



**Southern Community Sewer Service Area and Fairwinds Wastewater Treatment Service Area Development Cost Charge Reserve Fund Bylaws No. 1869 and 1870, 2022**

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**RECOMMENDATIONS**

1. That “Southern Community Sewer Service Area Development Cost Charge Reserve Fund Expenditure Bylaw No. 1869, 2022” be introduced and read three times.
2. That “Southern Community Sewer Service Area Development Cost Charge Reserve Fund Expenditure Bylaw No. 1869, 2022” be adopted.
3. That “Fairwinds Wastewater Treatment Service Area Development Cost Charge Reserve Fund Expenditure Bylaw No. 1870, 2022” be introduced and read three times.
4. That “Fairwinds Wastewater Treatment Service Area Development Cost Charge Reserve Fund Expenditure Bylaw No. 1870, 2022” be adopted.

**BACKGROUND**

Section 566(3) of the *Local Government Act* requires that expenditures of Development Cost Charge (DCC) Reserve funds be authorized by bylaw. Bylaws No. 1869 and 1870 complete the statutory requirement for using DCCs for the Departure Bay Forcemain Twinning and Nanoose Forcemain Replacement capital projects respectively.

**FINANCIAL IMPLICATIONS**

The Departure Bay Forcemain Twinning Project has a total budget of \$45.8 million and is scheduled to be completed by the end of 2029. The project allocation is 84% DCC's and 16% existing users with an estimated DCC share of \$37,281,250. Bylaw 1869 will insure that approval is in place to transfer \$37,281,250 from the DCC reserve fund for this project. The current DCC reserves available for the Southern Community Sewer Service area is \$4.8 million. The Financial Plan anticipates a borrowing of \$35.6 million for a portion of the unfunded DCC's related to the Departure Bay Forcemain Twinning Project.

The Nanoose Forcemain Replacement Project is budgeted to use \$91,063 from the DCC reserve fund as per the approved 2022-2026 Financial Plan. There are no future DCC transfers scheduled for this project. Bylaw 1870 will ensure that approval is in place to transfer \$91,063 from the DCC reserve fund for this project.

## **STRATEGIC PLAN ALIGNMENT**

The report relates to the Regional District's values and Fiscal Responsibility and Good Governance.

### **REVIEWED BY:**

- M. Manhas, Manager, Capital Accounting and Financial Reporting
- T. Moore, Chief Financial Officer
- D. Holmes, Chief Administration Officer

### **ATTACHMENTS:**

1. Southern Community Sewer Service Area Development Cost Charge Reserve Fund Expenditure Bylaw No. 1869, 2022
2. Fairwinds Wastewater Treatment Service Area Development Cost Charge Reserve Fund Expenditure Bylaw No. 1870, 2022