

**REPORT TO REGIONAL WATER SUPPLY COMMISSION  
MEETING OF WEDNESDAY, NOVEMBER 20, 2013**

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**SUBJECT**      **BYLAW NO. 3902 - REGIONAL WATER SUPPLY WATER WORKS  
FACILITIES LOAN AUTHORIZATION BYLAW**

**ISSUE**

Access to funding for implementing the 2014-2018 Regional Water Supply five-year capital plan

**BACKGROUND**

Based on the 2014-2018 Regional Water Supply capital plan, borrowing of up to \$12.5 million will be required over the next five years to implement this plan. This borrowing will occur as required to meet cash flow needs for implementation of Commission-approved capital projects. Under the Local Government Act, participating area approval is required for the loan authorization and can be obtained through the Alternative Approval Process, which is the most time and cost efficient process.

**ALTERNATIVES**

1. That Bylaw No. 3902 cited as "Regional Water Supply Water Works Facilities Loan Authorization Bylaw No. 1, 2013" be introduced and read a first and second time, and read a third time;
2. That Bylaw No. 3902 be deferred to a future meeting pending further information.

**FINANCIAL IMPLICATIONS**

The estimated debt servicing costs for the projected \$12.5 million borrowing are included in the 2014-2018 five-year capital plan budget. Typically a loan authorization is undertaken every five years. Any future changes to the capital plan will be accommodated within this loan authorization. Actual borrowings in each of the next five years will be based on the cash flow requirements for the year, subject to the availability of funds from consumption revenue (net of operating expenditures).

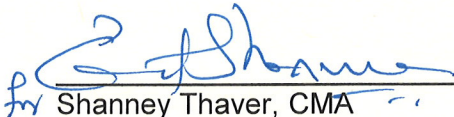
Currently, the total debt outstanding including the 2013 spring borrowing amounts to approximately \$90 million.

**CONCLUSION**

The 2014-2018 five-year capital works program is required to sustain the Regional Water Supply infrastructure. A loan authorization bylaw in the amount of \$12.5 million is required to access the funding needed.

**RECOMMENDATION**


That the Regional Water Supply Commission recommend to the CRD Board that Bylaw No. 3902, cited as "Regional Water Supply Water Works Facilities Loan Authorization Bylaw No. 1, 2013" be introduced and read a first and second time, and read a third time.



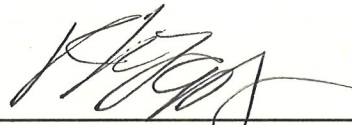
Shanney Thaver, CMA  
Senior Business Analyst  
Integrated Water Services



Diana E. Lokken, Dip Bus Admin, CMA  
General Manager, Corporate Services  
Concurrence



Ted Robbins, BSc, CTech  
General Manager, Integrated Water Services  
Concurrence



