NEW ISSUE—BOOK ENTRY ONLY

Fitch: AAA
Standard & Poor's: AA+
(See "RATINGS" herein.)

In the respective opinions of Katten Muchin Rosenman LLP, Chicago, Illinois and Charity & Associates, P.C., Chicago, Illinois, Co-Bond Counsel, under existing law, if there is continuing compliance with certain requirements of the Internal Revenue Code of 1986, interest on the 2016A, 2016B, 2016C, 2016D, and 2016E Bonds will not be includible in gross income for federal income tax purposes. Interest on the 2016A, 2016B, 2016C, 2016D, and 2016E Bonds is not an item of tax preference for purposes of computing individual or corporate "alternative minimum taxable income" but is includible in corporate earnings and profits for purposes of the corporate alternative minimum tax. Interest on the 2016F Bonds will be includible in gross income for federal income tax purposes. Interest on the Bonds is not exempt from present Illinois income taxes. See "TAX MATTERS" herein.

$426,260,000
METROPOLITAN WATER RECLAMATION DISTRICT OF GREATER CHICAGO

CONSISTING OF

$280,930,000
GENERAL OBLIGATION UNLIMITED TAX REFUNDING BONDS, 2016 SERIES A

$41,330,000
GENERAL OBLIGATION LIMITED TAX REFUNDING BONDS, 2016 SERIES B

$30,000,000
GENERAL OBLIGATION UNLIMITED TAX CAPITAL IMPROVEMENT BONDS, 2016 SERIES C (GREEN BONDS)

$20,000,000
GENERAL OBLIGATION LIMITED TAX CAPITAL IMPROVEMENT BONDS, 2016 SERIES D (GREEN BONDS)

$50,000,000
GENERAL OBLIGATION UNLIMITED TAX BONDS (ALTERNATE REVENUE SOURCE), 2016 SERIES E (GREEN BONDS)

$4,000,000
GENERAL OBLIGATION LIMITED TAX CAPITAL IMPROVEMENT BONDS (QUALIFIED ENERGY CONSERVATION BONDS - DIRECT PAYMENT), 2016 TAXABLE SERIES F (GREEN BONDS)

Dated: Date of Delivery **Due: December 1, as shown on the inside cover**

The Metropolitan Water Reclamation District of Greater Chicago, Cook County, Illinois (the *"District"*) is issuing the following series of its Bonds: the General Obligation Unlimited Tax Refunding Bonds, 2016 Series A (the *"2016A Bonds"*), the General Obligation Limited Tax Refunding Bonds, 2016 Series B (the *"2016B Bonds"*), the General Obligation Unlimited Tax Capital Improvement Bonds, 2016 Series C (Green Bonds) (the *"2016C Bonds"*), the General Obligation Limited Tax Capital Improvement Bonds, 2016 Series D (Green Bonds) (the *"2016D Bonds"*), the General Obligation Unlimited Tax Bonds (Alternate Revenue Source), 2016 Series E (Green Bonds) (the *"2016E Bonds"*), and the General Obligation Limited Tax Capital Improvement Bonds (Qualified Energy Conservation Bonds - Direct Payment), 2016 Taxable Series F (Green Bonds) (the *"2016F Bonds"* and together with the 2016A Bonds, the 2016B Bonds, the 2016C Bonds, the 2016D Bonds and the 2016E Bonds, the *"Bonds"*). The Bonds will be issued only as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (*"DTC"*). See "APPENDIX F—BOOK-ENTRY SYSTEM" herein. Individual purchases will be made in book-entry form only through the facilities of DTC. The Bonds are issuable in denominations of $5,000 or any integral multiple of $5,000. Purchasers will not receive physical delivery of bond certificates. Principal and interest are payable by Amalgamated Bank of Chicago, an Illinois state banking corporation, as the initial Bond Registrar and Paying Agent, to DTC, which will remit such principal and interest to DTC's Participants for payment to the Beneficial Owners of the Bonds, as described herein. Interest on the Bonds will be payable on December 1, 2016 and semiannually thereafter on each June 1 and December 1. The Bonds are subject to optional and/or mandatory redemption prior to maturity, as described herein. The 2016F Bonds are also subject to extraordinary mandatory redemption as described herein.

Maturities, Principal Amounts, Interest Rates, Yields and CUSIP Numbers are set forth on the inside cover pages herein.

The Bonds are direct and general obligations of the District for the payment of which the full faith and credit of the District has been pledged. The 2016A Bonds, the 2016C Bonds and the 2016E Bonds (the *"Unlimited Tax Bonds"*) are payable from ad valorem taxes levied upon all taxable property within the District without limitation as to rate or amount. The 2016B Bonds, the 2016D Bonds and the 2016F Bonds (the *"Limited Tax Bonds"*) are payable from ad valorem taxes levied upon all taxable property within the District without limitation as to rate, but the amount of the taxes that may be extended to pay the Limited Tax Bonds is limited as provided by law. See "SECURITY FOR THE BONDS" herein.

The Bonds will be used to (i) refund certain maturities of the District's outstanding general obligation bonds, (ii) pay for certain projects included in the District's Capital Improvements Program, and (iii) pay for the costs of issuance of the Bonds. See "THE PROJECT" and "REFUNDING PLAN" herein.

The Bonds are offered when, as and if issued by the District, and accepted by the Underwriters and subject to prior sale, withdrawal or modification of the offer without notice, and to the approval of legality by Katten Muchin Rosenman LLP, Chicago, Illinois and Charity & Associates, P.C., Chicago, Illinois, Co-Bond Counsel. Certain legal matters will be passed upon for the District by (i) its General Counsel and (ii) in connection with the preparation of this Official Statement, by its Co-Disclosure Counsel, Chapman and Cutler LLP, Chicago, Illinois and Sanchez Daniels & Hoffman LLP, Chicago, Illinois. Certain legal matters will be passed upon for the Underwriters by their Co-Underwriters' Counsel, Kutak Rock LLP, Chicago, Illinois, and Greene and Letts, Chicago, Illinois. It is anticipated that the Bonds will be available for delivery to DTC on or about July 7, 2016.

BofA Merrill Lynch **Siebert Brandford Shank & Co., L.L.C.**

CITIGROUP **J.P. MORGAN**

LOOP CAPITAL MARKETS **NORTH SOUTH CAPITAL LLC** **THE WILLIAMS CAPITAL GROUP, L.P.**

Dated: June 7, 2016

OS - Final
2241172

MATURITY SCHEDULE

$280,930,000
GENERAL OBLIGATION UNLIMITED TAX REFUNDING BONDS, 2016 SERIES A

MATURITY (DECEMBER 1)	PRINCIPAL AMOUNT	INTEREST RATE	YIELD	PRICE	CUSIP[1]
2023	$25,495,000	5.00%	1.74%	122.541	167560SS1
2024	26,655,000	5.00	1.89	124.049	167560ST9
2025	27,875,000	5.00	2.04	125.200	167560SU6
2026	29,165,000	5.00	2.16	126.324	167560SV4
2027	30,515,000	5.00	2.27[2]	125.160[2]	167560SW2
2028	33,935,000	5.00	2.33[2]	124.531[2]	167560SX0
2029	35,500,000	5.00	2.38[2]	124.009[2]	167560SY8
2030	35,045,000	5.00	2.41[2]	123.697[2]	167560SZ5
2031	36,745,000	5.00	2.46[2]	123.180[2]	167560TA9

$41,330,000
GENERAL OBLIGATION LIMITED TAX REFUNDING BONDS, 2016 SERIES B

MATURITY (DECEMBER 1)	PRINCIPAL AMOUNT	INTEREST RATE	YIELD	PRICE	CUSIP[1]
2023	$4,175,000	5.00%	1.79%	122.153	167560TB7
2024	4,265,000	5.00	1.94	123.611	167560TC5
2025	4,370,000	5.00	2.09	124.715	167560TD3
2026	4,485,000	5.00	2.21	125.794	167560TE1
2027	4,600,000	5.00	2.32[2]	124.635[2]	167560TF8
2028	4,725,000	5.00	2.38[2]	124.009[2]	167560TG6
2029	4,835,000	5.00	2.43[2]	123.490[2]	167560TH4
2030	4,845,000	5.00	2.46[2]	123.180[2]	167560TJ0
2031	5,030,000	5.00	2.51[2]	122.665[2]	167560TK7

$30,000,000
GENERAL OBLIGATION UNLIMITED TAX CAPITAL IMPROVEMENT BONDS, 2016 SERIES C (GREEN BONDS)

$30,000,000; 5.00%; TERM BOND DUE DECEMBER 1, 2045; YIELD 2.86%[2]; PRICE 119.131[2], CUSIP[1] 167560TL5

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1 CUSIP data herein is provided by CUSIP Global Services, managed on behalf of the American Bankers Association by S&P Capital IQ, a part of the McGraw-Hill Companies, Financial. The CUSIP numbers listed above are being provided solely for the convenience of bondholders only at the time of issuance of the Bonds and the District does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

2 Priced to the first optional redemption date of December 1, 2026.

$20,000,000
GENERAL OBLIGATION LIMITED TAX CAPITAL IMPROVEMENT BONDS, 2016 SERIES D (GREEN BONDS)

MATURITY (DECEMBER 1)	PRINCIPAL AMOUNT	INTEREST RATE	YIELD	PRICE	CUSIP[1]
2022	$1,815,000	5.00%	1.69%	119.997	167560TM3
2023	1,905,000	5.00	1.79	122.153	167560TN1
2024	2,000,000	5.00	1.94	123.611	167560TP6
2025	2,100,000	5.00	2.09	124.715	167560TQ4
2026	2,205,000	5.00	2.21	125.794	167560TR2
2027	2,315,000	5.00	2.32[2]	124.635[2]	167560TS0
2028	2,430,000	5.00	2.38[2]	124.009[2]	167560TT8
2029	2,550,000	5.00	2.43[2]	123.490[2]	167560TU5
2030	2,680,000	5.00	2.46[2]	123.180[2]	167560TV3

$50,000,000
GENERAL OBLIGATION UNLIMITED TAX BONDS (ALTERNATE REVENUE SOURCE), 2016 SERIES E (GREEN BONDS)

MATURITY (DECEMBER 1)	PRINCIPAL AMOUNT	INTEREST RATE	YIELD	PRICE	CUSIP[1]
2022	$1,125,000	5.00%	1.69%	119.997	167560TW1
2023	1,180,000	5.00	1.74	122.541	167560TX9
2024	1,240,000	5.00	1.89	124.049	167560TY7
2025	1,300,000	5.00	2.04	125.200	167560TZ4
2026	1,365,000	5.00	2.16	126.324	167560UA7
2027	1,435,000	5.00	2.27[2]	125.160[2]	167560UB5
2028	1,505,000	5.00	2.33[2]	124.531[2]	167560UC3
2029	1,580,000	5.00	2.38[2]	124.009[2]	167560UD1
2030	1,660,000	5.00	2.41[2]	123.697[2]	167560UE9
2031	1,745,000	5.00	2.46[2]	123.180[2]	167560UF6
2032	1,830,000	5.00	2.51[2]	122.665[2]	167560UG4
2033	1,920,000	5.00	2.56[2]	122.152[2]	167560UH2
2034	2,020,000	5.00	2.61[2]	121.642[2]	167560UJ8
2035	2,120,000	5.00	2.66[2]	121.135[2]	167560UK5
2036	2,225,000	5.00	2.71[2]	120.630[2]	167560UL3

$12,905,000; 5.00%; TERM BOND DUE DECEMBER 1, 2041; YIELD 2.82%[2]; PRICE 119.528[2], CUSIP[1] 167560UM1
$12,845,000; 5.00%; TERM BOND DUE DECEMBER 1, 2045; YIELD 2.86%[2]; PRICE 119.131[2], CUSIP[1] 167560UN9

$4,000,000
GENERAL OBLIGATION LIMITED TAX CAPITAL IMPROVEMENT BONDS (QUALIFIED ENERGY CONSERVATION BONDS - DIRECT PAYMENT), 2016 TAXABLE SERIES F (GREEN BONDS)

MATURITY (DECEMBER 1)	PRINCIPAL AMOUNT	INTEREST RATE	YIELD	PRICE	CUSIP[1]
2036	$4,000,000	4.00%	4.00%	100.000	167560UP4

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1 CUSIP data herein is provided by CUSIP Global Services, managed on behalf of the American Bankers Association by S&P Capital IQ, a part of the McGraw-Hill Companies, Financial. The CUSIP numbers listed above are being provided solely for the convenience of bondholders only at the time of issuance of the Bonds and the District does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

2 Priced to the first optional redemption date of December 1, 2026.

METROPOLITAN WATER RECLAMATION DISTRICT OF GREATER CHICAGO

BOARD OF COMMISSIONERS AND PRINCIPAL OFFICERS

BOARD OF COMMISSIONERS

Honorable Mariyana T. Spyropoulos, President
Honorable Barbara J. McGowan, Vice President
Honorable Frank Avila, Chairman, Committee on Finance
Honorable Michael A. Alvarez
Honorable Timothy Bradford
Honorable Cynthia M. Santos
Honorable Debra Shore
Honorable Kari K. Steele
Honorable David J. Walsh

PRINCIPAL OFFICERS

David St. Pierre, Executive Director
Mary Ann Boyle, Treasurer
Ronald M. Hill, General Counsel
Denice E. Korcal, Director of Human Resources
John Murray, Acting Director of Maintenance and Operations
Thomas Granato, Ph.D., Director of Monitoring and Research
Darlene A. LoCascio, Director of Procurement and Materials Management
John H. Sudduth, Director of Information Technology
Catherine A. O'Connor, Ph.D., Director of Engineering
Jacqueline Torres, Clerk/Director of Finance
Allison Fore, Public and Intergovernmental Affairs Officer

CO-BOND COUNSEL

Katten Muchin Rosenman LLP
Chicago, Illinois

Charity & Associates, P.C.
Chicago, Illinois

CO-DISCLOSURE COUNSEL

Chapman and Cutler LLP
Chicago, Illinois

Sanchez Daniels & Hoffman LLP
Chicago, Illinois

CO-FINANCIAL ADVISORS

A.C. Advisory, Inc.
Chicago, Illinois

Columbia Capital Management, LLC
Chicago, Illinois

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations may not be relied upon as statements of the District or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

Unless otherwise indicated, the District is the source of all tables and statistical and financial information contained in this Official Statement. The information set forth herein relating to governmental bodies other than the District has been obtained from such governmental bodies or from other sources believed to be reliable, but is not guaranteed as to accuracy or completeness. The information and opinions expressed herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the financial condition or operations of the District since the date hereof.

The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

This Official Statement should be considered in its entirety and no one factor should be considered less important than any other by reason of its position in this Official Statement. Where statutes, ordinances, reports or other documents are referred to herein, reference should be made to such statutes, ordinances, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

Any statements made in this Official Statement, including the Appendices, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward-looking statements and information that are based on the District's beliefs as well as assumptions made by and information currently available to the District. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

Upon issuance, the Bonds will not be registered under the Securities Act of 1933, as amended, and will not be listed on any stock or other securities exchange, and neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity (other than the District) shall have passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary may be a criminal offense.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the District from time-to-time, may be treated as an Official Statement with respect to the Bonds described herein and is "deemed final" by the District as of the date hereof (or of the date of any supplement or correction) except for the omission of certain information permitted to be omitted pursuant to such Rule.

In connection with this offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Bonds at a level which might not otherwise prevail in the open market. Such stabilizing, if begun, may be discontinued, and also may be recommenced at any time, in each case without notice.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

SUMMARY OF TERMS OF THE BONDS

THIS SUMMARY IS SUBJECT IN ALL RESPECTS TO MORE COMPLETE INFORMATION CONTAINED IN THE OFFICIAL STATEMENT TO WHICH THIS SUMMARY IS ATTACHED. THE OFFERING OF THE BONDS TO ANY PERSON IS MADE ONLY BY MEANS OF THE OFFICIAL STATEMENT, WHICH SHOULD BE REVIEWED CAREFULLY IN ITS ENTIRETY. CAPITALIZED TERMS NOT DEFINED IN THIS SUMMARY ARE DEFINED IN THE OFFICIAL STATEMENT.

The District..........	Metropolitan Water Reclamation District of Greater Chicago
The Issue..............	$280,930,000 General Obligation Unlimited Tax Refunding Bonds, 2016 Series A $41,330,000 General Obligation Limited Tax Refunding Bonds, 2016 Series B $30,000,000 General Obligation Unlimited Tax Capital Improvement Bonds, 2016 Series C (Green Bonds) $20,000,000 General Obligation Limited Tax Capital Improvement Bonds, 2016 Series D (Green Bonds) $50,000,000 General Obligation Unlimited Tax Bonds (Alternate Revenue Source), 2016 Series E (Green Bonds) $4,000,000 General Obligation Limited Tax Capital Improvement Bonds (Qualified Energy Conservation Bonds - Direct Payment), 2016 Taxable Series F (Green Bonds).
Dated Date...........	Date of Original Issue: July 7, 2016.
Maturity Dates.....	December 1 of each of the years as set forth on the inside cover pages.
Interest.................	Payable semiannually on June 1 and December 1, commencing December 1, 2016.
Record Date..........	The 15th day of the calendar month next preceding the interest payment date.
Form of Bonds; Denominations; Book-Entry System	The Bonds will be issued as fully registered book-entry bonds in the denomination of $5,000 or any integral multiple of that amount. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, and will be held under DTC's global book-entry system.
Use of Proceeds.....	The Bonds will be used to (i) refund certain maturities of the District's outstanding general obligation bonds, (ii) pay for certain projects included in the District's Capital Improvements Program, and (iii) pay for the costs of issuance of the Bonds.
Redemption..........	The Bonds are subject to optional and mandatory redemption. The 2016F Bonds are subject to extraordinary mandatory redemption. See "The Bonds—Optional Redemption," "The Bonds—Mandatory Redemption," and "The Bonds—Extraordinary Mandatory Redemption of the 2016F Bonds."
Security for the Bonds....................	The Bonds are direct and general obligations of the District for the payment of which the full faith and credit of the District has been pledged. The Unlimited Tax Bonds are payable from ad valorem taxes levied upon all taxable property within the District without limitation as to rate or amount. The Limited Tax Bonds are payable from ad valorem taxes levied upon all taxable property within the District without limitation as to rate, but the amount of the taxes that may be extended to pay the Limited Tax Bonds is limited as provided by the Limitation Law. See "Security for the Bonds."

