

GREATER VANCOUVER WATER DISTRICT (GVWD)**BOARD OF DIRECTORS****REGULAR BOARD MEETING****Friday, July 29, 2022****9:15 A.M.**

Meeting conducted electronically pursuant to the Procedure Bylaw
28th Floor Boardroom, 4515 Central Boulevard, Burnaby, British Columbia

Webstream available at <http://www.metrovancouver.org>

[Membership and Votes](#)

A G E N D A¹**A. ADOPTION OF THE AGENDA****1. July 29, 2022 Regular Meeting Agenda**

That the GVWD Board adopt the agenda for its regular meeting scheduled for July 29, 2022 as circulated.

B. ADOPTION OF THE MINUTES**1. June 24, 2022 Regular Meeting Minutes**

That the GVWD Board adopt the minutes for its regular meeting held June 24, 2022 as circulated. pg. 3

2. July 7, 2022 Regular Joint Board Meeting Minutes

That the GVWD Board adopt the minutes for its regular joint meeting of the MVRD, MVHC, GVWD and GVS&DD Boards held July 7, 2022 as circulated. pg. 6

C. DELEGATIONS**D. INVITED PRESENTATIONS****E. CONSENT AGENDA**

Note: Directors may adopt in one motion all recommendations appearing on the Consent Agenda or, prior to the vote, request an item be removed from the Consent Agenda for debate or discussion, voting in opposition to a recommendation, or declaring a conflict of interest with an item.

¹ Note: Recommendation is shown under each item, where applicable. All Directors vote unless otherwise noted.

F. ITEMS REMOVED FROM THE CONSENT AGENDA

G. REPORTS NOT INCLUDED IN CONSENT AGENDA

1. FINANCE COMMITTEE REPORTS

1.1 GVWD Temporary Borrowing Bylaw No. 258, 2022

[Recommendation a): simple weighted majority vote.] and

[Recommendation b): 2/3 weighted majority vote.]

That the GVWD Board:

- a) authorize Metro Vancouver Regional District (“MVRD”) to temporary borrow on behalf of GVWD an amount, or amounts in aggregate, not exceeding \$268 million dollars, the remaining amount of the *Greater Vancouver Water District Borrowing Bylaw No. 248, 2015*, and the maximum borrowing authorized; and
- b) give first, second and third readings to “*Greater Vancouver Water District Temporary Borrowing Bylaw Number 258, 2022*” and forward to the Inspector of Municipalities for statutory approval.

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H. MOTIONS FOR WHICH NOTICE HAS BEEN GIVEN

I. OTHER BUSINESS

1. GVWD Board Committee Information Items and Delegation Summaries

pg. 19

J. BUSINESS ARISING FROM DELEGATIONS

K. RESOLUTION TO CLOSE MEETING

Note: The Board must state by resolution the basis under section 90 of the Community Charter on which the meeting is being closed. If a member wishes to add an item, the basis must be included below.

That the GVWD Board close its regular meeting scheduled for July 29, 2022 pursuant to the *Community Charter* provisions, Section 90 (1) (g) and (i) as follows:

“90 (1) A part of a board meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:

- (g) litigation or potential litigation affecting the regional district; and
- (i) the receipt of advice that is subject to solicitor-client privilege, including communications necessary for that purpose.”

L. RISE AND REPORT (Items Released from Closed Meeting)

M. ADJOURNMENT/CONCLUSION

That the GVWD Board adjourn/conclude its regular meeting of July 29, 2022.

**GREATER VANCOUVER WATER DISTRICT
BOARD OF DIRECTORS**

Minutes of the Regular Meeting of the Greater Vancouver Water District (GVWD) Board of Directors held at 10:59 a.m. on Friday, June 24, 2022 in the 28th Floor Boardroom, 4515 Central Boulevard, Burnaby, British Columbia.

