



Regional Board Report

Request for Decision

To: Regional Board
From: Director of Financial Services
Date: May 15, 2025

Subject: Falcon Ridge Water System Expansion East Service Security Issuing Bylaw No. 1570

Voting Entitlement: *All Directors - Weighted Corporate Vote - Simple Majority (LGA s.210)*
Bylaw adoption requires 2/3 majority (LGA s.228)

Purpose: To consider readings and adoption of the security issuing bylaw for the Regional District of the Central Okanagan (RDCO) for the Falcon Ridge Water System Expansion.

Executive Summary:

The RDCO adopted a loan authorization bylaw, in October 2023, to fund the costs of extending the Falcon Ridge Water System to three new properties. Along with the required loan authorization bylaw the provincial certificate of approval has also been received, and construction of the project has been completed. The RDCO is now ready to complete the final step in the borrowing process, the adoption of a Security Issuing Bylaw that will authorize the amount that will be borrowed.

The participating property in the service requesting the borrowing will bear the resulting debt service costs. Approval of this bylaw is recommended to permit participation in the Municipal Finance Authority's 2025 Fall debt issuance

Recommendation(s):

THAT the Regional Board give first, second and third readings to Falcon Ridge Water System Expansion East Security Issuing Bylaw No. 1570, 2025;

AND THAT the Regional Board adopt Falcon Ridge Water System Expansion East Security Issuing Bylaw No. 1570, 2025.

Report Submitted & Approved by: Tania McCabe, CPA, CA, Director of Financial Services

Approved for Agenda: Sally Ginter, Chief Administrative Officer

Strategic Plan Alignment:

- | | |
|--|--|
| <input type="checkbox"/> Emergency preparedness | <input type="checkbox"/> Truth and reconciliation |
| ✓ Health and wellness | <input type="checkbox"/> Environment and climate – Regional priority only |
| <input type="checkbox"/> Regional transportation | <input type="checkbox"/> Growth and development – Electoral Area priority only |

Background:

In 2020, the Regional District was approached by property owners within the Falcon Ridge community to explore the potential for connecting to the RDCO system as a cost-effective alternative to their existing private water systems. All properties were offered the option to pay for their share of the construction costs, or to participate in a borrowing process to cover the costs. The three properties in the western portion of the expansion choose to pay up front. The three properties in the eastern portion of the Falcon Ridge Water Service Area expansion opted to participate in the borrowing process. To begin this process, Loan Authorization Bylaw No. 1532 was adopted in October 2023. At that time, Parcel Tax Commutation – Falcon Ridge Water System East Service Area Bylaw No. 1534 was also adopted to allow the three eastern properties to commute the payment for their portion of the actual construction costs before borrowing proceeds, if they preferred.

Construction of the project was completed in the fall of 2024. With final costs known, the three properties in the eastern portion were provided the opportunity to commute their proportion of the costs. Two of the three properties chose this option, with third one opting to proceed with the borrowing process.

Under Sections 410 and 411 of the Local Government Act (LGA), the RDCO must adopt a security issuing bylaw to provide for the issue of debentures or other debt for all or any part of the debt authorized under loan authorization bylaws for its own borrowings and on behalf of municipalities requesting debt.

Debt issuance is undertaken twice annually by the Municipal Finance Authority (MFA). The process requires the RDCO Board to adopt separate security issuing bylaws for each borrower. The approved bylaws are then submitted to the Ministry of Municipal Affairs for approval.

The RDCO is requesting the issue of a security as follows:

Security Issuing Bylaw No.	Service	Loan Authorization				Term of Issue	Issue amount (\$M)	Notes
		Bylaw No.	Authorized \$	Borrowed \$	Remaining \$			
1570	Falcon Ridge Water System	1532	\$148,500	\$0	\$148,500	15	\$36,895	Construction of a water distribution system in a portion of the Falcon Ridge community

Considerations:

Organizational/External:

Borrowing for a service under a loan authorization bylaw must be undertaken by the Regional District on behalf of the service.

Financial:

Debt payments will be paid to MFA semi-annually and recovered from the participating property as an annual parcel tax.

Legal/Statutory Authority:

Local Government Act, S. 410 and 411 and *Community Charter*, S. 182

Attachment(s): 1. Bylaw No. 1532 Loan Authorization– Falcon Ridge Water System East Service
2. Bylaw No. 1534 Parcel Tax Commutation – Falcon Ridge Water System East Service Area
3. Bylaw No. 1570 Falcon Ridge Water System East Service Security Issuing
