

Fund:  
**WATERWORKS and SEWERAGE**

Department:  
**DEBT SERVICE**

Division:  
**WATER and SEWER BONDS and LOANS**

Division No.: **47049**

***MISSION:***

This Division provides the current funding for redemption of principal, interest costs, and paying agent fees for General Obligation Bonds and other indebtedness on behalf of the Waterworks and Sewerage Fund.

***PROGRAM HIGHLIGHTS:***

Approval of an Illinois Environmental Protection Agency (IEPA) low interest loan was received in FY 1998. This loan, along with a Community Development Assistance Program (CDAP) grant, provided funding for the Charles Road Sanitary Sewer Extension (SA9102). During FY 1999, final arrangements on this \$287,898 twenty-year loan was completed and includes annual debt service of \$19,408.

Approval of an additional IEPA low interest loan was received in FY 2004. This loan, along with a CDAP grant, provided funding for the upgrade of the Southeast Wastewater Treatment Plant (WW9902). Closing on this loan occurred during FY 2006 with a payment of accrued interest of approximately \$351,822. The annual principal and interest payment on this loan is \$709,434. This loan was refunded with the issuance of the 2013 Series General Obligation Bonds.

In FY 2007 a \$1,000,000 Water & Sewer loan was taken out to fund the water and sewer line replacements prior to the Road Improvement Program that began in FY 2007. Annual debt service for this loan totals approximately \$126,701.

During FY 2009 a \$916,000 Water & Sewer loan was approved to fund the Northwest Wastewater Treatment Plant's terminal lift station. Annual debt service on this note began in FY 2010 and totals approximately \$66,613 annually.

In FY 2010, a sewer jet truck was financed with a 10-year loan in the amount of \$240,440. Annual debt service for this loan began in FY 2011 and totals approximately \$29,765 annually.

In FY 2011, a sewer main camera vehicle was financed

with a 10-year loan in the amount of \$114,000. Annual debt service for this loan totals approximately \$13,791.

In FY 2011, funding for the Northwest Waste Water Treatment Plant Equalization Basin was financed with a 15-year General Obligation Bond in the amount of \$1,100,000.

The FY 2014 debt service includes an August 15, 2013, interest payment of \$18,590; and February 15, 2014, interest and principal payments of \$18,590 and \$73,333, respectively.

In FY 2013, the City Council authorized the issuance of the 2013 Series General Obligation Refunding Bonds. These bonds refunded the FY 2004 IEPA loan that provided funding for the upgrade of the South East Wastewater Treatment Plant. Due to interest rate savings the annual principal and interest reduced from \$709,434 to an average of approximately \$652,000. These bonds also refunded the 2003 Series General Obligation Refunding Bonds. The debt service for the portion of the 2013 Bonds that relates to the 2003 refunding is reflected in the Debt Service Fund section of the Budget under the divisions 43012, 2003 G O Refunding Bonds and 43017, 2013 G O Refunding Bonds.

The FY 2014 debt service includes a December 1, 2013, interest and principal payment of \$140,333 and \$555,000, respectively.

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EXPENDITURE CLASSIFICATION	ACTUAL	AUTHORIZED	ESTIMATED	
	FY2012	BUDGET FY2013	ACTUAL FY2013	BUDGET FY2014
<b>DEBT SERVICE</b>				
600 General Obligation Bond Principal	73,333	73,333	73,333	628,333
601 General Obligation Bond Interest	42,900	40,040	40,040	177,513
640 Other Debt Principal	679,422	7,879,889	8,020,658	196,590
641 Other Debt Interest	279,198	260,824	260,825	59,706
690 Paying Agent Fees	0	0	0	500
695 GO Bonds Issuance Costs	0	96,000	96,000	0
TOTAL DEBT SERVICE	1,074,853	8,350,086	8,490,856	1,062,642
<b>TOTAL EXPENDITURES</b>	<u>1,074,853</u>	<u>8,350,086</u>	<u>8,490,856</u>	<u>1,062,642</u>