Debt Service Fund Protection.............	In accordance with the Debt Reform Act, the tax receipts derived from the taxes levied for a series of the Bonds that are deposited into the debt service fund for such series of the Bonds, together with any other moneys deposited or to be deposited in such debt service fund, are pledged as security for the payment of the principal of and interest on that series of Bonds. Such pledge is valid and binding from the date of issuance of the Bonds. All moneys held in such debt service funds, including the tax receipts described above, are immediately subject to the lien of the District's pledge without any physical delivery or further act and the lien of such pledge is valid and binding as against all parties having claims of any kind in tort, contract or otherwise. See "Security for the Bonds."
Tax Treatment of Interest	Interest on the 2016A, 2016B, 2016C, 2016D and 2016E Bonds is excluded from gross income of their owners for federal income tax purposes and is not included as an item of tax preference for purposes of the federal minimum tax imposed on all taxpayers but is includible in corporate earnings and profits for purposes of the corporate alternative minimum tax. Interest on the 2016F Bonds will be includible in gross income for federal income tax purposes. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "Tax Matters" for a more complete discussion.
Ratings	Fitch Ratings Inc.: AAA
	S&P Global Ratings: AA+
Contact.................	Additional information regarding the Bonds and this Official Statement is available by contacting Mary Ann Boyle at MaryAnn.Boyle@mwrd.org.

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OFFICIAL STATEMENT

$426,260,000
METROPOLITAN WATER RECLAMATION DISTRICT OF GREATER CHICAGO

CONSISTING OF

$280,930,000
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2016 TAXABLE SERIES F (GREEN BONDS)

INTRODUCTION

The purpose of this Official Statement, including the cover page and the Appendices, is to set forth certain information in conjunction with the sale by the Metropolitan Water Reclamation District of Greater Chicago (the *"District"*) of $280,930,000 principal amount of its General Obligation Unlimited Tax Refunding Bonds, 2016 Series A (the *"2016A Bonds"*), $41,330,000 principal amount of its General Obligation Limited Tax Refunding Bonds, 2016 Series B (the *"2016B Bonds"*), $30,000,000 principal amount of its General Obligation Unlimited Tax Capital Improvement Bonds, 2016 Series C (Green Bonds) (the *"2016C Bonds"*), $20,000,000 principal amount of its General Obligation Limited Tax Capital Improvement Bonds, 2016 Series D (Green Bonds) (the *"2016D Bonds"*), $50,000,000 principal amount of its General Obligation Unlimited Tax Bonds (Alternate Revenue Source), 2016 Series E (Green Bonds) (the *"2016E Bonds"*), and $4,000,000 principal amount of its General Obligation Limited Tax Capital Improvement Bonds (Qualified Energy Conservation Bonds - Direct Payment), 2016 Taxable Series F (Green Bonds) (the *"2016F Bonds"* and, together with the 2016A Bonds, the 2016B Bonds, the 2016C Bonds, the 2016D Bonds, and the 2016E Bonds, the *"Bonds"*). The Bonds are direct and general obligations of the District, whose full faith and credit have been pledged for the punctual payment of the principal of and interest on the Bonds, as more fully described below.

The Bonds are authorized and issued under and pursuant to the Metropolitan Water Reclamation District Act, as amended (70 ILCS 2605) (the *"Act"*), the Local Government Debt Reform Act, as amended (30 ILCS 350) (the *"Debt Reform Act"*), with respect to the 2016A Bonds

and the 2016B Bonds, the Sanitary District Refunding Bond Act, as amended, and other laws of the State of Illinois (the *"State"*).

The issuance, sale and delivery of each Series of Bonds is authorized pursuant to a related bond ordinance for such Series, all adopted by the Board of Commissioners (the *"Board"*) of the District on April 7, 2016, as supplemented by a Bond Order for each Series (collectively, the *"Bond Ordinances"*).

The 2016A Bonds, the 2016C Bonds and the 2016E Bonds (collectively, the *"Unlimited Tax Bonds"*) are direct and general obligations of the District payable from ad valorem taxes levied upon all taxable property within the District without limitation as to rate or amount and from all moneys on deposit in the separate debt service fund relating to each Series of Unlimited Tax Bonds established pursuant to the related Bond Ordinance. Moneys deposited into the related debt service fund, including the proceeds of the taxes levied pursuant to the related Bond Ordinance, are pledged as security for the payment of principal and interest on the related Series of Unlimited Tax Bonds. See "SECURITY FOR THE BONDS—Security for the Unlimited Tax Bonds."

The 2016E Bonds are also "alternate bonds" issued in accordance with Section 15 of the Debt Reform Act. The 2016E Bonds are direct and general obligations of the District and the payment of principal and interest on the 2016E Bonds are also payable from the moneys received by the District from the levy and collection of a stormwater management tax, which moneys constitute a "revenue source" within the meaning of Section 15 of the Debt Reform Act. See "SECURITY FOR THE BONDS—Security for the Unlimited Tax Bonds—The 2016E Bonds," "SECURITY FOR THE BONDS—Security for the Unlimited Tax Bonds," and "REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES—Property Tax Extension Limitation Law and Debt Reform Act" and "TAXATION OF PROPERTY WITHIN DISTRICT—STATISTICAL INFORMATION."

The 2016B Bonds, the 2016D Bonds and the 2016F Bonds are "limited bonds" being issued pursuant to Section 15.01 of the Debt Reform Act (collectively, the *"Limited Tax Bonds"*). The Limited Tax Bonds are direct and general obligations of the District, payable from ad valorem taxes levied upon all taxable property within the District, without limitation as to rate, but limited as to amount by the provisions of the Property Tax Extension Limitation Law, as amended (35 ILCS 200/18-185 to 200/18-245) (the *"Limitation Law"*), and from all moneys on deposit in the separate debt service fund relating to each Series of Limited Tax Bonds established pursuant to the related Bond Ordinance. Moneys deposited into the related debt service fund, including the proceeds of the taxes levied pursuant to the related Bond Ordinance, are pledged as security for the payment of principal and interest on the related Series of Limited Tax Bonds. See "SECURITY FOR THE BONDS—Security for the Limited Tax Bonds."

The 2016A Bonds and the 2016C Bonds are issued to finance and refund bonds that financed construction projects initiated before October 1, 1991, including projects included in the District's Tunnel and Reservoir Project (the *"TARP"*) and to pay costs of issuance of the 2016A Bonds and the 2016C Bonds. The debt service on general obligation bonds of the District, such as the 2016A Bonds and the 2016C Bonds, issued to finance or to refund bonds that financed construction projects initiated prior to October 1, 1991, including the TARP, is excluded from the

tax extension limitation of the Limitation Law and does not reduce the District's capacity to issue limited tax bonds. See "REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES—Property Tax Extension Limitation Law and Debt Reform Act."

The 2016E Bonds are issued to finance stormwater management projects to be undertaken by the District or to be financed in whole or in part by the District and to be undertaken by other units of local government as authorized by Section 7h of the Act, including, without limitation, the development design, planning and construction of regional and local stormwater facilities provided for in the countywide stormwater management plan and the acquisition of real property in furtherance of its regional and local stormwater management activities and to pay the costs of issuance of the 2016E Bonds. The debt service on general obligation bonds of the District issued as "alternate bonds," such as the 2016E Bonds, is excluded from the tax extension limitation of the Limitation Law and does not reduce the District's capacity to issue limited tax bonds. See "REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES—Property Tax Extension Limitation Law and Debt Reform Act."

The Limited Tax Bonds are issued to finance construction projects identified in the District's Capital Improvements Program (as hereinafter defined), to refund the Prior Limited Tax Bonds (as hereinafter defined) and to pay the costs of issuance of the Limited Tax Bonds. For additional information, see "REFUNDING PLAN" and "SOURCES AND USES OF FUNDS." For additional information concerning the District's construction plans, see "THE PROJECT" and "APPENDIX B—CAPITAL IMPROVEMENTS PROGRAM."

The District has made an irrevocable election to treat the 2016F Bonds as "Qualified Energy Conservation Bonds" (*"QECBs"*) under the Internal Revenue Code of 1986, as amended (the *"Code"*), and to apply Section 643l(f) of the Code such that the 2016F Bonds will be treated as "qualified bonds" as defined in the Code. As a result of these elections, interest on the 2016F Bonds will be includible in gross income of the holders thereof for federal income tax purposes and the holders of the 2016F Bonds will not be entitled to any tax credits as a result either of ownership of the 2016F Bonds or of receipt of any interest payments on the 2016F Bonds. As a consequence of 2016F Bonds being QECBs that are treated as "qualified bonds" under 6431(f) of the Code, the District will be entitled to apply for certain direct payments from the U.S. Department of Treasury (the *"Treasury"*) under Section 6431 of the Code with respect to any interest payment due under the 2016F Bonds equal to an interest rate of 2.99%* (the *"QECB Payments"*), subject to sequestration, as set forth below. If for any reason the 2016F Bonds cease to be QECBs that are treated as "qualified bonds" under Section 643l(f) of the Code, the District will not be entitled to receive such QECB Payments. No assurances are provided that the District will receive any QECB Payments. The amount of the QECB Payments is subject to legislative changes by the Congress and the President of the United States. The QECB Payments are currently subject to sequestration and therefore reduced under The Budget Control Act of 2011, Pub. L. No. 112-25, 125 Stat. 240,

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* Such rate is the result of the formula set forth in the Code for the calculation of the QECB Payments, such QECB Payments to equal the lesser of the amount of interest payable on the 2016F Bonds on a corresponding interest payment date or 70 percent of the corresponding interest which would have been payable on the 2016F Bonds on such date if interest were determined at the applicable credit rate determined under Section 54A(b)(3) of the Code.

and other legislation, and may be sequestered in future years unless the Congress and the President take action to end such sequestration. The QECB Payments can also be offset against certain amounts that may, for unrelated reasons, be owed by the District to an agency of the United States or certain state agencies. If received by the District, the QECB Payments will be revenues of the District. The QECB Payments are not pledged to the payment of the 2016F Bonds.

The projects financed by the 2016F Bonds are the acquisition and installation of energy conservation projects consisting of the installation of steam blanket insulation at the Calumet Water Reclamation Plant (the *"Calumet Plant"*); control upgrades at the Calumet Plant and LED interior lighting upgrades at the Calumet Plant and the storeroom of the Stickney Water Reclamation Plant (collectively, the *"QECB Project"*).

This Official Statement contains summaries of the terms of the Bonds, together with descriptions of the District and other pertinent information. All references to agreements and documents are qualified in their entirety by references to the agreements and documents. Any statements or information indicated to involve matters of opinion or estimates are represented as opinions or estimates in good faith, but no assurance can be given that the facts will materialize as so opined or estimated.

Factors that may affect an investment decision concerning the Bonds are described throughout this Official Statement. Persons considering a purchase of any of the Bonds should read the Official Statement in its entirety.

REFUNDING PLAN

The 2016A Bonds are issued to refund all of the $346,600,000 outstanding principal amount of General Obligation Refunding Bonds, Unlimited Tax Series of May, 2006 maturing in the years 2023 to 2031 (the *"Prior Unlimited Tax Bonds"*). The Prior Unlimited Tax Bonds will be called for redemption on July 8, 2016 at a redemption price equal to 100% of par plus accrued interest. The Prior Unlimited Tax Bonds were issued to continue to refund bonds that were issued to finance construction projects initiated prior to October 1, 1991, including TARP projects.

The 2016B Bonds are issued to refund all of the $50,790,000 outstanding principal amount of General Obligation Refunding Bonds, Limited Tax Series of May, 2006 maturing in the years 2023 to 2031 (the *"Prior Limited Tax Bonds"* and, together with the Prior Unlimited Tax Bonds, the *"Prior Bonds"*). The Prior Limited Tax Bonds will be called for redemption on July 8, 2016 at a redemption price equal to 100% of par plus accrued interest. The Prior Limited Tax Bonds were issued to refund bonds that were issued to finance certain capital projects of the District.

The Prior Bonds will be refunded as of the date of issuance of the Bonds by the deposit of moneys sufficient to pay (i) the interest on the Prior Bonds when due and (ii) the redemption price of the Prior Bonds on the July 8, 2016 redemption date (the *"Deposit"*). The Deposit will be deposited with the respective paying agents for the Prior Bonds at the time of the issuance of the Bonds.

The purpose of the refunding of the Prior Bonds is to achieve debt service savings for the District.

THE PROJECT

The projects financed by the Bonds involve (i) the District's TARP, (ii) the development, design, planning and construction of regional and local stormwater facilities provided for in the countywide stormwater management plan and the acquisition of real property in furtherance of its regional and local stormwater management activities and (iii) replacing, remodeling, completing, altering, constructing and enlarging of sewage treatment works, administrative buildings, water quality improvement projects or flood control facilities, and additions therefor, including, but not limited to, the construction of pumping stations, tunnels, conduits, intercepting sewers and outlet sewers, together with the equipment, including air pollution equipment, and appurtenances thereto, to acquire property, real, personal or mixed, necessary for said purposes, for costs and expenses for the acquisition of the sites and rights-of-way necessary thereto, and for engineering expenses for designing and supervising the construction of such works and other related and incidental expenses, including, specifically, the QECB Project. For additional information concerning the District's capital improvements plan, see "APPENDIX B—CAPITAL IMPROVEMENTS PROGRAM."

THE GREEN PROJECTS

The mission of the District is to protect the health and safety of the public in its Greater Chicago service area, protect the quality of the water supply source (Lake Michigan) in its service area, improve the quality of water in watercourses in its service area, protect businesses and homes from flood damages, and manage water as a vital resource for its service area. The District is currently undertaking a number of capital projects designed to fulfill its statutory responsibilities. The 2016C Bonds, the 2016D Bonds, the 2016E Bonds and the 2016F Bonds are *"Green Bonds."* The purpose of labeling these series of Bonds as Green Bonds is to allow investors to invest directly in these environmentally beneficial projects. For the benefit of investors, the District has defined four categories of its Green Projects (collectively, the *"Green Projects"*) as defined below.

(i) *Tunnel and Reservoir Plan (TARP) Project.* The Board adopted the Tunnel and Reservoir Plan (TARP) in 1972 as a comprehensive pollution and flood control program for its 375 square mile combined sewer area. This area includes part or all of 52 communities, including the City of Chicago, and is one of the country's largest public works projects for pollution and flood control. The primary goals of TARP are as follows: protect Lake Michigan – the area's primary source of drinking water – from polluted backflows; clean up the area's waterways; and provide an outlet for floodwaters in order to reduce basement flooding. The TARP Tunnel Systems currently eliminate about 85% of the pollution load attributable to combined sewer overflow. The three TARP Reservoirs, two of which are completed, will provide storage for additional sewage and stormwater runoff flows captured by the TARP tunnel systems.

(ii) *Stormwater Management Program Projects.* The District undertakes stormwater management projects under two phases of its Stormwater Management

Program. Phase I consists of projects identified under Detailed Watershed Plans (DWPs), which were completed in 2010. Phase I projects address regional waterway overbank flooding and streambank stabilization concerns. In 2015, construction was completed on three Phase I projects and construction was initiated on four additional Phase I projects. It is anticipated 11 Phase I projects will be advertised in 2016. In addition, there are 10 Phase I projects in various stages of design. The District initiated Phase II of its Stormwater Management Program in 2013 to address local flooding problems not necessarily involving overbank flooding. In 2013, 2014, and 2015, several Phase II projects were approved by the District to assist communities and agencies across Cook County (the *"County"*) to address flooding issues. 26 shovel-ready projects were approved for District funding assistance to local municipalities, and 15 problem areas were identified for further study by the District under Phase II. Since late in 2014, the District has been performing preliminary engineering for the 15 problem areas, while 14 of the shovel-ready projects were under construction (three of those completed in 2015), and six of the remaining 12 projects are under design by others. The three other problem areas that were identified will need further study before a potential solution can be designed; those investigations began in 2014. In 2016, it is anticipated that several of the District's preliminary engineering projects will move into final design. For circumstances where a flood control project is not feasible, the District initiated a Flood-Prone Property Acquisition Program in 2015 and partnered with the Village of Glenview and the City of Des Plaines to acquire 30 properties, remove the structures on the acquired properties and place deed restrictions requiring the properties to remain as open space into perpetuity. The municipalities own the acquired properties and perform all required maintenance. In 2016, the District will be working with several municipalities to acquire additional flood-prone properties. Presently, the capital cost for these projects over the next five years is estimated to be $479 million.

