TRANSMITTAL LETTER FOR BOARD MEETING OF AUGUST 13, 2026

COMMITTEE ON FINANCE

Mr. John P. Murray, Executive Director

..Title
Ordinance O26-007 An Ordinance providing for the issuance of not to exceed $350,000,000 General Obligation Limited Tax Capital Improvement Bonds (2026 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
..Body

Dear Sir:

Six ordinances are being presented to the Board today relating to the District's anticipated General Obligation Capital Improvement Bonds issuance. Authority is requested to issue new money and refunding bonds in the capital market along with bonds evidenced by loans from the Illinois Environmental Protection Agency (IEPA). The aggregate principal amount of bonds of the District to be sold in the capital market pursuant to Ordinance numbers O26-002, O26-003, O26-004, O26-005, and O26-006 shall not exceed $475,000,000; the size and structure of this sale will be determined with the assistance of underwriters and financial advisors based upon several factors such as the market interest rates, investor cash positions, supply of bonds for sale, and liquidity of the market. The principal amount of bonds evidenced by loans from the IEPA pursuant to Ordinance number O26-007 shall not exceed $350,000,000.

The attached Ordinance O26-007 provides for the issuance of up to $350,000,000 of general obligation limited tax capital improvement bonds evidenced by loans from the IEPA. The sale of these bonds will fund non-TARP projects approved for funding by reimbursement loans from the State's Revolving Loan Fund (SRF). These bonds will be issued as SRF obligations and will not be sold in the public market.

The District held a public hearing on July 16, 2026, pursuant to the Bond Issue Notification Act stating its intention to issue not to exceed $550,000,000 of General Obligation Capital Improvement Bonds, comprising up to $200,000,000 in capital market new money bonds and up to $350,000,000 in bonds evidenced by loans from the IEPA. This Ordinance being presented for approval is issued in accordance with the conditions stated at that hearing.

Upon receipt of the first reimbursement of project construction expenses from the IEPA, the estimated amount to be loaned to the District for that project plus interest accrued during the construction period will be confirmed, and a General Obligation Limited Tax Capital Improvement Bond for that amount in face value will be issued to the State of Illinois – Illinois Environmental Protection Agency. At that time, the required annual tax levies for payment of semi-annual debt service will be established and filed with the County Clerk of the County of Cook, Illinois.

The passage of the Ordinance is required by the IEPA prior to advancing any funds or initiation of the program relating to these projects. Therefore, it is recommended that "Ordinance O26-007 An Ordinance providing for the issuance of not to exceed $350,000,000 General Obligation Limited Tax Capital Improvement Bonds (2026 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” be adopted by the Board of Commissioners.

Respectfully Submitted, Steven J. Lux, Treasurer, SJL:WNS:vb
Respectfully Submitted, Marcelino Garcia, 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 13, 2026

Attachment