

ROSSBURN MUNICIPALITY

Mayor Brian Brown

CAO Cheryl Melnyk

November 22, 2017

Dear Rossburn Municipality – Town of Rossburn Utility Ratepayer;

Please find enclosed the following items for your review:

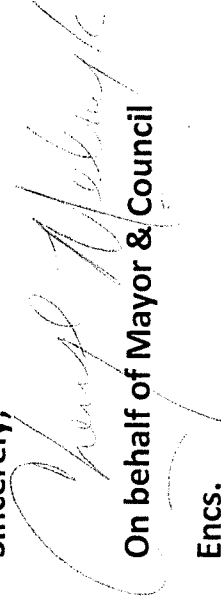
- By-Law 2017-0011 – Regional Water Pipeline Debenture
- Local Improvement Plan 01-2017 – Plan summarizing the affected parties, payment schedules and other information
- Infographic Sheet – Summary of the key points
- What now? - The process of the Debenture/Local Improvement Plan
- Public Hearing Notice for By-Law 2017-011

The Public Information Meeting for this Debenture is scheduled for November 30th, 2017 at 7:30 pm at the Ukrainian National Home. If you would like any clarification prior to this meeting, please call our office at 204-859-2779 or come to the Rossburn Municipal Office located at 43 Main St. N., Rossburn MB.

The Public Hearing for this Debenture will be held December 27th, 2017 at 9:30 am during a Special Council meeting.

Thank you for taking the time to review the documentation.

Sincerely,



On behalf of Mayor & Council

Encs.

43 Main St N, Box 100 Rossburn MB R0J 1V0 ph: 204-859-2779
municipaloffice@rossburn.ca website: rossburn.ca

Rosburn Municipality
By-law No. 2017-011

Being a By-law of Rosburn Municipality to authorize the Expenditure and Borrowing of money to provide a capital contribution to the Municipality of Russell Binscarth for the construction of a water pipeline from the new water treatment plant in Russell Binscarth to Rosburn Municipality as a Local Improvement.

Whereas Section 311 of The Municipal Act, S.M. 1996, C, 58, provides (in part) 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:
 - (i) water supply, treatment and distribution facilities;
 - (b) any other project the cost of which includes a capital component.

And Whereas subsection 320(1) of The Municipal Act provides as follows:

Subject to subsection (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 the Council of Rosburn Municipality has prepared Local Improvement Plan No. 1-2017 providing for the spending, borrowing authority, and imposition of taxes for a capital contribution to the Municipality of Russell Binscarth for the construction of a water pipeline from the new water treatment plant in Russell Binscarth to Rosburn Municipality as a Local Improvement pursuant to Part 10 of *The Municipal Act* ;

And Whereas, the Regional Water Pipeline Project is a \$13 million dollar project with the funds provided by the Government of Canada in the amount of \$6.5 million, the Province of Manitoba in the amount of \$3.25 million and the Municipality of Russell Binscarth in the amount of \$3.25 million with capital contribution agreements from the other

Municipal and First Nations partners in the Regional Water Pipeline Project;

And Whereas, in order to complete such undertaking, it will be necessary for the Rossburn Municipality to borrow the sum of four hundred and twenty five thousand dollars (\$425,000) as hereinafter 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 10 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 amount of the existing debenture debt of The Rossburn Municipality is \$124,612.49 of which no portion of the principal or of the interest thereon is in arrears;

Now Therefore the council of The Rossburn Municipality in special session assembled, enacts as follows:

1. That pursuant to subsection 320(1) of The Municipal Act, The Rossburn Municipality adopts Local Improvement Plan No.1-2017 – Regional Water Pipeline Project attached hereto as Schedule "B".
2. That the Rossburn Municipality may expend up to four hundred twenty five thousand dollars (\$425,000) for the purpose of providing a capital contribution to the Municipality of Russell Binscarth for the construction of a water pipeline from the new water treatment plant in Russell Binscarth to Rossburn Municipality as a Local Improvement:
3. That for the aforesaid project, the said municipality may borrow four hundred and twenty five thousand dollars (\$425,000), such borrowing shall be issued by The Rossburn Municipality in the Province of Manitoba, and shall be payable at the Vanguard Credit Union in Rossburn and shall be dated the 31st day of December, A.D. 2017;
4. That the said borrowing shall bear interest at a rate estimated for the time being at **6.00% 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 2018 to 2027, both inclusive.
5. That the issuance of borrowings shall be signed by the Mayor, or by some other person authorized by by-law to sign same, and by the Chief Administrative Officer of the Rossburn Municipality and

