

**PURPOSE**

The JCSA Debt Service Fund provides for the payment of principal and interest on long-term general obligation debt of the JCSA. The Debt Service Fund provides financing for the Five Forks Groundwater Treatment Facility (FFWTF) and Project Development Agreement (PDA) with the city of Newport News.

**Five Forks Groundwater Treatment Facility.** The FFWTF construction was completed in June 2005 and financed over a 15-year period. The following table sets forth the annual Bond Debt Service for the Series 2003 Bonds.

Fiscal Years Ended June 30	Series 2003 Bonds		Total
	Principal	Interest	Debt Service
2004	\$ 435,000.00	\$ 427,673.44	\$ 862,673.44
2005	825,000.00	560,443.76	1,385,443.76
2006	840,000.00	541,881.26	1,381,881.26
2007	860,000.00	522,981.26	1,382,981.26
2008	880,000.00	503,631.26	1,383,631.26
2009	905,000.00	479,431.26	1,384,431.26
2010	935,000.00	450,018.76	1,385,018.76
2011	965,000.00	419,631.26	1,384,631.26
2012	1,000,000.00	383,443.76	1,383,443.76
2013	1,035,000.00	345,943.76	1,380,943.76
2014	1,080,000.00	304,543.76	1,384,543.76
2015	1,135,000.00	249,193.76	1,384,193.76
2016	1,190,000.00	192,443.76	1,382,443.76
2017	1,250,000.00	131,456.26	1,381,456.26
2018	<u>1,315,000.00</u>	<u>67,393.76</u>	<u>1,382,393.76</u>
Total	<u>\$14,650,000.00</u>	<u>\$5,580,111.08</u>	<u>\$20,230,111.08</u>

**Revenues** - Contributions from the JCSA's Water Fund are the basic source of revenue.

**Expenses** - Debt Service spending includes both the principal payments on bonds sold to investors and the interest payments on those bonds. Bond payments began in FY 2004 and covered approximately nine months of interest, with the first payment due January 15, 2004, in the amount of approximately \$862,675. Future annual payments are projected to be as indicated in the above table.

**Project Development Agreement with the City of Newport News.** The James City Service Authority (JCSA) entered into an agreement with the City of Newport News in 2008 to share the costs of a Regional Water Project. The PDA includes a provision for the JCSA to finance 20 percent of the total project costs and in return will be provided up to 4 million gallons of water per day to meet future water demands. The estimated JCSA cost is \$50 million to be paid in two installments. The first installment of \$25 million will be paid in 2008 and the second installment will be paid in 2019. Financing for the first \$25 million will be financed over 25 years through issuance of revenue bonds at a estimated 5 percent interest rate. The principle and interest is projected to be \$1.78 million annually.

**Revenues** – Contributions from the JCSA's Capital Improvements Program Fund are the basic source of revenue.

**Expenses** – Debt Service spending includes both the principal payments on bonds sold to investors and the interest payments on those bonds. Bond payment details are unknown at this time.

**BUDGET SUMMARY**

	<u>FY 08 Budget</u>	<u>FY 09 Adopted</u>	<u>FY 10 Plan</u>
<b><u>Revenues:</u></b>			
Water Fund Contribution	\$1,383,632	\$1,384,431	\$1,385,019
Capital Improvements Program	<u>0</u>	<u>\$1,780,000</u>	<u>\$1,780,000</u>
Total	<u>\$1,383,632</u>	<u>\$3,164,431</u>	<u>\$3,165,019</u>
<b><u>Expenses:</u></b>			
Revenue Bonds, Series 2003	\$1,383,632	\$1,384,431	\$1,385,019
Revenue Bonds, Series 2008	<u>0</u>	<u>\$1,780,000</u>	<u>\$1,780,000</u>
Total	<u>\$1,383,632</u>	<u>\$3,164,431</u>	<u>\$3,165,019</u>