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**TO:** Committee of the Whole                      **MEETING:** July 9, 2019

**FROM:** Jeannie Bradburne  
Director of Finance                      **FILE:** 1760-20

**SUBJECT:** Southern Community Sewer Secondary Treatment Capital Improvements –  
Security Issuing Bylaw 1793

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### **RECOMMENDATIONS**

1. That “Southern Community Sewer Local Service Secondary Treatment Capital Improvements Security Issuing Bylaw No. 1793, 2019” be introduced and read three times.
2. That “Southern Community Sewer Local Service Secondary Treatment Capital Improvements Security Issuing Bylaw No. 1793, 2019 be adopted.

### **SUMMARY**

The Board adopted the Southern Community Sewer Local Service Secondary Treatment Capital Improvements Loan Authorization Bylaw No. 1756 at the June 27, 2017 Board meeting to ensure borrowing authority is provided for the Greater Nanaimo Pollution Control Centre secondary treatment project in accordance with the 2017-2021 Financial Plan.

The loan authorization bylaw was issued for \$48 million. Southern Community Sewer Local Service Secondary Treatment Capital Improvements Security Issuing Bylaw No. 1762, 2017 provided authority to secure long term borrowing of \$15 million. Prior to Bylaw 1793, \$33 million remains to be borrowed as long term debt.

As the project progresses, additional borrowing is required. Southern Community Sewer Local Service Secondary Treatment Capital Improvements Security Issuing Bylaw No. 1793, 2019 will provide for \$15 million of long term borrowing. This will leave \$18 million still to be borrowed as the project completes.

### **BACKGROUND**

Southern Community Sewer Local Service Secondary Treatment Capital Improvements Loan Authorization Bylaw No. 1756 authorized borrowing of \$48 million towards the Southern Community Sewer Secondary Treatment Capital Improvements. To date, \$15 million has been borrowed for long term borrowing and \$15 million has been authorized for temporary borrowing.

There is \$31 million budgeted in 2019 to complete the project. To date, \$61 million has been expended on the secondary treatment improvements. The additional borrowing of \$15 million will provide the financing required to continue construction on this project. Additional borrowing will occur as the project completes.

## ALTERNATIVES

1. That “Southern Community Sewer Local Service Secondary Treatment Capital Improvements Security Issuing Bylaw No. 1793, 2019” be introduced and read three times.
2. That “Southern Community Sewer Local Service Secondary Treatment Capital Improvements Security Issuing Bylaw No. 1793, 2019 be adopted.
3. That the Board provide alternative direction.


## FINANCIAL IMPLICATIONS

The 2019-2023 Financial Plan includes the borrowing and the repayment of the debt for the secondary treatment capital project. The City of Nanaimo and the District of Lantzville are the participants in the Southern Community Sewer Local Service.

The loan authorization bylaw was issued for \$48 million. The project construction is currently underway with \$61 million spent to date. \$15 million was previously drawn upon in 2017 and an additional \$15 million is required at this time to continue to fund the project.

## STRATEGIC PLAN IMPLICATIONS

This report relates to the Regional District’s values of Fiscal Responsibility and Good Governance.



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June 20, 2019

### Reviewed by:

- J. Bradburne, Director of Finance
- D. Wells, General Manager, Corporate Services
- P. Carlyle, Chief Administrative Officer

### Attachments:

1. Southern Community Sewer Local Service Secondary Treatment Capital Improvements Security Issuing Bylaw No. 1793, 2019
2. Southern Community Sewer Local Service Secondary Treatment Capital Improvements Loan Authorization Bylaw No. 1756, 2017
3. Southern Community Sewer Local Service Secondary Treatment Capital Improvements Security Issuing Bylaw No. 1762, 2017