MEMBERS PRESENT:

Burnaby, Chair, Director Sav Dhaliwal*
 North Vancouver City, Vice Chair Director
 Linda Buchanan*
 Anmore, Director John McEwen
 Belcarra, Director Jamie Ross*
 Burnaby, Director Pietro Calendino*
 Burnaby, Director Mike Hurley*
 Coquitlam, Director Craig Hodge*
 Coquitlam, Director Richard Stewart
 Delta, Director Jeannie Kanakos*
 Delta, Alternate Director Kruger* for
 George Harvie
 Electoral Area A, Director Jen McCutcheon
 Langley City, Director Gayle Martin*
 Langley Township, Director Jack Froese*
 Langley Township, Director Kim Richter*
 Maple Ridge, Director Mike Morden*
 New Westminster, Director Jonathan Coté*
 North Vancouver District, Director Lisa Muri*
 Pitt Meadows, Director Bill Dingwall*
 Port Coquitlam, Director Brad West*
 Port Moody, Director Rob Vagramov*

Richmond, Director Malcolm Brodie*
 Richmond, Director Harold Steves*
 Surrey, Director Linda Annis*
 Surrey, Alternate Director Hundial* for
 Laurie Guerra
 Surrey, Alternate Director Brenda Locke* for
 Doug Elford
 Surrey, Director Doug McCallum*
 Surrey, Director Mandeep Nagra*
 Surrey, Director Allison Patton*
 Tsawwassen, Director Ken Baird*
 Vancouver, Director Christine Boyle*
 Vancouver, Director Adriane Carr*
 Vancouver, Director Melissa De Genova*
 Vancouver, Director Lisa Dominato*
 Vancouver, Alternate Director Pete Fry* for
 Kennedy Stewart
 Vancouver, Director Colleen Hardwick*
 Vancouver, Director Michael Wiebe*
 West Vancouver, Director Mary-Ann Booth*
 Commissioner Jerry W. Dobrovolny (Non-voting
 member)

MEMBERS ABSENT:

None

OTHERS PRESENT:

Bowen Island, Councillor David Hocking*
 Lions Bay, Mayor Ron McLaughlin*
 White Rock, Mayor Darryl Walker*

STAFF PRESENT:

Chris Plagnol, Corporate Officer
 Morgan Mackenzie, Legislative Services Coordinator, Board and Information Services

*denotes electronic meeting participation as authorized by Section 3.6.2 of the *Procedure Bylaw*

A. ADOPTION OF THE AGENDA

1. June 24, 2022 Regular Meeting Agenda

It was MOVED and SECONDED

That the GVWD Board adopt the agenda for its regular meeting scheduled for June 24, 2022 as circulated.

CARRIED

B. ADOPTION OF THE MINUTES

1. May 18, 2022 Special Meeting Minutes

It was MOVED and SECONDED

That the GVWD Board adopt the minutes for its special meeting held May 18, 2022 as circulated

CARRIED

2. May 27, 2022 Regular Meeting Minutes

It was MOVED and SECONDED

That the GVWD Board adopt the minutes for its regular meeting held May 27, 2022 as circulated.

CARRIED

C. DELEGATIONS

No items presented.

D. INVITED PRESENTATIONS

No items presented.

E. CONSENT AGENDA

No items presented.

F. ITEMS REMOVED FROM THE CONSENT AGENDA

No items presented.

G. REPORTS NOT INCLUDED IN CONSENT AGENDA

No items presented.

H. MOTIONS FOR WHICH NOTICE HAS BEEN GIVEN

No items presented.

I. OTHER BUSINESS

No items presented.

J. BUSINESS ARISING FROM DELEGATIONS

No items presented.

K. RESOLUTION TO CLOSE MEETING

It was MOVED and SECONDED

That the GVWD Board close its regular meeting scheduled for June 24, 2022 pursuant to the *Community Charter* provisions, Section 90 (1) (e) as follows:

“90 (1) A part of a board meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:

- (e) the acquisition, disposition or expropriation of land or improvements, if the board or committee considers that disclosure could reasonably be expected to harm the interests of the regional district.”

CARRIED

L. RISE AND REPORT (Items Released from Closed Meeting)

No items presented.

M. ADJOURNMENT/CONCLUSION

It was MOVED and SECONDED

That the GVWD Board adjourn its regular meeting of June 24, 2022.

CARRIED

(Time: 11:00 a.m.)

CERTIFIED CORRECT

Chris Plagnol, Corporate Officer

Sav Dhaliwal, Chair

53641476 FINAL

**REGULAR JOINT MEETING
MVRD, MVHC, GVWD, and GVS&DD BOARDS**

Minutes of the Regular Joint Meeting of the Metro Vancouver Regional District (MVRD), Metro Vancouver Housing Corporation (MVHC), the Greater Vancouver Water District (GVWD), and the Greater Vancouver Sewerage and Drainage District (GVS&DD) Board of Directors held at 9:15 a.m. on Thursday, July 7, 2022 in the 28th Floor Boardroom, 4515 Central Boulevard, Burnaby, British Columbia.

