

TRANSMITTAL LETTER FOR BOARD MEETING OF AUGUST 13, 2026

COMMITTEE ON FINANCE

Mr. John P. Murray, Executive Director

..Title

Adopt Ordinance O26-003 An Ordinance Authorizing and Providing For the Issuance of Not to Exceed \$15,000,000 General Obligation Unlimited Tax Capital Improvement Bonds of the Metropolitan Water Reclamation District of Greater Chicago

..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 O26-003 provides for the issuance of not to exceed \$15,000,000 general obligation unlimited tax capital improvement bonds. The sale of these bonds will fund continuing construction of TARP and costs of other construction projects which were initiated before the Property Tax Extension Limitation Law (October of 1991) and is not subject to its provisions. The sum of \$15,000,000 and any premium derived from the sale of the 2026 Bonds is appropriated to meet part of the Project Costs, including capitalized interest on the 2026 Bonds, the costs of issuance of the 2026 Bonds, and any municipal bond insurance premium with respect to the 2026 Bonds. The authority to sell the Bonds expires on February 26, 2027; this expiration period has been proposed to allow for flexibility in issue size and the ability to adapt to changing conditions in the bond 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.

The Ordinance sets the legal parameters for issuance of the bonds and provides the necessary details relative to the bonds, including the required authority to levy and collect the direct annual taxes for payment of bond principal and interest as due. The Ordinance also authorizes the District's Treasurer and any one Elective Officer to sign on behalf of the District a binding bond purchase agreement with the underwriters and a related "Bond Order" on the date of sale; this allows the sale to be completed in a prompt and timely manner when conditions in the bond market are most favorable to the District.

This Ordinance also sets the purchase price at not less than 97% of the original principal amount; compensation to the purchasers is not to exceed eighty cents (\$0.80) per \$1,000 principal amount of bonds sold (excluding syndicate expenses and underwriter counsel fees); the bonds may be subject to optional redemption at not more than 103%; maximum interest rate is 6.00% per annum; interest may be capitalized for a period of not more than twenty-four months; and the bonds may mature not later

than December 1, 2038.

It is recommended that "Ordinance O26-003 An Ordinance Authorizing and Providing For the Issuance of Not to Exceed \$15,000,000 General Obligation Unlimited Tax Capital Improvement Bonds of the Metropolitan Water Reclamation District of Greater Chicago" be adopted by the Board of Commissioners.

Requested, 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