

**REPORT TO CAPITAL REGIONAL DISTRICT BOARD  
MEETING OF WEDNESDAY, JULY 9, 2025**

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**SUBJECT**     **Bylaw No. 4700: Temporary Borrowing (Regional Water Watershed Land Acquisition) Bylaw No. 1, 2025**

**ISSUE SUMMARY**

Approval requested for a temporary borrowing bylaw authorizing short-term funds for projects included in the approved five-year capital plan for the Regional Water Watershed Land Acquisition.

**BACKGROUND**

On July 9, 2025, the Capital Regional District (CRD) Board has adopted Bylaw No. 4664, "Regional Water Watershed Land Acquisition Loan Authorization Bylaw No. 1, 2025" to fund land acquisition at the south end of the Sooke Lake watershed.

A temporary borrowing bylaw is required to provide short-term financing for the land acquisition before long-term debt is issued. Long-term debt will be issued once the land acquisition is complete and the total borrowing amount is finalized. Converting temporary borrowing to long-term debt also requires Board approval. At that time, staff will bring forward a Security Issuing Bylaw for the Board's approval, in advance of the regular Municipal Finance Authority (MFA) spring or fall long-term debt issuances.

The following temporary borrowing bylaw is proposed:

<b>Service Area</b>	<b>Action</b>	<b>Purpose</b>	<b>Bylaw</b>
Regional Water Supply	Temporary Borrowing Bylaw No. 4700	To create a temporary borrowing bylaw to permit short-term borrowing related to the acquisition of land for this service.	Temporary Borrowing (Regional Water Watershed Land Acquisition) Bylaw No. 1, 2025

**ALTERNATIVES**

*Alternative 1*

1. That Bylaw No. 4700, "Temporary Borrowing (Regional Water Watershed Land Acquisition) Bylaw No. 1, 2025", be introduced and read a first, second and third time; and
2. That Bylaw No. 4700 be adopted.

*Alternative 2*

That Bylaw No. 4700 be referred back to staff for additional information.

## **IMPLICATIONS**

### *Financial Implications*

The proposed temporary borrowing bylaw will give the CRD access to interim financing under the terms specified in loan authorization Bylaw No. 4664. Temporary borrowing will not exceed the remaining balance of the \$32.3 million authorized by the loan authorization bylaw, after subtracting any amounts already drawn which, as of July 9, 2025, are nil. Borrowings will be drawn in accordance with the timing of the approved land acquisition. Associated financing costs will be monthly, variable, interest-only payments. Currently, MFA's short-term borrowing rate is 3.27% (variable rate as of June 5, 2025). Cash flows required to service short-term debt are included in the approved financial plan.

## **CONCLUSION**

Temporary borrowing authority, through approval of Temporary Borrowing Bylaw No. 4700, cited as "Temporary Borrowing (Regional Water Watershed Land Acquisition) No. 1, 2025", is required to access interim financing for the land acquisition. Timely access to these borrowed funds is critical to completing the approved acquisition. All temporary borrowings will be converted to long-term debt, up to the maximum authorized under loan authorization Bylaw No. 4664.

## **RECOMMENDATION**

1. That Bylaw No. 4700, "Temporary Borrowing (Regional Water Watershed Land Acquisition) Bylaw No. 1, 2025", be introduced and read a first, second and third time; and
2. That Bylaw No. 4700 be adopted.

Submitted by:	Varinia Somosan, CPA, CGA, Sr. Mgr., Financial Services / Deputy CFO
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer, GM Finance & IT
Concurrence:	Alicia Fraser, P. Eng., General Manager, Integrated Water Services
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

## **ATTACHMENT**

Appendix A: Bylaw No. 4700, "Temporary Borrowing (Regional Water Watershed Land Acquisition) Bylaw No. 1, 2025"