



**REPORT TO REGIONAL WATER SUPPLY COMMISSION  
MEETING OF JANUARY 20, 2010**

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**SUBJECT:** Bylaw No. 3661 "Regional Water Supply Water Works Facilities Loan Authorization Bylaw No.1, 2010"

**PURPOSE:**

The purpose of this report is to request approval of Bylaw No. 3661 in the amount of \$11,000,000 for the purpose of acquiring, designing and constructing water works facilities.

**BACKGROUND:**

Based on the capital plan (Attachment 1), the borrowing of up to \$11,000,000 will be required over the next five years to meet the cash requirements to fund the capital projects included in the 2010-five year capital plan projections.

Borrowing will only occur subject to the review and confirmation of the cash flow requirements and approval of the projects by the Commission.

Under the Local Government Act, participating area approval is required for the approval of the loan authorization. There are three options available for obtaining participating area approval:

- a) Assent from the electors may be given by voting (Referendum); or
- b) Participating area approval of the electors may be given by the alternative approval process; or
- c) Consent from the Municipal Councils on behalf of the electors and assent of the electors(referendum) in the Juan de Fuca electoral area .

Assent from electors by voting (referendum) is very costly. Participating area approval by the alternative approval method is less costly and its success is dependent if less than 10% of the eligible electors oppose to the adoption of the bylaw. Consent from Municipal councils requires 100% approval from the municipal councils and consent of the electors in the electoral area by Referendum.

**ALTERNATIVES:**

1. That Bylaw No. 3661, "Regional Water Supply Water Works Facilities Loan Authorization Bylaw No. 1, 2010" be introduced and read a first time, read a second time, read a third time.

Funding capital works from borrowing enables the works to be scheduled on a timely basis as planned.

2. To fund capital works from operations, to the extent that funds are available, and defer the rest for an extended period of time.

Using this alternative would require postponement of a significant portion of the capital works to the future.

**FINANCIAL IMPLICATIONS:**

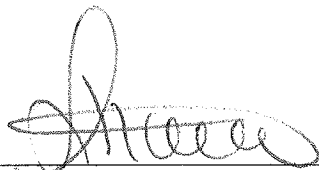
The estimated debt servicing costs for the \$11 million borrowing at the projected rate of 6% as shown in attachment 1, has been included in the 2010-five year operating budget.

**SUMMARY:**

The five year capital plan requires funding of \$11,000,000. The most effective way of funding these projects is through the approval of a loan authorization bylaw.

**RECOMMENDATION:**

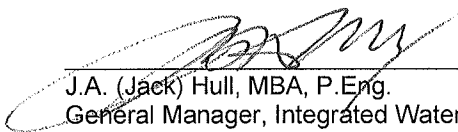
That Bylaw No. 3661, "Regional Water Supply Water Works Facilities Loan Authorization Bylaw No. 1, 2010" be introduced and read a first time, read a second time, read a third time.



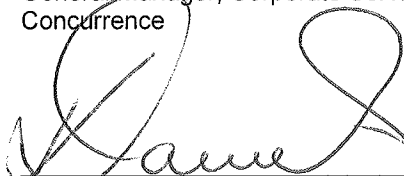
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COMMENTS:

