

**REPORT TO CAPITAL REGIONAL DISTRICT BOARD  
MEETING OF WEDNESDAY, APRIL 22, 2020**

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**SUBJECT**     **Bylaw No. 4355: Temporary Borrowing (Magic Lake Estates Wastewater System) Bylaw No. 1, 2020**

**ISSUE SUMMARY**

Approval of a Temporary Borrowing Bylaw authorizing short-term borrowing for Magic Lake Estates Wastewater System Project.

**BACKGROUND**

At its July 10, 2019 meeting, the Capital Regional District (CRD) Board gave three readings to Loan Authorization Bylaw No. 4320 for the funding to plan, design, acquire, and construct the upgrades and capital renewal for the Magic Lake Estates Wastewater System.

In a referendum on November 23, 2019, the service area ratepayers voted in favour of borrowing up to \$6 million to fund the project. The CRD Board adopted Loan Authorization Bylaw No. 4320 on December 11, 2019, enabling the service to borrow to fund the project.

During construction, interim financing for capital expenditures is required. A temporary borrowing bylaw allows borrowing before the long-term debt is issued by Municipal Finance Authority (MFA). The proposed temporary borrowing bylaw is an authorization to borrow short-term in accordance with its companion, Loan Authorization Bylaw No. 4320.

**ALTERNATIVES**

*Alternative 1*

1. That Bylaw 4355, cited as “Temporary Borrowing (Magic Lake Estates Wastewater System) Bylaw No. 1, 2020”, be introduced and read a first, second, and third time, and;
2. That Bylaw 4355 be adopted.

*Alternative 2*

That Bylaw 4355 be referred back to staff for additional information.

**IMPLICATIONS**

*Financial Implications*

The proposed temporary borrowing bylaw will give CRD access to interim financing according to the terms specified in Loan Authorization Bylaw No. 4320.

Temporary borrowing 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. Upon completion of construction, the temporary borrowing will be converted to long-term borrowing as stated in the loan authorization bylaw.

**CONCLUSION**

Temporary borrowing authority, through the approval of the Temporary Borrowing (Magic Lake Estates Wastewater System) Bylaw No. 4355, is required to access interim financing to fund the Magic Lake Estates Wastewater System project. All temporary borrowings will be converted to long-term debt up to the maximum stated in the approved Loan Authorization Bylaw No. 4320.

**RECOMMENDATION**

1. That Bylaw 4355, cited as “Temporary Borrowing (Magic Lake Estates Wastewater System) Bylaw No. 1, 2020”, be introduced and read a first, second, and third time, and;
2. That Bylaw 4355 be adopted.

Submitted by:	Rianna Lachance, BCom, CPA, CA, Senior Manager, Financial Services
Concurrence:	Nelson Chan, MBA, CPA, CMA, 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: Bylaw 4355