

**TOWN OF NEEPAWA
BY-LAW NO. 3078**

BEING A BY-LAW OF THE TOWN OF NEEPAWA TO AUTHORIZE THE EXPENDITURE AND BORROWING OF MONEY TO PROVIDE FOR THE INSTALLATION OF A NEW RAW WATER SUPPLY PIPELINE, AS A LOCAL IMPROVEMENT.

WHEREAS Section 311 of *The Municipal Act*, S.M. 1996, C.58 provides as follows:

If approved by by-law a municipality may undertake, as a local improvement for the benefit of all or part of the municipality,

- a. the acquisition, development, upgrading or replacement of one or more of the following:
 - ii. water supply, treatment and distribution facilities;

AND WHEREAS Subsection 320(1) of *The Municipal Act* provides as follows:

Subject to subsections (2) to (6) and subsection 321 (4), a council may by-by-law

- a. approve the local improvement or special service as set out in the plan or proposal; and
- b. authorize the municipality to impose taxes as set out in the plan or proposal.

AND WHEREAS Section 172 of *The Municipal Act* provides in part as follows:

In this Division,

“Borrowing” means the borrowing of money and includes:

- (b) borrowing to pay for a local improvement under Division 4 (Local Improvements and Special Services) of Part 10.
- (e) issuing debentures

AND WHEREAS Subsection 174(1) of *The Municipal Act* provides as follows:

A municipality may make a borrowing only if

- a. the borrowing is authorized by a by-law; and
- b. subject to subsection (2), the borrowing is set out as a debt obligation in the operating budget or capital budget or it was made to fund an expenditure authorized under subsection 169(5)

AND WHEREAS the Council of the Town of Neepawa has prepared Local Improvement Plan No. 01 / 09 providing for the spending, borrowing authority and imposition of taxes for the completion of a new raw water supply pipeline as a local improvement pursuant to Part 10 of *The Municipal Act*.

AND WHEREAS, in order to complete such undertaking, it will be necessary for the Town of Neepawa to borrow the sum of \$3 700 000.00 as herein provided, which is the amount of the debt intended to be created by this by-law;

AND WHEREAS the consecutive annual amounts, including principal and interest, required to be raised each year for 20 years, as hereinafter provided, for paying the principal and interest under this by-law are the amounts set out in schedule “A” hereto;

AND WHEREAS the requirements as prescribed in Sections 318, 319 and 320 of *The Municipal Act* have been complied with;

AND WHEREAS the assessed value of the whole lands chargeable under this by-law according to the latest revised Assessment Roll is \$85,056,950.

AND WHEREAS the amount of the existing debenture debt of the Town of Neepawa is \$1 404 567.59 of which no portion of the principal or of the interest thereon is in arrears;

NOW THEREFORE the council of the Town of Neepawa in regular (or special) session assembled, enacts as follows:

1. That pursuant to subsection 320(1) of The Municipal Act, Town of Neepawa adopt Local Improvement Plan No. 01 / 09 attached hereto as Schedule “B”.
2. That the Town of Neepawa may expend up to Seven Million Two Hundred Thousand Dollars \$7,200 000.00 for the purpose of a new raw water supply pipeline to supply a groundwater source for Neepawa from Hummerston and Oberon Wells on the Assiniboine Delta Aquifer, as a local improvement.
3. That for the aforesaid project, the said municipality may borrow Three Million Seven Hundred Thousand Dollars, \$3,700 000.00, such borrowing shall be issued by The Town of Neepawa in the Province of Manitoba, and shall be payable at the Beautiful Plains Credit Union in the Town of Neepawa and shall be dated the 31st day of December, A.D., 2010.
4. That the said borrowing shall bear interest at a rate estimated for the time being at 7.25% per annum, and subject in any event to the authorization of The Municipal Board at the time of sale and shall mature in accordance with the maturities set out in schedule “A” hereto on the 31st day of December in each of the years 2011 to 2030 both inclusive.

5. That the issuance of the borrowing shall be signed by the Mayor or by some other person authorized by by-law to sign name and by the Chief Administrative Officer of the Town of Neepawa and there shall be affixed thereto the corporate seal of the said municipality and the coupons, if any, attached thereto shall be signed by the Chief Administrative Officer whose signature thereon may be by lithograph or other mechanical means.
6. That during the currency of the said borrowing; namely, in each of the years 2011 to 2030 both inclusive, there shall be raised annually by a special mill rate on all the rateable property within the Town of Neepawa including otherwise exempt with an amount sufficient to meet the requirement for principal and interest.
7. That pursuant to subsection 174(3)(d) of *The Municipal Act*, pending the issue of the borrowing, the council of the Town of Neepawa may agree with a bank or person or borrow from the general funds of the municipality for temporary advances from time to time to meet expenditures incurred for the purpose aforesaid and the total of such advances shall not exceed Three Million Seven Hundred Thousand Dollars.
8. That during the term of the borrowing authorized therein, in any year where the debt remain unissued, the levies may be made as if the borrowing had been issued; and upon completion of the project authorized herein, the levies shall be applied in reduction of temporary financing and when issued, the amount and term of borrowing shall be reduced accordingly.

DONE AND PASSED as a By-Law of the Town of Neepawa in the Province of Manitoba the 2nd day of February, A.D., 2010.

