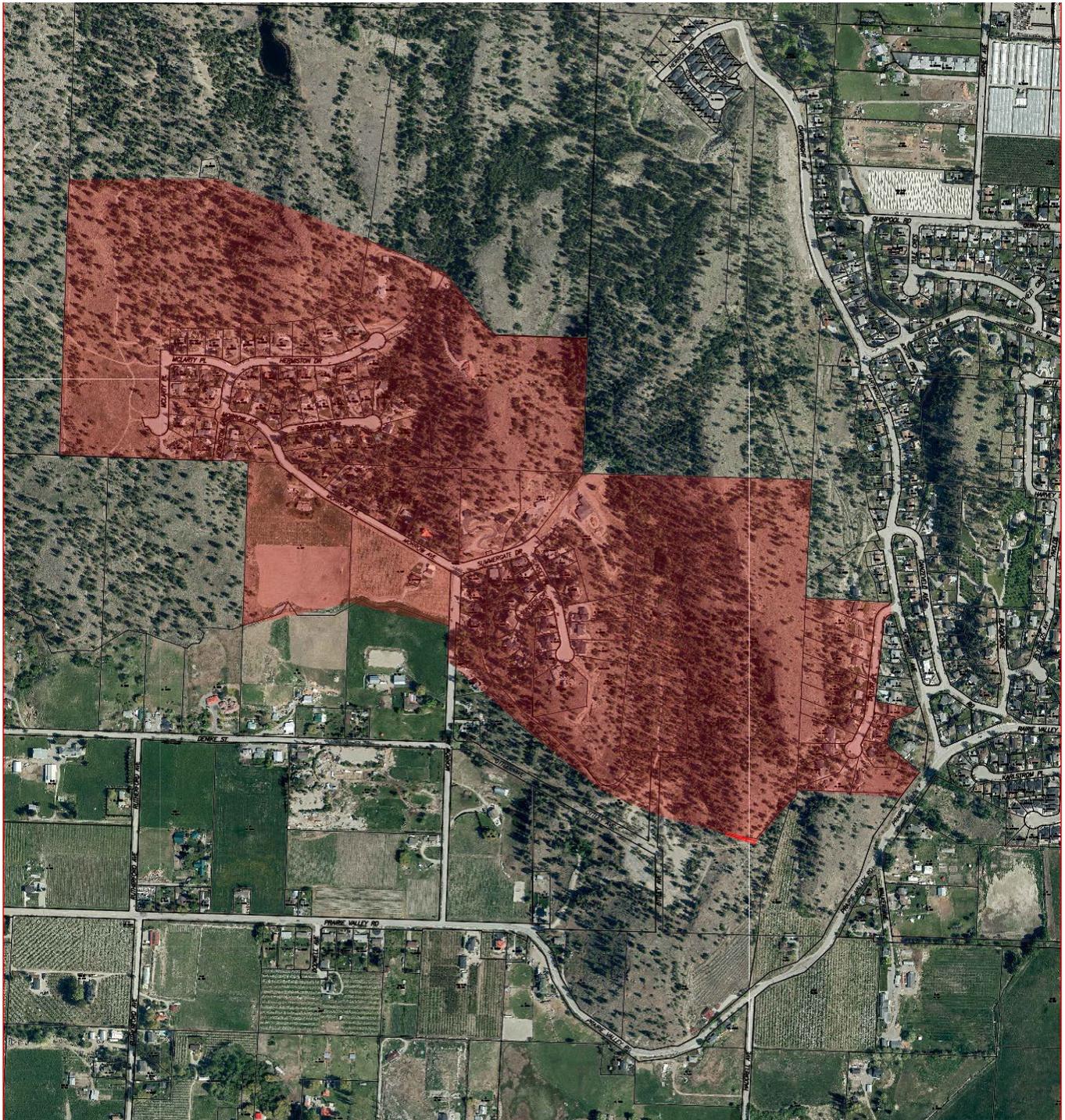


Figure 1: Option 1 Benefiting Parcels (101 Existing)

Option 2, shown in Figure 2 below, includes a sewer alignment from Deer Ridge down Morrow Avenue, connecting to a proposed lift station to provide a pumped service along Prairie Valley Road to the existing sewer main near Darke Road.