(iii) *Resource Recovery Projects.* The District plans to focus on implementing sustainable and resilient practices in affecting a sustainable economy and financial base through the proper regulation and usage of the following resources - water, phosphorus, biosolids, and energy. Notably, the District plans to achieve energy neutrality by 2023. The District is currently undertaking a number of innovative projects with respect to water and stormwater reuse and phosphorus recovery for environmentally-friendly reuse as a fertilizer and is exploring food to energy and gas production from anaerobic digestion processes. Similarly, improved wastewater treatment and greater plant efficiency will result in the District's collection of increased quantities of biosolids. The sustainable, beneficial use of biosolids is a major program of the District. Within the next five years, award of construction projects with a cost of approximately $78 million is currently anticipated for biosolids management improvements, including the potential repackaging and sale of high quality biosolids.

(iv) *Water Reclamation Plant Expansions and System Improvements.* The District owns and operates one of the world's largest water reclamation plants, in addition to six other plants and 22 pumping stations. The District treats an average of 1.3 billion gallons of wastewater each day. The District's total wastewater treatment capacity is over 2.0 billion gallons per day. The District's Capital Improvements Program includes replacing, remodeling, completing, altering, constructing and enlarging of sewage

treatment works, administrative buildings, water quality improvement projects or flood control facilities, and additions therefor, including, but not limited to, the construction of pumping stations, tunnels, conduits, intercepting sewers and outlet sewers, together with the equipment, including air pollution equipment, and appurtenances thereto, to acquire property, real, personal or mixed, necessary for said purposes, and for costs and expenses for the acquisition of the sites and rights-of-way necessary thereto, and for engineering expenses for designing and supervising the construction of such works and other related and incidental expenses.

For additional information concerning the District's Green Projects, see "APPENDIX B—CAPITAL IMPROVEMENTS PROGRAM." Holders of the Green Bonds do not assume any specific project risk related to the Green Projects. The 2016C Bonds and the 2016E Bonds are being issued as unlimited tax general obligation bonds. The 2016D Bonds and Series 2016F Bonds are being issued as limited tax general obligation bonds. See "SECURITY FOR THE BONDS."

Pursuant to the respective Bond Ordinances and in accordance with the Debt Reform Act, it is anticipated that the proceeds of the 2016C Bonds will be used to fund a portion of the TARP Project, the proceeds of the 2016D Bonds and Series 2016F Bonds will be used to fund portions of the District's Resource Recovery Projects and Water Reclamation Plant Expansions and System Improvements, which include the QECB Project, and the proceeds of the 2016E Bonds will be used to fund a portion of the Stormwater Management Program Projects. The proceeds of each series of Green Bonds will be deposited into segregated Bond Proceeds Funds. Investments of proceeds deposited into the segregated Bond Proceeds Funds are limited by the District's Investment Policy as well as Illinois law to certain allowable investments. See "CASH MANAGEMENT—Investment of District Funds."

The District plans to post periodic updates on the use of proceeds of the Green Bonds in a report on its website: https://www.mwrd.org/irj/portal/anonymous/AFReports. The District plans to post a report of all projects funded when all proceeds have been spent. Once all proceeds of the Green Bonds have been spent, no further updates will be provided. For the avoidance of doubt, such reports and periodic updates related to the Green Bonds are not Annual Financial Information (as defined below in "THE UNDERTAKING—Annual Financial Information Disclosure").

SOURCES AND USES OF FUNDS

The estimated sources and uses of funds are summarized as follows:

	2016A BONDS	2016B BONDS	2016C BONDS	2016D BONDS	2016E BONDS	2016F BONDS	TOTAL
SOURCES OF FUNDS							
Principal Amount of Bonds..	$280,930,000.00	$41,330,000.00	$30,000,000.00	$20,000,000.00	$50,000,000.00	$4,000,000.00	$426,260,000.00
Original Issue Premium........	68,206,452.00	9,835,300.55	5,739,300.00	4,718,890.85	10,545,322.35	0.00	99,045,265.75
Total Sources of Funds	$349,136,452.00	$51,165,300.55	$35,739,300.00	$24,718,890.85	$60,545,322.35	$4,000,000.00	$525,305,265.75
USES OF FUNDS							
Project Costs	$ 0.00	$ 0.00	$35,657,838.75	$24,663,930.69	$60,410,321.46	$3,982,096.75	$124,714,187.65
Refund Prior Bonds.............	348,381,139.89	51,051,005.17	0.00	0.00	0.00	0.00	399,432,145.06
Costs of Issuance[1].............	755,312.11	114,295.38	81,461.25	54,960.16	135,000.89	17,903.25	1,158,933.04
Total Uses of Funds	$349,136,452.00	$51,165,300.55	$35,739,300.00	$24,718,890.85	$60,545,322.35	$4,000,000.00	$525,305,265.75

(1) Includes Underwriters' discount.

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THE BONDS

GENERAL DESCRIPTION

The Bonds will be dated the date of issuance thereof and will mature on December 1 of the years and in the amounts shown on the inside cover pages of this Official Statement. The Bonds bear interest from their dated date, at the rates set forth on the inside cover pages of this Official Statement, computed upon the basis of a 360-day year of twelve 30-day months and payable on December 1, 2016 and semiannually thereafter on each June 1 and December 1. The Bonds are issuable only as fully registered bonds in denominations of $5,000 or any integral multiple thereof under a global book-entry only system operated by The Depository Trust Company, New York, New York (*"DTC"*). Individual purchases of the Bonds may be made only in book-entry form through the facilities of DTC. Purchasers will not receive certificates representing their interest in the Bonds purchased. See "APPENDIX F—BOOK-ENTRY SYSTEM." Principal of and interest on the Bonds are payable by Amalgamated Bank of Chicago, as the initial Bond Registrar and Paying Agent (the *"Bond Registrar"*).

REGISTRATION AND TRANSFER

The Bond Registrar will maintain books for the registration of ownership and transfer of the Bonds. Subject to the provisions of the Bonds as they relate to book-entry form, any Bond may be transferred upon the surrender thereof at the office designated for such purpose of the Bond Registrar, together with a written instrument satisfactory to the Bond Registrar duly executed by the registered owner or his or her attorney duly authorized in writing. No service charge shall be made for any transfer or exchange of Bonds, but the District or the Bond Registrar may require payment of a sum sufficient for reimbursement of any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer of Bonds except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

The Bond Registrar shall not be required to transfer or exchange any Bond after notice of the redemption of all or a portion thereof has been mailed. The Bond Registrar shall not be required to transfer or exchange any Bond during a period of 15 days next preceding the mailing of a notice of redemption that could designate for redemption all or a portion of such Bond.

OPTIONAL REDEMPTION

2016A Bonds. The 2016A Bonds maturing on or after December 1, 2027 are subject to redemption prior to maturity at the option of the District, from any available funds, in whole or in part on any date on or after December 1, 2026, and if in part, in any order of maturity as shall be selected by the District, at a redemption price of par, plus accrued interest to the date fixed for redemption.

2016B Bonds. The 2016B Bonds maturing on or after December 1, 2027 are subject to redemption prior to maturity at the option of the District, from any available funds, in whole or in part on any date on or after December 1, 2026, and if in part, in any order of maturity as shall be

selected by the District, at a redemption price of par, plus accrued interest to the date fixed for redemption.

2016C Bonds. The 2016C Bonds are subject to redemption prior to maturity at the option of the District, from any available funds, in whole or in part on any date on or after December 1, 2026, at a redemption price of par, plus accrued interest to the date fixed for redemption.

2016D Bonds. The 2016D Bonds maturing on or after December 1, 2027 are subject to redemption prior to maturity at the option of the District, from any available funds, in whole or in part on any date on or after December 1, 2026, and if in part, in any order of maturity as shall be selected by the District, at a redemption price of par, plus accrued interest to the date fixed for redemption.

2016E Bonds. The 2016E Bonds maturing on or after December 1, 2027 are subject to redemption prior to maturity at the option of the District, from any available funds, in whole or in part on any date on or after December 1, 2026, and if in part, in any order of maturity as shall be selected by the District, at a redemption price of par, plus accrued interest to the date fixed for redemption.

2016F Bonds. The 2016F Bonds are subject to redemption prior to maturity at the option of the District, from any available funds, on any date, at the Make Whole Redemption Price, plus accrued interest to the date fixed for redemption.

"Make Whole Redemption Price" means a redemption price equal to the greater of: (A) the principal amount of the 2016F Bonds to be redeemed, or (B) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date on the 2016F Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date such 2016F Bonds are to be redeemed, discounted to the date of redemption of the 2016F Bonds to be redeemed on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 0.25%. *"Treasury Rate"* means, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) (the *"Statistical Release"*) that has become publicly available five business days prior to the redemption date (excluding inflation indexed securities) (or, if the Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the 2016F Bonds to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used. The Make Whole Redemption Price will be determined by the District as of the fourth business day next preceding the redemption date of the 2016F Bonds.

MANDATORY REDEMPTION

The 2016C Bonds and the 2016E Bonds maturing on December 1, 2041 and December 1, 2045 (collectively, the *"Term Bonds"*) are subject to mandatory sinking fund redemption at a

redemption price equal to the principal amount thereof to be redeemed on December 1 in the years and amounts as follows:

2016C BONDS MATURING ON DECEMBER 1, 2045

YEAR	AMOUNT
2044	$ 5,500,000
2045	24,500,000*

* Maturity.

2016E BONDS MATURING ON DECEMBER 1, 2041

YEAR	AMOUNT
2037	$2,335,000
2038	2,450,000
2039	2,575,000
2040	2,705,000
2041	2,840,000*

* Maturity.

2016E BONDS MATURING ON DECEMBER 1, 2045

YEAR	AMOUNT
2042	$2,980,000
2043	3,130,000
2044	3,285,000
2045	3,450,000*

* Maturity.

Whenever any Term Bond is redeemed at the option of the District, the principal amount thereof so redeemed shall be credited against the unsatisfied balance of future sinking fund installments or final maturity amount established with respect to such Term Bond, in such amounts and against such installments or final maturity amount as shall be determined by the District in the proceedings authorizing such optional redemption or, in the absence of such determination, shall be credited pro-rata against the unsatisfied balance of the applicable sinking fund installments and final maturity amount.

On or prior to the 60th day preceding any sinking fund installment date, the District may purchase Term Bonds that are subject to mandatory redemption on such sinking fund installment date, at such prices (not exceeding par plus accrued interest) as the District shall determine. Any

Term Bond so purchased shall be cancelled and the principal amount thereof so purchased shall be credited against the unsatisfied balance of the next ensuing sinking fund installment of the Term Bonds of the same series, maturity and interest rate as the Term Bond so purchased.

EXTRAORDINARY MANDATORY REDEMPTION OF THE 2016F BONDS

The 2016F Bonds are subject to extraordinary mandatory redemption within 90 days after the Expenditure Termination Date (as hereinafter defined), as a whole, or in part by lot, at the redemption price of par and in a principal amount equal to the sum of (i) the unexpended Available Project Proceeds (as hereinafter defined) as of the Expenditure Termination Date and (ii) such additional amount so that the aggregate principal amount of the 2016F Bonds to be redeemed is $5,000 or an integral multiple of $5,000. The District will select the date of redemption, which date will be within 90 days after the Expenditure Termination Date. If the Expenditure Termination Date is extended to a date later than the third anniversary of the date of issuance of the 2016F Bonds, then the District will file with the Municipal Securities Rulemaking Board (the *"MSRB"*) for disclosure on its Electronic Municipal Market Access system (*"EMMA"*), a notice of the new Expenditure Termination Date.

"Expenditure Termination Date" means the third anniversary date of the date of issuance of the 2016F Bonds, and the last date of the "expenditure period" as defined in Section 54A(d)(2)(B)(ii) of the Code or, upon the extension of such "expenditure period" pursuant to Section 54A(d)(2)(B)(iii) of the Code, the last day of the "expenditure period" as so extended.

"Available Project Proceeds" means (A) the excess of (i) the proceeds of sale of the 2016F Bonds, over (ii) the issuance costs financed by the 2016F Bonds (to the extent that such costs do not exceed two percent of such proceeds), and (B) the proceeds from any investment of such excess.

SELECTION OF BONDS WITHIN A MATURITY

In the event of a redemption of less than all of the Bonds of like series, maturity and interest rate, the aggregate principal amount thereof to be redeemed shall be $5,000 or an integral multiple thereof and the Bond Registrar shall assign to each Bond of such maturity a distinctive number for each $5,000 principal amount of such Bond and shall select by lot from the numbers so assigned as many numbers as, at $5,000 for each number, shall equal the principal amount of such Bond to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; *provided* that only so much of the principal amount of each Bond shall be redeemed as shall equal $5,000 for each number assigned to it and so selected.

REDEMPTION PROCEDURE AND NOTICE OF REDEMPTION

Notice of the redemption of the Bonds shall be mailed not less than 30 days nor more than 60 days prior to the date fixed for such redemption to the registered owners of Bonds to be redeemed at their last addresses appearing on the registration books. The Bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the

redemption date therein designated, and if, on the redemption date, moneys for payment of the redemption price of all the Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, and if notice of redemption shall have been mailed as aforesaid (and notwithstanding any defect therein or the lack of actual receipt thereof by any registered owner) then from and after the redemption date interest on such Bonds or portions thereof shall cease to accrue and become payable. If there shall be drawn for redemption less than all of a Bond, the District shall execute and the bond registrar shall authenticate and deliver, upon surrender of such Bond, without charge to the owner thereof, in exchange for the unredeemed balance of the Bond so surrendered, Bonds of like series, maturity and interest rate and of the denomination of $5,000 or any integral multiple thereof.

Such additional notice and information as may be agreed upon with DTC shall also be given so long as the Bonds are held by DTC. See "APPENDIX F—BOOK-ENTRY SYSTEM."

DEFEASANCE

If the District pays or causes to be paid to the registered owners of a Series of the Bonds, the principal, premium, if any, and interest due or to become due thereon, at the times and in the manner stipulated in the respective Bond Ordinance, then the pledge of the taxes levied to pay the principal of or interest on the Bonds and the covenants, agreements and other obligations of the District to the registered owners and the beneficial owners of the Bonds are discharged and satisfied.

Any Bonds or interest installments appertaining thereto, whether at or prior to the maturity or redemption date of the Bonds, will be deemed to have been paid within the meaning set forth in the respective Bond Ordinance if (1) in case any such Bonds are to be redeemed prior to the maturity thereof, there has been taken all action necessary to call the Bonds for redemption and notice of such redemption has been duly given or provision has been made for the giving of such notice, and (2) there has been deposited in trust with a bank, trust company or national banking association acting as fiduciary for such purpose either (i) moneys in an amount which shall be sufficient, or (ii) Federal Obligations (as hereinafter defined), the principal of and the interest on which when due will provide moneys which, together with any moneys on deposit with such fiduciary at the same time for such purpose, are sufficient, to pay when due the principal of, redemption premium, if any, and interest due and to become due on, such Bonds on and prior to the applicable maturity date or redemption date thereof.

"Federal Obligations" means (i) non-callable, direct obligations of the United States of America, (ii) non-callable and non-prepayable, direct obligations of any agency of the United States of America, which are unconditionally guaranteed by the United States of America as to full and timely payment of principal and interest, (iii) non-callable, non-prepayable coupons or interest installments from the securities described in clause (i) or clause (ii) of this paragraph, which are stripped pursuant to programs of the Department of the Treasury of the United States of America, or (iv) coupons or interest installments stripped from bonds of the Resolution Funding Corporation.

SECURITY FOR THE BONDS

SECURITY FOR UNLIMITED TAX BONDS

General

The 2016A Bonds, the 2016C Bonds and the 2016E Bonds are being issued as unlimited tax general obligation bonds and are sometimes referred to herein as the "Unlimited Tax Bonds." Pursuant to each related Bond Ordinance, the full faith and credit of the District has been irrevocably pledged to the punctual payment of the principal of and interest on each Series of Unlimited Tax Bonds. Each Series of Unlimited Tax Bonds are direct and general obligations of the District, and the District is obligated to levy ad valorem taxes upon all taxable property within the District, without limitation as to rate or amount, for the payment of the principal of and interest on each Series of Unlimited Tax Bonds.

Pursuant to each related Bond Ordinance, the District has levied a direct annual tax on all taxable property within the District, in each year for which any of the Unlimited Tax Bonds are outstanding in amounts sufficient for the punctual payment of the principal of and interest on each Series of Unlimited Tax Bonds as the same shall become payable. See "REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES."

In accordance with the Debt Reform Act, the tax receipts derived from the taxes so levied that are deposited into the debt service fund for each Series of Unlimited Tax Bonds, together with any other moneys deposited or to be deposited in such debt service fund, are pledged as security for the payment of the principal of and interest on that Series of Unlimited Tax Bonds. Such pledge is valid and binding from the date of issuance of the Unlimited Tax Bonds. All moneys held in such debt service funds, including the tax receipts described above, are immediately subject to the lien of the District's pledge without any physical delivery or further act and the lien of such pledge is valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the District irrespective of whether such parties have notice thereof. The provisions of the Bond Ordinances for each Series of Unlimited Tax Bonds, including with respect to the pledge described in this paragraph, constitute a contract between the District and the registered owners of such Series of Unlimited Tax Bonds.