MEMBERS PRESENT:

Burnaby, Chair, Director Sav Dhaliwal
North Vancouver City, Vice Chair Director
Linda Buchanan*

Anmore, Director John McEwen
Belcarra, Director Jamie Ross
Bowen Island, Director David Hocking*
Burnaby, Director Pietro Calendino*
Burnaby, Director Mike Hurley
Coquitlam, Director Craig Hodge*
Coquitlam, Director Richard Stewart* (arrived at 9:17 a.m.)
Delta, Alternate Director Dylan Kruger* for
Director George Harvie (arrived at 9:33 a.m.)
Delta, Director Jeannie Kanakos* (arrived at 9:16 a.m.)
Electoral Area A, Director Jen McCutcheon*
Langley City, Director Gayle Martin*
Langley Township, Director Jack Froese
Langley Township, Director Kim Richter*
Lions Bay, Director Ron McLaughlin
Maple Ridge, Director Mike Morden*
New Westminster, Director Jonathan Coté*
(departed at 11:30 a.m.)
North Vancouver District, Director Lisa Muri*
Pitt Meadows, Director Bill Dingwall*

Port Coquitlam, Director Brad West* (departed at 11:04 a.m.)
Port Moody, Director Rob Vagramov
Richmond, Director Malcolm Brodie* (departed at 9:57 a.m.)
Richmond, Director Harold Steves*
Surrey, Director Linda Annis*
Surrey, Director Doug Elford* (arrived at 9:18 a.m.)
Surrey, Director Laurie Guerra*
Surrey, Director Doug McCallum*
Surrey, Director Allison Patton*
Vancouver, Director Christine Boyle*
Vancouver, Director Adriane Carr
Vancouver, Director Melissa De Genova (arrived at 9:47 a.m.)
Vancouver, Director Lisa Dominato
Vancouver, Director Colleen Hardwick*
Vancouver, Alternate Director Pete Fry* for
Director Kennedy Stewart
Vancouver, Director Michael Wiebe* arrived at 9:19 a.m.)
West Vancouver, Director Mary-Ann Booth*
(arrived at 9:16 a.m.)
White Rock, Director Darryl Walker*

MEMBERS ABSENT:

Surrey, Director Mandeep Nagra

Tsawwassen, Director Ken Baird

STAFF PRESENT:

Jerry W. Dobrovolny, Chief Administrative Officer
Dorothy Shermer, Deputy Corporate Officer
Natalia Melnikov, Legislative Services Coordinator, Board and Information Services

*denotes electronic meeting participation as authorized by Section 3.6.2 of the *Procedure Bylaw*

A. ADOPTION OF THE AGENDA

1. July 7, 2022 Regular Joint Board Meeting Agenda

The Chair called the meeting to order and confirmed the agenda as circulated.

9:16 a.m. Directors Booth and Kanakos arrived at the meeting.

9:17 a.m. Director Stewart arrived at the meeting.

9:18 a.m. Director Elford arrived at the meeting.

9:19 a.m. Director Wiebe arrived at the meeting.

B. PRESENTATION AND DISCUSSION

1. Board Strategic Plan – A Look Back at 2019-2022

Sav Dhaliwal, Chair, Metro Vancouver Board of Directors, and Linda Buchanan, Vice Chair, Metro Vancouver Board of Directors, acknowledged the traditional territory of Metro Vancouver First Nations, welcomed members, and provided an overview of the Board's goals and priorities for each of Metro Vancouver's service areas, highlighting the impacts of the extreme weather events and COVID-19 pandemic on the region.

Liquid Waste Committee

Richard Stewart, Chair, Liquid Waste Committee, provided an overview of the Liquid Waste Committee and its work, highlighting Liquid Waste Services' accomplishments, including the approved Project Definition for the Iona Island Wastewater Treatment Plant, the expansion of the Annacis Wastewater Treatment Plant, the resumption of the construction of the North Shore Wastewater Treatment Plant, and the ongoing collaboration with the BC Centre for Disease Control and the University of British Columbia to track the presence of COVID-19 virus in the region's wastewater.

9:33 a.m. Director Kruger arrived at the meeting.

Members were shown a Metro Vancouver video on the Renewable Natural Gas Project at Lulu Island Wastewater Treatment Plant, which is not retained with the agenda.

