

**BYLAW NO. 2**  
**OF THE WEST INTERLAKE DISTRICT REGIONAL WATER SERVICES**  
**COMMISSION**

(Hereinafter referred to as “the Commission”)

**IN THE PROVINCE OF ALBERTA**

**This bylaw authorizes the Board of Directors of the Commission to incur indebtedness by the issuance of debenture(s) in the amount of \$1,470,000,000.00 for the purpose of constructing Phase 1 of the Regional Water Transmission Line.**

**WHEREAS:**

The Board of Directors has decided to issue a bylaw pursuant to the *Municipal Government Act* to authorize the financing, for the construction of a water transmission line.

Plans and specifications have been prepared and the total cost of Phase 1 of the project is estimated to be \$ 25,000,000.00 and the Commission estimates the following grants and contributions will be applied to the project:

Provincial Grant	22,500,000.00
Debenture(s)	1,470,000.00
Direct Payment by Members	1,030,000.00
Total Cost	25,616,650.00

In order to complete the project it will be necessary for the Commission to borrow the sum of \$ 1,470,000.00 for a period not to exceed 25 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.

The estimated lifetime of the project financed under this bylaw is equal to, or in excess of 25 years.

The principal amount of the outstanding debt of the Commission at December 31, 2013 is \$ 0 and no part of the principal or interest is in arrears.

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 BOARD OF THE COMMISSION DULY ASSEMBLED, ENACTS AS FOLLOWS:**

1. That for the purpose of constructing of the Phase 1 regional transmission line for a total of one million four hundred hundred and seventy thousand (\$1,470,000.00) be borrowed from the Alberta Capital Finance Authority or another authorized financial institution by way of debenture on the credit and security of the Commission at large, of which amount the full sum of \$1,470,000.00 is to be paid by the Commission at large.
2. The proper officers of the Commission are hereby authorized to issue debenture(s) on behalf of the Commission for the amount and purpose as authorized by this by-law, namely the construction of the regional water transmission line.
3. The Commission shall repay the indebtedness according to the repayment structure in effect, namely semi-annual or annual equal payments of combined principal and interest instalments not to exceed TWENTY FIVE (25) 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 Eight (8) percent.
4. The Commission shall levy and raise in each year the water rates sufficient to pay the indebtedness.
5. The indebtedness shall be contracted on the credit and security of the Commission.
6. The net amount borrowed under the bylaw shall be applied only to the project specified by this bylaw.
7. This bylaw comes into force on the date it is passed.

READ A FIRST TIME THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2014.

READ A SECOND TIME THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2014.

READ A THIRD TIME THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2014.

\_\_\_\_\_  
(CHAIRMAN)

\_\_\_\_\_  
(CHIEF ADMINISTRATIVE OFFICER)

SEAL

APPENDIX A

APPLICATION TO SELL DEBENTURES TO  
ALBERTA CAPITAL FINANCE AUTHORITY  
(To be used for Municipal Purposes)

The \_\_\_\_\_  
hereby applies to the ALBERTA CAPITAL FINANCE AUTHORITY to purchase its debentures to finance the  
under mentioned Capital Project.

Description of Project: \_\_\_\_\_ Estimated Cost: \$ \_\_\_\_\_

Estimated Life of Project: \_\_\_\_\_ years Term of Debentures: \_\_\_\_\_ years

Amount of Debentures to be Sold under this Application: \$ \_\_\_\_\_

This application is signed and dated this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

**NOTE: A separate application will be required for each project.**

**CERTIFICATE**

**THE CHIEF ADMINISTRATIVE OFFICER (OR DESIGNEE) AND CHIEF ELECTED OFFICIAL  
(OPTIONAL) OF \_\_\_\_\_ HEREBY CERTIFIES:**

