



# **Corporate** NO: R019

# **Report** COUNCIL DATE: January 31, 2000

## **REGULAR COUNCIL**

**TO: Mayor & Council**    **DATE: January 26, 2000**

**FROM: Manager, Utilities**    **FILE: 1288-830**  
**Engineering Department**

**SUBJECT: 1988 GVRD-Surrey-Langley Water Supply Agreement - Feeder Main on 192 Street: 72 Avenue to Fraser Highway**

## **RECOMMENDATION**

That Council authorize payment of Surrey's share of the 192 Street, 72 Avenue - Fraser Highway water main, in the amount of \$1,250,000 to the GVRD.

## **BACKGROUND**

The 1988 GVRD-Surrey-Langley Water Supply Agreement established timing and cost-sharing between the parties for works to upgrade water supply to Clayton, South Surrey and Langley Township. The last element of the works included in this agreement is a section of feeder main on 192 Street from 72 Avenue to Fraser Highway. Under the Agreement, Surrey's share of the cost of this main is in proportion to the flow allocated to Surrey, namely 52%, which amounts to \$1,250,000.

In 1999, the GVRD constructed, under contract, this main with costs to be allocated to the three funding partners.

Surrey now has the option to debt finance these works or fund as a one-time payment.

## **DISCUSSION**

Surrey has two options for the payment of their share. The first option is to make a one-time payment of \$1,250,000. The second option is to accept the GVRD's offer to amortize Surrey's share as a debt, payable over time, with interest. Based on the difference between potential interest earned and debt costs charged, it is prudent for Surrey to fund this project from available Water Utility funds and thereby not incur any interest

costs.

## **FUNDING**

Sufficient funds exist within the current Water Capital Budget to enable Council to appropriate \$1,250,000 to pay Surrey's share for this water feeder main.

Paul Ham, P. Eng.

Manager, Utilities

PH:brb

c.c. - General Manager, Finance & Technology

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