Water Committee

Malcolm Brodie, Chair, Water Committee, provided an overview of the Water Committee and its work, highlighting Water Services' accomplishments, including the completion of the Port Mann Corridor Project, the Second Narrows Water Supply Tunnel, and the Clayton and Jericho Reservoirs. Other accomplishments included the upgrades of the Annacis and Stanley Park Water Supply Tunnels, and the implementation of the Cleveland Dam Safety Enhancements Program. He also noted the updates to the *Drinking Water Conservation Plan* and the *Water Supply Outlook 2120*, highlighting the importance of drinking water quality and preservation.

In response to questions, members were informed about the ongoing discussions with First Nations regarding the pipe removal in Stanley Park to restore the area.

Members were shown a Metro Vancouver video regarding the *Water Supply Outlook 2120*, which is not retained with the agenda.

9:47 a.m. Director De Genova arrived at the meeting.

Zero Waste Committee

Jack Froese, Chair, Zero Waste Committee, provided an overview of the Solid Waste Committee and Solid Waste Services' accomplishments, including the new United Boulevard and Central Surrey Recycling and Waste Centres, the upgrade of the Waste-to-Energy Facility in Burnaby, an update of the *Integrated Solid Waste and Resource Management Plan*, and the waste reduction campaigns.

In response to questions regarding excess packaging, members were informed about the work with the Canada Plastics Pact.

Members were shown a Metro Vancouver video regarding the enhanced recycling and waste services, which is not retained with the agenda.

Housing Committee

Mike Hurley, Chair, Housing Committee, provided an overview of the Housing Committee and Metro Vancouver's Housing Services accomplishments, including the advancement of seven affordable housing projects, the adopted Metro Vancouver Housing 10-Year Plan, expanded tenant programs promoting community building and community gardens, the revised *Tenant Selection Policy*, and the start of the construction of Kingston Gardens and Welcher Avenue apartments.

9:57 a.m. Director Brodie departed the meeting.

Members were shown a Metro Vancouver video regarding the adoption of the 10-Year Housing Plan, which is not retained with the agenda.

Regional Parks Committee

John McEwen, Chair, Regional Parks Committee, provided an overview of the Regional Parks Committee, highlighting accomplishments in Regional Parks, including record park visitations, park acquisitions, trail upgrades, the update to the *Regional Greenways 2050 Plan*, the completed *Regional Parks Alternative Transportation Study*, the signed Cultural Planning and Co-Operative Agreement for təmtə́míxʷtən/Belcarra Regional Park with the Tsleil-Waututh Nation, advanced design for enhancements in Crippen Regional Park, Campbell Valley Regional Park, and Grouse Mountain Regional Park, and advanced planning for Widgeon Marsh Regional Park.

Regional Culture Committee

Lisa Muri, Chair, Regional Culture Committee, provided an overview of the Regional Culture Committee and the regional arts and culture program challenges during the COVID-19 pandemic. Director Muri highlighted program accomplishments, including adapted grant provision as part of the Regional Cultural Grants Program, and the annual allocation of \$150,000 of grant funding supplemented with an additional \$150,000 from BC Safe Restart funding.

Invest Vancouver

Sav Dhaliwal, Chair, Invest Vancouver Management Board, provided an overview of Invest Vancouver, the regional economic prosperity service, highlighting its funding initiatives and accomplishments, including collaboration with Amazon Web Services to create a workforce development initiative for technology, \$200,000 Federal funding received through the CanExport Community Investment Program, declaration of June as Clean Transportation Month, and the *Motivate Vancouver* event cohosted with CoMotion Global.

In response to a question regarding opportunities to discuss the idea of wind turbine manufacturing, members were informed about plans to begin discussions through the Canadian Consulate in Copenhagen.

Members were shown a Metro Vancouver video regarding the launch and highlights of Invest Vancouver, which is not retained with the agenda.

Mayors Committee

Brad West, Chair, Mayors Committee, provided an overview of the Mayors Committee and its work, outlining Metro Vancouver's initiatives and collaborations with other orders of government, including work on the overdose crisis, municipal harm reduction discussion with Local Leadership United, 2021 All-Party-Federal Election Forum, and the joint event between the Mayors Committee, Invest Vancouver, and European Union Consulate Generals to discuss the potential trade, investment, and partnership opportunities.

