

REPORT TO GANGES SEWER LOCAL SERVICE COMMISSION MEETING OF FRIDAY 03 JUNE 2011

SUBJECT

REQUEST FOR INCLUSION OF PROPERTY IN THE GANGES SEWERAGE LOCAL SERVICE AREA - 114 SWANSON ROAD

ISSUE

The owner of a parcel of land adjacent to the Ganges Sewerage Local Service Area (GSLSA) has requested inclusion into the service area.

BACKGROUND

The owner (Applicant) of 114 Swanson Road (Lot 8, Section 3, Range 3E, North Salt Spring Island, Cowichan Land District, Plan 21557) (Attachment 1) has approached the Capital Regional District (CRD) requesting inclusion of the property in the Ganges sewer service area with plans to build a twelve-unit strata development complex.

In 1982, an extension to the Park Drive sewer was proposed to provide sewer service to Swanson Road properties; however, the project was terminated at Lakeview Crescent as Swanson Road property owners opted not to participate in funding the extension. At a 08 November 2005 meeting, the GSLSC set aside \$8,000 funds from the Capital Reserve fund that was to be used towards a sewer extension project on Park Drive. The project did not materialize and the \$8,000 funding was reallocated to support works elsewhere within the service. In 2005, a \$5,000 contribution from the property owner of 230 Park Drive was received as compensation for not extending the sewer main to accommodate an approved subdivision of that property; that money remains in the Capital Reserve fund which currently is at approximately \$44,500.

In 2008, an expansion of the sewer was considered to accommodate a prospective owner of 114 Swanson Road requesting inclusion into the Ganges sewer area. At a September 2008 GSLSC meeting, a motion for conditional approval was granted; however, the developer later withdrew the application.

The property falls within the Islands Trust OCP Bylaw boundary for the Ganges Village Development Permit Area (DPA 1). The Applicant has agreed to pay the applicable capacity purchase charge as per Bylaw 3262 (calculated to be \$33,552), and the cost of extending the sewer from the northwest corner of Lakeview Crescent (estimated to be \$130,000), to a location sufficient to provide service to 114 Swanson Road. The Applicant understands that he will be required to retain the services of an engineering consultant to confirm that there is sufficient current system capacity to support the development without negatively impacting the current service area and engineer the work.

<u>ALTERNATIVES</u>

- 1. That the Ganges Sewer Local Service Commission:
 - 1. Approve the application to include Lot 8, Section 3, Range 3E, North Salt Spring Island, Cowichan Land District, Plan 21557 (114 Swanson Road) into the Ganges sewer local service area subject to the following:

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- a) The Applicant agrees in writing to pay all engineering and construction costs associated with the extension of the sewer and connection to the property;
- b) The Applicant pays the capacity purchase charges for the planned development;
- c) The Applicant retains the services of an engineering consultant to confirm that the development does not negatively impact the current service area or its customers and forward for CRD approval; and
- 2. Authorize the expenditure of up to \$5,000 from Capital Reserve Funds to offset the Applicant's cost.
- 2. That the Ganges Sewer Local Service Commission defer approval of the request by the Applicant for inclusion into the Ganges sewer local service area pending completion of the asset condition evaluation, as approved in the 2011 Capital Plan.
- That the Ganges Sewer Local Service Commission deny the Applicant's request.

IMPLICATIONS

- 1. All costs for inclusion of this parcel in the Ganges sewer local service area will be borne by the Applicant except for the \$5,000 provided previously by another property owner for the extension of the sewer on Swanson Road. The \$5,000 received from the owner of 230 Park Drive in 2005 remains in the Capital Reserve Fund and when used, would not cause a negative financial impact to the current service customers. An extension of the Swanson Road sewer main may increase interest among other Swanson Road property owners to request inclusion into the Ganges sewer service area. The capacity purchase charge associated with the Applicant's planned twelve unit development would provide \$33,552 in 2011 revenue. The inclusion of the property would also add an additional twelve taxable folios to the service area if subdivision is approved. Preliminary flow calculations suggest that the proposed development would not impose a capacity deficit to the system, but will be confirmed by the Applicant as a condition of approval.
- 2. The 2011 asset study, in combination with the 2009 sewer model and 2010 Development Cost Charge study recommendations will provide new information regarding the costs of capital improvements required in the next several years, and the proportions of such improvements that relate to infrastructure renewal and expansion to accommodate growth. It is likely that this information will form the basis of recommendations for updating the capacity purchase bylaw, and potential implementation of a development cost charge bylaw. Deferral of inclusion requests until this work has been completed would ensure that the owners of those properties pay an appropriate share of the cost of capital improvements to infrastructure.
- The sewer extension would not occur and there would be no increase in taxable folios within the service area.

CONCLUSION

The Applicant has requested inclusion of 114 Swanson Road into the Ganges sewer service area. The Applicant's request meets the requirements for inclusion subject to conditions listed in Alternative 1. The applicant has indicated a willingness to pay the costs of the engineering study, extension and connection to the system and the capacity purchase charge.

A current asset condition evaluation and engineering study, together with the 2009 sewer model and the 2010 development cost charge study of the Ganges sewer system is expected to result in changes to the recommended cost of inclusion in the GSLSA within the next year.

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RECOMMENDATION

That the Ganges Sewer Local Service Commission:

- 1. Approve the application to include Lot 8, Section 3, Range 3E, North Salt Spring Island, Cowichan Land District, Plan 21557 (114 Swanson Road) into the Ganges sewer local service area subject to the following:
 - a) The Applicant agrees in writing to pay all engineering and construction costs associated with the extension of the sewer and connection to the property:
 - b) The Applicant pays the capacity purchase charges for the planned development;
 - c) The Applicant retains the services of an engineering consultant to confirm that the development does not negatively impact the current service area or its customers and forward for CRD approval; and
- 2. Authorize the expenditure of up to \$5,000 from Capital Reserve Funds to offset the Applicant's cost.

Ted Robbins, B&c, CTech

Senior Manager, Water Management

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General Manager, Integrated Water Services

Concurrence

GPTR:Is

Attachments: 1 (114 Inclusion map. SPDoc# 811459)

