



# REPORT

, so: Chair and Directors

Report Number: ADM-BRD-094

From: Teri Vetter, Chief Financial Officer & Kelsey Bates, Deputy CO

Date: October 20, 2020

**Subject: Area B Potable Water Capital Reserve Bylaw No. 2418, 2020**

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## **RECOMMENDATION #1: [Corporate Unweighted]**

That the Regional Board give 'Area B Potable Water Capital Reserve Bylaw No. 2418, 2020', which authorizes the establishment of a capital reserve fund for the Area B potable water service/function, first three readings.

## **RECOMMENDATION #2: [Corporate Unweighted – 2/3 Majority]**

That the Regional Board adopt 'Area B Potable Water Capital Reserve Bylaw No. 2418, 2020'.

## **BACKGROUND/RATIONALE:**

Electoral Area B Potable Water Service was established through adoption of Bylaw No. 2283, 2017. At that time, a capital reserve for the function was not authorized. The purpose of this capital reserve fund is to establish reserves for:

1. the replacement of existing machinery and equipment;
2. the purchase of additional machinery and equipment; and
3. the undertaking of other major and capital projects within the function.

Section 377 of the *Local Government Act* provides the authority for the PRRD to establish reserve funds by applying Division 4 [Reserve Funds] of Part 6 of the *Community Charter*, specifically, Section 188(1) of the *Charter*, which states, "A council may, by bylaw, establish a reserve fund for a specified purpose and direct that money be placed to the credit of the reserve fund".

## **ALTERNATIVE OPTIONS:**

1. That the Regional Board respectfully refuse 'Area B Potable Water Capital Reserve Bylaw No. 2418, 2020', which authorizes the establishment of a capital reserve fund for the Area B potable water service/function.
2. That the Regional Board provide further direction.

## **STRATEGIC PLAN RELEVANCE:**

☒ Not Applicable to Strategic Plan.

**FINANCIAL CONSIDERATION(S):**

If approved, the opportunity to requisition \$150,000 in 2021 to establish a reserve fund will be available.

**COMMUNICATIONS CONSIDERATION(S):**

None.

**OTHER CONSIDERATION(S):**

None.

**Attachments:**

1. Area B Potable Water Capital Reserve Bylaw No. 2418, 2020