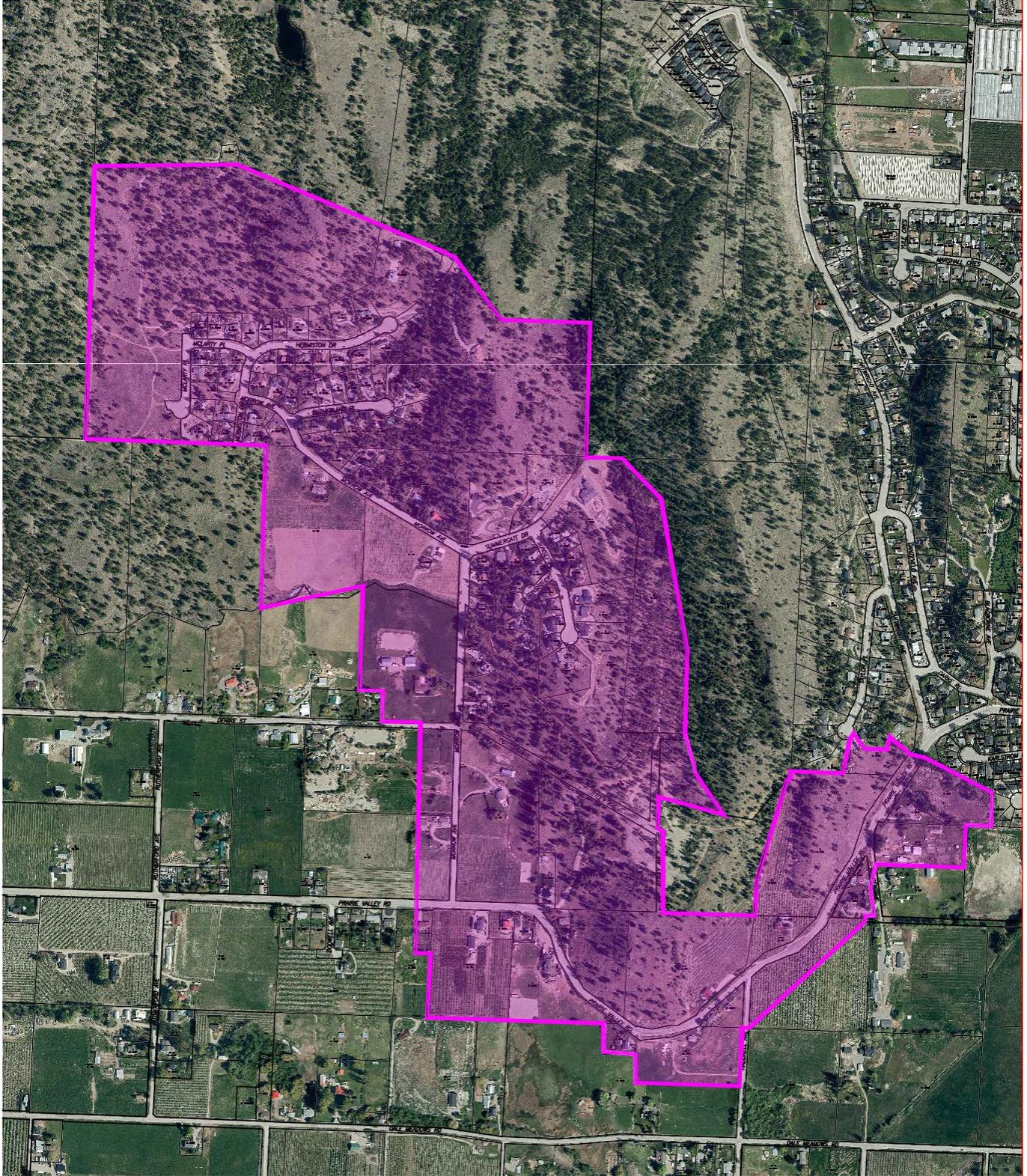


Figure 2: Option 2 Benefiting Parcels (104 Existing)

Table 1 below outlines the lot count and estimated sewer servicing costs for both existing and potential development lots.