Regional Planning Committee

Jonathan Coté, Chair, Regional Planning Committee, provided an overview of the Regional Planning Committee and Regional Planning Services' challenges and accomplishments, highlighting the completed draft of *Metro 2050*, which is now in the approval phase, the approved *Regional Industrial Land Strategy*, the *Industrial Intensification Analysis Study*, and the *Social Equity in Regional Growth Management Study*.

In response to a question, members were informed that the School Board was invited to participate in *Metro 2050* consultations as legislatively required, but the inclusion of police services is up to local jurisdictions.

Electoral Area Committee

Jen McCutcheon, Chair, Electoral Area Committee, provided an overview of the Electoral Area Committee and Metro Vancouver Electoral Area A, highlighting a geotechnical study to map rural portions of the Electoral Area, community engagement and cleanup events, electric vehicle charging, recycling, and active transportation projects, and the emergency preparedness efforts for at-risk communities. Members were informed about the ongoing engagement with the Katzie First Nation and the Province to mitigate potential flooding impacts.

Performance and Audit Committee

Lisa Dominato, Chair, Performance and Audit Committee, provided an overview of the Performance and Audit Committee's role, highlighting Metro Vancouver's financial reporting improvements and accomplishments, including the 2022 Excellence in Financial Reporting Award received from the Government Finance Officers Association of the United States and Canada.

Finance Committee

Sav Dhaliwal, Chair, Finance Committee, provided an overview of the Finance Committee, highlighting Metro Vancouver's financial planning process and accomplishments, including Metro Vancouver's high credit rating and budget reductions to keep the 2022 levy rate increase below the inflation rate, and the amended *Federal Gas Tax Fund Expenditures Policy* to improve processes and apply a climate action lens.

George Massey Crossing Task Force

Sav Dhaliwal, Chair, Board of Directors, on behalf of George Harvie, Chair, George Massey Crossing Task Force, provided an overview of the George Massey Crossing Task Force and its work, highlighting Metro Vancouver's accomplishments in the George Massey Crossing Project development, which is intended to facilitate efficiency and movement of people and goods in the region.

Flood Resiliency Task Force – 10:49

Bill Dingwall, Chair, Flood Resiliency Task Force, noted the effects of the Atmospheric River flooding events affecting multiple communities in British Columbia in November 2021, and provided an overview of Metro Vancouver's accomplishments and engagement with the affected municipalities and First Nations to identify regional risks and gaps in existing infrastructure and the priority areas in need of regional investment while reviewing the existing *Lower Mainland Flood Management Strategy*.

Climate Action Committee

Adriane Carr, Chair, Climate Action Committee, provided an overview of the Climate Action Committee and Air Quality and Environmental Planning Services, highlighting climate change impacts, and regional challenges and accomplishments, including the adopted *Clean Air Plan*, improved air quality

monitoring, and the amended *Climate 2050* strategic plan with a goal of becoming a carbon neutral region by 2050.

Members were shown a Metro Vancouver video titled “Metro Vancouver Achieves Carbon Neutrality”, which is not retained with the agenda.

Indigenous Relations Committee

Mary-Ann Booth, Chair, Indigenous Relations Committee, provided an overview of the Indigenous Relations Committee and its work, highlighting Metro Vancouver’s accomplishments, including the cooperation agreement with the Tsleil-Waututh Nation and renaming of təmtə́míxʷtən/Belcarra Regional Park, treaty negotiations with the Katzie First Nation, Lunch-and-Learn opportunities for staff, and strengthening relationships with First Nations through project-related engagement work.

Members were shown Metro Vancouver videos of the təmtə́míxʷtən/Belcarra Regional Park Renaming Ceremony and the Board Strategic Plan 2019 – 2022 Look Back, which are not retained with the agenda.

Presentation material titled “2019 – 2022 Look Back – Board Strategic Plan” is retained with the July 7, 2022 MVRD/MVHC/GVWD/GVS&DD Regular Joint Board Meeting agenda.

Closing Remarks

Vice Chair Buchanan and Chair Dhaliwal offered closing remarks highlighting members’ contributions and Metro Vancouver’s role in delivering essential services.

11:30 a.m. Director Coté departed the meeting.

C. ADJOURNMENT/CONCLUSION

It was MOVED and SECONDED

That the MVRD/MVHC/GVWD/GVS&DD Board conclude its regular joint meeting of July 7, 2022.

CARRIED

(Time: 11:32 a.m.)

