
ORDINANCE NUMBER O16-008

ORDINANCE

AN ORDINANCE providing for the issuance of not to exceed \$430,000,000 General Obligation Limited Tax Capital Improvement Bonds (2016 IEPA Authorization) of the Metropolitan Water Reclamation District of Greater Chicago for the purpose of financing capital improvements to the District's facilities; authorizing and providing for related Loan Agreements with the Illinois Environmental Protection Agency providing for loans from the Revolving Loan Fund, and such other documents as may be necessary; and providing for the levy of taxes to pay the interest on and principal of said Bonds.

Adopted by the Board of Commissioners of the Metropolitan Water Reclamation District of Greater Chicago on the 4th day of August, 2016.

TABLE OF CONTENTS

	PAGE
PREAMBLES	1
SECTION 1. DEFINITIONS.....	4
SECTION 2. INCORPORATION OF PREAMBLES	8
SECTION 3. AUTHORIZATION OF BONDS	8
SECTION 4. TERMS OF THE BONDS	8
SECTION 5. AMENDMENT OF BONDS	11
SECTION 6. EXECUTION; AUTHENTICATION OF BONDS	11
SECTION 7. REGISTRATION AND TRANSFER OF BONDS; OWNERS	12
SECTION 8. FORM OF BONDS.....	13
SECTION 9. TREASURER TO DELIVER BONDS	24
SECTION 10. SECURITY FOR THE BONDS AND CERTAIN COVENANTS AND RESERVATIONS; TAX LEVY	24
SECTION 11. BOND ACCOUNT.....	27
SECTION 12. LOAN AGREEMENTS	27
SECTION 13. TAX EXEMPTION COVENANTS FOR IEPA	28
SECTION 14. USE OF PROCEEDS	28
SECTION 15. NOT TAX-EXEMPT.....	28
SECTION 16. ORDINANCE A CONTRACT	29
SECTION 17. SEVERABILITY.....	29
SECTION 18. SUPERSEDER; EFFECTIVE DATE.....	30

**This Table of Contents is for convenience only and is
not a part of the ordinance.**

ORDINANCE NUMBER O16-008

AN ORDINANCE providing for the issuance of not to exceed \$430,000,000 General Obligation Limited Tax Capital Improvement Bonds (2016 IEPA Authorization) of the Metropolitan Water Reclamation District of Greater Chicago for the purpose of financing capital improvements to the District's facilities; authorizing and providing for related Loan Agreements with the Illinois Environmental Protection Agency providing for loans from the Revolving Loan Fund, and such other documents as may be necessary; and providing for the levy of taxes to pay the interest on and principal of said Bonds.

P R E A M B L E S

— WHEREAS —

A. The Metropolitan Water Reclamation District of Greater Chicago, County of Cook, State of Illinois (the "*District*") is a duly organized and operating sanitary district, body politic and corporate, and unit of local government under the constitution and laws of the State of Illinois.

B. The District operates, *inter alia*, under the following Illinois acts and laws, in each case as amended:

1. the Metropolitan Water Reclamation District Act (the "*Act*");
2. the Local Government Debt Reform Act (the "*Debt Reform Act*") relating to borrowing; and
3. the Property Tax Extension Limitation Law (the "*Limitation Law*") relating to certain ad valorem property tax limits.

C. The District is governed by a duly constituted Board of Commissioners (the "*Board*" or the "*Board of Commissioners*"), and the tax extension officer for the District is the County Clerk (the "*County Clerk*") of The County of Cook, Illinois (the "*County*").

D. Pursuant to the provisions of Section 9.6a of the Act, the Board is authorized to issue bonds to provide funds required for the replacing, remodeling, completing, altering,

constructing and enlarging of sewage treatment works, administrative buildings, water quality improvement projects, or flood control facilities, and additions therefor, including, but not limited to, the construction of pumping stations, tunnels, conduits, intercepting sewers and outlet sewers, together with the equipment, including air pollution equipment, and appurtenances thereto, to acquire property, real, personal or mixed, necessary for said purposes, and for costs and expenses for the acquisition of the sites and rights-of-way necessary thereto, and for engineering expenses for designing and supervising the construction of such works and other related and incidental expenses (collectively, the “*Capital Improvement Purposes*”), which said Section 9.6a, as amended, authorizes the issuance of bonds for such purposes on or before December 31, 2024, without a referendum, in an aggregate amount at any one time outstanding not to exceed 3.35% of the equalized assessed valuation of all taxable property within the District; *provided*, that the amount of such bonds issued during any one budget year shall not exceed \$150,000,000, plus the amount of any bonds authorized by said section to be issued during the three budget years next preceding the year of issuance but which were not issued; *but, provided, further*, that such limitation is not applicable (i) to the issuance of obligations to refund bonds, notes or other evidences of indebtedness, (ii) to obligations (the “*RLF Obligations*”) issued to provide for the repayment of money received from the Water Pollution Control Revolving Fund of the State of Illinois (the “*RLF*”) for the construction or repair of wastewater treatment works, and (iii) to obligations issued as part of the American Recovery and Reinvestment Act of 2009, issued prior to January 1, 2011, that are commonly known as “Build America Bonds” as authorized by Section 54AA of the Internal Revenue Code, as amended.

E. The Board has considered the conditions of the plant, equipment and flood control facilities of the District and the work and acquisitions which are Capital Improvement Purposes

which are necessary or advisable in order to serve the needs of the residents and the mission of the District.