The related Bond Ordinances provide that after the issuance of that Series of Unlimited Tax Bonds, the District shall not abate the taxes levied pursuant to that Bond Ordinance or take any action to restrict the extension and collection of such taxes except that the District may abate such taxes or take any such action for any tax levy year to the extent that, at the time of such abatement or restriction, moneys in the debt service fund for the related Series of Unlimited Tax Bonds, or otherwise held in trust for the payment of debt service on the related Series of Unlimited Tax Bonds, together with the amount to be extended for collection taking into account the proposed abatement or restriction, will be sufficient to provide for the punctual payment of the principal of and interest on the related Series of Unlimited Tax Bonds for such tax levy year.

The 2016E Bonds

The 2016E Bonds are also being issued as "alternate bonds" pursuant to the Debt Reform Act. Pursuant to the Bond Ordinance authorizing the issuance of the 2016E Bonds (the *"2016E Bond Ordinance"*) and in accordance with the Debt Reform Act, the District has provided that the 2016E Bonds will also be paid from the moneys received by the District from the levy and collection of a stormwater management tax (*"Stormwater Management Tax Receipts"*). The Stormwater Management Tax Receipts constitute a "revenue source" within the meaning of Section 15 of the Debt Reform Act. Pursuant to the Series 2016E Bond Ordinance, the Stormwater Management Tax Receipts moneys are pledged as additional security for the payment of principal of and interest on the 2016E Bonds. For additional information about the stormwater management tax, see "—Stormwater Management Tax Receipts," "TAXATION OF PROPERTY WITHIN DISTRICT—STATISTICAL INFORMATION" and "APPENDIX A—BASIC FINANCIAL STATEMENTS."

The District has previously issued its General Obligation Unlimited Tax Bonds (Alternate Revenue Source), Series 2014B (Green Bonds) (the *"2014B Bonds"*). The District has pledged the Stormwater Management Tax Receipts to the payment of the principal of and interest on the 2014B Bonds. The 2016E Bonds are issued on a parity with the 2014B Bonds with respect to the pledge of the Stormwater Management Tax Receipts.

The 2016E Bond Ordinance requires the Treasurer of the District to deposit into the debt service fund related to the 2016E Bonds on or before the last business day of February of each year Stormwater Management Tax Receipts in an amount so that the sum held in such debt service fund after such deposit shall be sufficient to provide for the punctual payment of the principal and interest on the 2016E Bonds that will become due and payable on and prior to the first day of December next ensuing (the *"2016E Deposit"*).

The 2014B Bonds and the 2016E Bonds are the only alternate bonds of the District secured by and payable from the Stormwater Management Tax Receipts. The District reserves the right to issue additional alternate revenue bonds secured by a pledge of the Stormwater Management Tax Receipts on a parity with the 2014B Bonds and the 2016E Bonds.

The Debt Reform Act provides that a governmental unit issuing alternate bonds, such as the 2016E Bonds, must determine that the revenue source pledged to the payment of such alternate bonds will be sufficient to provide for or pay in each year to final maturity an amount not less than 1.25 times the annual debt service on such alternate bonds, and must covenant to provide for, collect and apply the revenue source to the payment of the alternate bonds and to provide for an amount equal to not less than an additional .25 times debt service. In accordance therewith, the Board determined in the 2016E Bond Ordinance that the Stormwater Management Tax Receipts will be sufficient to provide for or pay in each year to final maturity of the Bonds an amount not less than 1.25 times the annual debt service on the 2014B Bonds and the 2016E Bonds, and the District covenanted in the 2016E Bond Ordinance to provide for, collect and apply the Stormwater Management Tax Receipts to the payment of the 2014B Bonds and the 2016E Bonds and the provision of not less than an additional .25 times the annual debt service on the 2014B Bonds and the 2016E Bonds.

Stormwater Management Tax Receipts and Abatement of Taxes

During the fiscal years ended December 31, 2014, and December 31, 2015, the District received Stormwater Management Tax Receipts of $20,073,000 and $20,745,000, respectively. See "APPENDIX A—Basic Financial Statements" for additional information.

Upon the deposit of the 2016E Deposit into the debt service fund related to the 2016E Bonds with respect to a tax year, the District intends to abate the taxes levied with respect to the 2016E Bonds for such tax year.

SECURITY FOR LIMITED TAX BONDS

The 2016B Bonds, the 2016D Bonds and the 2016F Bonds are being issued as "limited bonds" as defined in the Debt Reform Act and are sometimes referred to herein as the "Limited Tax Bonds." Pursuant to the related Bond Ordinances, the full faith and credit of the District has been irrevocably pledged to the punctual payment of the principal of and interest on each Series of Limited Tax Bonds. Each Series of Limited Tax Bonds are direct and general obligations of the District and the District is obligated to levy ad valorem taxes upon all taxable property within the District, without limitation as to rate but limited as to amount by provisions of the Limitation Law, as described more fully below, for the payment of the principal of and interest on each Series of Limited Tax Bonds.

Pursuant to the related Bond Ordinance for each Series of Limited Tax Bonds, the District has levied a direct annual tax on all taxable property within the District, in each year for which any of the Limited Tax Bonds are outstanding in amounts sufficient for the punctual payment of the principal of and interest on the related Series of Limited Tax Bonds as the same shall become payable. See "REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES—Property Tax Extension Limitation Law and Debt Reform Act" and "DEBT INFORMATION—District's Debt Service Extension Base Capacity."

In accordance with the Debt Reform Act, the tax receipts derived from the taxes so levied that are deposited into the debt service fund for the related Series of Limited Tax Bonds, together with any other moneys deposited or to be deposited in such debt service fund, are pledged as security for the payment of the principal of and interest on that Series of Limited Tax Bonds. Such pledge is valid and binding from the date of issuance of the Limited Tax Bonds. All moneys held in such debt service funds, including the tax receipts described above, are immediately subject to the lien of the District's pledge without any physical delivery or further act and the lien of such pledge is valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the District irrespective of whether such parties have notice thereof. The provisions of the Bond Ordinances for each Series of Limited Tax Bonds, including with respect to the pledge described in this paragraph, constitute a contract between the District and the registered owners of the respective Series of Limited Tax Bonds.

The related Bond Ordinances each provide that after the issuance of that Series of Limited Tax Bonds, the District will not abate the taxes levied pursuant to that Bond Ordinance or take any action to restrict the extension and collection of the such taxes except that the District may abate

such taxes for any tax levy year to the extent that, at the time of such abatement, moneys in the debt service fund for the related Series of Limited Tax Bonds, or otherwise held in trust for the payment of debt service on the related Series of Limited Tax Bonds, together with the amount to be extended for collection taking into account the proposed abatement, will be sufficient to provide for the punctual payment of the principal of and interest on the related Series of Limited Tax Bonds for such tax levy years.

The amount of ad valorem taxes that may be extended specifically to pay each Series of Limited Tax Bonds is limited as to amount by the Limitation Law. The Limited Tax Bonds are payable from the "debt service extension base" of the District as provided for in the Debt Reform Act. The debt service extension base is defined in the Limitation Law as an amount equal to that portion of the District's extension for the 1994 levy year for the payment of principal of and interest on bonds issued by the District without referendum, but not including: (i) any alternate bonds issued under the Debt Reform Act; or (ii) refunding bonds issued to refund bonds initially issued pursuant to referendum. Under legislation enacted in 1997, the Limitation Law was amended so that the issuance of bonds by the District to construct construction projects initiated before October 1, 1991, including the TARP projects, will not reduce the District's ability to issue limited tax bonds for other major capital projects. See "REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES—Property Tax Extension Limitation Law and Debt Reform Act" and "DEBT INFORMATION—District's Debt Service Extension Base Capacity."

The District's debt service extension base for the 2016 levy year is $159,305,391, an amount that can only be increased in future years as described in the succeeding paragraph or by referendum. The District has covenanted in the related Bond Ordinances that it will not issue any bonds, notes or other obligations if such issuance would cause the anticipated tax extension for any tax levy year for limited bonds of the District to exceed the then current debt service extension base of the District. The limitations on the extensions of property taxes contained in the Limitation Law do not apply to the taxes levied by the District (i) to pay the principal of and interest on its outstanding general obligation bonds issued prior to March 1, 1995; (ii) to pay the principal of and interest on bonds issued to refund or continue to refund those bonds issued before March 1, 1995; (iii) to pay the principal of and interest on bonds to finance construction projects initiated prior to October 1, 1991 (consisting primarily of the TARP projects as described in APPENDIX B); or (iv) to pay interest or principal on bonds issued to refund or continue to refund bonds issued after March 1, 1995 that are approved by referendum.

The Limitation Law limits the annual growth in property tax extensions for the District to the lesser of 5% or the percentage increase in the Consumer Price Index for All Urban Consumers during the calendar year preceding the relevant levy year. Generally, extensions can be increased beyond this limitation to reflect added equalized assessed valuation reflecting new construction within the taxing district or pursuant to a referendum approval of tax or limitation rate increases. In addition, the Limitation Law requires the Cook County Clerk, in extending taxes for taxing districts in the County including the District, to use the EAV (as described and defined below in "REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES—Equalization") of all property within the taxing district for the levy for which taxes are then being extended.

Upon the issuance of the Limited Tax Bonds, the District will have remaining capacity under its debt service extension base to issue additional limited bonds. The District anticipates issuing additional limited bonds. Further issuance of limited bonds may result in the use of all or a substantial portion of the District's available debt service extension base.

For additional information, see "DEBT INFORMATION—District's Debt Service Extension Base Capacity" and "REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES—Property Tax Extension Limitation Law and Debt Reform Act."

QECB PAYMENTS NOT PLEDGED

The QECB Payments expected to be received by the District with respect to the 2016F Bonds are not pledged to the payment of the 2016F Bonds.

ADDITIONAL FINANCING

LONG-TERM CAPITAL NEEDS

The District has traditionally financed a substantial portion of its capital projects through the issuance of general obligation indebtedness. The District expects that future capital expenditures will continue to be financed in large part through the issuance of its general obligation indebtedness. There are currently no legislative proposals pending to eliminate or curtail the District's power to issue its general obligation bonds without voter approval. Legislation has been adopted which extends the existing nonreferendum bonding authority of the District through 2024. For a description of the District's present and potential future capital projects, see "APPENDIX B—CAPITAL IMPROVEMENTS PROGRAM" and "ENVIRONMENTAL MATTERS" herein. The District evaluates on an ongoing basis whether market conditions will enable it to refinance outstanding indebtedness at favorable rates.

IEPA PROJECTS

The District is involved in an ongoing program of sewer and treatment plant rehabilitation and expansion projects and stormwater management and flood control projects for which the Illinois Environmental Protection Agency (the *"IEPA"*) has approved partial funding through the State of Illinois Water Pollution Control Revolving Loan Fund (the *"Revolving Loan Fund"*). Under the terms of the Revolving Loan Fund, the District issues preliminary bonds in the amount of interim project loan advances to pay project costs (the *"IEPA Preliminary Bonds"*). The IEPA Preliminary Bonds are funded at project completion by the issuance to the IEPA of general obligation bonds having twenty year final maturities (*"Capital Improvement Bonds"*). Once repayment begins, the Capital Improvement Bonds amortize over the repayment period with level semi-annual payments of principal and interest. Since its inception, the District has issued IEPA Preliminary Bonds and Capital Improvement Bonds pursuant to various authorizations. Currently, the District has remaining authorization for Capital Improvement Bonds as set forth on the following table:

Series	Original Authorization	Remaining Authorized Amount
2012 IEPA Series	$300,000,000	$ 14,500,000
2014 IEPA Series	425,000,000	316,200,000
Total		$330,700,000

See "DEBT INFORMATION—Combined Schedule of Bonds Issued and Outstanding."

METROPOLITAN WATER RECLAMATION DISTRICT OF GREATER CHICAGO

THE DISTRICT

The District is a sanitary district and a body corporate and politic of the State of Illinois (the *"State"*), organized and existing under the Act. The District is an independent government and taxing body encompassing approximately 91% of the land area and 98% of the assessed valuation of the County. The District was originally organized as the Sanitary District of Chicago in 1889 under an act of the Illinois General Assembly which has been modified from time to time to increase the District's powers and jurisdiction. From 1955 through 1988 the District was called The Metropolitan Sanitary District of Greater Chicago. In order to provide a more accurate description of the District's current functions and responsibilities, the name was changed, effective January 1, 1989, to the Metropolitan Water Reclamation District of Greater Chicago.

The mission of the District is to protect the health and safety of the public in its service area, protect the quality of the water supply source (Lake Michigan), improve the quality of water in watercourses in its service area, protect businesses and homes from flood damages, and manage water as a vital resource for its service area.

The District is responsible for preventing pollution of Lake Michigan, the source of Chicago's water supply, and treating wastewater to improve the water quality in the Chicago, Des Plaines, Calumet and Illinois Rivers and all other waterways within its jurisdiction. While it exercises no direct control over wastewater collection and transmission systems maintained by cities, towns and villages in Cook County, the District does control municipal sewer construction by permits or authorizations. It also provides the main trunk lines for the collection of wastewater from the local systems, and provides facilities for the treatment and disposal of the wastewater products. The District also provides facilities to store, treat and release combined sewage overflow and storm water runoff within its jurisdiction. Beginning in 2005, the District was assigned responsibility pursuant to Section 7h of the Act for stormwater management for all of Cook County, including areas outside of the District's corporate boundaries.

The District is currently undertaking a number of capital projects designed to fulfill its statutory responsibilities. A description of the District's Capital Improvements Program is set forth in APPENDIX B attached hereto.

SERVICES

The District collects wastewater from municipalities in its service area, conveys it to wastewater reclamation plants, provides full secondary treatment and discharges clean water to local waterways. The District is also responsible for stormwater management for all of the County, including areas outside of the District's corporate boundaries for wastewater services.

As of April 30, 2016, the District served a population of 10.35 million people; this included domestic wastewater from approximately 5.25 million people, a commercial and industrial equivalent of 4.5 million people, and a combined sewer overflow of 0.6 million people. The District serves an area of 884 square miles which includes the City of Chicago and 128 suburban communities. The District's 560 miles of intercepting sewers and force mains range in size from 6 inches to 27 feet in diameter, and are fed by approximately 10,000 local sewer system connections.

The District's TARP is one of the country's largest public works projects for pollution and flood control. One hundred nine (109) miles of tunnels, 8 to 33 feet in diameter and 150 to 300 feet underground, have been constructed and are in operation.

The District owns and operates one of the world's largest water reclamation plants, in addition to six other plants and 22 pumping stations. The District treats an average of 1.3 billion gallons of wastewater each day. The District's total wastewater treatment capacity is over 2.0 billion gallons per day.

The District controls approximately 76 miles of navigable waterways, which are part of a national system connecting the Atlantic Ocean and the Great Lakes with the Gulf of Mexico. The District also owns and operates 35 stormwater detention reservoirs to provide regional stormwater flood damage reduction.

LABOR

Approximately 774 of the District's 1,880 employees are represented by 16 different unions. These unions comprise six different bargaining units. The District and the unions representing its employees have enjoyed a long tradition of amicable and professional relations. Multi-year collective bargaining agreements were negotiated with all unions in 2014 and were ratified by the Board on November 20, 2014. Each of these collective bargaining agreements expire on June 30, 2017.

ADMINISTRATION

The District is governed by the nine member Board. Commissioners are elected at large and serve on a salaried part-time basis. Three Commissioners are elected every two years for six-year terms. The Board elects a President, Vice President, and Chairman of the Committee on Finance biannually from its membership.

The current Commissioners are:

BOARD OF COMMISSIONERS	YEAR FIRST ELECTED	TERM EXPIRES
Mariyana T. Spyropoulos, President	2009*	2016
Barbara J. McGowan, Vice President	1998	2016
Frank Avila, Chairman, Committee on Finance	2002	2020
Michael A. Alvarez	2010	2016
Timothy Bradford	2014	2020
Cynthia M. Santos	1996	2020
Debra Shore	2006	2018
Kari K. Steele	2012	2018
David J. Walsh	2015**	2016

* Appointed by the Governor of the State of Illinois on August 5, 2009 to fill a vacancy; subsequently, Ms. Spyropoulos was elected by the voters at the November 2, 2010 election to a full six-year term.

** Appointed by the Governor of the State of Illinois on September 25, 2015 to fill a vacancy. An election will be held in November 2016 to permanently fill the remaining two-year term, which expires in 2018.

The District's day-to-day operations are managed by the Executive Director, who is appointed by and reports directly to the Board. With the consent of the Board, the Executive Director appoints eight department heads who report directly to him. The Executive Director is responsible for administering board policies, as well as preparing and implementing the District's annual budget and long-range plan. The Treasurer of the District, its chief financial officer, is also appointed by and reports directly to the Board. The Treasurer is responsible for the District's financial planning and investment management. The Board appoints a Civil Service Board that has statutory responsibilities for the District's classified service employees.

Mr. David St. Pierre was appointed Executive Director of the District by the Board on June 16, 2011. Mr. St. Pierre has more than 31 years of experience working in the water and wastewater industries in various cities throughout the United States, is a registered Professional Engineer and holds a Bachelor of Science degree in Electrical Engineering from Southern Illinois University.

Ms. Mary Ann Boyle was appointed Treasurer of the District by the Board on March 3, 2011. Ms. Boyle served as the District's Assistant Treasurer for 6.5 years prior to assuming her current position. Ms. Boyle has over 30 years experience in various finance and accounting roles, holds a Bachelor of Science in Accountancy from the University of Illinois at Urbana-Champaign, and is a Certified Public Accountant by the State of Illinois.

The District's other principal officers serve as heads of the following departments under the Executive Director.

