

## **TRANSMITTAL LETTER FOR BOARD MEETING OF AUGUST 6, 2020**

### **COMMITTEE ON FINANCE**

Mr. Brian A. Perkovich, Executive Director

..Title

Ordinance O20-005 providing for the transfer of an amount not to exceed \$50,000,000 from the 459 Limited Revenue Sub-Fund to the 45A Limited Revenue Sub-Fund of the Capital Improvements Bond Fund to pay for certain non-TARP expenditures, to be reimbursed from proceeds of General Obligation Capital Improvements Bonds to be issued by the Metropolitan Water Reclamation District of Greater Chicago

..Body

Dear Sir:

The District holds a significant balance of funds in its 459 Limited Revenue Sub-Fund of the Capital Improvements Bond Fund, representing proceeds from the State of Illinois Revolving Loan Fund ("SRF") for projects related to the Tunnel and Reservoir Plan ("TARP").

The current funding requirements for TARP projects have been greatly reduced, and projections indicate that the existing fund level will continue until more significant projects are contracted.

Prudent money management dictates that the funds on hand be utilized to delay the issuance of new money Capital Improvement Bonds for non-TARP projects until the bond market is more normally consistent and predictable than it has been in recent months. In addition, Treasury is currently evaluating several funding opportunities including an application for funding future limited capital expenditures using low-cost interest rate loans through the Water Infrastructure Finance and Innovation Act ("WIFIA"). This funding would be used in conjunction with the IEPA SRF Loan Program and capital market debt. WIFIA project selection will be announced in late 2020. Use of the transfer amount requested will allow sufficient time to receive approval notification and alter capital market bond sale estimates as appropriate.

It is therefore recommended that the Board of Commissioners adopt Ordinance O20-005 providing for the transfer of an amount not to exceed \$50,000,000 from the 459 Limited Revenue Sub-Fund to the 45A Limited Revenue Sub-Fund of the Capital Improvements Bond Fund to pay for certain non-TARP expenditures, to be reimbursed from proceeds of General Obligation Capital Improvements Bonds to be issued by the Metropolitan Water Reclamation District of Greater Chicago.

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Respectfully Submitted, Mary Ann Boyle, Treasurer, MAB:st

Respectfully Submitted, Frank Avila, Chairman Committee on Finance

Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for August 6, 2020

Attachment