F. The State of Illinois, acting through the Illinois Environmental Protection Agency (the “*IEPA*”), may make a loan or loans to the District from the RLF for certain qualifying Capital Improvement Purposes, the designations for which are or shall be on file from time to time in the office of the District Clerk with total estimated projects costs of not to exceed \$430,000,000 (the “*Series 2016 IEPA Projects*”).

G. By ordinances duly adopted pursuant to said Section 9.6a, the Board has heretofore provided for the issuance of bonds from 1969 to date.

H. It is deemed advisable and necessary that additional bonds in the principal amount of not to exceed \$430,000,000 be authorized to be issued from time to time pursuant to the provisions of said Section 9.6a to provide funds for the Series 2016 IEPA Projects, and it is hereby determined that the aggregate amount of bonds now outstanding and unpaid, together with the bonds herein proposed to be authorized, will not exceed the applicable limitations imposed by law.

I. The bonds herein to be authorized are non-referendum general obligation bonds, the taxes for which are subject to the limitations set forth in the Limitation Law; and, accordingly, the bonds shall be issued as “limited bonds” under the provisions of Section 15.01 of the Debt Reform Act.

J. The bonds herein authorized are general obligation bonds; and the Board has previously called, noticed, and held a hearing with respect to the sale of the Bonds pursuant to the provisions of the Bond Issue Notification Act, as amended, and such hearing was duly adjourned not less than seven days ago.

K. Certain additional powers in the issuance of bonds are granted to units of local government, including the District, pursuant to the provisions of the Debt Reform Act, and it is the intention of the District to issue the bonds hereinafter authorized in part pursuant to the provisions of the Debt Reform Act in order to avail of the additional powers so granted.

NOW THEREFORE BE IT AND IT IS HEREBY ORDAINED by the Board of Commissioners of the Metropolitan Water Reclamation District of Greater Chicago, Cook County, Illinois, as follows:

Section 1. Definitions. A. Words and terms used in this Ordinance shall have the meanings assigned them unless the context or use clearly indicates another or different meaning is intended. Words and terms defined in the singular may be used in the plural and vice-versa. Reference to any gender shall be deemed to include the other and also inanimate persons such as corporations, where applicable.

“Act” is defined in the preambles.

“*Advance for Value*” means a receipt of funds from the IEPA under a Loan Agreement and relative to a Bond which is a loan advance on and partial purchase price consideration for such Bond, to be evidenced as provided in the Bond form.

“*Available Base*” means the amount of Extension of taxes available to the District in any given calendar year under the Debt Service Extension Base, after subtracting Extensions for all previously issued bonds the Extension for which will be chargeable against the Debt Service Extension Base in such year.

“Board” and “Board of Commissioners” are defined in the preambles.

“Bond” or “Bonds” means one or more, as applicable, of the not to exceed \$430,000,000 General Obligation Limited Tax Capital Improvement Bonds, Series 2016 IEPA Projects, authorized to be issued by this Ordinance.

“Bond Account” means the Bond and Interest Account established for the Bonds pursuant to (Section 11 of) this Ordinance.

“Bond Register” means the books of the District kept by the Bond Registrar to evidence the registration and transfer of the Bonds.

“Bond Registrar” means the Treasurer of the District or, if appointed by the Treasurer to act as his or her agent, a successor bank with trust powers or a trust company, duly authorized to do business as a bond registrar and paying agent, as herein required.

“Business Day” means any day other than a day on which banks in New York, New York, Chicago, Illinois, or the city in which the Bond Registrar maintains its principal corporate trust office are required or authorized to close.

“Capital Improvement Purposes” is defined in the preambles.

“Clerk” means the Clerk of the District.

“Code” means the Internal Revenue Code of 1986, as amended.

“County” is defined in the preambles.

“County Clerk” is defined in the preambles.

“Current Collection” means the taxes in fact received by the District from the County Treasurer from a given Extension up to the date payment is due upon bonds, which payment is to be made from such Extension, plus that amount, if any, received in the year preceding such payment date as the collection of delinquent taxes from prior years allocable to the levy for all Limited Bonds of the District and General Funds.

“Debt Reform Act” is defined in the preambles.

“Debt Service Extension Base” means the debt service extension base of the District as provided by the Limitation Law, currently, \$159,305,390, and as subject to change from time to time.

“Designated Officers” means the officers of the District as follows:

President of the Board (elective), Treasurer of the District (appointive), Chairman of the Committee on Finance (elective), Executive Director (appointive) and Clerk (appointive); *provided* that any act required of more than one of such officers shall be done by not less than one elected officer and one appointive officer.

“District” is defined in the preambles.

“Extension” means the amount of taxes in fact extended for collection by the County Clerk based upon a levy, which extension is calculable by the sum of taxable property multiplied by the rate (in percent, mills or decimal, as appropriate) of taxation applied for such levy.

“Face Amount” means the authorized maximum amount of any Bond, as stated on its face.

“IEPA” is defined in the preambles.

“Future Limited Bonds” means Limited Bonds to be issued by the District in the future.

“General Funds” means any and all funds of the District, other than the Bond Fund, from which payments may lawfully be made to pay principal of or interest on the Bonds.

“Limitation Law” is defined in the preambles.

“Limited Bonds” means limited bonds issued under Section 15.01 of the Debt Reform Act.

“Loan Agreement” or *“Loan Agreements”* means the one or more agreements between the District and the IEPA, substantially in the form the District has in the past executed with the IEPA, which previous agreements are on file in the office of the Clerk, providing for the advance of funds from the IEPA to the District to pay the costs of the Project.

