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**REPORT TO ELECTORAL AREA SERVICES COMMITTEE  
MEETING OF WEDNESDAY, 07 SEPTEMBER 2011**

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**SUBJECT**     **TEMPORARY BORROWING BYLAW FOR CAPITAL FINANCING (FULFORD WATER SERVICE)**

**ISSUE**

Temporary financing for upgrading the water treatment and water system of the Fulford Water Service.

**BACKGROUND**

The Board previously approved loan authorization bylaw No. 3758 to upgrade the water treatment and water system of the Fulford Water Service. Cash on hand is insufficient to carry on the works until the Municipal Finance Authority (MFA) funds are issued.

A temporary loan allows borrowing of money for capital expenditures that are incurred before the long term funding is issued by the Municipal Finance Authority. This temporary borrowing bylaw is an authorization to borrow short-term for the loan authorization provided through bylaw No. 3758 as noted above.

**ALTERNATIVES**

1. That Bylaw No. 3806, "Temporary Loan (Fulford Water Service) Bylaw No. 1, 2011" be introduced and read a first and second time, read a third time, and adopted.
2. That spending on this project be delayed until long-term funds are issued by the MFA.

**IMPLICATIONS**

Temporarily borrowed money will not exceed the difference between the total amount authorized by the loan authorization bylaw and the amount already borrowed in relation to that bylaw. The proceeds of borrowing long-term in relation to the loan authorization bylaw are used to repay the money temporarily borrowed.

**CONCLUSION**

It has been the practice of the Capital Regional District to fund large capital projects with short-term temporary borrowing until the long-term funds are issued by Municipal Finance Authority.

**RECOMMENDATION**

That Bylaw No. 3806, “Temporary Loan (Fulford Water Service) Bylaw No. 1, 2011” be introduced and read a first and second time, read a third time, and adopted.

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Janice M. Poncelet  
Senior Business Analyst

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Rajat Sharma  
Senior Manager, Financial Services

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Diana E. Lokken  
General Manager Corporate Services  
Concurrence

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Kelly Daniels  
C.A.O.  
Concurrence

COMMENTS:

Attachment: 1

**CAPITAL REGIONAL DISTRICT**

**BYLAW NO. 3758**

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**A BYLAW TO AUTHORIZE THE BORROWING OF  
TWO HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$225,000) FOR UPGRADING THE  
WATER TREATMENT AND WATER SYSTEM OF THE FULFORD WATER SERVICE**

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**WHEREAS:**

- A. The Board of the Capital Regional District adopted Bylaw No. 3202 "Fulford Water Service Establishment Bylaw No.1, 2004" to provide a Service for the operation, supply, treatment, conveyance, storage and distribution of water for the Fulford Water Service (the "Service");
- B. The Board of the Capital Regional District wishes to provide funding for the provision of the Service;
- C. The estimated cost of the works for the Service, including expenses incidental thereto to be funded by debt servicing, is the sum of Two Hundred Twenty-Five Thousand Dollars (\$225,000), which is the amount of debt intended to be authorized by this bylaw;
- D. Pursuant to Section 823.1 of the *Local Government Act*, participating area approval is required and shall be obtained by assent of the electors under Section 801.2 of the *Local Government Act*;
- E. The approval of the Inspector of Municipalities is required under Section 819 of the *Local Government Act*, and
- F. It is proposed that the financing of the Service be undertaken by the Municipal Finance Authority of British Columbia pursuant to proposed agreements between that Authority and the Capital Regional District.

**NOW THEREFORE** the Board of the Capital Regional District in open meeting assembled enacts as follows:

- 1. The Board is hereby authorized to:
  - (a) borrow upon the credit of the Capital Regional District a sum not exceeding Two Hundred Twenty-Five Thousand Dollars (\$225,000) for the purpose of undertaking and carrying out or causing to be carried out the planning, study, design and construction of works for the provision of the facilities and equipment comprising and relating to the Service and doing all things necessary in connection with the Service;
  - (b) acquire all such real property, easements, rights-of-way, leases, licenses, rights or authorities as may be requisite or desirable for or in connection with the Service.

2. The maximum term for which debentures may be issued to secure the debt intended to be created by this bylaw is fifteen (15) years.
3. This Bylaw may be cited as the "Fulford Water Service Loan Authorization Bylaw No. 1, 2011".

READ A FIRST TIME THIS \_\_\_\_\_ day of \_\_\_\_\_

READ A SECOND TIME THIS \_\_\_\_\_ day of \_\_\_\_\_

READ A THIRD TIME THIS \_\_\_\_\_ day of \_\_\_\_\_

APPROVED BY THE INSPECTOR OF MUNICIPALITIES THIS \_\_\_\_\_ day of \_\_\_\_\_

RECEIVED PARTICIPATING AREA  
APPROVAL UNDER SECTION 801.2  
OF THE *LOCAL GOVERNMENT ACT* THIS \_\_\_\_\_ day of \_\_\_\_\_

ADOPTED THIS \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
CHAIR

\_\_\_\_\_  
CORPORATE OFFICER

FILED WITH THE INSPECTOR OF MUNICIPALITIES THIS \_\_\_\_\_ day of \_\_\_\_\_