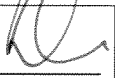
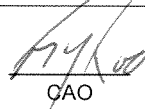


COUNCIL AGENDA/INFORMATION

Closed
 Reg. Council
 Supplemental

Date: _____
Date: Jan. 12, '09
Date: _____

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DISTRICT OF WEST VANCOUVER
750 – 17TH STREET, WEST VANCOUVER, BC V7V 3T3

COUNCIL REPORT

Date: December 18, 2008 File:
From: Richard Laing, Director of Finance
Subject: **Borrowings for the Universal Metering Project**

RECOMMENDED THAT: Council approves borrowing from the Municipal Finance Authority of British Columbia, as part of their 2009 spring issue, \$6,000,000 as authorized through Loan Authorization Bylaw No. 4407, 2004 (a bylaw to authorize borrowing for the acquisition and installation of water meters) and that the Greater Vancouver Regional District be requested to consent to our borrowing over a 15 year term and include the borrowing in their security issuing bylaw.

Purpose

This report seeks Council's approval to draw down on the borrowings previously authorized for the universal metering project.

Background

The universal metering project was originally approved by Council in 2004, at a proposed capital cost of \$6,850,000. The installation of some 10,500 new meters throughout the District took place over a two year period, with final costs being determined in 2007.

The program was approved on the basis of funding through long-term debt, with an annual charge to users that would service the related MFA debt at a 15 year amortization period. The original estimate of the annual charge was \$75 per user.

The project came in slightly under budget at \$6,557,000, and prepayments by users of \$318,000 plus the application of reserve funds has reduced the required borrowings to \$6 million. This combination has resulted in an annual charge of \$60 (net of discounts) to users rather than the \$75 originally estimated.

Policy

The Water Conservation Strategy adopted by Council in 2002 established universal metering and comprehensive development of the Eagle Lake water source as corporate priorities, and the approved business plans for each of these initiatives provided for funding of the required capital costs through long-term borrowings from the Municipal Finance Authority.

Debt service requirements of the projected required borrowings have been built into 5 Year Financial Plans and projected user rates since inception of the strategy.

Borrowings specific to the universal metering project were approved under Bylaw 4407, and the resolution sought under this report is the final step in actually borrowing the funds.

Financial Implications

As noted above, the borrowings being authorized herein have been recognized in our 5 Year Financial Plans since the project was originally approved, and the required debt service has been built into annual user rates commencing 2007. Thus there are no further financial implications related to this authority.

Loan Authorization Bylaw 4407 authorized total borrowings of \$6,850,000. Only \$6 million of that authority is being used, and the balance of \$850,000 will be allowed to expire.



Richard Laing, C.A.
Director of Finance