

BYLAW NUMBER 4B2015

**BEING A BYLAW OF THE CITY OF CALGARY TO
INCUR INDEBTEDNESS BY THE ISSUANCE OF
DEBENTURES IN THE TOTAL AMOUNT OF \$145.29
MILLION FOR FINANCING THE IMPROVEMENTS
AND UPGRADES OF THE ELECTRIC SYSTEMS FOR
ENMAX CORPORATION**

WHEREAS The Council of The City of Calgary ("Council") has approved the 2015 Capital budget for ENMAX Corporation, a controlled corporation of The City of Calgary ("The City");

AND WHEREAS the improvements and upgrades of the electric systems for the regulated operations of ENMAX Corporation, as described in the attached Schedule "A" ("the Improvements and Upgrades") are estimated to cost \$194.1 million;

AND WHEREAS it is estimated that \$48.81 million of the total cost will be financed from sources other than debenture borrowing;

AND WHEREAS Council has decided to pass a bylaw pursuant to Sections 251 and 258 of the *Municipal Government Act* (R.S.A. 2000 c. M-26) to borrow the sum of \$145.29 million from Alberta Capital Finance Authority ("ACFA") by the issuance of debentures to finance the Improvements and Upgrades;

AND WHEREAS the estimated lifetime of the project financed under this Bylaw is equal to, or in excess of twenty five (25) years;

AND WHEREAS the amount of the long term debt of The City as at 2014 December 31 (unaudited) is \$3,626 million with \$529 million being tax supported debt, \$1,032 million being self-sufficient tax supported debt and \$2,065 million being self supported debt and no part of the principal or interest is in arrears;

AND WHEREAS all required approvals for the Improvements and Upgrades will be obtained to ensure they are in compliance with all the laws in force in the Province of Alberta.

NOW, THEREFORE, THE MUNICIPAL COUNCIL OF THE CITY OF CALGARY, DULY ASSEMBLED, ENACTS AS FOLLOWS:

1. The proper officers of The City are hereby authorized to issue debentures on behalf of The City to a maximum sum of \$145.29 million to finance the Improvements and Upgrades.
2. The City shall repay the indebtedness over twenty five (25) years in semi-annual equal principal and interest installments calculated at a rate not exceeding the rate fixed by the lender on the date of the borrowing, up to a maximum rate of 8%.
3. The City shall obtain funds from ENMAX Corporation to repay the said indebtedness under the terms of the agreements between The City and ENMAX Corporation, as

described in Bylaw No. 14M2015. In the event of any revenue deficiency, The City shall levy and raise municipal taxes sufficient to pay the indebtedness.

4. The indebtedness shall be contracted on the credit and security of The City.
5. The net amount borrowed under this Bylaw shall be applied only to the purposes specified by this Bylaw.
6. The attached Schedule "A" is hereby declared to form part of this Bylaw.
7. This Bylaw comes into force on the date it is passed.

READ A FIRST TIME THIS 30TH DAY OF MARCH, 2015.

READ A SECOND TIME THIS ____ DAY OF _____, 2015.

READ A THIRD TIME THIS ____ DAY OF _____, 2015.

MAYOR
SIGNED THIS ____ DAY OF _____, 2015.

CITY CLERK
SIGNED THIS ____ DAY OF _____, 2015.

THE CITY OF CALGARY

BORROWING BYLAW NO. 4B2015
(000's)

Amount of Bylaw : \$145,290
Term of Borrowing: 25 Years
Municipal Government Act Section no. 251 & 258
Council's Authorizing Document (As Shareholder): ENMAX Corporation's 2015 Capital Budget

Purpose of Borrowing

ENMAX Corporation

- Upgrades and improvement of transmission system and substations
- Upgrades and improvement of substation buildings
- Upgrades and improvements of metering
- Upgrades and improvements of distribution system
- General building upgrades and improvement