“Loss in Current Collection” means the difference between an Extension and the Current Collection from such Extension.

“Nonreferendum Base Bonds” means bonds of any kind, other than Limited Bonds, the levy (and resulting Extension) for which is chargeable against (*i.e.*, deductible from) the Debt Service Extension Base in a given year.

“Ordinance” means this Ordinance, numbered as set forth on the title page and adopted by the Board on the 4th day of August, 2016.

“Prior Limited Bonds” means Limited Bonds previously issued for which taxes have been levied which are allocable to the Debt Service Extension Base, the details of which are on file in the Offices of the Clerk and the Treasurer.

“Repayment Schedule” means a repayment schedule for a Bond promulgated by the IEPA pursuant to a Loan Agreement and within the delegated parameters as set by this Ordinance.

“RLF” is defined in the preambles.

“RLF Obligations” is defined in the preambles.

“Series 2016 IEPA Projects” is defined in the preambles.

“Taxes” means the direct annual taxes so defined in (Section 10 of) this Ordinance.

“Treasurer” means the Treasurer of the District.

B. Definitions also appear in the preambles hereto or in specific sections, as appear below. The headings in and the table of contents preceding this Ordinance are for the convenience of the reader and are not a part of this Ordinance.

Section 2. Incorporation of Preambles.

The Board hereby finds that the recitals contained in the preambles to this Ordinance are true, correct and complete; and the Board does incorporate same into this Ordinance by this reference.

Section 3. Authorization of Bonds.

The District has heretofore issued various series of bonds as authorized under Section 9.6a of the Act pursuant to the authority of various ordinances. None of the bonds issued hereunder shall be issued prior to loan approval by the IEPA, which approval shall occur in or after 1996, and accordingly, all of the bonds issued hereunder shall be RLF Obligations. It is in the judgment of the Board necessary and appropriate to authorize by this Ordinance not to exceed \$430,000,000 additional bonds pursuant to the authority of the aforesaid Section 9.6a for the Series 2016 IEPA Projects. Bonds of the District are hereby authorized to be issued in the aggregate principal amount of not to exceed \$430,000,000 to provide for all or part of the funds required for the Series 2016 IEPA Projects pursuant to the Act and the Reform Act.

Section 4. Terms of the Bonds.

Each Bond shall be designated "General Obligation Limited Tax Capital Improvement Bond, Series 2016 IEPA Projects". Each Bond shall be dated as of the first Advance for Value on such Bond. The amount of each Bond issued, being the sum of the amounts as shown as Advances for Value, not in excess of its Face Amount, less in each case principal payments made from time to time thereon, shall be the "*Outstanding Principal Amount*" of such Bond. The Outstanding Principal Amount of the Bonds from time to time outstanding shall bear interest at the rate of not to exceed 5.0% per annum. The Outstanding Principal Amount of the Bonds shall become due and payable not later than thirty (30) years from date and sooner if pursuant to a schedule of repayment (a "*Repayment Schedule*") determined in accordance with the Loan

Agreements for such Bonds; *provided, however*, that a Repayment Schedule, in order to be enforceable, shall comply with each of the following terms:

- (1) The Repayment Schedule shall be set forth in or as part of each Bond; at such time as the IEPA may promulgate same;
- (2) Payments shall be scheduled only for July 1 and January 1;
- (3) The Repayment Schedule shall provide for substantially level semiannual installments of principal and interest (collectively) within a range of \$50; and
- (4) The final payment on any Bond shall not be later than 30 years after its date of issuance (“*Final Maturity*”).

Each Bond shall bear interest on the Outstanding Principal Amount from time to time at the rate provided, in each case from the time advanced until paid or duly provided for, such interest computed on the basis of a 365-day year and being payable at maturity and on the dates provided in the Repayment Schedule for such Bond. The interest on and all installments of principal of each Bond shall be payable in lawful money of the United States of America upon presentation at the office of the Bond Registrar; *provided, however*, that so long as any agency of the State of Illinois or of the U.S. Government or a financial institution is the registered owner as shown by the Bond Register, then such payments shall be made by check or draft of the Bond Registrar to the registered owner, which check or draft shall be payable in lawful money of the United States of America, and mailed not less than four (4) Business Days prior to the date when due to the address of the Registered Owner as set forth in the Bond Register, or at such other address as is furnished in writing to the Bond Registrar; and, *provided further*, that the final installment of principal and interest, when due, shall only be payable upon presentation of the Bond.

Each Bond and the installments thereon are subject to redemption and prepayment prior to maturity, at the option of the District, in whole or in part, from any available funds, on any

date, at the redemption price of par plus accrued interest to the date fixed for redemption. Any partial prepayment shall be applied in the inverse chronological order of installments of principal. Unless waived by the Bond Registrar, the District shall notify the Bond Registrar of the redemption and prepayment of any Bond not less than 45 days prior to the date of redemption. Unless waived by the registered owner of the Bond to be redeemed, official notice of any such redemption and prepayment shall be given by the Bond Registrar on behalf of the District by mailing the redemption notice by registered or certified mail not less than 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Bond at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar. All official notices of redemption shall include at least the information as follows:

- (1) the amount of the Bond to be redeemed;
- (2) the redemption date;
- (3) the redemption price;
- (4) a statement that on the redemption date the redemption price will become due and payable upon such Bond or portion thereof so called for redemption and that interest thereon shall cease to accrue from and after said date; and
- (5) the place where such Bond is to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Bond Registrar.

