

**BYLAW NO. 001-06**

**BEING A BY-LAW OF THE  
TOWN OF SMOKY LAKE  
IN THE PROVINCE OF ALBERTA**

**TO AUTHORIZE THE TOWN OF SMOKY LAKE TO INCUR INDEBTEDNESS  
BY THE ISSUANCE OF DEBENTURES IN THE AMOUNT OF \$395,435.00  
FOR THE PURPOSE OF WATERMAIN REPLACEMENTS AND A NEW  
WATERMAIN. TO RESCIND BYLAW 0802-05.**

**WHEREAS:**

The Council of the Municipality has decided to issue a by-law pursuant to Section 258 of the *Municipal Government Act* to authorize the financing, undertaking and completion of the watermain replacement on White Earth Street, Willow Creek Street, McDougal Drive, and New watermain east of CNR tracks.

Plans and specifications have been prepared and the total cost of the project is estimated to be \$779,465.00 and the Municipality estimates the following grants and contributions will be applied to the project:

Capital Reserves	\$0.00
Provincial Grants	\$384,030.00
Debenture(s)	\$395,435.00
Total Cost	\$779,465.00

In order to complete the project it will be necessary for the Municipality to borrow the sum of \$395,435.00, for a period not to exceed 10 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 by-law is equal to, or in excess of 10 years.

The principal amount of the outstanding debt of the Municipality at December 31, 2004 is \$229,079.05 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.

*bl*

**NOW, THEREFORE, THE COUNCIL OF THE MUNICIPALITY DULY ASSEMBLED, ENACTS AS FOLLOWS:**

1. That for the purpose of watermain replacement and new watermain the sum of Three Hundred Ninety Five Thousand Four Hundred Thirty Five DOLLARS (\$395,435.00) be borrowed from the Alberta Capital Finance Authority or another authorized financial institution by way of debenture on the credit and security of the Municipality at large, of which amount the full sum of \$395,435.00 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 watermain replacement on White Earth Street, Willow Creek Street, McDougal Drive, as well as new watermain east of CNR Tracks.
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 ten (10) 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 (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 by-law rescinds by-law 802-05.

66

First Reading given on the 3rd day of January, 2006.

*Carole Carpenter*  
Carole Carpenter, Mayor

*B. L. Spurgeon*  
Barbara Spurgeon  
Chief Administrative Officer

Second Reading given on the 24 day of January 2006.

*Carole Carpenter*  
Carole Carpenter, Mayor

*B. L. Spurgeon*  
Barbara Spurgeon  
Chief Administrative Officer

Third Reading and Assent given on the 24 day of January 2006.

*Carole Carpenter*  
Carole Carpenter, Mayor

*B. L. Spurgeon*  
Barbara Spurgeon  
Chief Administrative Officer

**\$395,435.00**

No. 001-06

CANADA  
PROVINCE OF ALBERTA

**Town of Smoky Lake**

**4.525 % Debentures**

**Due 16-Mar-2016**

**Town of Smoky Lake**

*For value received, promises to pay to the*

**ALBERTA CAPITAL FINANCE AUTHORITY**

*or its registered assigns, the principal sum of*

--- **THREE HUNDRED NINETY FIVE THOUSAND FOUR HUNDRED THIRTY FIVE** ---  
00/100, Dollars

*(\$395,435.00) in lawful money of Canada, with interest thereon at the rate of 4.525 % per annum, These payments to be made in*

**TWENTY ( 20 )**

*consecutive instalments of Principal and Interest combined, in accordance with the repayment schedule endorsed hereon and forming part of this Debenture.*

*The Sum of \$395,435.00 has been borrowed by the Town of Smoky Lake under the authority, and in accordance with the terms of the said By-law listed and numbered below for the specific purposes listed therein.*

By law number

001-06

January 24, 2006

\$395,435.00

*IN TESTIMONY whereof and under the authority of the By-law listed above this debenture is sealed with the Seal of the Town of Smoky Lake and signed by Chief Elected Official and Chief Administrative Officer thereof, this 14 day of MARCH, 2006*

*[Signature]*  
\_\_\_\_\_  
Chief Elected Official

*[Signature]*  
\_\_\_\_\_  
Chief Administrative Officer

## ALBERTA CAPITAL FINANCE AUTHORITY

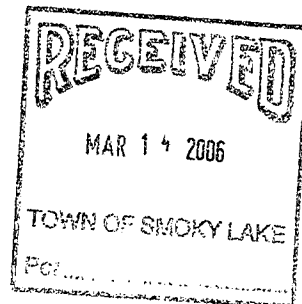
2450 Canadian Western Bank Place, 10303 Jasper Avenue, Edmonton, Alberta, Canada T5J 3N6

Telephone (780) 427-9711  
Fax (780) 422-2175  
www.acfa.gov.ab.ca  
webacfa@gov.ab.ca

COPY

March 13, 2006

*BASARA. L.*  
Ms. ~~Brenda~~ Spurgeon  
Chief Administrative Officer  
Town of Smoky Lake  
P.O. Box 460  
SMOKY LAKE, AB T0A 3C0



Dear Ms. Spurgeon:

**Re: March 16, 2006 - 2016, \$395,435.00**

Under ACFA's Lending Policy, funds are available around mid March on the term requested. Interest rates are based on the rate established at the time of ACFA's borrowing. We are enclosing the above debenture with the repayment schedule printed on the back. A duplicate copy of the front and back of the debenture is enclosed for your records.

Please date and affix your seal to the debenture and have it signed by the Chief Elected Official and Chief Administrative Officer. In addition a debenture number of your choice should be entered in the space provided on the debenture.

Provided we have the completed debenture on hand, the proceeds of the debenture sale will be transferred directly to your bank account. If you cannot return the original debenture within 3 days, please fax a copy of the executed debenture. Funds will be transferred as soon as the faxed copy is received or when ACFA receives the fully executed debenture. The credit will be made to your Account No. 1043013-24 at the Alberta Treasury Branch in Smoky Lake. Please check with your bank to ensure that the funds have been correctly credited to your account.

Yours sincerely,

*for Mr. Stroich*  
Terrance S. Stroich, FCA  
President

TSS/hc

Enc.