1. That By-law No. \_\_\_\_\_ passed on \_\_\_\_\_ is a valid by-law pursuant to  
Section 273 of the *Municipal Government Act*.
2. That either:
  - (a) By-law No. \_\_\_\_\_ has been advertised pursuant to Section 606 of the *Municipal Government Act*;  
or
  - (b) By-law No. \_\_\_\_\_ does not have to be advertised pursuant to Section 257(4), 262(4) or 263(2) of  
the *Municipal Government Act*.
3. That either:
  - (a) the debt limit of \$ \_\_\_\_\_ is calculated based on regulation pursuant to Section 271 of the  
*Municipal Government Act* will not be exceeded by this borrowing, or
  - (b) the Minister of Municipal Affairs has approved this borrowing pursuant to Section 252.
4. That there is sufficient authority remaining under By-law No. \_\_\_\_\_ to issue this debenture in the  
amount of \$ \_\_\_\_\_.
5. That the Municipality has obtained all approvals required for the project and has complied with all  
statutes and regulations, including but not limited to the *Municipal Government Act*, which apply to  
this borrowing and project.

\_\_\_\_\_  
**Chief Elected Official  
(Optional)**

\_\_\_\_\_  
**Chief Administrative Officer  
or Designee (Mandatory)**

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**SUPPORTING DOCUMENTS REQUIRED**

1. A certified copy of By-law No. \_\_\_\_\_, if not previously submitted.
  2. A copy of the latest audited financial statement (or a projected financial statement for the past year if borrowing is at the beginning of the year) and the financial information return prepared pursuant to Section 277 of the *Municipal Government Act*. (submit one per year only).
  3. A copy of the debt limit worksheet as at the date of application or for municipalities rated "A" or better, a copy of the rating agency report (submit any rating changes immediately). If the debt limits are exceeded the Ministerial Order approving the borrowing must be attached.
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**ACFA USE ONLY**

Amount of Debentures for Purchase	\$ _____
Term Approved _____ Years	Interest Rate _____ %
Issue Date _____	Maturity Date _____
Semi Annual Payment \$ _____	Loan Account No. _____
Loan Purpose Code . _____	Loan Swap No. L- _____
	Approved: _____

APPENDIX C

**DEBT LIMIT WORKSHEET**

**(Alternatively, [click here for interactive program](#))**

Name of Municipality: \_\_\_\_\_

**Part 1**

Calculation of Debt Limit as at \_\_\_\_\_(Calculation time)

Total debt as at December 31, 20\_\_\_\_ being the aggregate of (a)+(b)-(c):

(a) Principal balances outstanding on borrowings as defined in Section 241(a) of the *Municipal Government Act* \$ \_\_\_\_\_

(b) Principal outstanding at the calculation time on loans guaranteed by the municipality that are in good standing, plus the amount that the municipality is liable to pay at the calculation time on loans it has guaranteed that are not in good standing \$ \_\_\_\_\_

**Less:**

(c) Amounts recoverable from another municipality in respect of (a)+(b) above (\_\_\_\_\_)

Sub-total \_\_\_\_\_

(d) Principal repayment of debt from Jan. 1, 20\_\_ (current year) to calculation time (\_\_\_\_\_)

(e) Early payout of debt (principal only) occurring from Jan. 1, 20\_\_ (current year) to calculation time (\_\_\_\_\_)

**Plus:**

(f) Debt issued from Jan. 1, 20\_\_ (current year) to calculation time \_\_\_\_\_

(g) Less amount recoverable from another municipality in respect of (f) if applicable \_\_\_\_\_

(h) Debt issue applied for under this By-law No. \_\_\_\_\_

**Total debt for calculation of debt limit as at \_\_\_\_\_(Calculation time) \$ \_\_\_\_\_ (i)**

**Part 2**

Total revenue as defined by Alberta Regulation No. 255/2000, for the year ended December 31, 20\_\_\_\_, excluding government transfers for capital purposes and excluding amounts reported as contributed or donated tangible capital assets if those amounts are included in the total revenue \_\_\_\_\_