Prior to any redemption date, the District shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price. Notice of redemption having been given as aforesaid, the Bond or portion thereof so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless

the District shall default in the payment of the redemption price) such Bond or portion thereof shall cease to bear interest. Upon surrender of the Bond for redemption and prepayment in accordance with said notice, such Bond or relevant portion shall be paid by the Bond Registrar at the redemption price. For a partial redemption of a Bond, a new Bond in the amount of unpaid principal shall be executed and delivered to the holder of the partially redeemed Bond.

Section 5. Amendment of Bonds.

The rights and obligations of the District and of the owners of the Bonds may from time to time be modified or amended by a supplemental ordinance adopted by the Board with the written consent of the registered owners of all Bonds then outstanding. Ownership of Bonds for purposes of consent by the registered owners thereof shall be conclusively proved by the Bond Register. In obtaining or receiving the consents of registered owners, the District may establish reasonable rules of procedure including, without limitation, rules relating to (i) a record date to fix the registered owners who are entitled to vote, (ii) solicitation of proxies and (iii) a meeting of the registered owners for the taking of actions. The registered owners of Bonds may vote their Bond interest in fractional shares. In the event that Bonds are registered in the name or names of nominees or depositories, consent of such owners by proxy in accordance with the applicable customs of the securities industry or rules of the Securities and Exchange Commission, Municipal Securities Rulemaking Board or other association or agency having jurisdiction shall be sufficient.

Section 6. Execution; Authentication of Bonds.

The Bonds (or any of the Bonds) shall be executed on behalf of the District with the manual or duly authorized facsimile signature of the Treasurer and attested with the manual or duly authorized facsimile signature of the District Clerk, as they may determine, and shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the District. In case any

officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. All Bonds shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Bond Registrar as authenticating agent of the District and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance.

Section 7. Registration and Transfer of Bonds; Owners.

The District shall cause books (the Bond Register) for the registration and for the transfer of the Bonds as provided in this Ordinance to be kept at the principal office of the Bond Registrar, who or which is hereby constituted and appointed the registrar of the District for the Bonds. Each Bond may be transferred as a whole but not in part, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in this Ordinance. Upon surrender of the Bond at the principal office of the Bond Registrar, accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by the registered owner or an attorney for such owner duly authorized in writing, the Bond Registrar shall register the Bond in the name of the new registered owner on the registration grid provided therein, and shall also enter the name and address of the new registered owner in the Bond Register. The Bond Registrar shall not be required to transfer any Bond during the period from the close of business on the 15th day of the calendar month preceding an interest payment date on such Bond to the opening of business on such interest payment date or

during the period of 15 days preceding the giving of notice of redemption of the Bond or to transfer the Bond if it has been called for redemption.

The execution by the District of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on the Bond shall be made only to or upon the order of the registered owner thereof or the owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer of a Bond, but the District or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer of the Bond.

Section 8. Form of Bonds.

The Bonds, the Certificate of Authentication to be endorsed thereon, the form of Assignment, the Advances for Value table, the Registered Owner Notation, and the Repayment Schedule are all to be in substantially the following form(s) (with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance):

THIS BOND IS TRANSFERABLE ONLY AS A WHOLE

**REGISTERED
NO. ONE**

**MAXIMUM
REGISTERED
AMOUNT**
\$ _____

UNITED STATES OF AMERICA

STATE OF ILLINOIS

THE COUNTY OF COOK

METROPOLITAN WATER RECLAMATION DISTRICT OF GREATER CHICAGO

**GENERAL OBLIGATION LIMITED TAX
CAPITAL IMPROVEMENT BOND DESIGNATED BOND ____**

SERIES 2016 IEPA PROJECTS

CONTRACT NO. _____

SRF LOAN AGREEMENT NO. L17- _____

KNOW ALL PERSONS BY THESE PRESENTS that the METROPOLITAN WATER RECLAMATION DISTRICT OF GREATER CHICAGO (the "*District*"), a sanitary district, body corporate and politic, and unit of local government duly organized under the laws of the State of Illinois, located in The County of Cook, hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner, or registered assigns as hereinafter provided, on the dates hereinafter set forth, the Outstanding Principal Amount of this Bond. The "Outstanding Principal Amount" is that amount, not to exceed the Face Amount of this Bond as set forth above, shown as advanced in even multiples of \$100 from time to time and received by the District for value, as is noted on this Bond in the form of Advances for Value hereon, less payments of principal hereon. And the District further promises to pay interest on the Outstanding Principal Amount at the rate of _____% per annum. The Outstanding Principal Amount of this Bond shall become due and payable thirty (30) years from date, and sooner, pursuant to the schedule of repayment (the

“Repayment Schedule”), when promulgated, as attached hereto by the Treasurer of the District. This Bond shall bear interest on the Outstanding Principal Amount from time to time at the rate aforesaid, in each case from the time advanced until paid or duly provided for, such interest computed on the basis of a 365-day year and being payable at maturity or on the dates provided in the Repayment Schedule. The interest on and all installments of principal of this Bond shall be payable in lawful money of the United States of America upon presentation at the office of the District Treasurer, located at 100 East Erie Street, Chicago, Illinois, as bond registrar and paying agent; *provided, however*, that so long as any agency of the State of Illinois or of the U.S. Government or a financial institution is the Registered Owner as shown by the Bond Register, then such payments shall be made by check or draft of the Bond Registrar to the Registered Owner, which check or draft shall be payable in lawful money of the United States of America, and mailed not less than four (4) Business Days prior to the date when due to the address of the Registered Owner as set forth in the Bond Register, or at such other address as is furnished in writing to the Bond Registrar; but, *provided, further*, that the final installment of principal and interest, when due, shall only be payable upon presentation of this Bond.