CERTIFIED CORRECT

Dorothy Shermer, Deputy Corporate Officer

Sav Dhaliwal, Chair

53822623 FINAL

To: Finance Committee

From: Linda Sabatini, Acting Director, Financial Operations

Date: June 27, 2022

Meeting Date: July 14, 2022

Subject: **GVWD Temporary Borrowing Bylaw No. 258, 2022**

RECOMMENDATION

That the GVWD Board:

- a) authorize Metro Vancouver Regional District ("MVRD") to temporary borrow on behalf of GVWD an amount, or amounts in aggregate, not exceeding \$268 million dollars, the remaining amount of the *Greater Vancouver Water District Borrowing Bylaw No. 248, 2015*, and the maximum borrowing authorized.
 - b) give first, second and third readings to "*Greater Vancouver Water District Temporary Borrowing Bylaw Number 258, 2022*" and forward to the Inspector of Municipalities for statutory approval.
-

EXECUTIVE SUMMARY

An opportunity exists to improve cash management by using temporary borrowing, which will reduce the amount of cash on hand and maximize cash invested in the long-term investment portfolio. Temporary borrowing will allow for enhanced investment decisions and optimize investment returns by approximately \$1.8 million per year, across the organization as whole.

Metro Vancouver's current infrastructure financing strategy revolves around MFA's bi-annual long-term borrowing process and does not include temporary borrowing. Through the *Municipal Enabling and Validating Act (MEVA)*, MVRD can access temporary borrowing from MFA on behalf of the GVWD. Approval of the *Greater Vancouver Water District Temporary Borrowing Bylaw No. 258, 2022* provides the authority for temporary borrowing in the amount not exceeding \$268 million, the remaining amount of the *Greater Vancouver Water District Borrowing Bylaw No. 248, 2015*, and the maximum borrowing authorized. This will provide Metro Vancouver with borrowing methods equivalent to what is used in municipalities.

PURPOSE

To seek Board approval for temporary borrowing through the *Metro Vancouver Regional District ("MVRD")* and the *Municipal Finance Authority of British Columbia ("MFA")*, for anticipated capital infrastructure activities, for an amount, or amounts in the aggregate, not exceeding \$268 million dollars, the remaining amount of the *Greater Vancouver Water District Borrowing Bylaw No. 248, 2015*, and the maximum borrowing authorized.

BACKGROUND

Metro Vancouver's current cash management strategy for infrastructure financing for GVWD and GVS&DD revolves around MFA's two annual long-term borrowing opportunities (in April and October). In the intervening months, infrastructure projects are funded internally by drawing down cash on hand and investments. It's expected that continued reliance on internal interim funding will put pressure on investment balances and returns unless alternative financing strategies are implemented.

TEMPORARY BORROWING AUTHORITY

The current borrowing process under the GVWD Act, does not include provisions for temporary borrowing. Metro Vancouver's current cash management strategy for infrastructure financing for GVWD and GVS&DD revolves around MFA's two annual long-term long term borrowing opportunities (in April and October). In the intervening months, infrastructure projects are funded internally by utilizing reserves and drawing down cash on hand and investments. It's expected that continued reliance on internal interim funding will put pressure on investment balances unless alternative financing strategies are implemented.

The proposed strategy is to temporary borrow in the months between MFA's spring and fall long-term borrowing opportunities. This will allow the optimization of investment returns and enhance portfolio investment decisions. GVWD has been restricted from taking advantage of this arrangement because the borrowing process under the *GVWD Act* does not include provisions for temporary borrowing. However, through the *Municipal Enabling and Validating Act (MEVA S.45 No.2)*, MVRD can access temporary borrowing on behalf of the GVWD, from a financial institution or other lender (including the MFA). Temporary borrowing will provide Metro Vancouver with borrowing methods equivalent to what is used in municipalities.

Under the MEVA legislation, two approved bylaws are required to allow GVWD the opportunity to temporary borrow. The first bylaw is the *Greater Vancouver Water District Temporary Borrowing Bylaw No. 258, 2022* establishing the authority for GVWD to access temporary borrowing. This report introduces this bylaw for consideration and approval from the GVWD Board.

The second bylaw required for temporary borrowing is the *Metro Vancouver Regional District Temporary Borrowing Bylaw No. 1357, 2022* to authorize MVRD to borrow on behalf of GVWD, which is being submitted to the MVRD Board for approval on July 29, 2022.

A cash management strategy that includes a combination of temporary and long-term borrowing allows the optimization of cash and investment portfolio decisions which can reduce overall debt servicing costs and provide maximum investment returns, as investments can be retained for longer periods.