Other Principal Officers	Title	Department
Catherine A. O'Connor, Ph.D.	Director of Engineering	Engineering
John Murray	Acting Director of Maintenance and Operations	Maintenance and Operations
Thomas Granato, Ph.D.	Director of Monitoring and Research	Monitoring and Research
Ronald M. Hill	General Counsel	Law
Denice E. Korcal	Director of Human Resources	Human Resources
Darlene A. LoCascio	Director of Procurement and Materials Management	Procurement and Materials Management
John H. Sudduth	Director of Information Technology	Information Technology
Jacqueline Torres	Clerk/Director of Finance	Finance
Allison Fore	Public and Intergovernmental Affairs Officer	General Administration

The departments have responsibility for the following activities:

Engineering Department – This department conducts and/or supervises: facilities planning, design and construction inspection for the District, including new water reclamation plants (*"WRPs"*); remodeling, alteration and expansion of existing plants; the District's TARP; flood control reservoirs; construction of new and upgrading of existing sewer lines and pumping stations; solids management and disposal; and stormwater management activities within Cook County. The department provides liaison with the United States Environmental Protection Agency (the *"USEPA"*), the IEPA and the U.S. Army Corps of Engineers; evaluates compliance with directives; applies for construction project state revolving fund loans; and provides coordination with other local governmental agencies, including county, township, and municipal agencies.

Maintenance and Operations Department – The responsibilities of this department include: protecting the water quality of Lake Michigan, which is the major water supply of the Chicago area; intercepting and treating domestic and industrial wastewater to minimize pollution of the waterways; and operating and maintaining all the facilities of the District. In performing the above responsibilities, a high quality treatment plant effluent is produced in compliance with the National Pollutant Discharge Elimination System (NPDES) Permits, provides for the proper utilization of the solids that are recovered from the various treatment processes, and controls collection facilities and the TARP to minimize combined sewer overflows and treatment plant bypasses. The department has the added responsibilities of operating and maintaining flood control reservoirs to handle storm water run-off, operating and maintaining waterway aeration stations and Sidestream Elevated Pool Aeration (SEPA) Stations for the maintenance of water quality dissolved oxygen standards, maintaining a program of debris clearance from the waterways, controlling the state-allocated Lake Michigan diversion and operating and maintaining the hydroelectric Lockport powerhouse, which generates revenue estimated at $1.2 million per year for the District.

Monitoring and Research Department – This department provides accredited laboratory analytical services to support operations process control, engineering design, the industrial waste program, and various research and monitoring programs. The department conducts ongoing research in wastewater treatment, stormwater management, solids utilization and related fields; monitors water reclamation plant operations, effluent quality and solids utilization for compliance

with federal and state permits; monitors water quality of the Chicago area waterways, Illinois waterways and Lake Michigan for compliance with federal and state water quality standards; monitors groundwater in vicinity of TARP tunnels and reservoirs for environmental impacts; facilitates long term process facility capital planning and conducts planning project studies; and administers the Sewage and Waste Control Ordinance and User Charge Ordinance for compliance with the requirements of the Clean Water Act Amendments of 1977 and regulations of the USEPA.

Law Department – This department is responsible for all legal matters relating to the District. The department also reviews necessary legislation for presentation to the Illinois General Assembly and provides legal interpretation of governing statutes.

Human Resources Department – This department is responsible for providing effective human resources management programs including: recruitment and selection, employee training and development, compensation and benefits, labor and employee relations, risk management and safety.

Procurement and Materials Management Department – This department is responsible for procuring all materials and services in compliance with the Purchasing Act of the Metropolitan Water Reclamation District of Greater Chicago. The department operates four major storerooms at the District facilities providing planning, receiving, storing and issuing of materials. The department is also responsible for the sale of obsolete, used and surplus materials.

Information Technology Department – The mission of the Information Technology Department (ITD) is to align information technology with the stated goals and objectives of the District and to maintain the technology infrastructures and architectures at levels that promote productivity and efficiency throughout the District. In pursuit of this mission, the ITD coordinates the planning and implementation of information technology throughout the District. In addition, ITD establishes District-wide computer standards, monitors and oversees computer security, and provides support for numerous District-wide applications. The ITD provides information technology services in the following key areas: Planning and Program Management, Design and Implementation, Applications Development and Support, Infrastructure Operations and Maintenance, User Support and Customer Satisfaction, and Security and Disaster Recovery.

Finance Department – This department is responsible for reporting financial transactions and preparing the District's Comprehensive Annual Financial Report (CAFR). Additionally, the department maintains all official records of District proceedings, pursues revenue collections and pays obligations of the District in compliance with relevant statutes, professional standards, and District policy.

General Administration – This organizational unit includes the Office of the Executive Director, the Administrative Services Division, and Diversity and Public Affairs Sections. The Office of the Executive Director has overall administrative responsibility for the entire District. The Administrative Services Division provides centralized support services across departmental lines, such as central budget preparation and administration, fiscal planning, and organizational studies police services and Main Office Complex building administration. The Diversity Section administers the Affirmative Action ordinance to provide opportunities for protected class

enterprises in the District purchasing process. The Public Affairs Section provides public and employee understanding of District functions and activities using a variety of tools, including electronic and print media, public outreach campaigns, social media postings, tours, events, and employee newsletters.

Civil Service Board – The Civil Service Board is an administrative body appointed by the Board whose purpose is to hear charges that are brought against employees, hear employee appeals of actions taken by the Director of Human Resources, and to approve the Personnel Rules and job classification plan of the District. Decisions of the Civil Service Board are subject to administrative review, as described in the Code of Civil Procedure of the State.

ECONOMIC CONDITION AND OUTLOOK

The District encompasses approximately 91% of the land area and 98% of the assessed valuation of the County. As the largest of 102 counties in the State, the County is the economic and cultural hub of the State, and is central to the third largest metropolitan area in the nation after New York and Los Angeles. The County is the most populous county in the State and represents approximately 40.7% of the State's population based on the July 1, 2015, estimates of the U.S. Census Bureau.

The County is a diverse industrial center and a leading economic center of the Midwest. Income figures for the County exceed State and national rates according to the U.S. Bureau of Economic Analysis's data; the County's 2014 per capita personal income of $51,280 exceeded the State's $47,643.

The County's industrial profile resembles that of the U.S., with a slightly larger services sector and somewhat smaller governmental presence. The County has a strong transportation network, with current expansion underway at both Chicago O'Hare International Airport and the Illinois Tollway. Leading service sector industries in the County include health care and related services. Eighteen Fortune 500 companies have their headquarters located in the County.

RECENT FINANCIAL INFORMATION

The General Corporate Fund is the principal operating fund of the District. It includes annual property taxes and other revenues, which are used for the payment of general operating expenditures not chargeable to other funds. The General Corporate Fund's fund balance at the end of fiscal year 2015 totaled $287,112,000. The fund balance represented 84% of the General Corporate Fund expenditures in fiscal year 2015, a good indication of the fund's liquidity. The total fund balance for the General Corporate Fund had a slight increase of $86,000 from 2014. The District's General Corporate Fund consists of the Corporate, Corporate Working Cash and Reserve Claim Divisions. For information on the audited financial statements, please see Appendix A—Basic Financial Statements.

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GENERAL CORPORATE FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

(amounts in thousands)

	2011	2012	2013	2014	2015	2015 Percent of Total
Revenues:						
Property taxes	$259,076	$257,656	$222,163	$230,128	$225,861	66.4%
Personal property replacement tax	27,119	27,093	32,055	27,309	25,295	7.4%
Total tax revenue	286,195	284,749	254,218	257,437	251,156	73.8%
Interest on investments	4,061	4,755	1,575	3,594	1,838	0.5%
Land sales	2,326	0	2,575	8	3,164	0.9%
Tax increment financing distributions	12,715	6,239	3,361	4,925	13,069	3.8%
Claims and damage settlements	1,298	110	971	177	191	0.1%
Miscellaneous	3,148	4,058	2,933	2,908	3,486	1.0%
User charges	57,169	69,022	48,882	50,396	45,938	13.5%
Land rentals	12,161	12,081	14,851	16,357	18,189	5.3%
Fees, forfeits and penalties	2,311	2,575	2,629	3,959	3,667	1.1%
Grants	103	152	53	21	0	0.0%
Total revenues	$381,487	$383,741	$332,048	$339,782	$340,698	100.0%
Expenditures by Department:						
Board of Commissioners	$3,344	$3,463	$3,514	$3,710	$3,662	1.1%
General Administration	14,332	13,877	14,111	14,829	14,833	4.3%
Monitoring and Research	25,084	24,495	25,128	26,687	27,486	8.1%
Procurement and Materials Management	6,949	5,698	5,671	6,325	6,885	2.0%
Human Resources	47,710	63,105	67,856	72,879	58,441	17.2%
Information Technology	13,820	13,167	14,024	14,582	14,697	4.3%
Law	7,166	5,942	6,984	6,802	6,018	1.8%
Finance	2,965	3,172	3,393	3,425	3,427	1.0%
Engineering	2,975	3,229	23,987	25,278	25,971	7.6%
Maintenance and Operations	177,908	161,188	161,787	168,376	173,534	50.9%
Claims and judgments	6,923	5,998	4,970	44,988	5,658	1.7%
Total expenditures	$309,176	$303,334	$331,425	$387,881	$340,612	100.0%
Revenues over (under) expenditures	72,311	80,407	623	(48,099)	86	
Other financing sources (uses):						
Transfers in (out)	8,000	(1,000)	(30,000)	0	0	
Revenues and other financing sources (uses) over (under) expenditures	80,311	79,407	(29,377)	(48,099)	86	
Fund balance at beginning of the year	204,784	285,095	364,502	335,125	287,026	
Fund balance at end of year	$285,095	$364,502	$335,125	$287,026	$287,112	
Expenditures by Type						
Total all departments:						
Employee cost	$187,816	$199,466	$228,906	$237,187	$226,834	66.6%
Energy cost	46,992	30,985	33,349	37,183	37,207	10.9%
Chemicals	6,067	6,725	5,818	5,798	7,473	2.2%
Solids disposal	9,082	12,220	8,595	9,007	10,356	3.0%
Repair to structures/equipment	15,978	16,765	15,001	14,395	16,514	4.8%
Materials, parts and supplies	12,665	10,193	9,961	11,914	11,486	3.4%
Machinery and equipment	780	1,081	784	1,157	690	0.2%
Land	0	0	0	0	326	0.1%
Claims and judgments	6,923	5,998	4,970	44,988	5,658	1.7%
All other	22,873	19,901	24,041	26,252	24,068	7.1%
Total Expenditures General Corporate Fund	$309,176	$303,334	$331,425	$387,881	$340,612	100.0%

Source: Amounts are presented on a GAAP basis. The actual results for Revenues and Expenditures by Department were obtained from Exhibit A-2 of the District's Basic Financial Statements. The actual results for Expenditures by Type were obtained from the Comparative Expenditures Schedule for the General Corporate Fund in the District's Management's Discussion & Analysis section. See the District's Basic Financial Statements attached hereto as Appendix A.

Note: The General Corporate Fund Balance is made up of the Corporate, Reserve Claim, and Corporate Working Cash Funds and is presented on a GAAP basis of accounting.

GENERAL CORPORATE FUND BALANCE

The year end 2015 balance is $287.1 million or 84% of unaudited corporate expenditures. This level of fund balance should ensure the District's ability to maintain all operations even in the event of unanticipated revenue shortfalls, and provide time to adjust budget and operations.

General Corporate Fund Balance(1)	2011	2012	2013(2)	2014(3)	2015
Year End Balance (on GAAP Basis)	$285.1	$364.5	$335.1	$287.0	$287.1

(1) The General Corporate Fund Balance is made up of the Corporate, Reserve Claim, and Corporate Working Cash Funds and is presented on a GAAP basis of accounting. See the District's Basic Financial Statements attached hereto as Appendix A.

(2) The decrease in the General Corporate Fund Balance during fiscal year 2013 was due primarily to the District making an additional pension contribution of $30 million.

(3) The decrease in the General Corporate Fund Balance during fiscal year 2014 was due primarily to the District making an additional pension contribution of $30 million and the settlement of the Terra litigation in the approximate amount of $36 million. See "RISK MANAGEMENT" for additional information.

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DEBT INFORMATION

The following tables set forth direct and overlapping debt applicable to the District as of June 2, 2016, adjusted to include the Bonds and exclude the Prior Bonds.

DIRECT DEBT

	AMOUNT
IEPA Preliminary Bonds	$ 186,658,000
General Obligation Bonds Outstanding (includes IEPA Final Bonds)[1][2]	2,629,938,992
Less: Prior Limited Tax Bonds	(50,790,000)
Prior Unlimited Tax Bonds	(346,600,000)
Plus: 2016A Bonds	280,930,000
2016B Bonds	41,330,000
2016C Bonds	30,000,000
2016D Bonds	20,000,000
2016E Bonds[2]	50,000,000
2016F Bonds	4,000,000
Total for the Bonds	426,260,000
Total Direct Debt	$2,845,466,992

(1) Includes the Prior Bonds to be refunded by the Bonds.

(2) The 2014B Bonds, which are included in "General Obligation Bonds Outstanding" for purposes of this table, and the 2016E Bonds are "alternate bonds." Alternate bonds do not constitute indebtedness of the District for the purpose of any debt limitation unless, and to the extent that, the taxes levied with respect to such bonds are extended for collection by the County Clerk.

ESTIMATED OVERLAPPING BONDED DEBT[1]

	BONDED DEBT[2]	PERCENT APPLICABLE[3]	AMOUNT APPLICABLE
City of Chicago	$9,106,165,364	100%	$ 9,106,165,364
City Colleges (District 508)[4]	245,995,000	100%	245,995,000
Chicago Board of Education[4][5]	6,736,762,652	100%	6,736,762,652
Chicago Park District[4]	798,045,000	100%	798,045,000
Cook County	3,477,526,750	97.96%	3,406,585,204
Cook County Forest Preserve District	163,117,000	97.96%	159,789,413
Total Overlapping Debt			$20,453,342,633
Total Direct and Overlapping Debt			$23,298,809,625
Population (2015 Estimate)[6]			5,238,216
Equalized Assessed Valuation (2014)[3]			$125,736,187,743
Estimated Full Market Value (2013)[7]			$459,860,596,673

(1) Excludes outstanding tax anticipation notes and warrants. Except as stated, does not include debt issued by other taxing authorities located in Cook County.

(2) Source: Each of the respective taxing districts, current as of 4/30/2016.

(3) Based on 2014 Equalized Assessed Valuations, which are the most recent available.

(4) Includes approximately $245.995 million, $5.18 billion, and $303.115 million of general obligation bonds of the City Colleges (District 508), Chicago Board of Education and the Chicago Park District, respectively, issued as "alternate revenue" bonds secured by alternate revenue sources. An ad valorem property tax levy is filed in an amount sufficient to pay debt service on the alternate revenue bonds. When sufficient revenues have accumulated to pay annual debt service on the alternate revenue bonds, the property tax levy is abated. To date, alternate revenues have been available in amounts sufficient to pay principal and interest coming due on the alternate revenue bonds issued by the Chicago. Board of Education and the Chicago Park District.

(5) Includes approximately $157.78 million of PBC debt.

(6) Source of data: U.S. Census Estimate.

(7) Source of data: The Civic Federation, Chicago, Illinois (based upon information from the Illinois Department of Revenue).

These governmental entities operate as separate, independent units of governments and have authority to issue bonds and levy taxes on real estate within the jurisdictional limits of the District. Certain of these governmental entities are experiencing serious financial challenges including budget deficits, increasing debt and significant pension liabilities. Budget problems of the State may result in decreased or delayed State appropriations to these governmental entities. See "OTHER LOCAL GOVERNMENTAL UNITS."

SELECTED DEBT RATIOS

	PER CAPITA[1]	% OF EQUALIZED ASSESSED VALUE[2]	% OF ESTIMATED FULL VALUE[3]
Direct Debt..	$ 543.21	2.26%	0.62%
Total Direct and Overlapping Debt[4]..	4,447.85	18.53%	5.07%

(1) 2015 Estimated Cook County Population: 5,238,216 (source of data: U.S. Census Estimate).
(2) 2014 Equalized Assessed Value: $125,736,187,743.
(3) 2013 Estimated Full Value: $459,860,596,673.
(4) Does not include debt issued by other taxing authorities located in Cook County which are not also included under table entitled "Estimated Overlapping Bonded Debt" above.

GENERAL OUTSTANDING BONDED DEBT SCHEDULE (UNAUDITED)

(As of June 2, 2016)[1]

Series	Principal Outstanding
Capital Improvement Bonds	
July, 2006 Limited	$ 11,515,000
August, 2009 Limited	600,000,000
July, 2011 Limited A	5,330,000
July, 2011 Limited B	270,000,000
July, 2011 Unlimited C	60,180,000
2014 Unlimited A	100,000,000
2014 Unlimited Alternate Revenue B[2]	50,000,000
2014 Limited C	75,000,000
2016 Unlimited C	30,000,000
2016 Limited D	20,000,000
2016 Unlimited Alternate Revenue E[2]	50,000,000
2016 Limited F	4,000,000
Total Capital Improvement Bonds	$1,276,025,000
IEPA Revolving Loan Fund Bonds[3]	646,133,992
Total Capital Improvement and IEPA Revolving Loan Fund Bonds	$1,922,158,992
Refunding Bonds	
March, 2007 Unlimited A	$ 149,880,000
March, 2007 Unlimited B	91,845,000
March, 2007 Limited C	101,860,000
2014 Limited D	70,805,000
2016 Unlimited A	280,930,000
2016 Limited B	41,330,000
Total Refunding Bonds	$ 736,650,000
Total General Obligation Bonds Outstanding	$2,658,808,992

(1) Adjusted to include the Bonds and exclude the Prior Bonds to be refunded.