This Bond is subject to redemption and prepayment prior to maturity, at the option of the District, in whole or in part, from any available funds, on any date, at the redemption price of par plus accrued interest to the date fixed for redemption. Unless waived by the Registered Owner hereof, notice of any such redemption and prepayment shall be given by the Bond Registrar on behalf of the District by mailing the redemption notice by registered or certified mail not less than 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner at the address shown on the Bond Register or at such other address as is furnished in writing by the Registered Owner to the Bond Registrar. Notice of redemption having been given as aforesaid, this Bond or portion thereof shall, on the redemption date, become due and payable

at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price) this Bond or portion thereof shall cease to bear interest. Upon surrender of this Bond for redemption and prepayment in accordance with said notice, this Bond shall be paid by the Bond Registrar at the redemption price. Any partial prepayment of this Bond shall be applied to principal in the inverse chronological order of installments; and upon any such partial prepayment, a new Bond in the amount of unpaid principal shall be executed and delivered to the holder of this Bond.

This Bond may be transferred as a whole but not in part, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the hereinafter defined Ordinance. Upon surrender hereof at the office of the Bond Registrar, accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by the Registered Owner or an attorney for such owner duly authorized in writing, the Bond Registrar shall register this Bond in the name of the new Registered Owner on the registration grid provided herein, and shall also enter the name and address of the new registered owner in the Bond Register. The Bond Registrar shall not be required to transfer this Bond during the period from the close of business on the 15th day of the calendar month preceding an interest payment date on this Bond to the opening of business on such interest payment date or during the period of 15 days preceding the giving of notice of redemption of this Bond or to transfer any Bond which has been called for redemption. The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner hereof for all purposes, and payment of the principal of or interest hereon shall be made only to or upon the order of the Registered Owner hereof or the owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon this Bond to the extent of the sum or sums so paid.

This Bond is one of a series of Bonds authorized to provide all or part of the funds required for the Series 2016 IEPA Projects as set forth in the title. The Bonds are being issued pursuant to the provisions of Section 9.6a of the Metropolitan Water Reclamation District Act, and all laws amendatory thereof and supplementary thereto; pursuant to the Local Government Debt Reform Act of the State of Illinois pursuant to an ordinance (the “*Ordinance*”), numbered O16-008, and entitled:

AN ORDINANCE providing for the issuance of not to exceed \$430,000,000 General Obligation Limited Tax Capital Improvement Bonds (2016 IEPA Authorization) of the Metropolitan Water Reclamation District of Greater Chicago for the purpose of financing capital improvements to the District’s facilities; authorizing and providing for related Loan Agreements with the Illinois Environmental Protection Agency providing for loans from the Revolving Loan Fund, and such other documents as may be necessary; and providing for the levy of taxes to pay the interest on and principal of said Bonds.

as adopted by the Board of Commissioners of the District on the 4th day of August, 2016; and pursuant to one or more Loan Agreements by and between the District and the IEPA, which loans are evidenced by this Bond. Reference is hereby made to the Ordinance and Loan Agreements for a further statement of the terms and conditions of this Bond and of the rights and privileges of the Registered Owner hereof.

The rights and obligations of the District and of the Registered Owner hereof may from time to time be modified or amended by a supplemental ordinance adopted by the Board of Commissioners of the District with the written consent of the Registered Owner of this Bond and all of the Bonds of the series of which this Bond is a part.

The full faith and credit of the District are hereby irrevocably pledged to the punctual payment of the principal of and interest on this Bond, and this Bond shall be a direct and general obligation of the District. ALTHOUGH THIS BOND CONSTITUTES A GENERAL OBLIGATION OF THE

DISTRICT, AND NO LIMIT EXISTS ON THE *RATE* OF THE DIRECT ANNUAL TAX LEVIED FOR ITS PAYMENT, THE *AMOUNT* OF THE TAX IS LIMITED BY THE PROVISIONS OF THE PROPERTY TAX EXTENSION LIMITATION LAW OF THE STATE OF ILLINOIS, AS AMENDED (THE "*LIMITATION LAW*"). The Limitation Law provides that the annual amount of the taxes to be extended to pay this Bond and all other Limited Bonds (as defined in the Local Government Debt Reform Act of the State of Illinois, as amended) both previously issued or to be issued by the District in the future shall not exceed the debt service extension base (as defined in the Limitation Law) of the District (the "*Debt Service Extension Base*"), less the amount extended to pay certain Nonreferendum Base Bonds, as more fully defined in the Ordinance. The District is authorized to issue from time to time additional Limited Bonds payable from the Debt Service Extension Base.

It is hereby certified and recited that all conditions, acts, and things required by law to exist or to be done precedent to and in the issuance of this Bond did exist, have happened, been done and performed in regular and due form and time as required by law; that the indebtedness of the District, including the issue of Bonds of which this is one, does not exceed any limitation imposed by law; and that provision has been made for the levy of a direct annual tax to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity.

THE INTEREST ON THIS BOND IS NOT TAX-EXEMPT UNDER THE PROVISIONS OF SECTION 103 OF THE INTERNAL REVENUE CODE OF 1986, AND THE REGISTERED OWNER HEREOF BY ACCEPTANCE OF THIS BOND ACKNOWLEDGES SUCH STATUS AND AGREES WITH THE DISTRICT NOT TO ASSERT ANY CLAIM TO THE CONTRARY.

