

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 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.

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. FY 2017 is the final year of the loan with debt service payments totaling approximately \$21,126 through June of 2016.

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 2017 debt service includes an August 15, 2016, interest payment of \$14,300; and February 15, 2017, interest and principal payments of \$14,300 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 2017 debt service includes a June 1, 2016 interest payment of \$61,444; and December 1, 2016, interest and principal payment of \$61,444 and \$580,000, respectively. FY 2017 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.

**Fund: WATERWORKS and SEWERAGE**

**Disision: WATER and SEWER BONDS**

**Department: DEBT SERVICE**

**Division No.: 47049**

EXPENDITURE CLASSIFICATION	ACTUAL	AUTHORIZED	ESTIMATED	
	FY2015	BUDGET FY2016	ACTUAL FY2016	BUDGET FY2017
<b>DEBT SERVICE</b>				
600 General Obligation Bond Principal	633,333	643,333	643,333	653,333
601 General Obligation Bond Interest	180,478	162,169	162,169	147,909
640 Other Debt Principal	255,978	325,846	325,828	230,795
641 Other Debt Interest	76,861	104,057	104,049	93,496
690 Paying Agent Fees	264	500	264	750
695 GO Bonds Issuance Costs	0	0	0	0
TOTAL DEBT SERVICE	1,146,914	1,235,905	1,235,643	1,126,283
<b>TOTAL EXPENDITURES</b>	<u>1,146,914</u>	<u>1,235,905</u>	<u>1,235,643</u>	<u>1,126,283</u>