A simple example, below shows that capital spending of \$240 million per year (\$20 million per month), can yield additional investment returns of \$1.8 million a year, across the organization as whole.

	Annual Amount (in millions of dollars)
Incremental Interest Earned from Investing Long-Term (3.5%) versus Short-term (2.05%)	\$ 3.2
Less Temporary Borrowing Interest Expense (1.98%)	(1.4)
Net Benefit of Temporary Borrowing	\$ 1.8

The *Greater Vancouver Water District Borrowing Bylaw No. 258, 2022*, Attachment 1, provides a block of temporary borrowing authority in advance of any actual borrowing. The borrowing authority under this bylaw is consistent with the expenditures included in the five-year financial plan and the *Greater Vancouver Water District Borrowing Bylaw No. 248, 2015*.

FINANCING AGENCY

The Municipal Finance Authority (MFA) is the financing agency for all municipalities and regional districts within British Columbia, except the City of Vancouver. It is also the financing agency for the GVS&DD and the GVWD. The MFA currently has two bond issues per year which provide opportunity for long term borrowing, one in each of the spring and fall. The MFA also provides temporary financing to municipalities and regional districts at variable interest rates over terms of not more than five years.

The approval of this temporary borrowing bylaw along with an approved *Metro Vancouver Regional District (MVRD) Temporary Bylaw, No. 1357, 2022* will enable the MVRD to secure temporary funding for the capital program of the GVWD which will enhance cash management strategies.

BORROWING AMOUNT

The *Greater Vancouver Water District Borrowing Bylaw No. 248, 2015*, authorized long-term borrowing to a maximum of \$700 million, based on GVWD's 5-year capital plan at the time of bylaw approval. As of June 30, 2022, the remaining amount under this bylaw is \$268 million. Under legislation, the maximum borrowing undertaken at any time, cannot exceed the combination of both temporary and long-term financing, which is the remaining amount of the long-term borrowing bylaw of \$268 million. In addition, MFA will restrict the combined temporary borrowing of GVWD and GVS&DD to \$400 million, Metro Vancouver's proportionate share of MFA's temporary borrowing program, and terms not exceeding two years, at which time the temporary borrowing will need to be converted to long-term.

ALTERNATIVES

1. That the Greater Vancouver Water District ("GVWD") Board:
 - a) authorize Metro Vancouver Regional District ("MVRD") to temporary borrow on behalf of GVWD an amount, or amounts in aggregate, not exceeding \$268 million dollars, the remaining amount of the *Greater Vancouver Water District Borrowing Bylaw No. 248, 2015*, and the maximum borrowing authorized.
 - b) give first, second and third readings to "*Greater Vancouver Water District Temporary Borrowing Bylaw Number 258, 2022*" and forward to the Inspector of Municipalities for statutory approval.
2. That the GVWD Board direct staff to continue the current practice of long-term borrowing under the GVWD Act and not take advantage of opportunities available with temporarily borrowing.

FINANCIAL IMPLICATIONS

The approval of alternative one will provide staff with the authority to continue to make prudent financing decisions with respect to GVWD's capital programs. A cash management strategy that includes a combination of temporary and long-term borrowing allows the optimization of cash and investment portfolio decisions which can reduce overall debt servicing costs and provide maximum investment returns. Analysis shows that for \$240 million of capital spending, additional returns of \$1.8 million per year, across the organization, can be obtained as investments can be retained for longer periods to optimize returns. Temporary borrowing will provide the flexibility to make appropriate decisions regarding balancing the cost of financing with the services provided by the related infrastructure.

Should this authority not be granted, under alternative two, staff will continue current cash flow management practices.

CONCLUSION

This Borrowing Bylaw, as recommended under alternative one, provides the necessary authorization for the GVWD to temporary borrow funds as and when required up to a maximum of \$286 million, the remaining amount of the *Greater Vancouver Water District Borrowing Bylaw No. 248, 2015*, and the maximum borrowing authorized.

