

THE CITY OF SPRUCE GROVE

BYLAW C-1119-20

INDUSTRIAL WATERMAIN BORROWING BYLAW

WHEREAS, pursuant to the *Municipal Government Act*, RSA 2000 cM-26 and amendments thereto, the City of Spruce Grove wishes to authorize the financing, undertaking, and construction of the Industrial Watermain and Surface Rehab project as authorized by Council;

AND WHEREAS, plans and specifications have been prepared and the total cost of the project is estimated at three million, six hundred thousand dollars (\$3,600,000) and the City of Spruce Grove estimates that a debenture not to exceed two million, one hundred and sixty thousand dollars (\$2,160,000) will be applied to the project;

AND WHEREAS, in order to complete the Industrial Watermain and Surface Rehab project it will be necessary for the City of Spruce Grove to borrow a sum not to exceed two million, one hundred and sixty thousand dollars (\$2,160,000) for a period not to exceed twenty (20) years, from the Alberta Capital Finance Authority, or another authorized financial institution, by the issuance of debentures and on the terms and conditions referred to in this bylaw;

AND WHEREAS, the principal amount of the outstanding debt of the City of Spruce Grove at December 31, 2019 is forty-two million, one hundred and twenty-two thousand dollars (\$42,122,000) and no part of the principal or interest is in arrears;

AND WHEREAS, all required approvals for the project have been obtained and the project is in compliance with all Acts and Regulations of the Province of Alberta;

NOW THEREFORE, the Council for the City of Spruce Grove, duly assembled hereby enacts as follows:

1. BYLAW TITLE

1.1. This bylaw is called "Industrial Watermain Borrowing Bylaw."

2. DEFINITIONS

2.1. "City" means the municipal corporation of the City of Spruce Grove in the Province of Alberta.

2.2. "City Manager" means the administrative head of the City.

2.3. "Council" means the Mayor and Councillors duly elected pursuant to the provisions of the *Local Authorities Election Act*, RSA 2000 cL-21, as

amended.

3. AUTHORIZATION

- 3.1. This bylaw authorizes the Council to incur indebtedness by the issuance of debenture(s) in an amount not to exceed two million, one hundred and sixty thousand dollars (\$2,160,000) for the purpose of financing the construction of the Industrial Watermain and Surface Rehab project.

4. BORROWING

- 4.1. That for the purpose of financing the construction of the Industrial Watermain and Surface Rehab project a sum not to exceed two million, one hundred and sixty thousand dollars (\$2,160,000) be borrowed from the Alberta Capital Finance Authority, or another authorized financial institution by way of debenture on the credit and security of the City at large, of which the full sum of two million, one hundred and sixty thousand dollars (\$2,160,000) is to be paid by the City at large.
- 4.2. The sum not to exceed two million, one hundred and sixty thousand dollars (\$2,160,000) is to be paid by the City.
- 4.3. The City Manager is hereby authorized to issue debenture(s) on behalf of the City for the amount and purpose as authorized by this bylaw, namely the construction of the Industrial Watermain and Surface Rehab project.
- 4.4. The City shall repay the indebtedness according to the repayment structure in effect, namely annual or semi-annual payments of combined principal and interest instalments not to exceed twenty (20) years calculated at a rate not exceeding the interest rate fixed by the Alberta Capital Finance Authority, or another authorized financial institution on the date of the borrowing, and not to exceed three (3) percent.
- 4.5. The City shall levy and raise in each year a utility rate or rates sufficient to pay the principal and interest falling due on the indebtedness.
- 4.6. The indebtedness shall be contracted on the credit and security of the City.
- 4.7. The net amount borrowed under the bylaw shall be applied only to the construction of the Industrial Watermain and Surface Rehab project specified by this bylaw.

5. SEVERABILITY

- 5.1. Every provision of this bylaw is independent of all other provisions and if any provision is declared invalid by a Court, then the invalid provisions shall be severed and the remainder provisions shall remain valid and enforceable.

6. EFFECTIVE DATE

- 6.1. This bylaw shall come into full force and effect upon being given third reading and duly signed.

First Reading Carried _____, 2020

Second Reading Carried _____, 2020

Third Reading Carried _____, 2020

Date Signed _____, 2020

Mayor

City Clerk