TOWN OF NEEPAWA



Robert Durston – Mayor



Allison Bardsley – CAO

Read a first time this 18 day of August, A.D. 2009
Read a second time this 6 day of October, A.D. 2009.
Read a third time this 2 day of February, A.D. 2010.

TOWN OF NEEPAWA

Install new water supply
pipeline

SCHEDULE - A TO BYLAW NO. 3078

Local Improvement Debenture Issue

Term (Yrs):	20	Amount:	3,700,000.00
Date:	December 31, 2010	Rate (%):	7.2500
		Annual	
Payable:	December 31, 2011 - 2030	Payment:	356,068.91
		First Year's Payment:	356,068.91
		Adjusted Last Year's Payment:	356,068.88

MATURITY SCHEDULE

Year	Interest	Principal	Balance
2011	268,250.00	87,818.91	3,612,181.09
2012	261,883.13	94,185.78	3,517,995.31
2013	255,054.66	101,014.25	3,416,981.06
2014	247,731.13	108,337.78	3,308,643.28
2015	239,876.64	116,192.27	3,192,451.01
2016	231,452.70	124,616.21	3,067,834.80
2017	222,418.02	133,650.89	2,934,183.91
2018	212,728.33	143,340.58	2,790,843.33
2019	202,336.14	153,732.77	2,637,110.56
2020	191,190.52	164,878.39	2,472,232.17
2021	179,236.83	176,832.08	2,295,400.09
2022	166,416.51	189,652.40	2,105,747.69
2023	152,666.71	203,402.20	1,902,345.49
2024	137,920.05	218,148.86	1,684,196.63
2025	122,104.26	233,964.65	1,450,231.98
2026	105,141.82	250,927.09	1,199,304.89
2027	86,949.60	269,119.31	930,185.58
2028	67,438.45	288,630.46	641,555.12
2029	46,512.75	309,556.16	331,998.96
2030	24,069.92	331,998.96	0.00
TOTALS	3,421,378.17	3,700,000.00	

SCHEDULE "B" TO BY-LAW NO. 3078

**TOWN OF NEEPAWA
LOCAL IMPROVEMENT PLAN NO. 01/09**

TO PROVIDE FOR A NEW RAW WATER SUPPLY PIPELINE

Pursuant to Subsection 315 (1) of *The Municipal Act*

PROPOSED LOCAL IMPROVEMENT

A. This project is to provide for a raw water pipeline to deliver raw water to the Town of Neepawa Water Treatment Plant from the groundwater aquifer. These lines will include water delivered from the Assiniboine Delta Aquifer from two wellhead sites, Oberon and Hummerston (replacing the existing water supply from Lake Irwin), as per the attached map, Appendix A, page 10. Neepawa holds a valid Environmental License to proceed with these works and is working in conjunction with Water Services Board.

LOCAL IMPROVEMENT DISTRICT

B. This local improvement tax required to service the debt is to be issued under this proposal will be levied on all assessable properties within the Town of Neepawa including taxable, grant-in-lieu and otherwise exempt property.

POTENTIAL TAXPAYERS

C. There is one class of potential taxpayers under this plan:
“The owners of all assessable property in the Town of Neepawa including otherwise exempt.”

METHOD AND RATE TO CALCULATE THE LOCAL IMPROVEMENT TAX

D. The local improvement taxes to be levied under this proposal are to be calculated on the portioned value of assessable property. The rate is as follows:

Based on the 2009 Assessment Roll (\$356,068.91 / 85,056,950), a mill rate of 4.19 mills will be required. Calculated on a residential property valued at \$100,000 (portioned \$45,000) an estimated \$190.00 local improvement tax will be levied annually for 20 years.

Using a projected 2010 figure (excluding increased otherwise exempt), the following calculation would result:

Based on the estimated 2010 Assessment Roll (\$356,068.91 / 111,004,010) a mill rate of 3.2 mills will be required. Calculated on a residential property valued at \$100,000 (portioned \$45,000) an estimated \$144.00 local improvement tax will be levied annually for 20 years.

As the initial local improvement levy is not expected until 2011, this local improvement tax will be based on the assessment in the year the first and subsequent payments are due, which is reported to increase by 24.9% in 2010 (exempt properties are not included in this figure).

Pursuant to Section 325 of The Municipal Act, taxpayers will not be permitted to prepay their respective taxes because they are based on assessment.

ESTIMATED COST OF THE LOCAL IMPROVEMENT

E. The total estimated cost of this project is \$7.2 million dollars. A breakdown of the estimated costs for this project is attached as Appendix A, page 14. An additional contingency and interest cost of \$665,065 has been included, so the total estimated project cost is \$7 200 000.00.

ANTICIPATED SOURCES OF FUNDING

F. Funding has been discussed and application has been made to Water Services Board to cost share 50% of eligible project costs. This is estimated at 3.5M

PARTICULARS OF BORROWING

G.	Amount	\$3,700 000.00
	Term	20 years
	Interest Rate	7.25 %
	Annual Payment	\$356,068.91

Payments shall be made on an annual basis on December 31st of each year from 2011 to 2030.

ANNUAL OPERATION AND MAINTENANCE COSTS

H. The annual operating and maintenance costs of the new water pipeline will be funded by the Utilities Budget as is the present practice.