CAPITAL REGION WATER SUPPLY 2010-5 YEAR CAPITAL BUDGET - SUPPLY SYSTEM (\$'000 - 2010 DOLLARS)						
ATTACHMENT-1						
	2010 including 2009 carry over	2011	2012	2013	2014	5 yr total including carry over
	(\$'000's)	(\$'000's)	(\$'000's)	(\$'000's)	(\$'000's)	(\$'000's)
Kapoor Tunnel Head Tank By-Pass Install Meters	30					30
Watershed Security and Fencing	155	155	155	155	155	775
Trailer Mounted Spill Boom			27			27
Assessment of Waugh Creek Tunnel		30				30
Slope Failure Assessment - Goldstream River			55			55
Leech River Watershed Restoration	585	832	565	390	350	2,722
New Weather Station - Leech Watershed	45					45
Mavis Creek/Kapoor Road Culvert Replacement	170					170
Fire Weather Station Tower Replacement	225					225
Watershed Mapping - Forest Cover		130				130
Reservoir Protection Booms - Replacement	32					32
Work Boat Cover		6				6
Sooke Storage Building Improvements		15				15
Update Strategic Water Plan	100					100
Japan Gulch Plant - Ammonia Auto-Shut Off Valves	20					20
Japan Gulch Plant - Design Study for Hypochlorite Generation		50				50
Decommission Charters Plant, Dam and Flowline	40					40
Replace # 2 Main	3,813					3,813
Completion of Millstream Main	550					550
Seismic Study of No. 3 Main	15					15
Replace 30m Pipe from Japan Gulch Dam to Screening Tower	120					120
New McTavish Reservoir		4,600				4,600
Emergency Pipeline Repair Kit Storage Facility	80					80
Upgrades Identified in Vulnerability Assessment	224	116				340
- Migrate Incident Application to SQL	6					6
- Replace Access Control Server	5					5
- Survey Mountain CREST System	12					12
- Retail Water System Interface to GIS	16					16
- Water Quality Information System Replacement	20					20
- GPS Locate Phase 2	12					12
- Provision of Fire Weather Data via VHF		12				12
- CRIMS Modifications and Refinements	8					8
- Develop Forest Disturbance and Activity Database	8					8
Water Supply Equipment Upgrades	66	66	66	51	27	276
Watershed Bridge and Culvert Replacement	165	165	165	165	165	825
Kapoor Tunnel Repairs	69	69	69	69	69	345
Japan Gulch Chloramination Plant upgrades	30	30	30	30	30	150
Replacement of Miscellaneous Supply System Components	60	60	60	60	60	300
Revenue Meter Replacement	32	32	32	32	32	160
New vehicle for Cross Connection Control Inspector	40					40
<b>Total-excluding Veh &amp; Eqpt Replacement ERF</b>	<b>\$ 6,753</b>	<b>\$ 6,368</b>	<b>\$ 1,224</b>	<b>\$ 952</b>	<b>\$ 888</b>	<b>\$ 16,185</b>
RWS share of Combined projects						
Transfer SCADA Sites to Wireless Communication	20					20
SCADA Alarm Management Software	18					18
Improving HVAC at 479 Island Highway	28					28
- Utility Billing bill pay website upgrade	4					4
- Water Website Navigation Redesign	3					3
- GeoLinx Phase II	4					4
SCADA Hardware Upgrading and Replacement	33	18	18	18	18	103
Office Equipment, Upgrades and Replacement	14	14	14	14	14	68
Waterworks Utility Equipment Replacement	13	13	13	13	13	63
Computer Upgrades	62	63	63	63	63	312
Cleanup Gravel pit	8					8
Upgrades to Buildings at 479 Island Highway	40					40
<b>TOTAL combined projects</b>	<b>\$ 244</b>	<b>\$ 106</b>	<b>\$ 106</b>	<b>\$ 106</b>	<b>\$ 106</b>	<b>\$ 668</b>
<b>Grand total excluding projects funded by Equipment Replacement Fund</b>	<b>\$ 6,997</b>	<b>\$ 6,474</b>	<b>\$ 1,330</b>	<b>\$ 1,058</b>	<b>\$ 994</b>	<b>\$ 16,853</b>
Average funds available from water revenue to transfer to capital	\$ (1,370)	\$ (1,370)	\$ (1,370)	\$ (1,370)	\$ (1,370)	\$ (6,850)
Projected cash flow requirements	\$ 5,627	\$ 5,104	\$ (40)	\$ (312)	\$ (376)	\$ 10,003
<b>PROJECTED BORROWING FROM MFA</b>	<b>\$6mill</b>	<b>\$5mill</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$11mill</b>

CAPITAL REGIONAL DISTRICT

BYLAW NO. 3661

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**A BYLAW TO AUTHORIZE THE BORROWING OF ELEVEN MILLION DOLLARS  
(\$11,000,000) FOR THE PURPOSE OF ACQUIRING, DESIGNING AND CONSTRUCTING  
WATER WORKS FACILITIES OF REGIONAL WATER SUPPLY**

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**WHEREAS:**

- A. Under Bylaw No. 2537. "Water Supply Local Service Area Establishment Bylaw No. 1, 1997", and as amended by subsequent bylaws, the Board of the Regional District established a local service for the purpose of supplying water in the Regional District;
- B. The Board of the Capital Regional District may, by bylaw, borrow money for capital purposes in designing and constructing water works facilities in the Regional District;
- C. The estimated cost of acquiring land, designing and constructing the water works facilities including expenses incidental thereto, is the sum of Eleven Million Dollars (\$11,000,000) which is the amount of debt intended to be authorized by this bylaw;
- D. The Board of the Capital Regional District has by resolution passed by at least 2/3 of the votes cast, permitted assent of the electors to be given in the entire proposed service area pursuant to section 801 of the *Local Government Act*;
- E. The approval of the Inspector of Municipalities is required under section 819 of the *Local Government Act*;
- F. Assent of the electors in the entire proposed service area is required and shall be obtained by alternative approval process pursuant to Section 801.3 of the *Local Government Act*;
- G. It is proposed that the financing of the said facilities is to 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 empowered and authorized to undertake and carry out or cause to be carried out the acquisition of land, planning, study, design and construction of buildings, plant, mains, dams, and other water works facilities and equipment herein before described and to do all things necessary in connection therewith and without limiting the generality of the foregoing:

2. The maximum term for which debentures may be issued to secure the debt intended to be created by this bylaw is 15 years.
3. This Bylaw may be cited as "Regional Water Supply Water Works Facilities Loan Authorization Bylaw No. 1, 2010".

READ A FIRST TIME THIS \_\_\_\_\_ day of \_\_\_\_\_ 2010

READ A SECOND TIME THIS \_\_\_\_\_ day of \_\_\_\_\_ 2010

READ A THIRD TIME THIS \_\_\_\_\_ day of \_\_\_\_\_ 2010

APPROVED BY THE INSPECTOR OF MUNICIPALITIES THIS      day of

RECEIVED PARTICIPATING AREA APPROVAL UNDER SECTION 801.3 OF  
THE LOCAL GOVERNMENT ACT THIS                      day of                      20

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

CHAIR

SECRETARY

FILED WITH THE INSPECTOR OF MUNICIPALITIES THIS                      day of