

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 partially refunded with the issuance of the 2013 Series General Obligation Bonds. No payments were required in FY 2015 and no payments will be needed in future years.

Approval of an additional IEPA low interest loan was received in FY 2013. This loan, along with a loan forgiveness grant from the State of Illinois, provided funding for the construction of an above ground water storage facility (WS0202). Closing on this loan occurred during the latter half of FY 2015. The annual principal and interest payment on this loan is estimated to be \$172,954. FY 2015 principal and interest expenditures totaled approximately \$74,909 due to the timing of the completion of the project.

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 \$67,179 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 \$13,895.

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 2016 debt service includes an August 15, 2015, interest payment of \$15,730; and February 15, 2016, interest and principal payments of \$15,730 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 and provided funds for the reconstruction of Schwartz Street. The debt service for the portion of the 2013 Bonds that relates to the 2003 refunding and Schwartz Street 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 2016 debt service includes a June 1, 2015 interest payment of \$67,144; and December 1, 2015, interest and principal payment of \$67,144 and \$570,000, respectively. FY 2016 also contains budgeted amounts for the amortization of the 2013 GOB's issuance costs, bond premium and paying agent fees.

The final principal and interest payment on the 2011 Water & Sewer Bond is scheduled for February 15, 2026. The final principal and interest payment on the Water & Sewer portion of the 2013 G.O. Refunding Bond is scheduled for December 1, 2024.

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EXPENDITURE CLASSIFICATION	ACTUAL	AUTHORIZED	ESTIMATED	
	FY2014	BUDGET FY2015	ACTUAL FY2015	BUDGET FY2016
DEBT SERVICE				
600 General Obligation Bond Principal	73,333	633,333	633,333	643,333
601 General Obligation Bond Interest	108,711	176,229	180,479	162,169
640 Other Debt Principal	7,514,985	260,225	252,847	325,846
641 Other Debt Interest	124,453	83,858	79,010	104,057
690 Paying Agent Fees	0	750	264	500
695 GO Bonds Issuance Costs	0	0	0	0
TOTAL DEBT SERVICE	7,821,482	1,154,395	1,145,933	1,235,905
TOTAL EXPENDITURES	<u>7,821,482</u>	<u>1,154,395</u>	<u>1,145,933</u>	<u>1,235,905</u>