Robert Lapham, MCIP, RPP  
Chief Administrative Officer  
Concurrence

Attachment: 1

**CAPITAL REGION WATER SUPPLY  
2014 - 5 YEAR CAPITAL BUDGET - SUPPLY SYSTEM  
(\$'000 - 2014 DOLLARS)**

**ATTACHMENT-1**

	2014 including 2013 carry over (\$'000's)	2015 (\$'000's)	2016 (\$'000's)	2017 (\$'000's)	2018 (\$'000's)	5 yr Total (including Carry- over) (\$'000's)
Strategic Plan Review	0	25	25	10		60
Upgrade of Waugh Creek Tunnel	75					75
Slope Failure Assessment - Goldstream River	55	100	50			205
Leech River Watershed Restoration	651	300	380	300	300	1931
Fire Weather Station Tower Replacement	75					75
Decommission Waugh Creek Dam	27					27
Security Upgrade to Autogate at Goldstream Water Supply Entrance	0	50				50
Goldstream Entrance - Washing Station/Gatehouse	0	70	25			95
G17 Bridge Supply and Installation (Goldstream WSA)	175					175
23S Quarry Rehabilitation	0		30	120		150
Watershed Mapping - Forest Cover	45					45
Supply System Computer Model Update	0		25			25
Sooke Reservoir Power Line Assessment	0	50				50
Goldstream Dam Cabin - Asbestos/Lead Removal and Demolition	0			50		50
Sooke Dam Safety Improvements	28	225	100	100		453
Deception & Saddle Dam Safety Improvements	114					114
Lubbe Dam No. 4 Remediation	200			1000		1200
Goldstream Dams Safety Improvements	0	80	100			180
Flowline Decommissioning	40			50	50	140
Supply Meters: Audit & Calibration Study, Replacement	20		200	200	200	620
Supply System: Condition Assessment & Asset Replacement	80	500	1000	1000	1000	3580
Upgrade JG Chloramination System	1800	2500	1000			5300
Sooke Intake Screens Condition Assessment & Replacement	0		50	600		650
Main No. 14 - Rectify Low Pressure Section	460					460
Upgrades Identified in Vulnerability Assessment & Update Assessment	74					74
- Water Quality Information System Enhancements	15					15
- CRIMS Digital Forms	10					10
- Security - Video Surveillance Cameras	133	131				264
- Upgrade Watershed Incident Database	12					12
Forest Disturbance and Activity Database	12	50				62
Goldstream Field Operations Centre	0	15	40	750	100	905
Establish Long Term Forest Monitoring Plots	15	15	15	15	15	75
Water Supply Equipment Upgrades	100	100	100	100	100	500
Watershed Bridge and Culvert Replacement	165	165	165	165	165	825
Kapoor Tunnel Repairs	70	70	70	70	70	350
Japan Gulch Chloramination Part Replacements	30	30	30	30	30	150
Replacement of Miscellaneous Supply System Components	60	60	60	60	60	300
Revenue Meter Replacement	50	50	50	50	50	250
Watershed Security Enhancements	155	155	155	155	155	775
Replacement Tank and Cabinets for Wildfire Suppression Tenders	50					50
<b>Total-excluding Eqpt Replacement fund (ERF) purchases</b>	<b>\$ 4,796</b>	<b>\$ 4,741</b>	<b>\$ 3,670</b>	<b>\$ 4,825</b>	<b>\$ 2,295</b>	<b>\$ 20,327</b>
<b>RWS share of Combined projects</b>						
Transfer SCADA Sites to Wireless Communication	50	0	0	0	0	50
Upgrades to Buildings at 479 Island Highway	65	15	15	15	15	125
- SCADA Performance Server	13	0	0	0	0	13
- SCADA Data Management Software OSI PI SCADA	13	0	0	0	0	13
Improve Cellular Coverage - 479 Island Highway	13	0	0	0	0	13
Development of Maintenance and Project management systems	125	25	25	25	25	225
SCADA Hardware Upgrading and Replacement	18	18	18	18	18	88
Office Equipment, Upgrades and Replacements	14	14	14	14	14	68
Computer Upgrades	80	80	80	80	80	400
Waterworks Utility Equipment Replacement (operations)	20	20	20	20	20	100
Small Equipment & Tool Replacement (fleet)	18	8	8	8	8	48
<b>Total combined projects</b>	<b>\$ 426</b>	<b>\$ 179</b>	<b>\$ 179</b>	<b>\$ 179</b>	<b>\$ 179</b>	<b>\$ 1,140</b>
<b>Grand total excluding projects funded by Equipment Replacement Fund</b>	<b>\$ 5,222</b>	<b>\$ 4,920</b>	<b>\$ 3,849</b>	<b>\$ 5,004</b>	<b>\$ 2,474</b>	<b>\$ 21,467</b>
Estimated Average funds available for transfer to capital from water revenue	\$ (1,100)	\$ (1,100)	\$ (1,100)	\$ (1,100)	\$ (1,100)	\$ (5,500)
Projected Cash on hand	\$ (3,500)	\$ -	\$ -	\$ -	\$ -	\$ (3,500)
<b>Net projected cash flow requirements</b>	<b>\$ 622</b>	<b>\$ 3,820</b>	<b>\$ 2,749</b>	<b>\$ 3,904</b>	<b>\$ 1,374</b>	<b>\$ 12,467</b>
<b>Projected borrowing from MFA</b>						
	(\$'000's)	(\$'000's)	(\$'000's)	(\$'000's)	(\$'000's)	(\$'000's)
<b>Projected borrowing from MFA</b>	<b>\$ 600</b>	<b>\$ 3,800</b>	<b>\$ 2,800</b>	<b>\$ 3,900</b>	<b>\$ 1,400</b>	<b>\$ 12,500</b>

CAPITAL REGIONAL DISTRICT

BYLAW NO. 3902

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**A BYLAW TO AUTHORIZE THE BORROWING OF TWELVE MILLION FIVE HUNDRED  
THOUSAND DOLLARS (\$12,500,000) 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 Twelve Million Five Hundred Thousand Dollars (\$12,500,000) 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. Pursuant to Section 801.3 of the *Local Government Act*, participating area approval for the entire service area shall be obtained by alternative approval process;
- 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:

- a) to borrow upon the credit of the Regional District a sum not exceeding Twelve Million Five Hundred Thousand Dollars (\$12,500,000);
  - b) to 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 acquisition of land, planning, study, design and construction to add, replace, upgrade water works facilities and all related ancillary works, studies and equipment deemed necessary by the Board.
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, 2013".

READ A FIRST TIME THIS	th	day of	2013
READ A SECOND TIME THIS	th	day of	2013
READ A THIRD TIME THIS	th	day of	2013
APPROVED BY THE INSPECTOR OF MUNICIPALITIES THIS	xx	day of	2013
RECEIVED PARTICIPATING AREA APPROVAL UNDER SECTION 801.3 OF THE <i>LOCAL GOVERNMENT ACT</i> THIS	th	day of	2013
ADOPTED THIS	th	day of	2013

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CHAIR

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CORPORATE OFFICER