there shall be affixed hereto the corporate seal of the said municipality, and the coupons, if any, attached hereto 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 2018 to 2027, both inclusive, there shall be raised annually

a) by a per parcel rate on all the rateable property including otherwise exempt property connected to the former Town Rosssburn Utility system within Rosssburn Municipality as described in Schedule "C" hereto, an amount sufficient to provide for 50% of the principal and interest requirements hereunder, which amount may be reduced by application of lot sales and government grants and

b) by a utility rate rider (surcharge) on all the rateable property including otherwise exempt property connected to the former Town Rosssburn Utility system within Rosssburn Municipality, an amount sufficient to provide for 50% of the principal and interest requirement hereunder.

7. That pursuant to subsection 174(3)(d) of The Municipal Act, pending the issue of the borrowing, the council of The Rosssburn Municipality may agree with a financial institution 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 four hundred and twenty five thousand dollars (\$425,000).

8. That, at any time prior to or within (30) days following completion of the work, any ratepayer of the area affected by the local improvement as described in Schedule "C" hereto may commute and pay in one principal sum that part of his/her share of the debt herein authorized in respect of per parcel rate(s) provided herein to the said Chief Administrative Officer of the Rosssburn Municipality and thereafter no per parcel rate(s) shall be levied against his/her said lands in respect of the borrowing to be authorized herein.

Done and Passed as a by-law of the Rosssburn Municipality in the Province of Manitoba this _____ day of _____.

Mayor

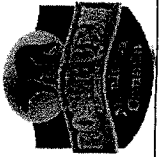
Chief Administrative Officer

Read a first time this 24th day of October, A.D. 2017.

Read a second time this _____ day of _____ A.D. _____.

Read a third time this _____ day of _____ A.D. _____.

*3 certified copies to be submitted prior to third reading
Certified to be a true and correct copy of the original.



ROSSBURN MUNICIPALITY

Local Improvement Plan No. 1-2017 –Regional Water Pipeline Project Schedule B to By-Law 2017-011

Pursuant to Section 315 of *The Municipal Act*

A. Description of Proposed Local Improvement:

The Municipality of Russell Binscarth has constructed a new reverse osmosis water treatment plant capable of producing 30L/sec of portable water. Rossburn Municipality is proposing to enter into an agreement with Municipality of Russell Binscarth to supply 6 litres of water per second via a water pipeline to Rossburn Municipality. This agreement will improve the quality of drinking water to the utility customers within the former Town of Rossburn. Under this Local Improvement proposal, Rossburn Municipality will provide a capital contribution to the Municipality of Russell Binscarth for the construction of the water pipeline from the new water treatment plant in Russell Binscarth to Rossburn Municipality.

B. Area of Municipality to be levied under Local Improvement Tax:

The area within the Rossburn Municipality to be levied under the proposal is:

All utility customers (taxable, grant in-lieu and otherwise exempt properties) on the former Town of Rossburn public utility system and listed on Schedule "C" attached hereto.

C. Potential Taxpayers under the Plan:

The local improvement plan tax will be levied upon all utility customers (taxable, grant in-lieu and otherwise exempt properties) on the Town of Rossburn public utility system (Schedule "C").

There is no railway property subject to this tax.

D. Proposed Method and Rate for the Local Improvement Tax:

The proposed method of taxation to be used to calculate the Local Improvement Tax will be part per parcel and part on utility rates as follows:

- a) Per parcel Rates (Based on 284 utility connections)

Cash Option: \$748.24 one-time payment

OR

Finance Option: \$101.66/per parcel per year for 10 years

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ROSSBURN MUNICIPALITY

b) Utility Rates

A rate rider (surcharge) of \$3.61/1,000 gallons of consumption on all utility customers of the former Town of Rossburn public utility system. The rate rider is subject to Public Utilities Board approval. Rossburn Municipality will be submitting the plan for the rate rider to PUB shortly.

Pursuant to Section 325 of The Municipal Act, all taxpayers may prepay their portion of the per parcel local improvement tax by a date set by Council.

E. Cost of the Local Improvement

The total cost of the project for the Regional Water Treatment Plant and Pipeline is \$13 million with the Municipality of Russell-Binscarth's cost to be \$3.25 million.

F. Sources of Funding:

Government of Canada will contribute \$6,500,000.

Province of Manitoba will contribute \$3,250,000.