**\*Debt limit of 1.5 times revenue \$ \_\_\_\_\_ (ii)**

**\*Note:** Debt limit calculations for Regional Service Commissions:

- for public utility services - 2 times revenue
- for non-public utility services - .5 times revenue

**Part 3**

Calculation of Service on Debt Limit as at \_\_\_\_\_ (Calculation time)

Service on debt being the aggregate of:

(a) Total payments of principal and interest on borrowing to Dec. 31 of the prior year required to be paid to ACFA between Jan. 1 and Dec. 31, 20 \_\_ (current yr) \_\_\_\_\_

(b) Total payments of principal and interest required to be paid on all other loans within 12 months from the calculation time (including demand loans) \_\_\_\_\_

(c) Pro-rata (Go to Part 5 Pro-rata Calculation) portion of principal and interest amount in respect of borrowing where no principal payments are required during the next 12 months \_\_\_\_\_

(d) Amount estimated to become due during the next 12 months as a result of guarantees referred to in Section 266 of the *Municipal Government Act* that are not in good standing \_\_\_\_\_

**Less:**

(e) Amounts recoverable from another municipality in respect of (a)+(b)+(d) above (\_\_\_\_\_)

(f) Total payments of principal and interest on ACFA loans that matured between Jan. 1, 20\_\_ (current year) and the calculation time (\_\_\_\_\_)

**Plus:**

(g) Annual payment of principal and interest payable on ACFA debt issued between Jan. 1, 20\_\_ (current year) and the calculation time \_\_\_\_\_

(h) Less amount recoverable from another municipality in respect of (g) (\_\_\_\_\_)

(i) Annual payment of principal and interest payable on the debt issue under this By-law No. \_\_\_\_\_ (calculated at ACFA's current lending rate) \_\_\_\_\_

**Total service on debt for calculation of service on debt limit** \$ \_\_\_\_\_ **(iii)**

**Part 4**

Total revenue as defined by Alberta Regulation No. 255/2000, for the year ended December 31, 20 \_\_\_\_\_, excluding government transfers for capital purposes and excluding amounts reported as contributed or donated tangible capital assets if those amounts are included in the total revenue \_\_\_\_\_

**Service on debt limit of .25 times revenue** \$ \_\_\_\_\_ **(iv)**

- \*Note:** Service on debt limit calculations for Regional Service Commissions:
- for public utility services - .35 times revenue
  - for non-public utility services - .1 times revenue

**Part 5 - Pro-Rata Calculation as at the calculation time (if required, i.e., if loan outstanding is more than 12 months)**

This Part 5 is in reference to Part 3(c) if required. Pro-rata calculation includes, for example, a loan where only interest payments are required for a portion of the term

Pro-rata amount to be included in the debt service calculation being the aggregate of:

(a) Principal balance outstanding at the calculation time on borrowings that do not require any principal payments during the next 12 months \$ \_\_\_\_\_

**Plus:**

(b) Interest payments required from the calculation time to the end of the amortization period \* \_\_\_\_\_

**Less:**

(c) Amounts recoverable from another municipality in respect of (a) or (b) ( \_\_\_\_\_ )

**Equals:**

(d) Total principal and interest from the calculation time to the end of the amortization period (a)+(b)-(c) \_\_\_\_\_

(d) Number of months from the calculation time to the end of the amortization period \_\_\_\_\_

**Pro-rata amount equals (d) multiplied by 12 divided by (e):** \$ \_\_\_\_\_

**\* If the actual rate of interest under a borrowing is not known at the calculation time the current ACFA lending rates should be used.**

**Debt Limit**

Does total debt for calculation of debt limit (i) exceed debt limit (ii)? Yes / No

Does total service on debt (iii) exceed service on debt limit (iv)? Yes / No

If answer to either question is yes, please attach approval of the borrowing by the Minister of Municipal Affairs.