

TOWN OF ONOWAY
By-law 677-08

A BYLAW OF THE TOWN OF ONOWAY IN THE PROVINCE OF ALBERTA, TO AUTHORIZE THE MUNICIPAL COUNCIL OF THE TOWN OF ONOWAY TO INCUR AN INDEBTEDNESS BY THE ISSUANCE OF DEBENTURE IN THE AMOUNT OF TWO MILLION TWO HUNDRED AND FIFTY THOUSAND (\$2,250,000.00) DOLLARS FOR THE PURPOSE OF INSTALLATING A NEW WATER LINE ON 52 STREET FROM WATER TREATMENT PLANT TO LAC STE. ANNE TRAIL SOUTH, UPGRADE THE FIRE PUMP AT THE WATER TREATMENT PLANT, AND INSTALL A NEW SEWER TRUNK LINE ON 50 STREET FROM 49 AVENUE TO INDUSTRIAL AVENUE.

WHEREAS:

The Council of the Town of Onoway has decided to issue a by-law pursuant to Section 258 of the Municipal Government Act to authorize the financing, undertaking and completion of installing a new water line on 52 Street from the water treatment plant to Lac Ste. Anne Trail South.

Plans and specifications have been prepared and the total cost of the project is \$4,400,000 and the Municipality estimates the following grants and contributions will be applied to the project:

Capital Reserves	0.00
Provincial Grants	2,150,000.00
Debenture(s)	<u>2,250,000.00</u>
Total Cost	\$4,400,000.00

In order to complete the project/purchase it will be necessary for the Municipality to borrow the sum of \$2,250,000, 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/purchase financed under this by-law is equal to, or in excess of 30 years.

The principal amount of the outstanding debt of the Municipality at December 31, 2007 is \$296,945 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 COUNCIL OF THE MUNICIPALITY DULY ASSEMBLED, ENACTS AS FOLLOWS:

1. That for the purpose of installing a new water supply line on 52 Street, water distribution line on 52 Street, 47 Avenue and 51 Street, upgrade the water treatment plant fire pump, and install a new sewer trunk line on 50 Street from 49 Avenue to Industrial Avenue, the sum of TWO MILLION TWO HUNDRED FIFTY THOUSAND (\$2,250,000) be borrowed from the Alberta Capital Finance Authority or another authorized financial institution by way of debenture on the credit and security of the Municipality at large, of which amount the full sum of \$2,250,000 is to be paid by the Municipality at large.
2. The proper officers of the Municipality are hereby authorized to issue debenture on behalf of the Municipality for the amount and purpose as authorized by this by-law, namely the installation of a new water supply line on 52 Street, water distribution line on 52 Street, 47 Avenue and 51 Street, upgrade the water treatment plant fire pump, and install a new sewer trunk line on 50 Street from 49 Avenue to Industrial Avenue.
3. The Municipality 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

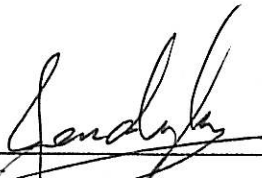
the interest rate fixed by the Alberta Capital Finance Authority or another authorized financial institution on the date of the borrowing, and not to exceed TEN (10) percent.

4. The Municipality shall levy and raise in each year municipal taxes sufficient to pay the indebtedness.
5. The indebtedness shall be contracted on the credit and security of the Municipality.
6. The net amount borrowed under the by-law shall be applied only to the project specified by this by-law.
7. This by-law comes into force on the date it is passed.
8. This Bylaw been advertised in both local newspapers on July 1 and July 8 2008.
9. That this Bylaw shall take effect on the date of the third and final reading.

READ A FIRST TIME THIS 23rd DAY OF JUNE, 2008.

READ A SECOND TIME THIS 28 DAY OF JULY, 2008.

READ THIRD TIME AND FINAL TIME THIS 28 DAY OF JULY, 2008.



Mayor



Municipal Manager