This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar. The tables and forms following the signatures on this Bond and entitled Advances for Value, Repayment Schedule and

Registered Owner Notation are an integral part of this Bond as if in each case fully set forth at this place and are incorporated herein by this reference.

IN WITNESS WHEREOF the Metropolitan Water Reclamation District of Greater Chicago, by its Board of Commissioners, has caused this Bond to be executed by the manual or duly authorized facsimile signature of the Treasurer and attested by the manual or duly authorized facsimile signature of its Clerk, and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date hereof, to wit, the ____ day of _____ 20__.

Treasurer, Metropolitan Water
Reclamation District of Greater Chicago

ATTEST:

Clerk of the Metropolitan Water
Reclamation District of Greater Chicago

[SEAL]

Date of Authentication: _____, 20__.

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Ordinance and is one of the General Obligation Limited Tax Capital Improvement Bonds, Series 2016 IEPA Projects, Designated Bond ____, SRF Loan Agreement No. L17-_____ of the Metropolitan Water Reclamation District of Greater Chicago, County of Cook, State of Illinois.

Bond Registrar and Paying Agent:

Treasurer, Metropolitan Water
Reclamation District of Greater Chicago

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

Here insert Social Security Number, Employer Identification Number or other Identifying Number

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint

as attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature guaranteed: _____

NOTICE: The signature to this transfer and assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

**REGISTERED
NO. ONE**

**MAXIMUM
REGISTERED
AMOUNT**
\$ _____

DESIGNATED BOND ____

SERIES 2016 IEPA PROJECTS

CONTRACT NO. _____

SRF LOAN AGREEMENT NO. L17-_____

ADVANCES FOR VALUE

This Bond is valid to the amount set forth below, the aggregate of said amounts being its Outstanding Principal Amount.

AMOUNT ADVANCED (\$)	DATE ADVANCED	SIGNATURE OF DISTRICT TREASURER
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**REGISTERED
NO. ONE**

**MAXIMUM
REGISTERED
\$ _____**

**GENERAL OBLIGATION LIMITED TAX
CAPITAL IMPROVEMENT BOND**

DESIGNATED BOND ____

SERIES 2016 IEPA PROJECTS

CONTRACT NO. _____

SRF LOAN AGREEMENT NO. L17- _____

REPAYMENT SCHEDULE

**GENERAL OBLIGATION LIMITED TAX
CAPITAL IMPROVEMENT BOND**

DESIGNATED BOND ____

SERIES 2016 IEPA PROJECTS

CONTRACT NO. _____

SRF LOAN AGREEMENT NO. L17-_____

REGISTERED OWNER NOTATION

This Bond shall be registered on the Bond Register of the District kept for the purpose by the District Treasurer as Bond Registrar. The principal and interest on this Bond shall be payable only to or upon the order of the Registered Owner or such owner's legal representative.

No registration hereof shall be valid unless signed by the Bond Registrar.

DATE OF
REGISTRATION

NAME OF
REGISTERED OWNER

SIGNATURE OF
BOND REGISTRAR

State of Illinois
Illinois Environmental
Protection Agency

Section 9. Treasurer to Deliver Bonds.

The Treasurer of the District along with the other Designated Officers is hereby authorized to take all necessary action to have the Bonds prepared and executed and to deliver all necessary documents to complete the borrowing in accordance with the terms of the Loan Agreements. Bonds shall be issued, delivered and dated at the time or times and in the aggregate amount or amounts as the first disbursement of funds for the Series 2016 IEPA Projects or any part of the 2016 IEPA Project is made by the IEPA under one or more Loan Agreements; *provided, however*, that the Treasurer is authorized to release to the IEPA, in trust, signed undated Bonds at the time the District requests such first payment, such Bonds to have an initial Advance for Value in the amount of such request, and authorize the IEPA to date such Bonds and Advance for Value upon the delivery of funds in such amount. For each subsequent Advance for Value, the District Treasurer is authorized to release to the IEPA, in trust, the original Bonds with the Advance for Value Tables signed and completed in the amount of the proposed advance, but undated, and to authorize the IEPA to date such Advance for Value upon the delivery of funds in such amount. Alternatively, as requested by the IEPA, the Treasurer is authorized to hold the Bonds in trust for the IEPA and enter the Advances for Value thereon in accordance with disbursements as actually made. The Treasurer shall act as Bond Registrar and keep a Bond Register showing at all times the name of the registered owner of the Bonds.

Section 10. Security for the Bonds and Certain Covenants and Reservations; Tax Levy.

A. The full faith and credit of the District are hereby irrevocably pledged to the punctual payment of the principal of and interest on the Bonds. The Bonds shall be direct and general obligations of the District, and the District shall be obligated to levy ad valorem taxes upon all the taxable property of the District for the payment of the Bonds and the interest

thereon, without limitation as to rate, but limited as to amount by the provisions of the Limitation Law.

B. The Bonds shall be payable out of the Current Collection of the Taxes; and, in the event the Current Collection shall be insufficient to pay the interest on and the principal of the Bonds when due, the Bonds are payable as a general obligation of the District from the General Funds. In the event General Funds are used, the General Funds shall be reimbursed from the amounts eventually received and attributable to the Loss in Current Collection related to such insufficiency, if any.