Municipality of Russell Binscarth will contribute \$2,825,000.

Town of Rossburn utility customers will contribute \$425,000.

G. Particulars of Borrowing :

The amount of money to be borrowed is \$425,000.00 with a maximum interest rate of 6.00% over 10 years and with an annual payment of \$57,743.88 via the per parcel local improvement tax (\$28,871.94) and rate rider upon usage (\$28,871.94) dependent upon Public Utilities Board approval.

H. Funding the Operation of the Local improvement:

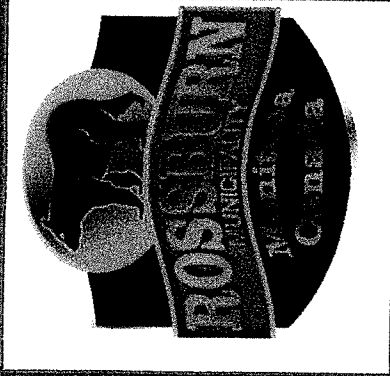
The operations of the Local Improvement will be funded by the users of the water and sewer system through a quarterly payment as approved by the Public Utilities Board to the Rossburn Municipality.

Cheryl Melnyk
Chief Administrative Officer
Rossburn Municipality

43 Main St N. Box 100, Rossburn, Manitoba R0J 1V0

Phone: 204-859-2779 Fax: 204-859-2959

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Rossburn Municipality Water Pipeline Debenture (Loan)



Purpose of the debenture is a capital contribution for supply of water.
Debenture amount
\$425,000



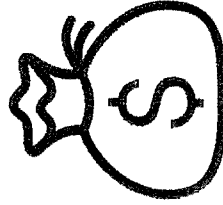
Project completion is
March 31st, 2018



All Water Rates will be set by the Public Utilities Board

How Much will this Cost ME?

Council has chosen a 10 year debenture which will be charged to each applicable roll # in the Town of Rossburn with 50% of the annual payment collected via the Levy on Tax Statement and 50% collected via the Rate Rider charge. Until the debenture interest rate is approved by the Municipal Board, Provincial recommendations are to use a higher than expected interest rate (6% instead of 4%) for dollar calculations. Figures below are based on higher interest rate than expected.



COSTS PER QUARTER

Usage:

Basic Cost of Water/Sewer	\$79.80 per 3000 gallons
Rate Rider	\$10.83 per 3000 gallons
Debenture Payment:	\$25.42 ←

Debenture payment is shown **ONLY** on Tax Statement - not utility bills.

★ Rate Rider - charge placed on water amount used to pay down the debenture (loan) payment. The Rate Rider has to be approved by Public Utilities Board. A Rate Rider charges the higher water users more than the minimum water users.

ROSSBURN MUNICIPALITY

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CAO Cheryl Melnyk

What Now?

Step 1 - Council has provided all affected ratepayers with notice. The Public Information Meeting is to clarify any issues that the ratepayers may have with the Debenture and Local Improvement Plan.

Step 2 - The Public Hearing will be held during the Regular Council Meeting on December 27th, 2017 at 9:30 am.

At the December 27th, 2017 meeting, if there are any objectors to the By-Law, Council will provide each objector with a notice of their right to object to the Municipal Board.

If there are no objectors or less than 2/3 of the affected ratepayers, Council will submit 3 certified copies of the By-Law to the Municipal Finance Officer who after review will submit it to the Municipal Board.

Step 3 - If 25 or 10% of affected ratepayers object, the Municipal Board may hold a Municipal Board Public Hearing (either by paper submission or in person) If, at the Municipal Public Hearing, objections are brought forward by 2/3 or more of the ratepayers, the By-Law is rejected and no such plan can be brought forward for 2 years.

Step 4 - The Municipal Board has the final say regarding the By-Law should there be objections – the Municipal Board may approve the By-law as presented, amend the By-Law with or without conditions or reject the By-Law.

Step 5 – By-Law is given 2nd & 3rd reading to come into force. At this time, all interest figures and costs will be finalized allowing for an informational release of actual costs.

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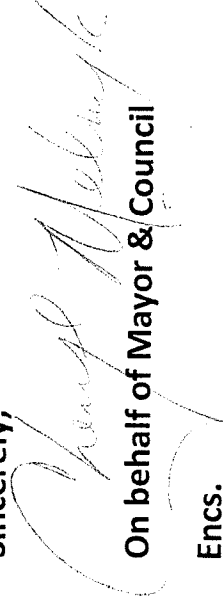
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