

BYLAW NUMBER 4B2014

**BEING A BYLAW OF THE CITY OF CALGARY TO
INCUR INDEBTEDNESS BY THE ISSUANCE OF ONE
OR MORE DEBENTURES IN THE TOTAL AMOUNT
OF \$190.85 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 2014 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 \$223.72 million;

AND WHEREAS it is estimated that \$32.87 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 \$190.85 million from Alberta Capital Finance Authority ("ACFA") by the issuance of one or more 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 of Calgary ("The City") as at 2013 December 31 (unaudited) is \$3,661 million with \$571 million being tax supported debt, \$1,174 million being self-sufficient tax supported debt and \$1,916 million being non tax 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 one or more debentures on behalf of The City to a maximum sum of \$190.85 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 interest rate fixed by ACFA on the date of the borrowing.
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. 13M2014. 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 31ST DAY OF MARCH, 2014.

READ A SECOND TIME THIS ____ DAY OF _____, 2014.

READ A THIRD TIME THIS ____ DAY OF _____, 2014.

MAYOR
SIGNED THIS ____ DAY OF _____, 2014.

CITY CLERK
SIGNED THIS ____ DAY OF _____, 2014.

THE CITY OF CALGARY

BORROWING BYLAW NO. 4B2014
(000's)

Amount of Bylaw :
Term of Borrowing: 25 Years
Municipal Government Act Section no. 251 & 258
Council's Authorizing Document (As Shareholder): ENMAX Corporation's 2014 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