



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 22-0013, Version: 1

TRANSMITTAL LETTER FOR BOARD MEETING OF JANUARY 6, 2022

COMMITTEE ON STATE LEGISLATION AND RULES

The Honorable Kari K. Steele, President and Members of the Board of Commissioners

Recommendation for the State of Illinois 2022 Legislative Program

I respectfully submit the following legislative initiatives and recommendations to the Board of Commissioners for their consideration and guidance.

Legislative Initiative No. 1

Amend the District Act, the District's Retirement Fund Act and the Illinois Property Tax Code to give the District the authority to issue pension obligation bonds (POBs) to increase funding to the District's Retirement Fund thereby reducing the Retirement Fund's unfunded pension liability.

Due to historically low interest rates, the District could significantly reduce its unfunded pension liability by issuing POBs at current interest rates between 1.6% and 3% compared to the current pension liability interest rate of 7.25%. A portion of the annual pension levy would be used to pay the debt service on the POBs making this proposal cost neutral to taxpayers. Depositing the POB sale proceeds into the Retirement Fund could take the plan to 75% funding, effective the date of the deposit.

The POB issue would be capped at \$600,000,000 and would have principal paybacks each year. The District would also continue to contribute at the maximum allowable per statute. This would not be a measure to reduce operational costs or divert money to other parts of the budget. This legislation would be permissive and any bond issuance would only be pursued if an optimal low interest environment provided the opportunity.

If this initiative is approved by the Board, it would then be presented for formal approval by the District's Retirement Fund.

Legislative Initiative No. 2

Amend the District's Act regarding how notices of Late Filing Fees, Cease and Desist Orders and Notices to Show Cause are served on users discharging sewage, industrial waste or other wastes into the District's sewage system.

The District Act currently requires notices of Late Filing Fees to be served on the user by certified mail and Cease and Desist Orders and Notices to Show Cause to be served on the user by personal service or certified mail. The Monitoring and Research Department is developing an electronic reporting system which will make the use of certified mail unnecessary, as correspondence, notices and invoices can be sent by email directly to any participating user registered on the system and electronically stored on a secure web-based dashboard for their access at any time.

This change to the District Act would allow notices for Late Filing Fees, Cease and Desist Orders and Notices

to Show Cause to be served via email through this secure electronic system as an alternative to existing methods allowed under the Act if the user opts into the system by registering. This change would also allow these notices to be served by regular mail as another alternative to existing methods allowed under the Act.

This initiative would save the District staff time and resources along with reducing the cost of certified mailings.

Legislative Initiative No. 3

Amend the District Act to give the District the power to create its own Office of the Independent Inspector General (OIIG).

This authority would give the authority over the hiring, firing, establishment of minimum qualifications and other implementation matters relative to the establishment of the OIIG to the Board of Commissioners.

The District's Board of Commissioners, likely through ordinance, would need to establish criteria such as the following: the OIIG's mission, mandate, authority, and powers (including subpoena power); identifying parameters for the OIIG's jurisdiction; providing for confidentiality of records and proceedings; identifying qualifications for the inspector general and staff; and protecting the OIIG's independence.

Recommended, Brian A. Perkovich, Executive Director, BAP:STM:BO'C:nl

Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for January 6, 2022