(2) The 2014B Bonds and the 2016E Bonds are "alternate bonds" and, as such, the 2014B Bonds and the 2016E Bonds do not constitute indebtedness of the District for the purpose of any debt limitation unless, and to the extent that, the taxes levied with respect to such bonds are extended for collection by the County Clerk.

(3) Excludes $186,658,000 of Preliminary Bond Principal and Accrued Interest outstanding under the IEPA Revolving Loan Fund Program. If the Preliminary Bond Principal and Accrued Interest were bonded on June 2, 2016, the additional debt service would be approximately $11.4 million per year through levy year 2035.

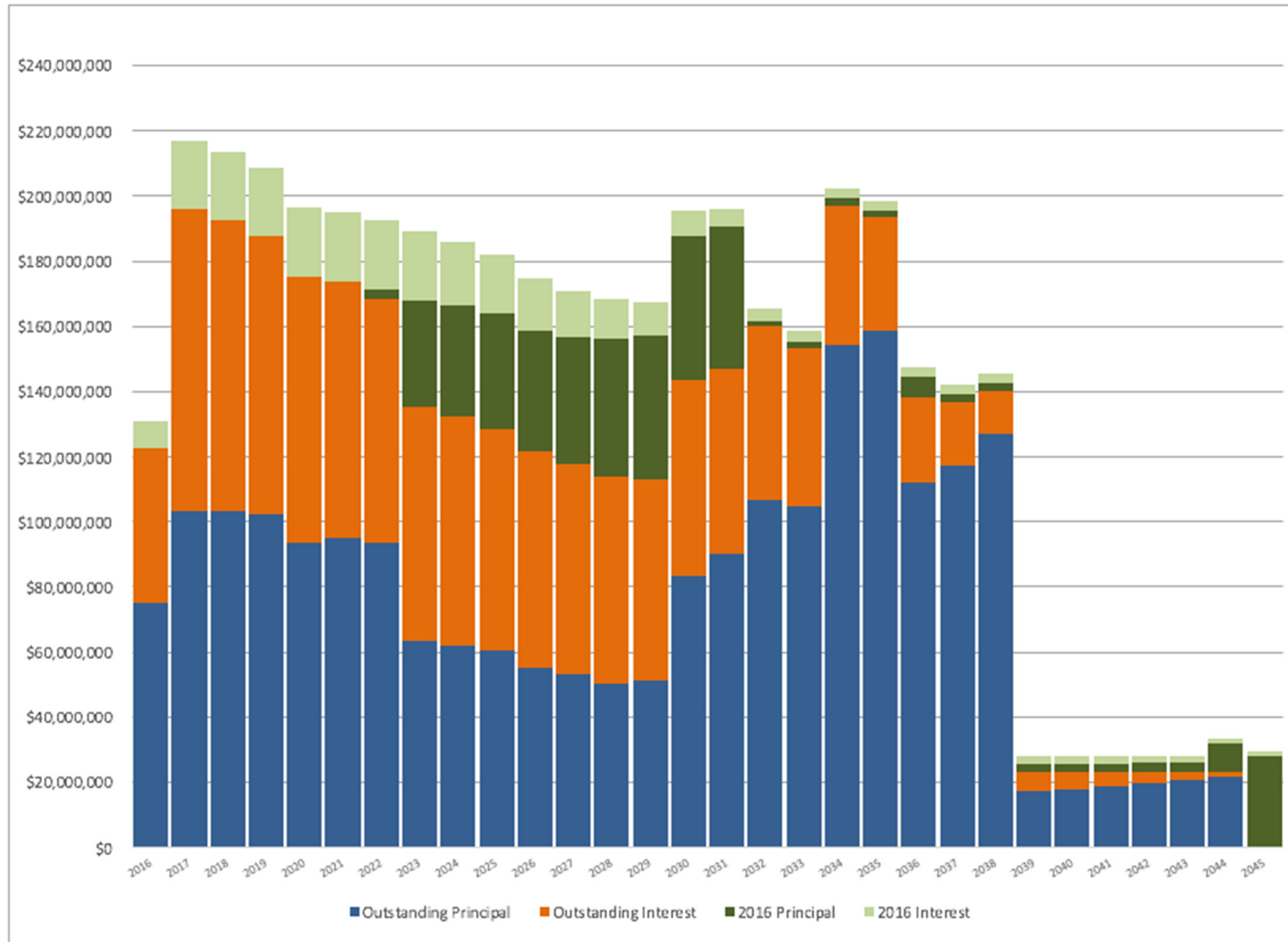
GENERAL OBLIGATION BONDED DEBT SERVICE SCHEDULE[1]

(As of June 2, 2016)

YEAR	BONDS OUTSTANDING [2]			THE BONDS			AGGREGATE			% PRINCIPAL RETIRED	
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	ANNUAL	CUMULATIVE
2016	$ 74,886,244	$ 47,787,590	$ 122,673,833	$ -	$ 8,509,200	$ 8,509,200	$ 74,886,244	$ 56,296,790	$ 131,183,033	2.8%	2.8%
2017	103,362,657	92,547,585	195,910,241	-	21,273,000	21,273,000	103,362,657	113,820,585	217,183,241	3.9%	6.7%
2018	103,436,710	89,005,556	192,442,266	-	21,273,000	21,273,000	103,436,710	110,278,556	213,715,266	3.9%	10.6%
2019	102,263,712	85,330,748	187,594,459	-	21,273,000	21,273,000	102,263,712	106,603,748	208,867,459	3.8%	14.4%
2020	93,705,079	81,680,151	175,385,230	-	21,273,000	21,273,000	93,705,079	102,953,151	196,658,230	3.5%	18.0%
2021	95,215,162	78,373,650	173,588,811	-	21,273,000	21,273,000	95,215,162	99,646,650	194,861,811	3.6%	21.5%
2022	93,352,056	75,059,106	168,411,162	2,940,000	21,273,000	24,213,000	96,292,056	96,332,106	192,624,162	3.6%	25.2%
2023	63,428,638	71,777,930	135,206,568	32,755,000	21,126,000	53,881,000	96,183,638	92,903,930	189,087,568	3.6%	28.8%
2024	62,240,338	69,968,647	132,208,984	34,160,000	19,488,250	53,648,250	96,400,338	89,456,897	185,857,234	3.6%	32.4%
2025	60,321,496	68,180,078	128,501,575	35,645,000	17,780,250	53,425,250	95,966,496	85,960,328	181,926,825	3.6%	36.0%
2026	55,123,779	66,408,340	121,532,119	37,220,000	15,998,000	53,218,000	92,343,779	82,406,340	174,750,119	3.5%	39.5%
2027	53,111,901	64,823,319	117,935,220	38,865,000	14,137,000	53,002,000	91,976,901	78,960,319	170,937,220	3.5%	43.0%
2028	50,424,127	63,315,969	113,740,096	42,595,000	12,193,750	54,788,750	93,019,127	75,509,719	168,528,846	3.5%	46.5%
2029	51,118,520	61,839,714	112,958,234	44,465,000	10,064,000	54,529,000	95,583,520	71,903,714	167,487,234	3.6%	50.0%
2030	83,176,019	60,312,311	143,488,329	44,230,000	7,840,750	52,070,750	127,406,019	68,153,061	195,559,079	4.8%	54.8%
2031	89,969,806	57,120,170	147,089,976	43,520,000	5,629,250	49,149,250	133,489,806	62,749,420	196,239,226	5.0%	59.9%
2032	106,595,252	53,378,389	159,973,641	1,830,000	3,453,250	5,283,250	108,425,252	56,831,639	165,256,891	4.1%	63.9%
2033	104,846,524	48,500,113	153,346,637	1,920,000	3,361,750	5,281,750	106,766,524	51,861,863	158,628,387	4.0%	68.0%
2034	154,112,106	43,126,466	197,238,572	2,020,000	3,265,750	5,285,750	156,132,106	46,392,216	202,524,322	5.9%	73.8%
2035	158,613,868	34,779,298	193,393,166	2,120,000	3,164,750	5,284,750	160,733,868	37,944,048	198,677,916	6.0%	79.9%
2036	112,110,000	26,182,250	138,292,250	6,225,000	3,058,750	9,283,750	118,335,000	29,241,000	147,576,000	4.5%	84.3%
2037	117,215,000	19,784,750	136,999,750	2,335,000	2,787,500	5,122,500	119,550,000	22,572,250	142,122,250	4.5%	88.8%
2038	127,325,000	13,096,000	140,421,000	2,450,000	2,670,750	5,120,750	129,775,000	15,766,750	145,541,750	4.9%	93.7%
2039	17,140,000	5,829,750	22,969,750	2,575,000	2,548,250	5,123,250	19,715,000	8,378,000	28,093,000	0.7%	94.4%
2040	17,995,000	4,972,750	22,967,750	2,705,000	2,419,500	5,124,500	20,700,000	7,392,250	28,092,250	0.8%	95.2%
2041	18,900,000	4,073,000	22,973,000	2,840,000	2,284,250	5,124,250	21,740,000	6,357,250	28,097,250	0.8%	96.0%
2042	19,845,000	3,128,000	22,973,000	2,980,000	2,142,250	5,122,250	22,825,000	5,270,250	28,095,250	0.9%	96.9%
2043	20,835,000	2,135,750	22,970,750	3,130,000	1,993,250	5,123,250	23,965,000	4,129,000	28,094,000	0.9%	97.8%
2044	21,880,000	1,094,000	22,974,000	8,785,000	1,836,750	10,621,750	30,665,000	2,930,750	33,595,750	1.2%	98.9%
2045	-	-	-	27,950,000	1,397,500	29,347,500	27,950,000	1,397,500	29,347,500	1.1%	100.0%
	$2,232,548,992	$1,393,611,378	$3,626,160,369	$426,260,000	$296,788,700	$723,048,700	$2,658,808,992	$1,690,400,078	$4,349,209,069	100.0%	

(1) Unaudited.
(2) Excludes the Prior Bonds to be refunded. Also excludes $186,658,000 of Preliminary Bond Principal and Accrued Interest outstanding under the IEPA Revolving Loan Fund Program. If the Preliminary Bond Principal and Accrued Interest were bonded on June 2, 2016, the additional debt service would be approximately $11.4 million per year through levy year 2035.

District General Obligation Bonded Debt Service
(Includes IEPA Debt)
(As of June 2, 2016, excluding the Prior Bonds and including the Bonds)



DISTRICT'S DEBT SERVICE EXTENSION BASE CAPACITY (UNAUDITED)

(As of June 2, 2016 adjusted to include the Limited Tax Bonds and exclude the Prior Limited Tax Bonds)

The following table sets forth the capacity of the Debt Service Extension Base of the District to cover debt service on future limited bonds.

Tax Levy Year	Levy for Outstanding Limited Tax Bonds[1][2]	Aggregate Levy for the Limited Tax Bonds	Total Applicable Debt Service Levy	Debt Service Extension Base[3]	Remaining Capacity[4]
2016	$126,829,512	$3,226,500	$130,056,012	$159,305,390	$29,249,378
2017	129,382,262	3,226,500	132,608,762	159,305,390	26,696,628
2018	126,385,262	3,226,500	129,611,762	159,305,390	29,693,628
2019	118,981,012	3,226,500	122,207,512	159,305,390	37,097,878
2020	118,168,262	3,226,500	121,394,762	159,305,390	37,910,628
2021	114,193,012	5,041,500	119,234,512	159,305,390	40,070,878
2022	107,960,419	9,215,750	117,176,169	159,305,390	42,129,221
2023	107,900,419	9,096,750	116,997,169	159,305,390	42,308,221
2024	108,017,669	8,988,500	117,006,169	159,305,390	42,299,221
2025	104,674,681	8,885,000	113,559,681	159,305,390	45,745,709
2026	100,759,394	8,775,500	109,534,894	159,305,390	49,770,496
2027	98,323,911	8,669,750	106,993,661	159,305,390	52,311,729
2028	86,028,219	8,542,000	94,570,219	159,305,390	64,735,171
2029	116,200,715	8,312,750	124,513,465	159,305,390	34,791,925
2030	107,945,501	5,441,500	113,387,001	159,305,390	45,918,389
2031	143,719,431	160,000	143,879,431	159,305,390	15,425,959
2032	138,166,101	160,000	138,326,101	159,305,390	20,979,289
2033	137,790,045	160,000	137,950,045	159,305,390	21,355,345
2034	133,792,663	160,000	133,952,663	159,305,390	25,352,727
2035	130,020,000	4,160,000	134,180,000	159,305,390	25,125,390
2036	128,728,000		128,728,000	159,305,390	30,577,390
2037	132,150,000		132,150,000	159,305,390	27,155,390
2038				159,305,390	159,305,390
2039				159,305,390	159,305,390
2040				159,305,390	159,305,390
2041				159,305,390	159,305,390
2042				159,305,390	159,305,390
2043				159,305,390	159,305,390
2044				159,305,390	159,305,390
2045				159,305,390	159,305,390

(1) Includes Capital Improvement Bonds Series of July 2006, Series of August 2009, Series A & B of July 2011, 2014 Series C, the 2016D Bonds and the 2016F Bonds; Refunding Bonds Series C of March 2007, 2014 Series D and the 2016B Bonds; IEPA Series 04A, 04B, 04C, 04D, 04E, 04F, 04G, 04H, 07A, 07B, 07C, 07D, 09A, 09B, 09C, 09D, 09E, 09F, 09G, 09H, 09I, 12A, 12B, 12D, 12E, 12F, 12H, 12J, 12K, and 12O.

(2) Excludes $186,658,000 of Preliminary Bond Principal and Accrued Interest outstanding under the IEPA Revolving Loan Fund Program. If the Preliminary Bond Principal and Accrued Interest were bonded on June 2, 2016, the additional debt service would be approximately $11.4 million per year through levy year 2035.

(3) Debt Service Extension Base and Remaining Capacity are for the 2016 levy year; as described in "SECURITY FOR THE BONDS," the Debt Service Extension Base is increased each year by the lesser of 5% or the percentage increase in the Consumer Price Index.

(4) Remaining Capacity does not incorporate adjustments regarding the Limited Tax Bonds or the refunding of the Prior Limited Tax Bonds. See "SECURITY FOR THE BONDS."

CAPITAL LEASE

In December 2000, the Board authorized the District to enter into a long-term contract with a contractor to design, build, finance, own, operate, and maintain a 150 dry ton per day biosolids processing facility at the District's Stickney Water Reclamation Plant and beneficially use the final product for a period of 20 years. The contractor obtained its own financing to design, build, and own the facility.

The cost of the biosolids processing facility is considered a capital lease since it will become the property of the District at the end of the contract. The District also has an option to purchase the facility at the end of the fifth, tenth, and fifteenth year of operation for the remaining principal portion of the debt. Total payments for the capital lease are estimated at $83 million for the full term of the contract, which will be paid from the Capital Improvements Bond Fund. The future minimum lease payments are approximately $4.4 million for each of the years 2016-2029. The contract expires 20 years from the date of commercial operation, which was declared in July 2010. Under Illinois law the capital lease constitutes indebtedness includible within the District's 5.75% general debt limit, but is not includible in the District's 3.35% non-referendum bonded debt limit.

DEBT LIMITS AND BORROWING AUTHORITY

The Illinois General Assembly establishes the statutory debt limitations and borrowing authority of the District. Currently, such limits and authority are as follows:

Corporate Fund: To defray current operating expenses, the District may fund up to 100% of the aggregate total of the estimated amount of taxes levied or to be levied for corporate purposes plus the Corporate Fund portion of the Personal Property Replacement Tax allocation certified for distribution during the budget year through borrowing from the Corporate Working Cash Fund and issuance of tax anticipation notes or warrants.

Corporate Working Cash Fund: The fund may be used solely for the financing of Corporate Fund operations. The amount of non-referendum Corporate Working Cash Fund Bonds, which when added to (a) proceeds from the sale of Working Cash Fund bonds previously issued, (b) any amounts collected from the Corporate Working Cash Fund levy, and (c) amounts transferred from the Construction Working Cash Fund, may not exceed 90% of the amount produced by multiplying the maximum general corporate tax rate permitted by the last known equalized assessed valuation of all property in the District at the time the bonds are issued, plus 90% of the District's last known entitlement of the Personal Property Replacement Tax. The District does not currently have any Corporate Working Cash Fund bonds outstanding.

Construction Fund: The Illinois General Assembly has adopted legislation allowing the District to levy property taxes to fund construction of District facilities. In any tax year, the Construction Fund may borrow through the issuance of its tax anticipation notes or warrants plus loans from the Construction Working Cash Fund up to the aggregate total of 100% of its estimated or actual extended tax levy plus 100% of the Construction Fund allocation of the estimated Personal Property Replacement Tax distribution to be received in that tax year.

Construction Working Cash Fund: The fund may be used solely for the financing of Construction Fund operations. The maximum permitted balance, and the maximum amount of bonds which are authorized to be issued to provide such balance, is the total of 90% of the maximum permissible Construction Fund Tax Levy plus 90% of the last known Construction Fund entitlement to the Personal Property Replacement Tax. The District does not currently have any Construction Working Cash Fund bonds outstanding.