Attachments

1. *GVWD Temporary Borrowing Bylaw No. 258, 2022*

52793588

**GREATER VANCOUVER WATER DISTRICT
TEMPORARY BORROWING REQUEST BYLAW NO. 258, 2022
A Bylaw to Request Temporary Borrowing through Metro Vancouver Regional District Pending
the Sale of Debentures**

WHEREAS:

- A. Section 45 of the *Municipalities Enabling and Validating Act (No. 2)* (the “MEVA”) authorizes the Metro Vancouver Regional District (“MVRD”) to borrow from a bank, financial institution, regional authority, or any other lender, for the purpose of providing temporary financing for a regional authority.
- B. The Greater Vancouver Water District (the “District”) is a regional authority under s.45 of the MEVA.
- C. MVRD may only borrow under s.45 of the MEVA if the District:
 - (a) is authorized to contract debt for the purpose for which the financing is to be used;
 - (b) requests MVRD to provide the financing, by bylaw approved by the Inspector of Municipalities; and
 - (c) enters into an agreement with MVRD which provides that the District will pay to MVRD all costs associated with the borrowing, and if requested by MVRD, deliver to it security in the form of securities sufficient for MVRD to meet and discharge all its obligations associated with the borrowing. The District and MVRD entered into such agreement on June 30, 2022.

Upon the adoption of this bylaw, all of the aforementioned conditions will be satisfied.

- D. The District has adopted the “Greater Vancouver Water District Debenture Bylaw No. 248, 2015” (the “Debenture Bylaw”), which authorizes a maximum of \$700,000,000 in borrowing for the purpose of undertakings authorized by the *Greater Vancouver Water District Act* (the “Act”), or for the purpose of discharging the payment of any matter or thing contemplated or authorized by the Act, including for the purpose of repaying or refunding either before or at maturity monies which have been borrowed by the District by issue of temporary securities or other debentures or securities.
- E. As of June 30, 2022, the District has borrowed \$432,000,000 against the Debenture Bylaw, and therefore \$268,000,000 is remaining and authorized to borrow against the Debenture Bylaw.
- F. The sale of debentures has been temporarily deferred.

NOW THEREFORE the Board of the Greater Vancouver Water District enacts as follows:

1. The Board is hereby authorized and empowered to request MVRD to obtain temporary borrowing for an amount or amounts not exceeding the sum of \$268,000,000, which is equal to the amount authorized and remaining to be borrowed by the District under the Debenture Bylaw.
2. \$700,000,000 is the maximum amount of total borrowing that may be outstanding at any time under the combination of both this bylaw and the Debenture Bylaw.
3. The maximum term of any borrowing arrangements under this bylaw is five (5) years.
4. Any money borrowed will be used solely for the purposes set out in the Debenture Bylaw, specifically for the purposes of the District's capital requirements or other requirements for which financing is to be used in accordance with the its approved financial plan.
5. The proceeds from the sale of debentures or so much thereof as may be necessary will be used to repay the money so borrowed.
6. The Commissioner is hereby authorized on behalf of the District to do all such things and to execute, with or without the seal of the District, and deliver all such agreements, documents or instruments that may be necessary or desirable to give effect to this bylaw. Any such agreement, documents or instruments will also be signed by the other signatories that may be required in accordance with the "Greater Vancouver Water District Banking Authority Bylaw No. 255, 2021", as such bylaw may be amended.

Severability

7. If any portion of this bylaw is deemed *ultra vires*, illegal, invalid, or unenforceable in any way in whole or in part by any court of competent jurisdiction, such decision will not be deemed to invalidate or void the remainder of the bylaw.

Citation

8. This bylaw may be cited as "Greater Vancouver Water District Temporary Borrowing Request Bylaw No. 258, 2022".

Read a first, second and third time this _____ day of _____, 2022.

Approved by the Inspector of Municipalities this _____ day of _____, 2022.

Passed and finally adopted this _____ day of _____, 2022.

Sav Dhaliwal, Chair

Chris Plagnol, Corporate Officer

COMMITTEE INFORMATION ITEMS AND DELEGATION SUMMARIES

Greater Vancouver Water District

Board Meeting Date – Friday, July 29, 2022

This information item, listing recent information received by committee, is provided for the GVWD Board's information. Please access a complete PDF package [here](#).

Climate Action Committee – July 8, 2022

Delegations:

None

Information Items:

5.5 2022 Update on Water Sustainability Innovation Fund Projects

Performance and Audit Committee – July 14, 2022

Delegations:

None

Information Items:

- 5.1 Draft Water 2023–2027 Capital Plan
- 5.2 Douglas Road Main No. 2 – Delivering Successful Infrastructure Projects
- 5.3 2021 GVWD Dam Safety Program Annual Update
- 5.4 Jurisdictional Review of Drought Responses
- 5.5 Project Delivery Capital Portfolio Update

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