

**Corporate Planning and Financial Services Report to  
Regular Meeting of Council  
2025 January 28**

**ISC: UNRESTRICTED  
C2025-0073**

**Water Services Borrowing Bylaws**

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**RECOMMENDATIONS:**

That Council:

1. Amend Proposed Bylaw 10B2024 as follows:  
In the sixth preamble, delete “257” and replace with “258”;
2. Give second and third readings to Proposed Bylaw 10B2024, as amended;
3. Amend Proposed Bylaw 11B2024 as follows:  
In the sixth preamble, delete “257” and replace with “258”; and
4. Give second and third readings to Proposed Bylaw 11B2024, as amended.

**BORROWING BYLAWS INFORMATION**

<b>Bylaw Numbers</b>	- <b>10B2024 and 11B2024</b>
Purpose	- To authorize The City of Calgary to borrow up to the maximum amount of \$1,038,718,000 for financing capital investments for water treatment & supply, wastewater collection & treatment and stormwater management
Amount	- 10B2024 \$612,556,000 11B2024 \$426,162,000
Term	- 10 up to 25 years
Type of Debt	- Self Supported
Statutory References	- <i>Municipal Government Act</i> ("MGA") Section Numbers
Borrowing Authorization and advertising requirement	- 251 and 258
Passing a Bylaw	- 187

Borrowing Authorization and Advertising Requirement:

Section 251

“(1) A municipality may only make a borrowing if the borrowing is authorized by a borrowing bylaw.

(2) A borrowing bylaw must set out

- (a) the amount of money to be borrowed and, in general terms, the purpose for which the money is borrowed;
- (b) the maximum rate of interest, the term and the terms of repayment of the borrowing; and

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- (c) the source or sources of money to be used to pay the principal and interest owing under the borrowing.  
3) A borrowing bylaw must be advertised.”

**Section 258(1)**

“This section applies to a borrowing made for the purpose of financing a capital property when the term of the borrowing exceeds 5 years.”  
Borrowing bylaws authorized under this section require advertising.

**Passing a Bylaw:**

**Section 187(1)**

“Every proposed bylaw must have 3 distinct and separate readings.”  
The readings of a bylaw must follow the legislated procedures set out in the MGA.

**Council’s Authorizing Document** - C2024-0859

**AFFIRMATIVE VOTES REQUIRED** - Majority of members, provided a quorum is present

**ADMINISTRATIVE COMMENTS**

In 2024 November Council approved mid-cycle adjustments to the 2023-2026 Service Plans and Budgets, which included an approved capital borrowing increase of \$1.039 billion to finance a portion of the approved increased budget for capital improvements for the Water Lines of Service.

The proposed debt will be utilized to invest in critical water utility assets over the next several years which will extend services to new communities, expand water treatment capacity, invest in necessary upgrades, and address capital maintenance needs thereby ensuring a high quality of water services for residents.

The requested borrowing authority of \$612,556,000 pursuant to proposed Bylaw 10B2024 will support 100 per cent of the investments for water treatment & supply, wastewater collection & treatment and stormwater management. Financing for the capital improvements will be through borrowing from the Province of Alberta. The source of funds to repay the debt will be off-site levies.

The requested borrowing authority of \$426,162,000 pursuant to proposed Bylaw 11B2024 will support investments for water treatment & supply and wastewater collection & treatment. Financing Options for these capital improvements will be through borrowing from the Province of Alberta, or other lenders and/or by way of issuances of debt in the capital markets or private placements under The City of Calgary’s debt capital markets and private placement program. It is estimated that of the entire \$923,842,000 cost of the Program, \$497,680,000 will be financed from sources other than borrowing, and \$426,162,000 will be self-supported debt, funded through the Financing Options

The City of Calgary shall charge user fees and off-site levies, as applicable, sufficient to repay the indebtedness over the estimated useful life of the assets to be procured. In the event of any revenue deficiency, The City of Calgary shall levy and raise municipal taxes sufficient to repay the indebtedness.

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On 2024 November 22, Council gave first reading to Borrowing Bylaws 10B2024 and 11B2024. Pursuant to Section 231 of the MGA, Borrowing Bylaws 10B2024 and 11B2024 were advertised in the Calgary Herald on 2024 December 12 and 2024 December 19. The 15-day statutory deadline for a petition asking for a vote on the bylaws was 2025 January 3. There were no valid petitions received.

### **FINANCIAL CAPACITY**

Pursuant to The City of Calgary's Council approved Debt Policy (CP2020-05), total debt shall not exceed 1.6 times revenue and the total debt service shall not exceed 0.28 times revenue. This debt will be included in the total debt calculations for purpose of calculating The City of Calgary's debt limit. The \$1.039 billion of additional debt will not cause The City of Calgary to exceed its debt limits.

### **OTHER LEGISLATIVE REQUIREMENTS**

Section 254 of the MGA stipulates that no municipality may acquire, remove, or start the construction or improvement of a capital property that is to be financed in whole or in part through a borrowing unless the borrowing bylaw that authorizes the borrowing is passed.

### **ATTACHMENTS:**

1. Proposed Borrowing Bylaw 10B2024
2. Proposed Borrowing Bylaw 11B2024

Author: Ron Albrecht, Sr. Advisor, Corporate Finance