Capital Improvement Bonds: The maximum amount of non-referendum Capital Improvement Bonds which may be outstanding at any one time is 3.35% of the last known equalized assessed valuation of taxable property within the District. The Act authorizes the District to issue Capital Improvement Bonds through December 31, 2024. At April 30, 2016, the District's outstanding capital improvement and refunding bonds (excluding IEPA Revolving Loan Fund Bonds and alternate bonds) of $1,933,805,000 did not exceed the limitation of $4,212,162,289.

Stormwater Management Fund: To meet ordinary disbursements for salaries and other storm water purposes, the District may fund up to 100% of the total estimated amount of taxes to be levied for storm water purposes through borrowings from the Storm Water Working Cash Fund. The District may issue bonds under Section 9.6a of the Act for purposes of funding storm water management projects.

Stormwater Working Cash Fund: The fund may be used solely for the financing of storm water management fund operations. The District may transfer funds into the storm water working cash fund, in an amount not to exceed 100% of the amount produced by multiplying the maximum tax rate permitted for storm water purposes by the last known assessed valuation of all taxable property within the territorial boundaries of the District, as equalized and determined for state and local taxes.

Personal Property Replacement Tax Anticipation Notes: Pursuant to 50 ILCS 420/4.1(e) General Obligation Personal Property Replacement Tax Anticipation Notes may be issued in anticipation of receipt of such taxes, in an amount not to exceed 75% of the last known certified Personal Property Replacement Tax entitlement less the aggregate amount of such entitlement which the governing body estimates will be required to be set aside for the payment of the proportional amount of debt service and pension or retirement obligations as required by Section 12 of "An Act in relation to State revenue sharing with local government entities", approved July 31, 1969, as amended. The District does not currently have any General Obligation Personal Property Replacement Tax Anticipation Notes bonds outstanding.

District Debt Limitation: The maximum amount of debt which the District may have outstanding at any time is 5.75% of the last known equalized assessed valuation of taxable property within the District. See "Calculation of Statutory Debt Margin" below.

The 2014B Bonds and the 2016E Bonds are alternate bonds. Alternate bonds are payable from pledged revenues and do not constitute an indebtedness of the District within the meaning of any constitutional or statutory limitation, unless the taxes have been extended pursuant to the general obligation, full faith and credit promise supporting the alternate bonds, in which case the

amount of the outstanding alternate bonds will be included in the computation of indebtedness of the District for purposes of all statutory provisions or limitations until such time as an audit of the District shows that the alternate bonds have been paid from the pledged revenues for a complete fiscal year.

The foregoing are impacted by the Limitation Law. See "REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES—Property Tax Extension Limitation Law and Debt Reform Act."

CALCULATION OF STATUTORY DEBT MARGIN[1]

(amounts in thousands)

	December 31,				
	2015[2]	2014	2013	2012	2011
Equalized Assessed Valuation	$125,736,188	$125,736,188	$123,419,544	$ 133,397,995	$ 149,048,493
Statutory Debt Limit[3]	7,229,831	7,229,831	7,096,624	7,670,385	8,570,288
Calculation of Debt Applicable to Debt Limit:					
Bonded Indebtedness					
Principal Amount of Bonds Outstanding	2,655,365	2,422,620	2,481,973	2,515,375	2,466,464
Less: Alternate Bonds[4]	(50,000)	0	0	0	0
Adjusted Principal Amount of Bonds Outstanding	2,605,365	2,422,620	2,481,973	2,515,375	2,466,464
Bond Anticipation Notes[5]	161,697	90,460	35,809	44,527	108,008
Capital lease	43,405	45,653	47,795	49,837	51,784
Liabilities of Tax Financed Funds	35,634	50,154	36,861	37,744	40,226
Total Debt	2,846,104	2,608,887	2,602,438	2,647,483	2,666,482
Less: applicable assets:					
Debt Service Funds Cash and Investments	108,671	108,392	98,006	105,285	114,344
Interest Payable in the Next 12 Months	(115,735)	(106,175)	(107,868)	(109,300)	(116,410)
Total Applicable Assets	(7,064)	2,217	(9,862)	(4,015)	(2,066)
Net Debt Applicable to Debt Limit	2,853,168	2,606,670	2,612,300	2,651,498	2,668,548
Statutory Debt Margin	$ 4,376,663	$ 4,489,954	$ 4,484,324	$ 5,018,887	$ 5,901,740

(1) The table does not reflect the issuance of the Bonds or the refunding of the Prior Bonds.
(2) The debt limitation calculation is based on the District's 2014 equalized assessed valuation. The District's 2015 equalized assessed valuation is not available as of the date hereof. The Cook County Clerk has released a preliminary 2015 equalized assessed valuation of $130,304,803,798 for the District. This 2015 equalized assessed valuation is preliminary and subject to change.
(3) 5.75% of equalized assessed valuation.
(4) Alternate bonds do not constitute indebtedness of the District for the purpose of the District's statutory debt limitation unless, and to the extent that, the taxes levied with respect to such bonds are extended for collection by the County Clerk.
(5) Consists of IEPA Preliminary Bonds.

CASH MANAGEMENT

CORPORATE WORKING CASH FUND

The delay of more than a year between appropriations and tax collections requires the District to provide interim financing for its corporate operations. A 1983 statutory change in the working cash fund's maximum limitation permitted expansion of the fund thereby allowing the District to use it as the sole outside source for funding corporate operating needs and making the future issuance of tax anticipation notes unnecessary. As of the date of this Official Statement, the District has no corporate notes outstanding.

By law, working cash funds are non-appropriable and all loans to the Corporate Fund must be repaid with tax receipts from the year against which such funds were borrowed, and any other available property tax and Personal Property Replacement Tax revenues received in the year. Illinois law provides that working cash fund loans not repaid within the second budget year following the year in which the loans were made shall be general obligations of the Corporate Fund which must be repaid.

DEBT SERVICE FUNDS

For accounting and legal purposes, the District has created and maintains a debt service fund with sub-funds for each issue of its bonds. Amounts credited to the District's various debt service funds are invested on a consolidated basis; but such investments and earnings thereon are recorded in the appropriate investment inventory of the applicable fund. Payment of principal of and interest on each issue of the District's bonds is made directly from the applicable debt service fund.

Property taxes collected are allocated among the debt service funds to achieve total distribution to each in the proportion of its levy to the total levy in that year for debt service. Distributions of Personal Property Replacement Tax revenue are credited to the District's Retirement Fund (as hereafter defined) as required by statute, the Corporate Fund, and certain other funds proportionately as specified by the annual budget.

INVESTMENT OF DISTRICT FUNDS

The District is committed to a policy of maximizing the return on all funds available for investment within the constraints of its Investment Policy. Tax levies necessary for the operation of the District are in effect reduced in direct relation to the income earned on investments.

The investments which the District may purchase are limited by Illinois law to the following: (1) securities which are fully guaranteed by the U.S. Government as to principal and interest; (2) certain U.S. Government Agency securities; (3) certificates of deposit or time deposits of banks and savings and loan associations which are insured by a Federal corporation; (4) short-term discount obligations of the Federal National Mortgage Association; (5) certain short-term obligations of corporations (commercial paper) rated in the highest classifications by at

least two of the major rating services; (6) fully collateralized repurchase agreements; (7) the State Treasurer's Illinois Funds; (8) money market mutual funds and certain other instruments; and (9) municipal bonds of the State, or of any other state, or of any political subdivisions thereof, whether interest is taxable or tax-exempt under federal law, rated within the four highest classifications by a major rating service. District policies require that repurchase agreements be collateralized only with direct U.S. Treasury securities that are maintained at a value of at least 102% of the investment amount (at market).

The District may invest funds in any of these categories over time, depending on their competitive interest rate structures. All certificates of deposit or time deposits are required to be collateralized with securities of the U.S. Government or letters of credit issued by the Federal Home Loan Bank in an amount equal to 105% or 102%, respectively, of the funds on deposit. All investment collateral is held in safekeeping in the District's name by financial institutions acting as the District's agent. Collateral is priced to market semi-monthly and monitored regularly with additional collateral requested as necessary.

The District attempts to match its investment maturities with anticipated cash flow requirements. All funds are invested for periods of one day to five years from date of purchase based upon cash flow requirements and interest rate projections. Investments are placed on the basis of bids received on a daily basis from banks and brokers.

FINANCIAL OPERATIONS—ACCOUNTING POLICIES

The accounting system of the District is operated and maintained on a fund accounting basis. A "fund" is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities, and residual equities or balances and change therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The District's General Corporate Fund, Special Revenue Fund, Debt Service Fund, Capital Projects Fund, and Stormwater Management Fund are maintained using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when measurable and available to finance operations. Expenditures, other than interest on long-term debt, are recorded at the time liabilities are incurred. District expenditures for the payment of principal and interest on long-term debt are recognized when such debt is due and payable.

The fiduciary funds of the District are the Retirement Fund and OPEB Trust Fund (as hereafter defined). The Funds' financial statements are prepared using the accrual basis of accounting with assets recorded at market value.

Property taxes, user charge revenues and personal property replacement taxes are accrued to the extent that they are available to satisfy liabilities relating to the reporting period.

The District uses the modified approach to report its infrastructure assets, with the exception of the District's TARP deep tunnels and drop shafts, main office buildings and certain

intangible assets (as defined in GASB 51) which are depreciated. The District has implemented all applicable Governmental Accounting Standards Board (GASB) Statements through Statement No. 68.

PENSION AND OTHER POST-EMPLOYMENT BENEFITS

The District provides funding for the Metropolitan Water Reclamation District Retirement Fund (the *"Retirement Fund"*), which is a single-employer, defined benefit pension plan established by and administered under Article 13 of the Illinois Pension Code. The Retirement Fund provides retirement annuities, death and disability benefits for certain employees of the District and employees of the Retirement Fund. The District's employer contribution to the Retirement Fund is primarily funded through collections received from a separate property tax levied annually by the District for such purpose.

In addition, the District provides funding for the Metropolitan Water Reclamation District's Retiree Health Care Plan (the *"OPEB Plan"*). The OPEB Plan is a single-employer defined benefit post-employment health care plan that covers eligible retired employees of the District and is administered by the District. The District funds current year retiree health care claim payments and insurance premiums from operating funds on a pay-as-you-go basis, and also contributes an advance funding amount to a trust fund to be used to pay for OPEB Plan benefits in the future.

For additional information regarding the Retirement Fund and the OPEB Plan, see "APPENDIX C—Pension and Other Post-Employment Benefits."

BUDGETARY PROCEDURES

BUDGETARY PROCESS

The District prepares its budget in conformity with practices prescribed or permitted by the applicable statutes of the State. The Board is required to adopt an annual budget by no later than the close of the previous fiscal year. The annual budget serves as the foundation for the District's financial planning and control. A summary of the District's budgeting process is contained in Note 1(d) to the Basic Financial Statements attached hereto as APPENDIX A.

The 2016 Budget was adopted on December 10, 2015 and was amended on December 17, 2015. The 2016 Budget is on file and available for review at the District's offices. The document is also available online at the District's website at www.mwrd.org. It is herein noted that the content of the website is not incorporated into this Official Statement by reference.

The operation, maintenance, and investment in the District's infrastructure, and other essential services continue to receive primary focus, while some discretionary activities and non-essential services were reduced. The District's 2016 tax levy of $577,833,062 represents a 3.2% increase from the 2015 levy as adjusted. The 2016 Budget includes $396.4 million in

appropriations for the General Corporate Fund, an increase of $6.7 million or 1.7% from the 2015 budget.

Local property taxes account for 74% of the 2015 revenues for the General Corporate Fund, which is a decrease in percentage from the 2014 actual levels of 75.8%. The next largest revenue category, User Charges, accounts for 13.5% of the 2015 revenues for the General Corporate Fund, which is a decrease of 1.3% from the 2014 actual levels of 14.8%. The current General Corporate Fund 2015 revenues of $340.7 million exceeded the 2014 actual levels by $916,000 or 0.3%. The General Corporate Fund 2015 expenditures of $340.6 million decreased by $47.3 million or 13.9% from 2014 actual levels, mostly due to reductions in claims and judgments and other post-employment benefit contributions during 2015. See "APPENDIX C—Pension and Other Post-Employment Benefits" for additional information. The General Corporate Fund does not receive any regular funding from the State of Illinois.

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COMPARATIVE BUDGET INFORMATION

The following table summarizes the appropriations set forth in the annual budgets of the District for fiscal year 2016 and for 2015, as adjusted (in millions of dollars):

APPROPRIATIONS (IN MILLIONS)	2016	2015 ADJUSTED	INCREASE/ (DECREASE)	PERCENT CHANGE
Corporate Fund	$ 366.2	$ 359.0	$ 7.2	2.0%
Stormwater Management Fund	40.5	46.6	(6.1)	(13.1)
Construction Fund	36.6	37.9	(1.3)	(3.4)
Retirement Fund	70.8	61.6	9.2	14.9
Reserve Claim Fund	30.2	30.7	(0.5)	(1.6)
Capital Improvements Bond Fund	483.8	453.1	30.7	6.8
Bond Redemption & Interest Fund	216.0	214.5	1.5	0.7
Total	$1,244.1	$1,203.4	$40.7	3.4%

The total appropriation request for 2016 is $1,244.1 million, an increase of $40.7 million, or 3.4 percent, from the 2015 Adjusted Budget. Major changes are presented below.

- The 2016 appropriation for the Corporate Fund, which accounts for the day-to-day operations of the District, is $366.2 million, an increase of $7.2 million, or 2.0 percent, from the 2015 Adjusted Budget. The increase is primarily due to the implementation of the ultraviolet disinfection at the O'Brien WRP and to support the disinfection of effluent at the Calumet WRP. The 2016 appropriation reflects the District's commitment to reducing non-essential services and to addressing some of the primary cost drivers of the budget, including energy and health care costs.

- The 2016 appropriation for the Stormwater Management Fund is $40.5 million, a decrease of $6.1 million, or 13.1 percent, from the 2015 Adjusted Budget. The decrease is primarily due to the overall reduction in requests for joint funding agreements with other governmental agencies. This was partially offset by an increase in requests for land acquisitions, easements, and related legal services.

- The 2016 appropriation for the Construction Fund is $36.6 million, a decrease of $1.3 million, or 3.4 percent, from the 2015 Adjusted Budget. The reduction is primarily due to the 2015 completion of a $1.8 million project to rehabilitate centrifuges at the Stickney WRP and the completion of a $0.6 million TARP crane rehabilitation project. This was offset primarily by the addition of a $1.0 million project to rehabilitate an old M&R laboratory building at the Calumet WRP.

- The 2016 appropriation for the Retirement Fund is $70.8 million, an increase of $9.2 million, or 14.9 percent from the 2015 Adjusted Budget. The increase is due to a change in legislation that increased the contribution requirement for District employees which in turn increased the District's contribution.

- The 2016 appropriation for the Reserve Claim Fund, the District's self-insurance fund, is $30.2 million, a decrease of $0.5 million, or 1.6 percent, from the 2015 Adjusted Budget. The fund is statutorily authorized to accumulate a fund balance of $62.9 million to meet claims against the District.

- The 2016 appropriation for the Capital Improvements Bond Fund is $483.8 million, an increase of $30.7 million, or 6.8 percent, from the 2015 Adjusted Budget. The increase in appropriation reflects the award pattern of major projects. The 2016 schedule of awards, with estimated award values, includes one TARP project at $139.0 million, six plant expansion and improvement projects at $43.0 million, two solids projects at $20.4 million, six facilities replacement projects at $42.9 million, and 15 stormwater management projects at $95.3 million. The remaining $143.2 million is required for projects under construction and project support, which includes administration, design, inspection, materials, and land and right-of-way expenditures.

- The 2016 appropriation for the Bond Redemption & Interest Fund is $216.0 million, an increase of $1.5 million, or 0.7 percent, from the 2015 Adjusted Budget. The increase is primarily due to the addition of seven State Revolving Fund (SRF) Bonds in the amount of $6.0 million, an increase in 09D SRF L174558 Sludge Thickening Facility of $0.6 million, increases for the Capital Improvement Bonds in the amount of $4.2 million, and an increase in the Limited Tax Refunding Series D of 2014 in the amount of $0.6 million. This was partially offset by the completion of debt service for Series 92Q SRF L170874 of $0.8 million and a reduction in principal and interest payments for the Unlimited Tax Series C of July 2011 and the Limited Tax Series of July 2006 in the amount of $7.9 million and $1.1 million, respectively.

OTHER LOCAL GOVERNMENTAL UNITS

PRINCIPAL UNITS

There are numerous governmental units located within the boundaries of the District, each of which (i) is separately incorporated under the laws of the State, (ii) has an independent tax levy, (iii) derives its power and authority under the laws of the State, and (iv) maintains its own financial records and accounts. Each of these units may levy taxes upon property within its particular boundaries, and each is authorized to issue debt obligations. The principal municipality within the boundaries of the District is the City of Chicago. Other municipalities in the County with populations in excess of 50,000 include Arlington Heights, Berwyn, Cicero, Des Plaines, Evanston, Mount Prospect, Oak Lawn, Oak Park, Orland Park, Palatine, Schaumburg, Skokie and Tinley Park. Approximately 47% of the Equalized Assessed Valuation of taxable property in the County is located within the City of Chicago with the balance located in other municipalities and unincorporated areas.

