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**REPORT TO THE CAPITAL REGIONAL DISTRICT BOARD
MEETING OF WEDNESDAY, MAY 12, 2021**

SUBJECT **Bylaw No. 4372 Development Cost Charges Transfer to Capital Reserve**

ISSUE SUMMARY

To abandon Bylaw No. 4372 and enact the repayment of debt through a transfer of funds from Development Cost Charges (DCC) Reserve to Capital Reserve for the Saanich Peninsula Wastewater Service through a Board motion.

BACKGROUND

On November 18, 2020, the Board approved the recommended “Saanich Peninsula Water and Wastewater Development Cost Charges Transfer to Capital Reserve Bylaw No. 1, 2020”. On seeking Ministry approval for the bylaw, staff were notified that the transferring of development cost charge funds by bylaw is meant for the permanent transfer and wind-up of DCC reserve funds only, and not for transfers to fulfill the purpose of the DCC fund.

This transfer of funds from the DCC Reserve to the Capital Reserve for the Saanich Peninsula Wastewater service is required to repay additional capacity already built into the wastewater facility which is the basis of the DCC program. The total value of the capital cost to be recovered by way of DCC program is \$9.205 million. The transfer of \$1.7 million contemplated in Bylaw No. 4372 constitutes only a partial repayment of the additional capacity at this time. The transfer amount was included in the financial plan and is therefore authorized.

At the October 15, 2020, meeting, the Saanich Peninsula Wastewater Commission made a recommendation to the Board “that Bylaw No. 4372 cited as ‘Saanich Peninsula Water and Wastewater Development Cost Charges Transfer to Capital Reserve Bylaw No. 1, 2020’ be introduced and read a first, second, and a third time”. As there are no changes to the Commission’s recommendation, the transfer of funds can be completed by abandoning the bylaw and passing a Board motion.

ALTERNATIVES

Alternative 1

1. That Bylaw No. 4372, cited as “Saanich Peninsula Water and Wastewater Development Cost Charges Transfer to Capital Reserve Bylaw No. 1, 2020”, be abandoned; and
2. That the transfer of development cost charge funds be approved in the amount of \$1.7 million from the Saanich Peninsula Water and Wastewater Development Cost Charge fund, under Bylaw No. 3208, to the Saanich Peninsula Wastewater Capital Reserve Fund, established under Bylaw No. 2760, to be used to fund capital improvements and capital debt servicing for projects covered by the DCC program.

Alternative 2

1. That abandonment of Bylaw No. 4372 be deferred to a future meeting pending receipt of further information.

IMPLICATIONS

Transferring the available balance from the DCC Reserve to the Capital Reserve allows for the use of funds as planned in the 2021 five-year Capital Plan. Future transfers are anticipated with continued collections of DCC and ongoing capital requirements in delivering wastewater treatment in the Saanich Peninsula.

CONCLUSION

Staff are seeking to abandon Bylaw No. 4372 and enact the repayment of debt through a transfer of funds from DCC Reserve to Capital Reserve for the Saanich Peninsula Wastewater Service through a Board motion.

RECOMMENDATION

1. That Bylaw No. 4372 cited as “Saanich Peninsula Water and Wastewater Development Cost Charges Transfer to Capital Reserve Bylaw No. 1, 2020” be abandoned.
2. That the transfer of development cost charge funds be approved in the amount of \$1.7 million from the Saanich Peninsula Water and Wastewater Development Cost Charge fund, under Bylaw No. 3208, to the Saanich Peninsula Wastewater Capital Reserve Fund, established under Bylaw No. 2760, to be used to fund capital improvements and capital debt servicing for projects covered by the DCC program.

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Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT(S)

Appendix A: Staff Report on Bylaw No. 4372, October 15, 2020