

The Corporation of the Municipality of Powassan

By-Law NO. 2007-25

Being a by-law to authorize long-term borrowing for certain
capital works of the Municipality of Powassan.

Whereas the Council of the Corporation of the Municipality of Powassan deems it desirable to upgrade the municipal waterworks and sanitary sewer works system at an estimated cost of \$3,600,000; and

Whereas the Council of the Municipality of Powassan will finance the capital works through provincial subsidies and debentures; and

Whereas the cost of the capital works will require bridge financing from the Scotia bank of Canada pending the receipt of subsidies; and

Whereas a Water Capital Surcharge shall be calculated based on financing the municipality's share of the capital works over a 20 year term; and

Whereas the Water Capital Surcharge shall be applied to the metered water accounts and flat rate water accounts including the future benefiting property owners of the water and sanitary sewer distribution system; and

Whereas it is now deemed to be expedient to authorize for the municipal purposes of the Municipality the new capital works described in Schedule "A" attached hereto and forming part of this By-law; and

Whereas section 401 of the Municipal Act provides that a municipality may incur a debt for municipal purposes, whether by borrowing money or in any other way, and may issue debentures for or in relation to the debt; and

Whereas section 405 of the Municipal Act provides that a municipality may authorize temporary borrowing to meet expenditures made in connection with a work to be finalized in whole or in part by the issue of debentures; and

Whereas the Scotia Bank of Canada has agreed to issue debentures for the capital works in the maximum aggregate principal amount of \$2,600,000 and the Scotia Bank of Canada has agreed that pending the issue of the debentures it will provide financing by way of temporary advances to the Municipality in respect of the capital works; and

Whereas the final debenture amount shall be set only upon completion of the capital works.

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE MUNICIPALITY OF POWASSAN ENACTS AS FOLLOWS:

1. The council of the Municipality hereby confirms, ratifies and approves the completion by the Treasurer the application to Scotia Bank of Canada for the financing of the capital works in the maximum aggregate principal amount of \$2,600,000.
2. The Mayor and Treasurer are hereby authorized to negotiate and enter into, execute and deliver for and on behalf of the Municipality a financing agreement that provides for long-term borrowing from Scotia Bank of Canada in respect of the capital works on such terms and conditions as such authorized officials may approve.
3. The Mayor and the Treasurer are hereby authorized, pending the substantial completion of the capital works, to make temporary borrowings on such terms and conditions as such authorized officials may agree.
4. The by-law takes effect on the day of adoption.

ADOPTED September 4, 2007

Mayor

CAO-Clerk