

BYLAW NO. 23-15-481
OF THE COUNTY OF NORTHERN LIGHTS

(Hereinafter referred to as “the Municipality”)

IN THE PROVINCE OF ALBERTA

This bylaw authorizes the Council of the County of Northern Lights to incur indebtedness by the issuance of debenture(s) in the amount of \$9,500,000 for the purpose of funding the arbitration decision provided to the County of Northern Lights in December of 2022.

WHEREAS:

The Council of the Municipality had previously tendered and awarded construction of the South Regional Waterline Project (the Project) and shortly thereafter was served with a notice of claim by the contractor; AND

The Council of the Municipality has decided to issue a bylaw pursuant to Section 258 of the *Municipal Government Act* to authorize the financing of the amounts awarded to the contractor of *the Project*; AND

The decision of the Arbitrator awarded \$16,982,926.59 to the Contractor payable by the Municipality, plus costs and interest on the amount; AND

The costs and interest have been settled at \$3,750,000 inclusive of the release of the remaining holdback; AND

The Project was completed and put into operation prior to the decision of the Arbitrator. AND

In order to pay the contractor, the amount awarded in the arbitrator decision, it will be necessary for the Municipality to borrow the sum of \$9,500,000, for a period not to exceed thirty (30) years, from the Alberta Treasury Board & Finance 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 thirty (30) years.

The principal amount of the outstanding debt of the Municipality at December 31, 2022 is \$9,845,540.59 and no part of the principal or interest is in arrears.

The Minister of Municipal Affairs has permitted the County to exceed it's debt limit through ministerial order MSD:012/23

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 financing the arbitration award related to the SOUTH REGIONAL WATERLINE PROJECT the sum of NINE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$9,500,000) be borrowed from the Alberta Treasury Board & Finance 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 NINE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$9,500,000) is to be paid by the Municipality at large.

2. The proper officers of the Municipality are hereby authorized to issue debenture(s) on behalf of the Municipality for the amount and purpose as authorized by this by-law, namely the CHIEF ADMINISTRATIVE OFFICER AND THE CHIEF ELECTED OFFICIAL.
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 THIRTY (30) years calculated at a rate not exceeding the interest rate fixed by the Alberta Treasury Board and Finance or another authorized financial institution on the date of the borrowing, and not to exceed SEVEN (7) 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 bylaw shall be applied only to the project specified by this bylaw.
7. This bylaw comes into force on the THIRD AND FINAL reading.

READ A **FIRST TIME** THIS 14th DAY OF FEBRUARY, 2023.

READ A **SECOND TIME** THIS 14th DAY OF MARCH, 2023.

READ A **THIRD AND FINAL TIME** THIS 14th DAY OF MARCH, 2023.



CHIEF ELECTED OFFICIAL



CHIEF ADMINISTRATIVE OFFICER