C. The District represents that the sum of:

- (1) the Taxes (as levied for the Bonds and defined as such in the text of this Ordinance set out below in this Section);
- (2) the levies for all Prior Limited Bonds; and
- (3) the levies for all Nonreferendum Base Bonds previously issued

does not exceed the Debt Service Extension Base for any year.

D. The District covenants that the sum of

- (1) the Taxes;
- (2) the levies for all Prior Limited Bonds;
- (3) the levies for all Future Limited Bonds; and
- (4) the levies for all Nonreferendum Base Bonds previously issued or to be

issued

shall not exceed the Debt Service Extension Base for any year.

E. The Taxes are pledged and available solely for the Bonds. The Extension of the Taxes in any year may be limited to 100% of the Taxes (*i.e.*, the levy) for such year with the result that there may be a deficiency in the amount of the Current Collection from the taxes

(equal to the Loss in Current Collection), which deficiency shall be satisfied from General Funds.

F. Future Limited Bonds may have aggregate debt service requirements (*i.e.*, interest and principal payment requirements) which will not be met by the levy of taxes under the Available Base and, consequently, must be met from General Funds; and the District reserves the right to issue such bonds, but the issuance shall not cause the reduction of the Extension for the Taxes to an amount less than 100% of the levy constituting the Taxes.

G. On or before the time of the first delivery of any Bond of this series, a certified copy of this Ordinance shall be filed with the County Clerk of The County of Cook, Illinois, and shall provide due authorization for the County Clerk to extend taxes to pay the Bonds as herein further provided. At such time, for one or more of the Bonds, as shall be necessary or advisable to meet the covenants of this Section, either (1) the Treasurer shall file a Certificate of Tax Levy for such Bond or Bonds or (2) the Board in its annual tax levy ordinance shall provide for such levy, in each instance to be made and extended and collected in the years so provided in such Certificate or Ordinance, which taxes when received by the Treasurer shall be held separate and apart and be used solely for the purpose of paying the interest on and principal of the Bonds, at maturity or redemption, as shall be then Outstanding. Any such Certificate shall refer to this Ordinance and shall set forth the Bonds for which levied, and the levy amounts, hereby authorized, and shall constitute full and complete authority for the County Clerk to extend said taxes as herein provided, without limitation as to rate, and in addition to and in excess of all other taxes. The Clerk of the District is hereby directed to include the amounts hereinabove levied and required to be raised by taxation in each of said years, respectively, in the amount which shall be certified to the County Clerk in such year as the amount required to be raised by taxation for the District,

and provision to meet the requirements of this section shall hereafter be made in each annual Appropriation Ordinance.

Section 11. Bond Account.

Money received from the proceeds of taxes so levied for the payment of the principal of and interest on the Bonds shall be deposited into an account designated “General Obligation Limited Tax Capital Improvement Bonds, Series 2016 IEPA Projects, Bond and Interest Account,” (the “*Bond Account*”) and shall be faithfully applied to the payment of such Bonds and interest thereon as herein provided. Interest and principal on the Bonds coming due at any time when there are insufficient funds from the proceeds of taxes levied to pay the same shall be paid promptly when due from any available moneys of the District. The moneys temporarily so used for such purpose shall be restored to the funds from which they were borrowed as soon as the proceeds of taxes levied therefor are available, and the Chairman of the Committee on Finance of the Board of Commissioners and the Clerk of the District are authorized to execute and deliver to the Treasurer of the District warrants for the payment of money necessary to be used to protect the credit of the District.

Section 12. Loan Agreements.

The general form of Loan Agreement as has previously been entered into by the District and the IEPA is hereby approved for continued use in connection with the Bonds for the Series 2016 IEPA Projects. Any of the Designated Officers of the District shall be authorized to execute one or more such Loan Agreements in such form for the Series 2016 IEPA Projects. Each Loan Agreement shall provide for a loan from the RLF, to be evidenced, all as provided herein, by the Bonds. To the extent permitted by law, and so long as the IEPA is the registered owner of any Bond, the District shall be subject to the Loan Agreements for such Bonds. The Loan Agreements and the Bonds so long as held by the IEPA constitute Intergovernmental

Agreements under the constitution and laws of the State of Illinois. It is hereby found and declared that no person holding any office of the District, either by election or appointment, is in any manner financially interested, either directly, in his or her own name, or indirectly, in the name of any other person, association, trust or corporation, in the contracts so confirmed in this Ordinance to the IEPA including in such the Loan Agreements and the Bonds.

Section 13. Tax-exemption Covenants for IEPA.

The IEPA has provided as a condition of the offering of the Loan Agreements and purchase of the Bonds that, in certain instances, the District shall make certain covenants substantially in form as has been previously presented to the District and on file in the offices of the Clerk and the Treasurer, and any of the Designated Officers is hereby authorized to execute such certificate and deliver same to the IEPA. The District acknowledges that tax-exempt bonds or other obligations (the “*IEPA Program Bonds*”) have been or will be issued by or for the benefit of the IEPA to provide funds for the RLF, including the Series 2016 IEPA Projects as defined herein, and that the IEPA may pledge the obligations of the District under the Bonds to such IEPA Program Bonds.

Section 14. Use of Proceeds.

The proceeds derived from the sale and delivery and advances made from time to time from the IEPA under the Loan Agreements, and as evidenced by the Bonds, shall be used to pay for Series 2016 IEPA Projects or to reimburse the District for such costs as previously advanced, all in accordance with the terms of this Ordinance and the Loan Agreements.

