

Memo



Date: August 2, 2011
File: 3900-20
To: City Manager
From: Jackie Dueck, Finance Special Projects Manager
Subject: MFA Borrowing UV Disinfection Facility and Transmission Main

Recommendation:

THAT Council receives for information, the Report from the Finance Special Projects Manager dated August 2, 2011 regarding the borrowing from the Municipal Finance Authority for the UV Disinfection Facility at Adams Reservoir;

AND THAT Council approves borrowing from the Municipal Finance Authority of British Columbia for the amount of Three Million Dollars (\$3,000,000.00) for the UV Disinfection Facility at Adams Reservoir and a dedicated transmission main to the Adams reservoir for delivery of treated water back to the distribution system;

AND THAT Council gives reading consideration to Bylaw No. 10583 being Loan Authorization Bylaw for the UV Facility and Transmission Main at Adams;

AND FURTHER THAT after approval is received from the Inspector of Municipalities, staff ~~will~~ report back to Council to initiate an Alternative Approval Process (AAP) opportunity that will be open to all electors within the City of Kelowna.

Purpose:

To give reading consideration to Bylaw No. 10583 in order to initiate an Alternative Approval Process for the borrowing of Three Million Dollars (\$3,000,000.00) for the UV Disinfection Facility at Adams Reservoir.

Background:

This project was initiated by Interior Health Authority (IHA) requirements in accordance with the Drinking Water Protection Act. It is part of a long term strategy to defer a possible filtration requirement. The two different infrastructure projects included here are the UV disinfection facility and the dedicated water mains required for delivery of untreated water to the new UV treatment facility and for delivery of treated water back to the distribution system.

Legal/Statutory Authority:

Community Charter - Section 86 - Alternative Approval Process

Community Charter - Section 174- establishes the limit on borrowing and other liabilities and/or a limit on the annual cost of servicing those liabilities. The *Municipal Liabilities Regulation* (B.C. Reg. 254/2004) was passed by Cabinet and became effective on June 10, 2004. The regulation limits the annual cost of servicing financial liabilities to 25% of revenues from the previous year.

Community Charter - Section 179 - Long Term Borrowing

Financial/Budgetary Considerations:

Funding for the UV Transmission Main and the Cedar Creek UV Disinfection facility was approved in the 2010 and 2011 budgets (respectively). The repayment of the loan will be funded by the Water utility and will not affect general taxation.

Internal Circulation:
Office of the City Clerk

Considerations not applicable to this report:

Legal/Statutory Procedural Requirements:

Existing Policy:

Personnel Implications:

External Agency/Public Comments:

Communications Comments:

Alternate Recommendation:

Submitted by:



Jackie Dueck

J. Dueck, Special Projects Manager

Approved for inclusion



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Cc: