
ORDINANCE NUMBER O16-007

An Ordinance Authorizing and Providing For the Issuance of
Not to Exceed \$4,000,000 General Obligation Limited Tax
Qualified Energy Conservation Bonds of the Metropolitan
Water Reclamation District of Greater Chicago

Adopted by the Board of Commissioners
of the Metropolitan Water Reclamation
District of Greater Chicago on the
7th day of April, 2016.

ORDINANCE NUMBER O16-007

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$4,000,000 GENERAL OBLIGATION LIMITED TAX QUALIFIED ENERGY CONSERVATION BONDS OF THE METROPOLITAN WATER RECLAMATION DISTRICT OF GREATER CHICAGO

BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE METROPOLITAN WATER RECLAMATION DISTRICT OF GREATER CHICAGO, AS FOLLOWS:

Section 1. Authority and Purpose. This ordinance is adopted pursuant to the Metropolitan Water Reclamation District Act, 70 Illinois Compiled Statutes 2605, and the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350, for the purpose of providing funds required by the Metropolitan Water Reclamation District of Greater Chicago (the “District”) for the acquisition and installation of energy conservation projects consisting of the installation of steam blanket insulation at the Calumet Water Reclamation Plant (the “Calumet Plant”); control upgrades at the Calumet Plant and LED interior lighting upgrades at the Calumet Plant and the storeroom of the Stickney Water Reclamation Plant (collectively, the “Project”).

Section 2. Findings and Determinations. It is found and determined that:

(A) Pursuant to Section 9.6a of the Metropolitan Water Reclamation District Act, the District is authorized to issue its general obligation bonds for the purpose of financing the costs of the Project and the costs of issuance of the bonds authorized by this ordinance. Said Section 9.6a authorizes the issuance of bonds for the purposes set forth in Section 1 of this ordinance on or before December 31, 2024, without submitting the question of such issuance to the legal voters of the District, 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 9.6a to be issued during the three budget years next preceding the year of issuance but which were not issued. This annual bond issuance debt limitation does not apply to refunding obligations and to obligations issued to provide for the repayment of money received from the Water Pollution Control Revolving Fund of the State of Illinois for the construction or repair of wastewater treatment works. The Board of Commissioners hereby determines that each series of bonds issued pursuant to this ordinance will be issued within the foregoing limitations of Section 9.6a of the Metropolitan Water Reclamation District Act.

(B) The District is subject to the provisions of the Property Tax Extension Limitation Law, 35 Illinois Compiled Statutes 200/18-185 through 18-245 and the current “Debt Service Extension Base” (as defined in the Property Tax Extension Limitation Law) of the District is \$159,305,390.

(C) Pursuant to the Bond Issue Notification Act, 30 Illinois Compiled Statutes 352, a public hearing was held and completed before the Board of Commissioners on March 31, 2016 with respect to the sale of the general obligation bonds authorized to be issued pursuant to this ordinance (the “2016 Bonds”). Notice of said public hearing (i) was published in the *“Chicago Sun-Times”* on March 23, 2016 and (ii) was posted at least 48 hours prior to the start of the public hearing at the office of the Board of Commissioners.

(D) The Project constitutes a public purpose of the District to be undertaken in the public interest.

(E) The District finds and determines that the 2016 Bonds shall be issued as “Qualified Energy Conservation Bonds” under Section 54D of the Internal Revenue Code of 1986.

Section 3. Definitions. The following terms shall, for all purposes of this ordinance, have the following meanings unless a different meaning clearly appears from the context:

“Annual Sinking Fund Excess” means, for a particular year, as of January 31st of that year, the excess (if any) of the sum of the moneys and investment securities held in the 2016 QECB Sinking Fund over the aggregate amount of all Annual Sinking Fund Payments required to have been made in prior years pursuant to Paragraph (A) of Section 17 of this ordinance, as adjusted by Paragraph (B) of Section 17.

“Annual Sinking Fund Payment” means, with respect to each year, the required deposit to the 2016 QECB Sinking Fund determined pursuant to Section 17.

“Available Project Proceeds” means (A) the excess of (i) the proceeds of sale of the 2016 Bonds, over (ii) the issuance costs financed by the 2016 Bonds (to the extent that such costs do not exceed two percent of such proceeds), and (B) the proceeds from any investment of such excess.

“Bond Order” means the written order determining various matters with respect to the terms of the 2016 Bonds.

“Code” means the Internal Revenue Code of 1986, and the regulations promulgated or proposed pursuant thereto as the same may be in effect from time to time.

“EMMA” means the Electronic Municipal Market Access system of the MSRB.

“Expenditure Termination Date” means the third anniversary date of the date of issuance of the 2016 Bonds, and the last date of the “expenditure period” as defined in Section 54A(d)(2)(B)(ii) of the Code or, upon the extension of such “expenditure period” pursuant to Section 54A(d)(2)(B)(iii) of the Code, the last day of the “expenditure period” as so extended.

“Extraordinary Event” means a change to Section 54A, Section 54D or Section 6431 of the Code, or to any guidance published by the IRS or the United States Department of the Treasury with respect to such sections or any other determination by the IRS or the United States Department of the Treasury, pursuant to which the District’s cash subsidy payment from the United States Department of the Treasury with respect to interest paid on the 2016 Bonds is reduced or eliminated and which is not the result of any act or omission by the District to satisfy the requirements to qualify to receive the cash subsidy payment.

“IRS” means the Internal Revenue Service of the United States Department of the Treasury.

“Make Whole Redemption Price” means a redemption price equal to the greater of: (A) the principal amount of the 2016 Bonds to be redeemed, or (B) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date on the 2016 Bonds to be redeemed, not including any portion of those

payments of interest accrued and unpaid as of the date such 2016 Bonds are to be redeemed, discounted to the date of redemption of the 2016 Bonds to be redeemed on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate.

“MSRB” means the Municipal Securities Rulemaking Board.

“Project” has the meaning ascribed to that term in Section 1 of this ordinance.

“Qualified Project Costs” means the cost of acquisition, construction and equipping of the Project, including the costs of issuance of the 2016 Bonds, interest during construction, the cost of engineering and legal expenses, plans, specifications, other expenses necessary or incident to constructing any portion of the Project and such other costs, expenses and funding as may be necessary or incident to the construction of the Project, all to the extent, but only to the extent, such costs may be funded with the proceeds of Qualified Energy Conservation Bonds under Section 54A and Section 54D of the Code.

“Qualified Energy Conservation Bonds” means any “qualified energy conservation bond” as defined in Section 54D(a) of the Code.

“Treasury Rate” means, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available four business days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the bonds to be redeemed;

provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

“2016 Bonds” means the \$4,000,000 principal amount of limited tax general obligation bonds of the District authorized by Section 5 of this ordinance.

Section 4. Approval of Financing Plan. The District hereby determines to proceed with the financing of the Qualified Project Costs by the issuance and sale of the 2016 Bonds. The 2016 Bonds shall be sold pursuant to a negotiated sale to the following underwriters (collectively, the “Underwriters”): Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Senior Managing Underwriter and Book-runner; Siebert Brandford Shank & Co., L.L.C, as Co-Senior Managing Underwriter; and Citigroup Global Markets Inc.; J.P. Morgan Securities LLC; Loop Capital Markets, LLC; North South Capital LLC; and The Williams Capital Group, L.P. as Co-Managing Underwriters.

In order to accommodate current market practices and the provisions of the Code and to provide the opportunity to sell the 2016 Bonds under the most favorable terms, the Board of Commissioners appoints (i) the President of the Board of Commissioners, the Vice-President of the Board of Commissioners and the Chairman of the Committee on Finance of the Board of Commissioners (the “Elected Officers”) and (ii) the Executive Director of the District and the Treasurer of the District (the “Appointed Officers” and together with the Elected Officers, the “Designated Officers”) and hereby delegates to the Designated Officers the authority to sell the 2016 Bonds to the Underwriters, to sign a bond purchase agreement with respect to the 2016 Bonds and to determine certain details of the 2016 Bonds. All determinations delegated to the Designated Officers

pursuant to this ordinance shall be made by the Designated Officers by the execution of the Bond Order signed by one of the Elected Officers and one of the Appointed Officers. The delegated authority granted pursuant to this Section shall expire on September 30, 2016.

Section 5. Authorization and Terms of 2016 Bonds. The sum of \$4,000,000 is appropriated to meet part of the Qualified Project Costs, including capitalized interest on the 2016 Bonds for the period permitted by the Code, the costs of issuance of the 2016 Bonds, and any municipal bond insurance premium with respect to the 2016 Bonds. For the purpose of financing said appropriation, the 2016 Bonds are authorized to be issued in one series and sold in an aggregate principal amount of not to exceed \$4,000,000. The 2016 Bonds are authorized, and shall be issued, as general obligation bonds of the District pursuant to the provisions of Section 9.6a of the Metropolitan Water Reclamation District Act and as “limited bonds” pursuant to Section 15.01 of the Local Government Debt Reform Act.

The 2016 Bonds shall be issued in such principal amount as shall be determined in the Bond Order and shall be designated “General Obligation Limited Tax Capital Improvement Bonds (Qualified Energy Conservation Bonds)” and shall include additional designations to distinguish the 2016 Bonds.

The 2016 Bonds shall be issuable in the denominations of \$5,000 or any integral multiple thereof and may bear such identifying numbers or letters as shall be useful to facilitate the registration, transfer and exchange of the 2016 Bonds. Each 2016 Bond delivered upon the original issuance of the 2016 Bonds shall be dated as of the date specified in the Bond Order. Each 2016 Bond thereafter issued upon any transfer,

exchange or replacement of 2016 Bonds shall be dated so that no gain or loss of interest shall result from such transfer, exchange or replacement.

The 2016 Bonds shall mature, and 2016 Bonds of certain maturities may be subject to mandatory sinking fund redemption, on December 1 in such years and in such principal amounts as shall be specified in the Bond Order, provided that no 2016 Bond shall mature later than December 1, 2045.

Each 2016 Bond shall bear interest from its date, computed on the basis of a 360 day year consisting of twelve 30 day months and payable in lawful money of the United States of America on an initial interest payment date of December 1, 2016 or June 1, 2017 (as determined in the Bond Order) and semiannually thereafter on each June 1 and December 1 at the rates per annum as shall be specified in the applicable Bond Order, provided that no 2016 Bond shall bear interest at a rate exceeding 6.00% per annum.

Prior to the issuance of any of the 2016 Bonds, the Treasurer of the District shall appoint a bank, trust company or national banking association to act as bond registrar and paying agent for the 2016 Bonds. The principal of and premium, if any, on the 2016 Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof at the designated corporate trust office of the bond registrar and paying agent. Interest on the 2016 Bonds shall be payable on each interest payment date to the registered owners of record thereof appearing on the registration books maintained by the District for such purpose at the corporate trust office of the bond registrar, as of the close of business on the 15th day of the calendar month next preceding the applicable interest payment date. Interest on the 2016 Bonds

shall be paid by check or draft mailed to such registered owners at their addresses appearing on the registration books or by wire transfer pursuant to an agreement by and between the District and the registered owner.

The 2016 Bonds may be subject to redemption prior to maturity at the option of the District, as determined in the Bond Order, and upon notice as herein provided, in such principal amounts and from such maturities as the District shall determine as set forth in the Bond Order. Any optional redemption shall be at redemption prices that (a) may be the Make Whole Redemption Price plus an additional amount of basis points (not exceeding 100 basis points) as determined in the Bond Order or (b) may include a redemption premium for each 2016 Bond to be redeemed expressed as a percentage, not exceeding 3% of the principal amount to be redeemed.

All 2016 Bonds subject to mandatory sinking fund redemption shall be redeemed at a redemption price equal to the principal amount thereof to be redeemed. The bond registrar is hereby authorized and directed to mail notice of the mandatory sinking fund redemption of the 2016 Bonds in the manner herein provided.

Whenever 2016 Bonds subject to mandatory sinking fund redemption are redeemed at the option of the District, the principal amount thereof so redeemed shall be credited against the unsatisfied balance of future sinking fund installments or final maturity amount established with respect to such 2016 Bonds, in such amounts and against such installments or final maturity amount as shall be determined by the District in the proceedings authorizing such optional redemption or, in the absence of such determination, shall be credited pro-rata against the unsatisfied balance of the applicable sinking fund installments and final maturity amount.

On or prior to the 60th day preceding any sinking fund installment date, the District may purchase 2016 Bonds, which are subject to mandatory redemption on such sinking fund installment date, at such prices (not exceeding par plus accrued interest) as the District shall determine. Any 2016 Bond so purchased shall be cancelled and the principal amount thereof so purchased shall be credited against the unsatisfied balance of the next ensuing sinking fund installment of the 2016 Bonds of the same maturity and interest rate as the 2016 Bond so purchased.

Unless otherwise determined in the Bond Order, in the event of the redemption of less than all the 2016 Bonds of like maturity and interest rate, the aggregate principal amount thereof to be redeemed shall be \$5,000 or an integral multiple thereof and the bond registrar shall assign to each 2016 Bond of such maturity a distinctive number for each \$5,000 principal amount of such 2016 Bond and shall select by lot from the numbers so assigned as many numbers as, at \$5,000 for each number, shall equal the principal amount of such 2016 Bonds to be redeemed. The 2016 Bonds to be redeemed shall be the 2016 Bonds to which were assigned numbers so selected; provided that only so much of the principal amount of each 2016 Bond shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected.

Notice of the redemption of 2016 Bonds shall be mailed not less than 30 days nor more than 60 days prior to the date fixed for such redemption to the registered owners of 2016 Bonds to be redeemed at their last addresses appearing on said registration books. The 2016 Bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the

redemption price of all the 2016 Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, and if notice of redemption shall have been mailed as aforesaid (and notwithstanding any defect therein or the lack of actual receipt thereof by any registered owner) then from and after the redemption date interest on such 2016 Bonds or portions thereof shall cease to accrue and become payable. If there shall be drawn for redemption less than all of a 2016 Bond, the District shall execute and the bond registrar shall authenticate and deliver, upon surrender of such 2016 Bond, without charge to the owner thereof, in exchange for the unredeemed balance of the 2016 Bond so surrendered, 2016 Bonds of like maturity and interest rate and of the denomination of \$5,000 or any integral multiple thereof.

The bond registrar shall not be required to transfer or exchange any 2016 Bond after notice of the redemption of all or a portion thereof has been mailed. The bond registrar shall not be required to transfer or exchange any 2016 Bond during a period of 15 days next preceding the mailing of a notice of redemption that could designate for redemption all or a portion of such 2016 Bond.

Section 6. Extraordinary Redemptions. The 2016 Bonds shall be subject to extraordinary mandatory redemption within 90 days after the Expenditure Termination Date, as a whole, or in part by lot, at the redemption price of par and in a principal amount equal to the sum of (i) the unexpended Available Project Proceeds as of the Expenditure Termination Date and (ii) such additional amount so that the aggregate principal amount of the 2016 Bonds to be redeemed is \$5,000 or an integral multiple of \$5,000. The District shall select the date of redemption, which date shall be within 90

days after the Expenditure Termination Date. If the Expenditure Termination Date is extended to a date later than the third anniversary of the date of issuance of the 2016 Bonds, then the District shall file with the MSRB for disclosure on EMMA, a notice of the new Expenditure Termination Date.

If so determined in the Bond Order, the 2016 Bonds shall be subject to extraordinary redemption at the option of the District and upon notice as herein provided, as a whole, or in part by lot, on any date on or after the occurrence of an Extraordinary Event at either (as determined in the Bond Order) (a) a redemption price not exceeding 103% of par value or (b) the Make Whole Redemption Price plus an additional amount of basis points (not exceeding 100 basis points) as determined in the Bond Order. The Make Whole Redemption Price shall be determined by the District as of the fifth business day next preceding the redemption date of the 2016 Bonds.

Section 7. Approval of Documents. In connection with the sale of the 2016 Bonds, the Designated Officers are authorized and directed to execute and deliver a Bond Purchase Agreement by and between the District and the Underwriters in substantially the form of prior Bond Purchase Agreements executed and delivered on behalf of the District in connection with prior sales of the District's bonds, with such changes and completions as may be approved by the Designated Officers, subject to the limitations of this ordinance. The execution and delivery of the Bond Purchase Agreement shall constitute conclusive evidence of the approval of such changes and completions.

The Treasurer is authorized to approve a Preliminary Official Statement of the District with respect to the 2016 Bonds, in substantially the form of the Preliminary

Official Statements of the District distributed in connection with prior sales of the District's bonds, with such changes, omissions, insertions and revisions as the Treasurer shall deem advisable. The distribution of the Preliminary Official Statement to prospective purchasers and the use thereof by the Underwriters in connection with the offering of the 2016 Bonds is authorized and approved. Any of the Designated Officers may take such actions as may be required so that the Official Statement with respect to 2016 Bonds will be "deemed final" as of its date for purposes of Securities and Exchange Commission Rule 15c2-12 promulgated under the Securities Exchange Act of 1934. The Treasurer is authorized to permit the distribution of the final Official Statement with such changes, omissions, insertions and revisions as she shall deem advisable.

The District shall enter into a Continuing Disclosure Undertaking for the benefit of the beneficial owners of the 2016 Bonds and in order to assist participating underwriters of the 2016 Bonds and brokers, dealers and municipal securities dealers in complying with Securities and Exchange Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934. The form of Continuing Disclosure Undertaking with respect to the 2016 Bonds, shall be in substantially the same form as the Continuing Disclosure Undertakings entered into by the District with respect to previously issued bonds of the District. Any of the Designated Officers is authorized and directed to execute and deliver a Continuing Disclosure Undertaking with such changes and completions as may be approved by said officials. The execution and delivery of any Continuing Disclosure Undertaking shall constitute conclusive evidence of the approval of such changes and completions.

Each of the documents approved by this Section may be executed in one or more counterparts. The corporate seal of the District, or a facsimile thereof may, if required, be affixed or otherwise reproduced upon each document and attested by the manual or authorized facsimile signature of the Clerk.

Section 8. Bond Insurance. Authority is hereby delegated to the Treasurer, at her option, to obtain from a municipal bond insurer (the “Bond Insurer”) a policy of municipal bond insurance insuring the payment of the principal of and interest on any of the 2016 Bonds.

Section 9. Sale and Delivery of 2016 Bonds. (A) Subject to the limitations contained in this ordinance, authority is delegated to the Designated Officers to sell the 2016 Bonds to the Underwriters, provided that (a) the underwriting discount of the Underwriters (exclusive of syndicate expenses and Underwriters’ counsel fees) shall not exceed an amount equal to \$0.50 per \$1,000 of the principal amount of the 2016 Bonds; (b) the sum of the principal of and interest on the 2016 Bonds payable in each debt service year and the Annual Sinking Fund Payment for such debt service year shall not be greater than the debt service taxes levied for the applicable tax levy year pursuant to Section 14 of this ordinance, provided that for this purpose interest shall not include any interest that is to be paid from moneys deposited, on the date of issuance of the 2016 Bonds, into the 2016 QECB Debt Service Fund established by Section 16 of this ordinance; (c) the purchase price of the 2016 Bonds is not less than 97% of the principal amount of the 2016 Bonds; and (d) the District obtains a letter, report or certificate signed by the District’s independent financial advisors, stating that the terms

of the 2016 Bonds to be sold are reasonable in light of current conditions in the market for tax credit obligations, such as the 2016 Bonds.

(B) As used in paragraph (A) of this Section, the term “debt service year” means the year following the applicable tax levy year.

(C) The sale and award of the 2016 Bonds shall be evidenced by the Bond Order. An executed counterpart of the Bond Order shall be filed in the office of the Clerk and entered in the records of the District.

(D) The Designated Officers, the Clerk and the other officials of the District are authorized and directed to do and perform, or cause to be done or performed for or on behalf of the District each and every thing necessary for the issuance of the 2016 Bonds, including the proper execution and delivery of the 2016 Bonds, the Bond Purchase Agreement, the Continuing Disclosure Undertaking and the Official Statement.

Section 10. Execution and Authentication. Each 2016 Bond shall be executed in the name of the District by the manual or authorized facsimile signature of its President and shall be countersigned by the manual or authorized facsimile signature of its Treasurer. The corporate seal of the District, or a facsimile thereof, shall be thereunto affixed or otherwise reproduced upon each 2016 Bond and attested by the manual or authorized facsimile signature of the Clerk.

In case any officer whose signature, or a facsimile of whose signature, shall appear on any 2016 Bond shall cease to hold such office before the issuance of the 2016 Bond, such 2016 Bond shall nevertheless be valid and sufficient for all purposes, the same as if the person whose signature, or a facsimile thereof, appears on such

2016 Bond had not ceased to hold such office. Any 2016 Bond may be signed, countersigned, sealed or attested on behalf of the District by any person who, on the date of such act, shall hold the proper office, notwithstanding that at the date of such 2016 Bond such person may not have held such office. No recourse shall be had for the payment of any 2016 Bonds against any officer who executes the 2016 Bonds.

Each 2016 Bond shall bear thereon a certificate of authentication executed manually by the bond registrar. No 2016 Bond shall be entitled to any right or benefit under the Authorizing Ordinance or this ordinance or shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the bond registrar.

Section 11. Transfer, Exchange and Registry. The 2016 Bonds shall be negotiable, subject to the provisions for registration of transfer contained herein. Each 2016 Bond shall be transferable only upon the registration books maintained by the District for that purpose at the corporate trust office of the bond registrar, by the registered owner thereof in person or by the registered owner's attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the bond registrar and duly executed by the registered owner or the registered owner's duly authorized attorney. Upon the surrender for transfer of any such 2016 Bond, the District shall execute and the bond registrar shall authenticate and deliver a new 2016 Bond or 2016 Bonds registered in the name of the transferee, of the same aggregate principal amount, maturity and interest rate as the surrendered 2016 Bond. 2016 Bonds, upon surrender thereof at the corporate trust office of the bond registrar, with a written instrument satisfactory to the bond registrar, duly executed by

the registered owner or his attorney duly authorized in writing, may be exchanged for an equal aggregate principal amount of 2016 Bonds of the same maturity and interest rate and of the denominations of \$5,000 or any integral multiple thereof.

For every such exchange or registration of transfer of 2016 Bonds, the District or the bond registrar may make a charge sufficient for the reimbursement of any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. No other charge shall be made for the privilege of making such transfer or exchange. The provisions of the Illinois Bond Replacement Act shall govern the replacement of lost, destroyed or defaced 2016 Bonds.

The District and the bond registrar may deem and treat the person in whose name any 2016 Bond shall be registered upon the registration books as the absolute owner of such 2016 Bond, whether such 2016 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of, redemption premium, if any, or interest thereon and for all other purposes whatsoever, and all such payments so made to any such registered owner or upon the order of such registered owner shall be valid and effectual to satisfy and discharge the liability upon such 2016 Bond to the extent of the sum or sums so paid, and neither the District nor the bond registrar shall be affected by any notice to the contrary.

Section 12. Security for Limited Bonds. The 2016 Bonds are issued as “limited bonds” as defined in Section 3 of the Local Government Debt Reform Act. The 2016 Bonds are payable from the District's “Debt Service Extension Base,” as defined in

the Property Tax Extension Limitation Law. The District covenants that it will not issue any bonds, notes or other obligations if the issuance thereof would cause the anticipated tax extension for any tax levy year for limited bonds of the District to exceed the then current Debt Service Extension Base of the District less the amount in items (b), (c) and (e) of the applicable definition of "aggregate extension" contained in the Property Tax Extension Limitation Law, for non-referendum obligations, except obligations initially issued pursuant to referendum and bonds issued by the District under the Metropolitan Water Reclamation District Act to finance construction projects initiated before October 1, 1991.

The full faith and credit of the District are hereby irrevocably pledged to the punctual payment of the principal of and interest on the 2016 Bonds. The 2016 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 in the District for the payment of the 2016 Bonds and the interest thereon, without limitation as to rate, but limited in amount by provisions of the Property Tax Extension Limitation Law.

Section 13. Form of 2016 Bonds. The 2016 Bonds shall be issued as fully registered bonds and shall be in substantially the following form, the blanks to be appropriately completed when the 2016 Bonds are printed:

No. _____

United States of America
State of Illinois
County of Cook
METROPOLITAN WATER RECLAMATION DISTRICT OF GREATER CHICAGO
GENERAL OBLIGATION LIMITED TAX CAPITAL IMPROVEMENT BOND,
(QUALIFIED ENERGY CONSERVATION BONDS – DIRECT PAYMENT)
2016 TAXABLE SERIES _

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP</u>
. %	December 1, 20__	_____, 2016	_____

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT:

The METROPOLITAN WATER RECLAMATION DISTRICT OF GREATER CHICAGO, a sanitary district and a body politic and corporate of the State of Illinois organized and existing under the Metropolitan Water Reclamation District Act, acknowledges itself indebted and for value received hereby promises to pay to the registered owner of this bond, or registered assigns, the principal amount specified above on the maturity date specified above, and to pay interest on such principal amount from the date hereof at the interest rate per annum specified above, computed on the basis of a 360 day year consisting of twelve 30 day months and payable in lawful money of the United States of America on _____ 1, 201__ and semiannually thereafter on June 1 and December 1 in each year until the principal amount shall have been paid, to the registered owner of record hereof as of the 15th day of the calendar month next preceding such interest payment date, by wire transfer pursuant to an agreement by and between the District and the registered owner, or otherwise by check or draft mailed to the registered owner at the address of such owner appearing on the registration books maintained by the District for such purpose at the corporate trust

office of _____, in the City of Chicago, Illinois, as bond registrar or its successor (the "Bond Registrar"). This bond, as to principal and premium, if any, when due, will be payable in lawful money of the United States of America upon presentation and surrender of this bond at the corporate trust office of the Bond Registrar. The full faith and credit of the District are irrevocably pledged for the punctual payment of the principal of and interest on this bond according to its terms.

This bond is one of the series of bonds issued in the aggregate principal amount of \$_____, which are authorized and issued under and pursuant to the Metropolitan Water Reclamation District Act, 70 Illinois Compiled Statutes 2605, and the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350, and under and in accordance with an ordinance adopted by the Board of Commissioners of the District on April 7, 2016, and entitled: "An Ordinance Authorizing and Providing For the Issuance of Not to Exceed \$4,000,000 General Obligation Limited Tax Qualified Energy Conservation Bonds of the Metropolitan Water Reclamation District of Greater Chicago" (the "Ordinance").

This bond is a "limited bond" as defined in the Local Government Debt Reform Act and is payable from the debt service extension base of the District as defined in the Property Tax Extension Limitation Law, 35 Illinois Compiled Statutes 200/18-185 through 18-245.

The bonds of such series maturing on or after December 1, 20__ are subject to redemption prior to maturity at the option of the District and upon notice as herein provided, in such principal amounts and from such maturities as the District shall determine and by lot within a single maturity, on _____, 20__ and on any

date thereafter, at a redemption price equal to the principal amount thereof to be redeemed plus, if such bond is to be redeemed during any period (both dates inclusive) shown in the following table, the applicable redemption premium, expressed as a percentage of such principal amount, set forth opposite such period:

<u>Redemption Period</u>	<u>Redemption Premium</u>
	%

The bonds of such series maturing in the years 20___, 20__ and 20__ (the “Term Bonds”) are subject to mandatory redemption, in part and by lot, on December 1 of the years and in the respective principal amounts set forth in the following tables, by the application of sinking fund installments, at a redemption price equal to the principal amount thereof to be redeemed:

<u>20___ Term Bonds</u>		<u>20___ Term Bonds</u>		<u>20___ Term Bonds</u>	
<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
20__	\$,000	20__	\$,000	20__	\$,000
20__	,000	20__	,000	20__	,000
20__	,000	20__	,000	20__	,000

The bonds of such series are subject to extraordinary mandatory redemption on any date on or after _____, 2019, as a whole, or in part by lot, at the redemption price equal to the principal amount of the bonds to be redeemed from unexpended proceeds of the bonds of such series and in accordance with the provisions of the Bond Ordinance.

The bonds of such series are subject to redemption prior to maturity at the option of the District, as a whole, or in part by lot, on any date on or after the date that a

change has occurred to Section 54A, Section 54D or Section 6431 of the Internal Revenue Code of 1986, or to any guidance published by the Internal Revenue Service or the United States Department of the Treasury with respect to such sections or any other determination by the Internal Revenue Service or the United States Department of the Treasury, pursuant to which the District's cash subsidy payment from the United States Department of the Treasury with respect to interest paid on the bonds of such series is reduced or eliminated and which is not the result of any act or omission by the District to satisfy the requirements to qualify to receive the cash subsidy payment, at a redemption price equal to the greater of (A) the principal amount of the bonds to be redeemed, and (B) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the bonds are to be redeemed, discounted to the date of redemption of the bonds to be redeemed on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (the "Make Whole Redemption Price"), plus ____ basis points; plus, in each case, accrued interest on the bonds to be redeemed to the redemption date.

The bonds of such series are subject to redemption prior to maturity at the option of the District, as a whole, or in part by lot, on any date at a redemption price equal to [_____%] [the Make Whole Redemption Price, plus ____ basis points; plus in each case, accrued interest on the bonds to be redeemed to the redemption date].

"Treasury Rate" means, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as

compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available four business days prior to the redemption date (excluding inflation-indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the bonds to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

Notice of the redemption of bonds will be mailed not less than 30 days nor more than 60 days prior to the date fixed for such redemption to the registered owners of bonds to be redeemed at their last addresses appearing on such registration books. The bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the redemption price of all the bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, and if notice of redemption shall have been mailed as aforesaid (and notwithstanding any defect therein or the lack of actual receipt thereof by any registered owner) then from and after the redemption date interest on such bonds or portions thereof shall cease to accrue and become payable.

This bond is transferable only upon such registration books by the registered owner hereof in person, or by the registered owner's attorney duly authorized in writing, upon surrender hereof at the corporate trust office of the Bond Registrar together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the

registered owner or by the registered owner's duly authorized attorney, and thereupon a new registered bond or bonds, in the authorized denominations of \$5,000 or any integral multiple thereof and of the same aggregate principal amount, maturity and interest rate as this bond shall be issued to the transferee in exchange therefor. In like manner, this bond may be exchanged for an equal aggregate principal amount of bonds of the same maturity and interest rate and of any of such authorized denominations. The District or the Bond Registrar may make a charge sufficient for the reimbursement of any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange of this bond. No other charge shall be made for the privilege of making such transfer or exchange. The District and the Bond Registrar may treat and consider the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal and interest due hereon and for all other purposes whatsoever.

This bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been duly executed by the Bond Registrar.

It is hereby certified, recited and declared that this bond is issued in part pursuant to the Local Government Debt Reform Act, that all acts, conditions and things required to be done, exist and be performed precedent to and in the issuance of this bond in order to make it a legal, valid and binding obligation of the District have been done, exist and have been performed in regular and due time, form and manner as required by law, and that the series of bonds of which this bond is one, together with all other indebtedness of the District, is within every debt or other limit prescribed by law.

IN WITNESS WHEREOF, the Metropolitan Water Reclamation District of Greater Chicago has caused this bond to be executed in its name and on its behalf by the manual or facsimile signature of its President, to be countersigned by the manual or facsimile signature of its Treasurer, and its corporate seal, or a facsimile thereof, to be hereunto affixed or otherwise reproduced hereon and attested by the manual or facsimile signature of its Clerk.

Dated: _____

METROPOLITAN WATER RECLAMATION
DISTRICT OF GREATER CHICAGO

President

Countersigned:

Treasurer

Attest:

Clerk

CERTIFICATE OF AUTHENTICATION

This bond is one of the General Obligation Limited Tax Capital Improvement Bonds (Qualified Energy Conservation Bonds – Direct Payment), 2016 Taxable Series _____, described in the within mentioned Ordinance.

_____,
as Bond Registrar

By _____
Authorized Signer

ASSIGNMENT

For value received the undersigned sells, assigns and transfers unto _____

the within bond and hereby irrevocably constitutes and appoints _____

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

Dated _____

Signature Guarantee:

Section 14. Levy and Extension of Taxes. (A) For the purpose of providing the money required to pay the interest on the 2016 Bonds when and as the same falls due and to pay and discharge the principal (including mandatory sinking fund installments) thereof as the same shall mature and to fund Annual Sinking Fund Payments, there is hereby levied upon all the taxable property in the District, in each year while any of the 2016 Bonds shall be outstanding, a direct annual tax sufficient for that purpose in addition to all other taxes, as follows:

<u>Tax Levy Year</u>	<u>A Tax Sufficient to Produce</u>
2016	\$ 286,800
2017	286,800
2018	286,800
2019	286,800
2020	286,800
2021	286,800
2022	286,800
2023	286,800
2024	286,800
2025	4,286,800
2026	4,286,800
2027	4,286,800
2028	4,286,800
2029	4,286,800
2030	4,286,800
2031	4,286,800
2032	4,286,800
2033	4,286,800
2034	4,286,800
2035	4,286,800
2036	4,286,800
2037	4,286,800
2038	4,286,800
2039	4,286,800
2040	4,286,800
2041	4,286,800
2042	4,286,800
2043	4,286,800
2044	4,286,800

(B) Interest or principal coming due at any time when there shall be insufficient funds on hand to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of the taxes herein levied; and when said taxes shall have been collected, reimbursement shall be made to the said funds in the amounts thus advanced.

(C) After the sale of the 2016 Bonds and the execution of the Bond Order, an executed copy of the Bond Order and a copy of this ordinance certified by the Clerk, which certificate shall recite that this ordinance has been duly adopted, shall be filed with the County Clerk of Cook County, Illinois, who is hereby directed to ascertain the rate per cent required to produce the aggregate tax hereinbefore provided to be levied in the years 2016 to 2044, inclusive, and subject to adjustment as provided in paragraph (D) of this Section to extend the same for collection on the tax books in connection with other taxes levied in said years, in and by the District for general corporate purposes of the District, and in said years such annual tax shall be levied and collected in like manner as taxes for general corporate purposes for said years are levied and collected, without limit as to rate, but limited as to amount by the provisions of the Property Tax Extension Limitation Law, and, when collected, the moneys received by the District from such taxes (the "Debt Service Tax Receipts") shall be used for the purpose of paying the principal of and interest on the 2016 Bonds as the same become due and payable.

(D) In the event that 2016 Bonds are to be issued in principal amounts and bearing interest such that for any tax levy year an amount less than that set forth in paragraph (A) of this Section is required to be produced to pay when due the principal of and interest on the 2016 Bonds, then the Treasurer is authorized and directed to file

with the aforesaid County Clerk, a direction for abatement of taxes specifying the exact amount of taxes to be levied to produce the required amounts for each of the various tax levy years.

(E) After the issuance of the 2016 Bonds, the District shall not abate the debt service taxes levied pursuant to this Section or take any action to restrict the extension and collection of those taxes except that the District may abate any such debt service taxes for any tax levy year to the extent that, at the time of such abatement, moneys then held in the 2016 QECB Debt Service Fund established by this ordinance, or otherwise held in trust for the payment of debt service on the 2016 Bonds, together with the amount to be extended for collection taking into account the proposed abatement, will be sufficient to provide for the punctual payment of the principal of and interest on the 2016 Bonds otherwise payable from the debt service taxes levied for such tax levy year.

Section 15. Application of Proceeds. The proceeds of sale of the 2016 Bonds shall be applied as follows:

1. To any Bond Insurer of 2016 Bonds, the applicable premium for the municipal bond insurance policy.
2. To the Capitalized Interest Account of the 2016 QECB Debt Service Fund established by this ordinance, the amount (if any) allocated to capitalize interest on the 2016 Bonds as determined by the Treasurer.
3. To the 2016 QECB Bond Proceeds Fund established by this ordinance, the amount of such proceeds of sale remaining after making the foregoing payment (if any) and deposit.

Section 16. Debt Service Fund. The Debt Service Tax Receipts, and all other moneys to be used for the payment of the principal of and interest on the 2016 Bonds, exclusive of taxes levied to satisfy Annual Sinking Fund Payments, shall be deposited in the “2016 QECB Debt Service Fund”, which is hereby established as a special fund of the District and shall be administered as a bona fide debt service fund under the Code.

If so determined in the Bond Order, the Capitalized Interest Account shall be established as an account within the 2016 QECB Debt Service Fund. Moneys in the Capitalized Interest Account are pledged as security for the payment of the 2016 Bonds. At the direction of the Treasurer of the District moneys in the Capitalized Interest Account shall be used for the payment of interest on the 2016 Bonds.

Section 17. Sinking Fund. (A) If so determined in the Bond Order, the “2016 QECB Sinking Fund” shall be established as a special fund of the District. All tax receipts derived from taxes levied pursuant to Paragraph (B) of Section 10 to satisfy Annual Sinking Fund Payments shall be deposited into the 2016 QECB Sinking Fund. On December 1 of each of the years specified in the Bond Order, the District shall deposit into the 2016 QECB Sinking Fund the Annual Sinking Fund Payment for that year set forth in the Bond Order, subject to adjustment as provided in Paragraph (B) of this Section, constituting mandatory Annual Sinking Fund Payments for the retirement at maturity of the 2016 Bonds.

(B) If 2016 Bonds are redeemed prior to maturity, then the Annual Sinking Fund Payment for each year shall be reduced as directed by the District in accordance with Section 54(d)(4)(C) of the Code, or, in the absence of such direction, by the amount obtained by multiplying the Annual Sinking Fund Payment set forth for such

year in the Bond Order by a fraction the numerator of which is the principal amount of 2016 Bonds redeemed pursuant to such redemption and the denominator of which is the principal amount of 2016 Bonds outstanding as of the time immediately prior to such redemption.

(C) The District shall make the scheduled annual deposits to the 2016 QECB Sinking Fund in accordance with Paragraphs (A) and (B) of this Section whenever the aggregate amount held in the 2016 QECB Sinking Fund is less than the principal amount of outstanding 2016 Bonds. The District shall suspend such deposits whenever the sum of the cash and the maturity value of the investment securities held in the 2016 QECB Sinking Fund equals or exceeds the principal amount of outstanding 2016 Bonds.

(D) The moneys in the 2016 QECB Sinking Fund shall be used for the payment of the principal of the 2016 Bonds at maturity. If on any date the sum held in the 2016 QECB Sinking Fund exceeds the principal amount of the outstanding 2016 Bonds, then the amount of such excess, may be withdrawn from the 2016 QECB Sinking Fund. If on any interest payment date or redemption date of the 2016 Bonds, the amount held in the 2016 QECB Debt Service Fund is not sufficient to pay the interest on the 2016 Bonds payable on such date, the District shall withdraw from the 2016 QECB Sinking Fund and deposit into the 2016 QECB Debt Service Fund a sum sufficient to cure such deficiency.

(E) No later than March 1st of each year, the amount of the Annual Sinking Fund Excess for that year shall be withdrawn from the 2016 QECB Sinking Fund and

deposited into such Fund or Funds of the District as shall be designated by the District Treasurer.

(F) Any investment of moneys in the 2016 QECB Sinking Fund is subject to the investment yield limitation determined in accordance with Section 54A(d)(4)(C) and Section 54A(d)(5)(B) of the Code.

Section 18. Pledge Securing 2016 Bonds. The moneys deposited or to be deposited into the 2016 QECB Debt Service Fund and the 2016 QECB Sinking Fund, including the Debt Service Tax Receipts, are pledged as security for the payment of the principal of and interest on the 2016 Bonds. The pledge is made pursuant to Section 13 of the Local Government Debt Reform Act and shall be valid and binding from the date of issuance of the 2016 Bonds. All such Debt Service Tax Receipts and the moneys held in the 2016 QECB Debt Service Fund and the 2016 QECB Sinking Fund shall immediately be subject to the lien of such pledge without any physical delivery or further act and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the District irrespective of whether such parties have notice thereof.

Section 19. Bond Proceeds Fund. The “2016 QECB Bond Proceeds Fund”, which is hereby established as a special fund of the District. Moneys in the 2016 QECB Bond Proceeds Fund shall be used for the payment of Qualified Project Costs of the Project and for the payment of costs of issuance of the 2016 Bonds. On the Expenditure Termination Date, any amount then held in the 2016 QECB Bond Proceeds Fund shall be withdrawn and deposited into the 2016 QECB Redemption Fund established by Section 20 of this ordinance.

Section 20. Redemption Fund. The “2016 QECB Redemption Fund” is hereby established as a special fund of the District. Moneys in the 2016 QECB Redemption Fund shall be applied by the District for the redemption of 2016 Bonds in accordance with the provisions of Section 54A(d)(2)(B) of the Code. Within ten days following the Expenditure Termination Date, the District shall establish the redemption date (which redemption date shall be within 90 days after the Expenditure Termination Date) for the 2016 Bonds to be redeemed in satisfaction of the requirements of Section 54A(d)(2)(B) of the Code.

Section 21. Investment Regulations. No investment shall be made of any moneys in the 2016 QECB Tax Debt Service Fund, the 2016 QECB Sinking Fund, the 2016 QECB Redemption Fund or the 2016 QECB Tax Bond Proceeds Fund except in accordance with the tax covenants set forth in Section 22 of this ordinance. All income derived from such investments in respect of moneys or securities in any Fund shall be credited in each case to the Fund in which such moneys or securities are held.

Any moneys in any Fund that are subject to investment yield restrictions may be invested in United States Treasury Securities, State and Local Government Series, pursuant to the regulations of the United States Treasury Department, Bureau of Public Debt, or in any tax-exempt bond that is not an “investment property” within the meaning of Section 148(b)(2) of the Code. The Treasurer and agents designated by her are hereby authorized to submit, on behalf of the District, subscriptions for such United States Treasury Securities and to request redemption of such United States Treasury Securities.

Section 22. Tax Covenants. The District shall not permit any of the proceeds of the 2016 Bonds, or any facilities financed with such proceeds, to be used in any manner that would cause any 2016 Bond to constitute a “private activity bond” within the meaning of Section 141 of the Code.

The District shall not permit any of the proceeds of the 2016 Bonds or other moneys to be invested in any manner that would cause any 2016 Bond to constitute an “arbitrage bond” within the meaning of Section 148 of the Code or a “hedge bond” within the meaning of Section 149(g) of the Code.

Section 23. Qualified Energy Conservation Bond Elections. Prior to the issuance of the 2016 Bonds, the Illinois Finance Authority will have allocated to the District the authority to issue up to \$4,000,000 face amount of Qualified Energy Conservation Bonds. Pursuant to Section 54D(a)(3) of the Code, the District designates the 2016 Bonds as “qualified energy conservation bonds” under Section 54D of the Code. The District irrevocably elects to have Section 6431(f) of the Code apply to the 2016 Bonds and for each 2016 Bond to be a “specified tax credit bond” under Section 6431(f)(3) of the Code. Any bond subsidy payment received by the District as a result of the foregoing elections is not pledged as security for the payment of the principal of and interest on the 2016 Bonds.

Section 24. Bond Registrar. The District covenants that it shall at all times retain a bond registrar with respect to the 2016 Bonds, that it will maintain at the designated office of such bond registrar a place where 2016 Bonds may be presented for payment and registration of transfer or exchange and that it shall require that the bond registrar maintain proper registration books and perform the other duties and

obligations imposed upon the bond registrar by this ordinance in a manner consistent with the standards, customs and practices of the municipal securities business.