Section 15. Not Tax-Exempt.

The District and the IEPA and all subsequent holders of any of the Bonds acknowledge and accept that the Bonds are not tax-exempt under the Code.

Section 16. Ordinance a Contract.

The provisions of this Ordinance shall constitute a contract between the District and the registered owners of the Bonds. Any pledge made in this Ordinance and the provisions, covenants, and agreements herein set forth to be performed by or on behalf of the District shall be for the equal benefit, protection, and security of the owners of any and all of the Bonds.

Section 17. Severability.

If any section, paragraph, or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, or provision shall not affect any of the remaining provisions of this Ordinance.

Section 18. Superseder; Effective Date.

All ordinances, resolutions, procedural rules, or parts thereof in conflict herewith be and the same are hereby superseded and waived for purposes of this Ordinance; and this Ordinance shall be in full force and effect forthwith upon its adoption.

Attest:

Approved:

Clerk, Metropolitan Water Reclamation
District of Greater Chicago

President, Board of Commissioners
Metropolitan Water Reclamation District of
Greater Chicago

Approved as to Form and Legality:

Head Assistant Attorney

General Counsel

DATED: August 4, 2016

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, JACQUELINE TORRES, Clerk of the Metropolitan Water Reclamation District of Greater Chicago and keeper of its official records and seal, DO HEREBY CERTIFY that the attached Ordinance, numbered O16-008, consisting of ___ pages, was duly presented at a meeting of the Board of Commissioners held on August 4, 2016, and that said Ordinance was duly accepted and adopted by the Board of Commissioners.

I FURTHER CERTIFY that said Ordinance remains in full force and effect and has not been rescinded, modified or amended.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Metropolitan Water Reclamation District of Greater Chicago, this ____ day of _____ A.D. 2016.

Jacqueline Torres, Clerk of the
Metropolitan Water Reclamation
District of Greater Chicago

[SEAL]

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

CERTIFICATION OF ORDINANCE, AGENDA, POSTING AND MINUTES

I, Jacqueline Torres, do hereby certify that I am the duly qualified and acting Clerk of the Metropolitan Water Reclamation District of Greater Chicago (the “*District*”) and as such official I am the keeper of the seal, journal of proceedings, books, records, minutes and files of the District and of the Board of Commissioners (the “*Board*”) thereof.

I do further certify that attached hereto is a full, true and complete transcript of the minutes of the legally convened meeting (the “*Meeting*”) of the Board held on the 4th day of August, 2016, and of an ordinance, numbered O16-008, entitled:

AN ORDINANCE providing for the issuance of not to exceed \$430,000,000 General Obligation Limited Tax Capital Improvement Bonds (2016 IEPA Authorization) of the Metropolitan Water Reclamation District of Greater Chicago for the purpose of financing capital improvements to the District’s facilities; authorizing and providing for related Loan Agreements with the Illinois Environmental Protection Agency providing for loans from the Revolving Loan Fund, and such other documents as may be necessary; and providing for the levy of taxes to pay the interest on and principal of said Bonds.

(the “*Ordinance*”) as adopted at the Meeting.

I do further certify that the deliberations of the Board on the adoption of the Ordinance were conducted openly; that the vote on the adoption of the Ordinance was taken openly; that the Meeting was called and held at a specified time and place convenient to the public; that notice of the Meeting was duly given to all of the news media requesting such notice; that an agenda (the “*Agenda*”) for the Meeting was posted at the location where the Meeting was held and at the principal corporate office of the Board (being the same location of 100 East Erie Street, Chicago, Illinois) at least 48 hours in advance of the holding of the Meeting, and also not later than 5:00 p.m. on the Friday next preceding the Meeting; that the Agenda contained a separate specific item concerning the adoption of the Ordinance; *that the Agenda is attached hereto as Exhibit A*; that the Meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, the Metropolitan Water Reclamation District Act, as amended, and the Local Government Debt Reform Act of the State of Illinois, as amended; and that the Board has complied with all of the provisions of law and with all of the procedural rules of the Board in the conduct of the Meeting and the adoption of the Ordinance.

IN WITNESS WHEREOF I have hereunto affixed my official signature and the seal of the District, this ____ day of _____, 2016.

Jacqueline Torres, Clerk of the
Metropolitan Water Reclamation
District of Greater Chicago

[SEAL]

[Attachments: Ordinance, Agenda, and Minutes]

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

FILING CERTIFICATE

I, DAVID D. ORR, County Clerk of The County of Cook, Illinois, do hereby certify that on the ____ day of _____, 2016, there was filed in my office a properly certified copy of an ordinance, numbered O16-008, entitled:

AN ORDINANCE providing for the issuance of not to exceed \$430,000,000 General Obligation Limited Tax Capital Improvement Bonds (2016 IEPA Authorization) of the Metropolitan Water Reclamation District of Greater Chicago for the purpose of financing capital improvements to the District's facilities; authorizing and providing for related Loan Agreements with the Illinois Environmental Protection Agency providing for loans from the Revolving Loan Fund, and such other documents as may be necessary; and providing for the levy of taxes to pay the interest on and principal of said Bonds.

passed by the Board of Commissioners of the Metropolitan Water Reclamation District of Greater Chicago, on the 4th day of August, 2016 and that the same has been deposited in the official files and records of my office.

GIVEN under my hand and the seal of said County at Chicago, Illinois, this ____ day of _____, 2016.

County Clerk of
The County of Cook, Illinois

[SEAL]