

TRANSMITTAL LETTER FOR BOARD MEETING OF OCTOBER 17, 2024

COMMITTEE ON FINANCE

Mr. Brian A. Perkovich, Executive Director

..Title

Adopt Ordinance O24-014 An Ordinance Authorizing and Providing for the Issuance of Not to Exceed \$37,000,000 General Obligation Unlimited Tax Refunding Bonds (Alternate Revenue Source) of the Metropolitan Water Reclamation District of Greater Chicago

..Body

Dear Sir:

Attached is an Ordinance being presented to the Board today relating to the District's anticipated issuance of General Obligation Bonds Series 2024 (Alternate Revenue Source) bonds in an amount not to exceed \$37,000,000. The 2024 Series E bonds will refund bonds that will be voluntarily tendered by investors of the General Obligation Unlimited Tax Refunding Bonds (Alternate Revenue Source), 2021 Taxable Series F, which were issued to refund bonds issued in 2014. The proceeds from the bonds issued in 2014 were used to develop stormwater management projects.

Authorization to issue such bonds is pursuant to the Local Government Debt Reform Act of the State of Illinois, as amended (30 ILCS 350/15). These bonds as well as the original bonds issued in 2014 and the refunding bonds issued in 2021 utilize the Stormwater Tax levy as a source for repayment and therefore are deemed "alternate revenue source" bonds.

One legal requirement for the issuance of alternate revenue source bonds is the completion of a "backdoor referendum." A backdoor referendum is a petition process whereby registered voters residing within the District's boundaries could circulate and file petitions requesting that the question of the issuance of the alternate revenue source bonds be submitted to the voters of the District for approval at a regular election. The first step in the process is for the Board to adopt this "authorizing ordinance" which describes the intention to issue the alternate revenue source bonds, the maximum dollar amount, the purpose, the pledged revenue source to pay the debt service on the bonds, and the petition process.

After the authorizing ordinance is adopted, it will be published in the Chicago Tribune along with a notice which tells the voters in the District that they have 30 days to file petitions signed by not less than 7.5% of the number of registered voters within the District's corporate boundaries (approximately 231,000 voters) requesting a direct referendum on the question of issuing the alternate revenue source bonds. If the required number of petitions are not filed within the 30-day period, then the District is authorized to proceed with the issuance of these alternate revenue source bonds. The Board will be asked at a later date to adopt another ordinance after the backdoor referendum process which provides for the issuance of the alternate revenue source bonds and sets the terms and details.

It is recommended that the "Ordinance O24-014 Ordinance Authorizing the Issuance of not to exceed \$37,000,000 General Obligation Refunding Bonds (Alternate Revenue Source), 2024 Series E, of the Metropolitan Water Reclamation District of Greater Chicago" for the purpose of refunding the General Obligation Unlimited Tax Refunding Bonds (Alternate Revenue Source), Taxable Series 2021F bonds, be adopted by the Board of Commissioners.

Requested, Steven J. Lux, Treasurer, SJL: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 October 17, 2024