

DATE OF MEETING JULY 9, 2018
AUTHORED BY BILL SIMS, DIRECTOR, ENGINEERING AND PUBLIC WORKS
SUBJECT MORNINGSIDE DRIVE SEWER COST SHARE

OVERVIEW

Purpose of Report

The purpose of the report is to provide Council with an opportunity to install sanitary sewer on Morningside Drive to provide service to properties that are currently on septic fields. |

Recommendation

That Council authorize the installation of sanitary sewer along Morningside Drive, provided the property owners sign a formal petition to contribute \$12,200 per lot towards the cost of extending the service.

BACKGROUND

Morningside Drive, between Hammond Bay Road and Neck Point Park, is currently not serviced by sanitary sewer. Five waterfront properties rely on septic fields. The property owners have approached the City of Nanaimo (City) to review the potential of connecting to the City sewer and avoid the expense of replacing aging septic fields and improve water quality on the foreshore.

Staff engaged an engineering consultant to examine options to serve the five properties, including an extension to service washrooms at Neck Point Park. The most cost-effective and least impact option, is a low pressure sewer system, of which there are other similar and effective installations in town.

With low pressure sewers, there is both a municipal component which includes the pipeline and service connection and private side component that include pumps and service piping. The cost of the public side work is expected to be in the range of \$150,000 to \$240,000. The property owner's group have indicated a willingness to share in the project costs to ensure that it proceeds on a priority basis. Each property owner would contribute \$12,200 toward the project, amounting to a total of \$61,000. In addition to this cost, each property owner would be responsible for the expense of installing a pump on their property, along with piping to the road.

Given the public benefit of connecting properties to sanitary sewer, the environmental benefit to the foreshore and opportunity to provide sewer service to Neck Point Park, the level of contribution is considered reasonable.

The charges are recovered from the property owners by means of a local improvement levy on their property tax notice. The \$12,200 contribution, plus interest, would be distributed over 10 years on each of the five properties. Should a resident choose to pay up front, this can also be accommodated.

The legal framework for this process is referred to as a Local Area Service (LAS) and is outlined in Part 19 of the *Local Government Act*. The local area service must be established through a Bylaw, that outlines the details of the service and cost recovery. If Council chooses to proceed with the recommended option, the City will put forward a formal LAS petition to the group of five residences. If that is successful, Staff will return with a Council report for Bylaw adoption, at a later date.

In addition, if Council proceeds and the petition is successful, Staff would return with a Bylaw to appropriate funds from the General Asset Management Fund.

OPTIONS

1. That Council authorize the installation of sanitary sewer along Morningside Drive, provided that all property owners sign a formal petition to contribute \$12,200, per lot, towards the cost of extending the service.
 - **Budget Implication:** Funding for the service extension will be included in the 2019 year of the next Financial Plan.
 - **Environmental Implication:** Constructing this project will have a positive impact on the foreshore and ensure these residences are served by City sewer - a healthier and safer alternative.
 - **Parks Implication:** With the private contribution to the sewer service, it offsets the cost of providing sanitary sewer to Neck Point Park. With the sewer service extended to Neck Point Park, there is an opportunity to provide flush toilets in the future.

2. That Council direct Staff to decline cost-share with residents of Morningside Drive and not construct the sewer system.
 - **Budget Implication:** There would be no impact to the Sewer Reserves; however, the future cost of extending the service to Neck Point Park would be higher.
 - **Other Implications:** An opportunity will be lost for the sewer to be constructed, shared equitably among the property owners and the balance of ratepayers. |

SUMMARY POINTS

- Five waterfront properties on Morningside Drive are currently not serviced by sanitary sewer.
- The property owners have approached the City to share the costs of extending the sewer to Neck Point Park, so they are able to connect to City sewer.
- The opportunity that sharing the costs presents, will help improve the foreshore's ecological health, is equitable to other ratepayers in the City, and presents an opportunity to provide flush washroom service to Neck Point Park. |

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