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**REPORT TO CAPITAL REGIONAL DISTRICT BOARD
MEETING OF WEDNESDAY, JULY 8, 2026**

SUBJECT **Bylaw No. 4779: Temporary Borrowing (Regional Water Supply Water Works Facilities) Bylaw No. 1, 2026**

ISSUE SUMMARY

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

BACKGROUND

On September 8, 2021, the Capital Regional District (CRD) Board adopted Bylaw No. 4382, “Regional Water Supply Water Works Facilities Loan Authorization Bylaw No. 5, 2020”, authorizing borrowing to acquire, design and construct water works facilities of Regional Water Supply service. A temporary borrowing bylaw is required to provide short-term financing for these capital expenditures before long-term debt is issued.

Long-term debt will be issued once the capital projects are closer to completion 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 a regular Municipal Finance Authority (MFA) spring or fall long-term debt issuance.

The following temporary borrowing bylaw is proposed:

Service Area	Action	Purpose	Bylaw
2.670 Regional Water Supply Commission - Supply	Temporary Borrowing Bylaw No. 4779	To authorize short-term borrowing for approved capital projects for the service.	Temporary Borrowing (Regional Water Supply Water Works Facilities) Bylaw No. 1, 2026

ALTERNATIVES

Alternative 1

1. That Bylaw No. 4779, “Temporary Borrowing (Regional Water Supply Water Works Facilities) Bylaw No. 1, 2026”, be introduced and read a first, second and third time; and
2. That Bylaw No. 4779 be adopted.

Alternative 2

That Bylaw No. 4779 be referred back to staff for additional information.

IMPLICATIONS

The proposed temporary borrowing bylaw will give the CRD access to interim financing under the terms specified in Loan Authorization Bylaw No. 4382. Temporary borrowing will not exceed the remaining balance of the \$46.0 million authorized by the loan authorization bylaw, net of amounts already drawn. As of July 8, 2026, \$4.0 million has been borrowed under Loan Authorization Bylaw No. 4382. Accordingly, the remaining temporary borrowing authority available under the proposed bylaw is \$42.0 million.

Borrowings will be drawn in accordance with the timing of the approved capital plan. Associated financing costs will be monthly, variable, and interest-only payments. MFA’s short-term borrowing rate was 2.88% as of June 10, 2026. As the rate is variable, actual interest costs will depend on the rate in effect when funds are drawn. Debt servicing costs for short-term borrowing are included in the approved financial plan.

Adoption of the temporary borrowing bylaw before the expiry of Loan Authorization Bylaw No. 4382 preserves the CRD’s ability to complete long-term borrowing after the five-year loan authorization period.

CONCLUSION

Approval of Temporary Borrowing Bylaw No. 4779, cited as “Temporary Borrowing (Regional Water Supply Water Works Facilities) Bylaw No. 1, 2026”, is required to access interim financing for the approved capital projects. Timely access to interim financing will support completion of the planned capital work. Temporary borrowing is expected to be converted to long-term debt, up to the maximum amount authorized under Loan Authorization Bylaw No. 4382.

RECOMMENDATION

1. That Bylaw No. 4779, “Temporary Borrowing (Regional Water Supply Water Works Facilities) Bylaw No. 1, 2026”, be introduced and read a first, second and third time; and
2. That Bylaw No. 4779 be adopted.

Submitted by:	Andrew Hoge, CFA, CPA, Manager, Corporate Finance & Treasury
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Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENT

Appendix A: Bylaw No. 4779: “Temporary Borrowing (Regional Water Supply Water Works Facilities) Bylaw No. 1, 2026”