Table 1: Estimated Costs Per Lot

Option		Description		Total Area Cost	Existing Lots	Upper Development Lots	Eco Village	Prairie Valley Road Developments
			# of Lots	264.1	101	87	76.1	
Option 1 Gravity/Flume Trail	1A	Local Sanitary Service Area - Project costs distributed evenly based on total number of lots at full buildout.	\$ Per Area	\$4,200,000	\$1,610,000	\$1,390,000	\$1,220,000	Not serviced
			\$ Per Lot		\$16,000	\$16,000	\$16,000	Not serviced
			# of Lots	293.1	104	87	76.1	26
Option 2 Lift Station/Prairie Valley Road	2A	Local Sanitary Service Area - Project costs distributed evenly based on total number of lots at full buildout.	\$ Per Area	\$6,400,000	\$2,271,000	\$1,900,000	\$1,670,000	\$570,000
			\$ Per Lot		\$21,900	\$21,900	\$21,900	\$21,900
	2B	Two Local Sanitary Service Areas (Upper Area and Lower Area) - Costs for Existing Lots and Upper Development based on Gravity Pricing and Distributed Evenly. Lower Developments share additional costs for lift station and additional piping.	\$ Per Area	\$6,400,000	\$1,610,000	\$1,390,000	\$1,220,000	\$2,240,000
			\$ Per Lot		\$16,000	\$16,000	\$16,000	\$86,200

Anticipated Costs Per Property

As shown in Table 1 above, the cost allocation per lot, existing or proposed, would be \$16,000 for Option 1 and \$21,900 for Option 2.

Table 1 also includes Option 2B, which extends sewer servicing to the Prairie Valley Road developments, but allocates the additional costs above the Option 1 pricing to the Prairie Valley Road developments. This option ensures those properties that do not require the lift station for servicing are not paying a premium for its installation (existing lots, upper development and Eco-village). The upper lots would still each pay \$16,000, while the Prairie Valley Road developments would pay \$86,200 per unit.

Table 2 below outlines the significant benefits and challenges with each option.

Table 2: Sewer Option Challenges and Benefits

	Benefits	Challenges
Option 1	No lift station required for existing properties	Need to acquire 1 right-of-way
	Less pipe required	Potential bedrock on flume trail
	Lowest capital costs	Developers on Prairie Valley Road would need to pump to the gravity main or utilize another route
	Reduced ongoing operational costs with no lift station required	
Option 2	Developers along Prairie Valley Road interested in supporting the development of a lift station	One right-of-way along Prairie Valley Road required for the lift station
	Approximately 12 additional properties of Prairie Valley Road can be serviced	Prairie Valley Road near Morrow is already very congested with existing infrastructure resulting in some additional infrastructure relocation potentially
	Sanitary sewer could potentially extend further west along Prairie Valley Road in the future	Ongoing operational costs of a lift station
	Pipes remain on the road network for easy future maintenance	11 properties along Taylor Place would not receive sewer service
	Some costs for installation within Prairie Valley Road absorbed by existing road capital project	High capital cost of installation

Use of BC Growing Communities Fund:

Staff recommends that the use of the BC Growing Communities Fund to be used for the portions of cost breakdown attributed to the “Future” development areas to benefit from the proposed sewer expansion project. In this manner, the Local Area Service (*Community Charter* S.212) would only be required for the existing lots that are proposed to be serviced (i.e. 101 lots for Option 1) and at the amount of \$16,000 per lot for Option 1 and \$21,900 per lot for Option 2. For future development areas, staff propose using the BC Growing Communities Fund as follows:

1. For private developments, the District negotiates a latecomers agreement with the benefitting property owner that when they proceed with their development, they will pay the District back their share of the per lot cost for the Deer Ridge sewer connection. As an example, the Upper Development Lot area would have a latecomer payment of \$1,390,000 that the District would recoup as a subdivision requirement once it went forward for development.
2. For the eco-village lands, the District has ownership of these lands and would use the BC Growing Communities Fund for sewer connection and see any benefit from this

infrastructure investment through the improved value of the Eco-Village land sale. In this regard, staff has received a preliminary appraisal of the District's Eco-Village lands with an analysis of the value with and without the sewer connection in Option 1 being provided prior to being listed for sale.