The bond registrar shall signify its acceptance of the duties and obligations imposed upon it by this ordinance by executing the certificate of authentication on any 2016 Bond, and by such execution the bond registrar shall be deemed to have certified to the District that it has all requisite power to accept, and has accepted such duties and obligations not only with respect to the 2016 Bond so authenticated but with respect to all the 2016 Bonds. The bond registrar is the agent of the District and shall not be liable in connection with the performance of its duties except for its own negligence or default. The bond registrar shall, however, be responsible for any representation in its certificate of authentication on the 2016 Bonds.

The District may remove the bond registrar at any time. In the event that the bond registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the bond registrar, or of its property, shall be appointed, or if any public officer shall take charge or control of the bond registrar or of its property or affairs, the District covenants and agrees that it will thereupon appoint a successor bond registrar. The District shall mail notice of any such appointment made by it to each registered owner of 2016 Bonds within twenty days after such appointment.

Section 25. Book-Entry System. In order to provide for the initial issuance of the 2016 Bonds in a form that provides for a system of book-entry only transfers, the ownership of one fully registered 2016 Bond for each maturity, in the aggregate principal amount of such maturity, shall be registered in the name of Cede & Co., as a

nominee of The Depository Trust Company, as securities depository for the 2016 Bonds. The Treasurer is authorized to execute and deliver on behalf of the District such letters to, or agreements with, the securities depository as shall be necessary to effectuate such book-entry system.

In the event that the securities depository shall resign or shall become incapable of acting, then the District shall appoint a successor securities depository to provide a system of book-entry only transfers for the 2016 Bonds, by written notice to the predecessor securities depository directing it to notify its participants (those persons for whom the securities depository holds securities) of the appointment of a successor securities depository.

If the system of book-entry only transfers for the 2016 Bonds is discontinued, then the District shall issue and the bond registrar shall authenticate, register and deliver to the beneficial owners of the 2016 Bonds, bond certificates in replacement of such beneficial owners' beneficial interests in the 2016 Bonds, all as shown in the records maintained by the securities depository.

Section 26. Defeasance and Payment of 2016 Bonds. (A) If the District shall pay or cause to be paid to the registered owners of the 2016 Bonds, the principal, premium, if any, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this ordinance, then the pledge of Debt Service Tax Receipts, securities and funds hereby pledged and the covenants, agreements and other obligations of the District to the registered owners and the beneficial owners of the 2016 Bonds shall be discharged and satisfied.

(B) Any 2016 Bonds or interest installments appertaining thereto, whether at or prior to the maturity or redemption date of such 2016 Bonds, shall be deemed to have been paid within the meaning of paragraph (A) of this Section if (1) in case any such 2016 Bonds are to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such 2016 Bonds for redemption and notice of such redemption shall have been duly given or provision shall have been made for the giving of such notice, and (2) there shall have been deposited in trust with a bank, trust company or national banking association acting as fiduciary for such purpose either (i) moneys in an amount which shall be sufficient, or (ii) "Federal Obligations" as defined in paragraph (C) of this Section, the principal of and the interest on which when due will provide moneys which, together with any moneys on deposit with such fiduciary at the same time for such purpose, shall be sufficient, to pay when due the principal of, redemption premium, if any, and interest due and to become due on, said 2016 Bonds on and prior to the applicable maturity date or redemption date thereof.

(C) As used in this Section, the term "Federal Obligations" means (i) non-callable, direct obligations of the United States of America, (ii) non-callable and non-prepayable, direct obligations of any agency of the United States of America, which are unconditionally guaranteed by the United States of America as to full and timely payment of principal and interest, (iii) non-callable, non-prepayable coupons or interest installments from the securities described in clause (i) or clause (ii) of this paragraph, which are stripped pursuant to programs of the Department of the Treasury of the United States of America, or (iv) coupons or interest installments stripped from bonds of the Resolution Funding Corporation.

Section 27. Ordinance to Constitute a Contract. The provisions of this ordinance shall constitute a contract between the District and the registered owners of the 2016 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 2016 Bonds. All of the 2016 Bonds, regardless of the time or times of their issuance, shall be of equal rank without preference, priority or distinction of any of the 2016 Bonds over any other thereof except as expressly provided in or pursuant to this ordinance. This ordinance shall constitute full authority for the issuance of the 2016 Bonds and to the extent that the provisions of this ordinance conflict with the provisions of any other ordinance or resolution of the District, the provisions of this ordinance shall control. 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 28. Publication. The Clerk is hereby authorized and directed to publish this ordinance in pamphlet form and to file copies thereof for public inspection in the office of the Clerk.

Section 29. Effective Date. This ordinance shall become effective upon its adoption.

ADOPTED this 7th day of April, 2016.

Approved: April 7, 2016

ATTEST:

Clerk of the Metropolitan Water
Reclamation District of Greater Chicago

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

[SEAL]

Approved as to Form and Legality:

Head Assistant Attorney

General Counsel

Dated: April 7, 2016

RECORDED in the District Records on April 7, 2016.

CERTIFICATE

I, Jacqueline Torres, Clerk of the Metropolitan Water Reclamation District of Greater Chicago, hereby certify that the foregoing ordinance entitled: "An Ordinance Authorizing and Providing for the Issuance of Not to Exceed \$4,000,000 General Obligation Limited Tax Qualified Energy Conservation Bonds of the Metropolitan Water Reclamation District of Greater Chicago," is a true copy of an original ordinance that was duly adopted by the recorded affirmative votes of a majority of the members of the Board of Commissioners of the District at a meeting thereof that was duly called and held at 10:00 a.m. on April 7, 2016, in the Board Room at 100 East Erie Street, in the City of Chicago, Illinois, and at which a quorum was present and acting throughout, and that said copy has been compared by me with the original ordinance signed by the President of the Board of Commissioners on April 7, 2016, published in pamphlet form on April 7, 2016 and recorded in the records of the District and that it is a correct transcript thereof and of the whole of said ordinance, and that said ordinance has not been altered, amended, repealed or revoked, but is in full force and effect.

I further certify that the agenda for said meeting included the ordinance as a matter to be considered at the meeting and that said agenda was posted at least 48 hours in advance of the holding of the meeting in the manner required by the Open Meetings Act, 5 Illinois Compiled Statutes 120 and was continuously available for public review during the 48 hour period preceding the meeting.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the District, this _____ day of _____, 2016.

Clerk of the Metropolitan Water
Reclamation District of Greater Chicago

(SEAL)