



The Authority was created September 27, 1982.

Over the years the Authority extended public sewer to various areas of the Township and incurred debt along the way. They have refinanced the municipal bonds several times over the last 40 years.

### **SEWER DEBT/LOAN**

In 2016 the bonds were refinanced in the amount of \$8,818,000.00 from municipal bonds to a traditional bank loan. We also reduced the interest rate to 2.33% until 2022 which would then increase to 4.25% for the remainder of the loan which was 2029.

At the end of 2020 we renegotiated the terms of the sewer loan to a 2.04% interest rate for the duration of the loan. By converting to monthly payments, decreasing the interest rate, and making extra payments on principal, the loan is currently scheduled to be paid off in July of 2025.

**The current balance as of 11/5/22 is \$1,727,118.84.**

The quarterly customer charge of \$78 is primarily used for daily operation and maintenance of our sewer system and a small portion goes towards paying down the debt.

The water usage fee is simply a pass-through fee that goes to the City of Lebanon Authority to treat the sewage flows. They set the fees and bill the Township and we in turn pass the fee on to the customer.

Extra payments are made from the tapping fees paid for new connections.

## WATER DEBT/LOAN

The water project was installed in the eastern area of the township in 2005. The original bond was in the amount of \$3,374,500.00.

In 2016 the bonds were refinanced in the amount of \$2,197,000.00 to a traditional bank loan. We also reduced the interest rate to 2.66% until 2023 and then it would increase to 4.25% through the end of the loan which was 2035.

At the end of 2020, we renegotiated the terms of the water loan to a 1.60% interest rate through 2027 and then it will increase to 2.75% to 4.25% (variable interest rate equal to 66% of the Wall Street Journal Prime Rate, however no less than 2.75% nor to exceed 4.25%) for the remainder of the loan. By converting to monthly payments, reducing the interest rate, and making extra payments on the principal, the loan is currently scheduled to be paid off in March of 2031.

**The current balance as of 11/5/22 is \$816,759.15.**

The quarterly customer charge of \$60 all goes towards paying down the debt, which is part of our water operating expenses. Only those customers who are within the water project area pay this fee. The fee shows up on the residents' water bill from the City of Lebanon Authority, who collects the fee and then forwards the money monthly to us.

Extra payments are made from the tapping fees paid for new connections.