The total amount of estimated funding required from the BC Growing Communities Fund in the above manner would be \$2.61 million for Option 1 and \$3.57 million for Option 2. The use of the BC Growing Communities Fund has in this manner has the following benefits:

- Allows the Deer Ridge sewer extension project to proceed without it being conditional on the timing of future development from private developers and/or the eco-village lands
- Allows for the recoupment of grant funding through time and the replenishment of reserves (Infrastructure Reserve for private development latecomers, and Land Sale Reserve for eco-village lands)
- The Local Area Service (LAS) can exclude any use of grant funding or the involvement of future development areas with a currently undetermined number of lots. This LAS can be specified to only that portion of funding required from existing lots (\$1.61 million for Option 1 and \$2.271million for Option 2)

Alternative Servicing Option for Prairie Valley Road Developments

Associated Engineering also provided an alternative to servicing the development sites along Prairie Valley Road should Council select Option 1. A preliminary sewer alignment review of the proposed development sites along Prairie Valley Road (which would be excluded under Option 1) was completed. This preliminary review indicated that the developers of these properties may be able to petition for a separate Local Area Service (*Community Charter* S.212) to install a gravity sewer main from the crest of Prairie Valley Road along their development frontage to the existing Cartwright sanitary sewer while Prairie Valley Road construction occurs in 2024. This would be a separate project and sewer line from Options 1 and 2 discussed above.

A high-level estimate indicates that the costs would be in the range of \$450,000, however a low-pressure sewer system may be required for some of the individual lots depending on individual lot elevation. If the developers were to pursue this option, it would need to be initiated in the very near future as the Prairie Valley Road repaving project design has already been initiated with road construction planned for 2024.

BACKGROUND:

In 2019, Council endorsed design of a sanitary sewer to the Deer Ridge neighbourhood, with service extending through Taylor Place and along the frontage of what is now known as the Eco-Village property. This design was completed to the 90% design stage, but never advanced to construction. In the 2023 Capital Budget, Council funded completion of this design, complete with a cost comparison option of routing the sewer down Morrow Avenue to Prairie Valley Road and connecting to the existing sewer near Darke Road. This design would allow for sewer connection for two potential developments along Prairie Valley Road (estimated to be 26 new units).

LEGISLATION and POLICY:

- *Community Charter*, S.212 – Petition for Local Area Service
- *Community Charter*, S.213 – Local Area Service on Council Initiative

FINANCIAL IMPLICATIONS:

The Financial Plan includes \$100,000 for an alignment review for servicing the Deer Ridge neighbourhood. Once an option is determined by Council, staff will continue to work with District consultants to complete the detailed design and tender documents.



The project is proposed to be a Council Initiated Local Area Service (as per the *Community Charter*, S. 213), with all proposed and existing properties utilizing the sewer contributing equally.

SUPPORTING DOCUMENTS:

1. Sanitary Servicing Options and Cost Breakdown Memorandum from Michael Owen (Associated Engineering) dated July 5, 2023
2. Appraisal of A, B, D & E of Eco-Village Concept 2 (South Okanagan Appraisals) dated June 23, 2023

CONCLUSION:

It is recommended that Council endorse proceeding with sewer routing Option 1 as presented in the July 18, 2023 Council Report.

OPTIONS:

1. Move the motion as recommended by staff.
2. Refer to staff for other options.

Respectfully submitted,



Joe Mitchell
Director of Works & Infrastructure

Endorsed by,



Graham Statt
Chief Administrative Officer

Presentation: Yes No