



## COUNCIL REPORT

To: Paul Gipps, CAO

Date: July 13, 2021

From: Warren Everton, Director of Finance/CFO

Subject: **Rose Valley Water Treatment Plant Temporary Borrowing Bylaw**

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### RECOMMENDATION

**THAT** Council consider and resolve to give first, second and third readings to City of West Kelowna Rose Valley Water Treatment Plant Temporary Borrowing Bylaw No. 0289, 2021.

### STRATEGIC AREA(S) OF FOCUS

Invest in Infrastructure – The Rose Valley Water Treatment Plan is considered a priority project in Council's Strategic Priorities.

### LEGISLATIVE REQUIREMENTS

As provided by the *Community Charter* Section 181, a Council that has adopted a loan authorization bylaw may, by bylaw, temporarily borrow money not exceeding the difference between the total amount authorized by the loan authorization bylaw and the amount already borrowed in relation to that bylaw. To the extent necessary, the proceeds of the borrowing under Section 182 must be used to repay the money temporarily borrowed.

### BACKGROUND

At the July 14, 2020 regular Council meeting, Council gave three readings to the Rose Valley Water Treatment Plant Local Area Service Establishment Bylaw No. 280 and Loan Authorization Bylaw No. 281 and directed staff to undertake a Council Initiative-Subject to Petition Against process for the establishment of a Rose Valley Water Treatment Plant Local Area Service and to authorize long term borrowing, in accordance with the requirements of Section 213 of the *Community Charter*.

The Petition process began in late August of 2020 and concluded on October 2<sup>nd</sup> without the required number of petitions to halt the bylaws. A Certificate of Insufficiency was presented at the October 13<sup>th</sup> Council meeting allowing the bylaws to go forward to

adoption. Thus, with successful results in the Local Area Service establishment and the Subject to Petition Against process in 2020 Council adopted the bylaws unanimously at the October 13<sup>th</sup> Council Meeting.

## DISCUSSION

Taking the next step of establishing a temporary borrowing bylaw allows the City to complete the main construction stage of the Rose Valley Water Treatment Plant Project by funding progressively throughout the projected timeline without causing cash constraints or an excess cash situation requiring investment of funds to offset interest. As invoices are submitted and accepted by the City, the temporary borrowing regime allows for as many draws on the debt as necessary throughout the project. Also important to note is in the event the project comes under budget only the actual cash outlay would be converted to long-term debt thereby saving rate payers money in the long-term.

## FINANCIAL IMPLICATIONS

The tender for the main construction was awarded at the March 9<sup>th</sup>, 2021 Council meeting for \$45,151,535 to Maple Reinders Constructors Ltd. Since then, the project has begun to accelerate with the City receiving its first few progress invoices totaling just over \$1 million to date. We have also been utilizing provincial and federal grant money to cover much of the design and early works costs in the interim and will need to draw on debt soon to recover the City's portion not covered by grants.

## COUNCIL REPORT / RESOLUTION HISTORY

Date	Report Topic / Resolution	Resolution No.
July 14, 2020	<b>THAT</b> Council consider and resolve to read the City of West Kelowna Rose Valley Water Treatment Plant Local Area Service Establishment Bylaw No. 280, 2020 a first, second and third time; and further, <b>THAT</b> Council consider and resolve to read the City of West Kelowna Rose Valley Water Treatment Plant Loan Authorization Bylaw No. 281, 2020 a first, second and third time; and, <b>THAT</b> Council directs staff to submit the City of West Kelowna Rose Valley Water Treatment Plant Local Area Service Establishment Bylaw No. 280, 2020 and the City of West Kelowna Rose Valley Water Treatment Plant Loan Authorization Bylaw No. 281, 2020 to the Province, publish the required advertising and issue notification to the property	C180/20

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owners within the proposed Local Area Service for establishment of the local area service on Council Initiative -Subject to Petition Against for both the establishment of the Local Area Service and to authorize borrowing.  
CARRIED UNANIMOUSLY

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Oct 13, 2020	<b>THAT</b> Council receive for information, the Certificate of Insufficiency for City of West Kelowna Rose Valley Water Treatment Plant Local Area Service Establishment Bylaw No. 280, 2020 and City of West Kelowna Rose Valley Water Treatment Plant Loan Authorization Bylaw No. 281, 2020; and <b>THAT</b> Council adopt the “City of West Kelowna Rose Valley Water Treatment Plant Local Area Service Establishment Bylaw No. 280, 2020”; and <b>THAT</b> Council adopt the “City of West Kelowna Rose Valley Water Treatment Plant Loan Authorization Bylaw No. 281, 2020”. CARRIED UNANIMOUSLY	C258/20
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**Alternate Motion:**

**THAT** Council consider and resolve to defer temporary borrowing for up to \$23,500,000 and borrow only under the adopted long-term borrowing bylaw City of West Kelowna Rose Valley Water Treatment Plant Loan Authorization Bylaw No. 281, 2020.

**REVIEWED BY**

Shelley Schnitzler, Legislative Services Manager/Corporate Officer

**APPROVED FOR THE AGENDA BY**

Allen Fillion, Acting CAO

PowerPoint: Yes ☐ No ☒

**Attachments:**

Rose Valley Water Treatment Plant Temporary Borrowing Bylaw No. 0289, 2021