OTHER MAJOR GOVERNMENTAL UNITS

Cook County is governed by a board of seventeen Commissioners (the *"County Board"*), each elected for four-year terms from one of seventeen districts. All taxable property situated in the District is located within the boundaries of the County. The County is a home rule unit under the Illinois Constitution of 1970 (the *"Illinois Constitution"*).

The Forest Preserve District of Cook County (the *"Forest Preserve District"*) is coterminous with the County. The Forest Preserve District creates, maintains and operates forest preserves within the County. The Forest Preserve District is governed by a seventeen-member board composed of the members of the County Board.

The City of Chicago (the *"City"*) was incorporated in 1837 and exercises broad governmental powers as a home rule unit under the Illinois Constitution. The City is governed by a Mayor elected at large for a four-year term, and the City Council. The City Council consists of 50 members (*"Aldermen"*), each representing one of the City's 50 wards. Aldermen are elected for four-year terms.

The Board of Education of the City of Chicago (the *"Board of Education"*) exercises general supervision and jurisdiction over the public school system in the City. The Board of Education consists of seven members appointed by the Mayor of the City without consent or approval of the City Council. The Board of Education adopts the budget, approves contracts (including collective bargaining agreements), levies real property taxes and establishes general policies of the public schools.

The Chicago Park District (the *"Park District"*) is responsible for the maintenance and operation of parks, boulevards, marinas, and certain other public property within the City. The Park District is governed by a seven-member board, appointed by the Mayor of the City, with the approval of the City Council.

Community College District No. 508 (the *"Community College District"*) maintains a system of community colleges within the City. The Community College District is governed by a seven-member board, appointed by the Mayor of the City, with the approval of the City Council.

CERTAIN OTHER PUBLIC BODIES

The Public Building Commission of Chicago (the *"PBC"*) is a municipal corporation authorized to acquire, construct and improve public buildings and facilities for use by one or more local governmental units. The PBC issues bonds to finance its projects and leases its facilities to respective units of local government. At the present time the City, the Park District, the Board of Education and the Community College District lease facilities from the PBC.

The Regional Transportation Authority (the *"RTA"*) is a municipal corporation authorized to provide planning, funding, coordination and fiscal oversight of three separately governed operating entities which provide public mass transportation services in a six county area of northeastern Illinois, including the County. The RTA is governed by a 16-member board,

consisting of City and suburban members appointed by elected officials in the six county RTA region. The RTA is primarily funded from sales taxes imposed by the RTA on sales in the six county area and a portion of sales taxes imposed by the State. The RTA is also authorized to impose, but does not currently impose, taxes on automobile rentals, motor fuel and offstreet parking facilities. By law, motor fuel and off-street parking taxes may not be imposed concurrently with sales taxes. The RTA may not levy real property taxes.

The Chicago Transit Authority (the *"CTA"*) is a municipal corporation empowered to acquire, construct, own, operate and maintain a transportation system in the metropolitan area of the County. The CTA is governed by a seven-member board. The CTA may not levy real property or other taxes.

The Metropolitan Pier and Exposition Authority (the *"MPEA"*), formerly known as the Metropolitan Fair and Exposition Authority, is a municipal corporation which owns the McCormick Place convention and exposition facilities and the Navy Pier recreational facilities. MPEA periodically issues revenue bonds to finance the construction of certain facilities and is authorized to impose certain taxes to provide security for such bonds. The MPEA may not levy real property taxes.

INTERRELATIONSHIPS

The governmental units and other public bodies described in "OTHER LOCAL GOVERNMENTAL UNITS—Other Major Governmental Units" share, in varying degrees, a common property tax base with the District. See "DEBT INFORMATION." However, they are all separate legal and financial units, and the financial condition or circumstances of any one unit does not necessarily imply similar financial conditions or circumstances for the District.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

All of the "equalized assessed valuation" or "EAV" (described below) of taxable real property in the District is located in the County. Information under this caption describes the current procedures for real property assessment, tax levy and tax collection in the County. There is no assurance that the procedures described under this caption will not be changed. Illinois laws relating to the real property taxation are contained in the Illinois Property Tax Code (the *"Property Tax Code"*).

REAL PROPERTY ASSESSMENT

The Cook County Assessor (the *"County Assessor"*) is responsible for the assessment of all taxable real property within the County, including that in the District, except for certain railroad property and pollution control facilities, which are assessed directly by the Illinois Department of Revenue (the *"Department of Revenue"*). For triennial reassessment purposes, the County is divided into three districts: west and south suburbs (the *"South Tri"*), north and northwest suburbs (the *"North Tri"*), and the City of Chicago (the *"City Tri"*). The South Tri was reassessed for the 2014 tax levy year, the City Tri was last reassessed for the 2012 tax levy year, and the North Tri was last reassessed for the 2013 tax levy year.

In response to the downturn of the real estate market, the County Assessor reduced the 2009 assessed value on suburban residential properties (specifically, those properties located in the South Tri and the North Tri) not originally scheduled for reassessment in 2009. For tax year 2009, each suburban township received an adjustment percentage for tax year 2009, lowering the existing assessed values of all residential properties in such township within a range of 4% to 15%, beginning with the second-installment tax bills payable in the fall of 2010.

Real property in the County is separated into classes for assessment purposes. After the County Assessor establishes the fair market value of a parcel of property, that value is multiplied by the appropriate classification percentage to arrive at the assessed valuation (the *"Assessed Valuation"*) for the parcel. Such classification percentages range from 10% for certain residential, commercial and industrial property to 25% for other industrial and commercial property.

Property is classified for assessment into six basic categories, each of which is assessed (beginning with the 2009 tax levy year) at various percentages of fair market value as follows: Class 1 - unimproved real estate (10%); Class 2 - residential (10%); Class 3 - rental-residential (16% in tax year 2009, 13% in tax year 2010, and 10% in tax year 2011 and subsequent years); Class 4 - not-for-profit (25%); Class 5a - commercial (25%); and Class 5b - industrial (25%).

In addition, property may be temporarily classified into one of eight additional assessment classification categories. Upon expiration of such classification, property so classified will revert to one of the basic six assessment classifications described above. The additional assessment classifications are as follows:

Class	Description of Qualifying Property	Assessment Percentage	Reverts to Class
6b	Newly constructed industrial properties or substantially rehabilitated sections of existing industrial properties	10% for first 10 years and any 10 year renewal; if not renewed, 15% in year 11, 20% in year 12	5b
C	Industrial property that has undergone environmental testing and remediation	10% for first 10 years, 15% in year 11, 20% in year 12	5b
	Commercial property that has undergone environmental testing and remediation	10% for first 10 years, 15% in year 11, 20% in year 12	5a
7a/7b	Newly constructed or substantially rehabilitated commercial properties in an area in need of commercial development	10% for first 10 years, 15% in year 11, 20% in year 12	5a
7c	Newly constructed or rehabilitated commercial buildings and acquisition of abandoned property and rehabilitation of buildings thereon including the land upon which the buildings are situated and the land related to the rehabilitation	10% for first 3 years and any 3 year renewal; if not renewed, 15% in year 4, 20% in year 5	5a
8	Industrial properties in enterprise communities or zones in need of substantial revitalization	10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12	5b
	Commercial properties in enterprise communities or zones in need of substantial revitalization	10% for first 10 years, 15% in year 11, 20% in year 12	5a
9	New or substantially rehabilitated multi-family residential properties in target areas, empowerment or enterprise zones	10% for first 10 years and any 10 year renewal	As Applicable
S	Class 3 properties subject to Section 8 contracts renewed under the "Mark up to Market" option	10% for term of Section 8 contract renewal and any subsequent renewal	3
L	Substantially rehabilitated Class 3, 4 or 5b properties qualifying as "Landmark" or "Contributing" buildings	10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12	3, 4, or 5b
	Substantially rehabilitated Class 5a properties qualifying as "Landmark" or "Contributing" buildings	10% for first 10 years, 15% in year 11, 20% in year 12	5a

The County Assessor has established procedures enabling taxpayers to contest their proposed Assessed Valuations. Once the County Assessor certifies its final Assessed Valuations, a taxpayer can seek review of its assessment by appealing to the Cook County Board of Review (the *"Board of Review"*), which consists of three commissioners elected by the voters of the

County. The Board of Review has the power to adjust the Assessed Valuations set by the County Assessor.

Owners of residential property having six or fewer units are able to appeal decisions of the Board of Review to the Illinois Property Tax Appeal Board (the *"PTAB"*), a statewide administrative body. The PTAB has the power to determine the Assessed Valuation of real property based on equity and the weight of the evidence. Taxpayers may appeal the decision of PTAB to either the Circuit Court of Cook County (the *"Circuit Court"*) or the Illinois Appellate Court under the Illinois Administrative Review Law.

As an alternative to seeking review of Assessed Valuations by PTAB, taxpayers who have first exhausted their remedies before the Board of Review may file an objection in the Circuit Court. The procedure under this alternative is similar to the judicial review procedure described in the immediately preceding paragraph, however, the standard of proof differs. In addition, in cases where the County Assessor agrees that an assessment error has been made after tax bills have been issued, the County Assessor can correct any factual error, and thus reduce the amount of taxes due, by issuing a Certificate of Error. Certificates of Error are not issued in cases where the only issue is the opinion of the valuation of the property.

EQUALIZATION

After the Assessor has established the Assessed Valuation for each parcel for a given year, and following any revisions by the Board of Review or PTAB, the Illinois Department of Revenue is required by statute to review the Assessed Valuations. The Illinois Department of Revenue establishes an equalization factor (the *"Equalization Factor"*), commonly called the "multiplier," for each county to make all valuations uniform among the 102 counties in the State of Illinois (the *"State"*). Under State law, the aggregate of the assessments within each county is equalized at 33-1/3% of the estimated fair cash value of real property located within the county prior to any applicable exemptions. One multiplier is applied to all property in the County, regardless of its assessment category, except for certain farmland property and wind energy assessable property, which are not subject to equalization. The following table sets forth the Equalization Factor for the County for the last ten tax levy years.

TAX LEVY YEAR	EQUALIZATION FACTOR
2005	2.7320
2006	2.7076
2007	2.8439
2008	2.9786
2009	3.3701
2010	3.3000
2011	2.9706
2012	2.8056
2013	2.6621
2014	2.7253

Once the Equalization Factor is established, the Assessed Valuation, as revised by the Board of Review or PTAB, is multiplied by the Equalization Factor to determine the equalized assessed valuation (the *"EAV"*) of that parcel. The EAV for each parcel is the final property valuation used for determination of tax liability. The aggregate EAV for all parcels in any taxing body's jurisdiction, plus the valuation of property assessed directly by the Department of Revenue, constitute the total real estate tax base for the taxing body, which is used to calculate tax rates (the *"Assessment Base"*).

EXEMPTIONS

The Property Tax Code exempts certain property from taxation. Certain property is exempt from taxation on the basis of ownership and/or use, including, but not limited to, public parks, not-for-profit schools, public schools, churches, not-for-profit hospitals and public hospitals. In addition, the Property Tax Code provides a variety of homestead exemptions, which are discussed below.

An annual General Homestead Exemption provides that the EAV of certain property owned and used for residential purposes may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of $7,000 in the County for assessment year 2012 and thereafter.

The Long-Time Occupant Homestead Exemption limits the increase in EAV of a taxpayer's homestead property to 10% per year if such taxpayer has owned the property for at least 10 years as of January 1 of the assessment year (or 5 years if purchased with certain government assistance) and has a household income of $100,000 or less (*"Qualified Homestead Property"*). If the taxpayer's annual income is $75,000 or less, the EAV of the Qualified Homestead Property may increase by no more than 7% per year. There is no exemption limit for Qualified Homestead Properties.

The Homestead Improvement Exemption applies to residential properties that have been improved and to properties that have been rebuilt in the two years following a catastrophic event, as defined in the Property Tax Code. The exemption is limited to $75,000 per year, to the extent the Assessed Valuation is attributable solely to such improvements or rebuilding.

Additional exemptions exist for senior citizens. The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. The maximum exemption is $5,000.

The Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older, reside in their property as their principal place of residence and receive a household income not in excess of $55,000. This exemption grants to qualifying senior citizens an exemption equal to the difference between (i) the current EAV of the residence and (ii) the EAV of a senior citizen's residence for the year prior to the year in which he or she first qualifies and applies for the exemption, plus the EAV of improvements since such year.

The Natural Disaster Homestead Exemption (the *"Natural Disaster Exemption"*) applies to homestead properties containing a residential structure that has been rebuilt following a natural disaster occurring in taxable year 2012 or any taxable year thereafter. A natural disaster is an occurrence of widespread or severe damage or loss of property resulting from any catastrophic cause including but not limited to fire, flood, earthquake, wind, or storm. The Natural Disaster Exemption is equal to the equalized assessed value of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

Three exemptions are available to veterans of the United States armed forces. The Disabled Veterans' Exemption exempts up to $70,000 of the Assessed Valuation of property owned and used exclusively by veterans, their spouses or unmarried surviving spouses. Qualification for this exemption requires the veteran's disability to be of such a nature that the federal government has authorized payment for purchase of specially adapted housing under the U.S. Code as certified to annually by the Illinois Department of Veterans Affairs.

The Disabled Veterans' Standard Homestead Exemption provides an annual homestead exemption to veterans with a service-connected disability based on the percentage of such disability. If the veteran has a (a) service-connected disability of 30% or more but less than 50%, the annual exemption is $2,500, (b) service-connected disability of 50% or more but less than 70%, the annual exemption is $5,000, and (c) service-connected disability of 70% or more, the property is exempt from taxation.

The Returning Veterans' Homestead Exemption is available for property owned and occupied as the principal residence of a veteran in the assessment year, or the year following the assessment year, in which the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a one-time homestead exemption of $5,000.

Finally, the Disabled Persons' Homestead Exemption provides an annual homestead exemption in the amount of $2,000 for property that is owned and occupied by certain disabled persons who meet State-mandated guidelines.

TAX LEVY

As part of the annual budgetary process of governmental units (the *"Units"*) with power to levy taxes in the County, the designated body for each Unit annually adopts proceedings to levy real estate taxes. The administration and collection of real estate taxes is statutorily assigned to the Cook County Clerk (the *"County Clerk"*) and the Cook County Treasurer (the *"County Treasurer"*). After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit. The County Clerk computes the Unit's maximum allowable levy by multiplying the maximum tax rate for that Unit by the prior year's EAV for all property currently in the taxing district. The prior year's EAV includes the EAV of any new property, the current

year value of any annexed property and any recovered tax increment value, minus any disconnected property for the current year under the Property Tax Extension Limitation Law (the *"Limitation Law"*). The tax rate for a Unit is computed by dividing the lesser of the maximum allowable levy or the actual levy by the current year's EAV.

PROPERTY TAX EXTENSION LIMITATION LAW AND DEBT REFORM ACT

The Limitation Law is applied after the prior year EAV limitation. The Limitation Law limits the annual growth in the amount of property taxes to be extended for certain Illinois non-home rule units, including the District. The effect of the Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, general obligation bonds, notes and installment contracts payable from ad valorem taxes, unlimited as to rate and amount, cannot be issued by the affected taxing bodies unless they are approved by referendum, are alternate bonds or are for certain refunding purposes. These limitations on the extensions of property taxes contained in the Limitation Law do not apply to the taxes levied by the District (i) to pay the principal of and interest on its outstanding general obligation bonds issued prior to March 1, 1995; (ii) to pay the principal of and interest on bonds issued to refund or continue to refund those bonds issued before March 1, 1995; (iii) to pay the principal of and interest on bonds to finance construction projects initiated prior to October 1, 1991 (consisting primarily of the TARP projects as described in APPENDIX B); or (iv) to pay interest or principal on bonds issued to refund or continue to refund bonds issued after March 1, 1995 that are approved by referendum.

The Limitation Law also excludes certain types of general obligation bonds, known as *"alternate bonds"* issued pursuant to Section 15 of the Debt Reform Act, from the direct referendum requirements of the Limitation Law. Pursuant to the provisions of this amendatory legislation and the Debt Reform Act, the 2016E Bonds are being issued as alternate bonds. The extension and collection of the ad valorem taxes levied by the Series 2016E Bond Ordinance, to the extent received, for the payment of debt service on the 2016E Bonds are not limited or restricted in any way by the provisions of the Limitation Law. See "SECURITY FOR THE BONDS—Security for the Unlimited Tax Bonds—*The 2016E Bonds*."

The Debt Reform Act permits units of local government, including the District, to issue limited tax bonds that have otherwise been authorized by applicable law. The base for such bond issues is the debt service extension for the levy year 1994. The District could also increase its debt service extension base by referendum. The Limitation Law provides that the debt service extension base of a taxing district must be increased by the lesser of 5% or the percentage increase in the Consumer Price Index during the 12-month calendar year preceding the levy year. Pursuant to these provisions of the Debt Reform Act, the 2016B Bonds, the 2016D Bonds and the 2016F Bonds are being issued as limited tax bonds. See "SECURITY FOR THE BONDS—Security for the Limited Tax Bonds."

The Limitation Law has been amended so that the issuance of bonds by the District to construct construction projects initiated before October 1, 1991, including the TARP projects, will not reduce the District's ability to issue limited tax bonds for other major capital projects. With respect to the Limitation Law, the 2016A Bonds, the 2016C Bonds and the 2016E Bonds are being

issued pursuant to this amendment for the purpose of funding TARP projects. See "SECURITY FOR THE BONDS—Security for the Unlimited Tax Bonds—*General*."

The use of prior year EAV's to limit the allowable tax levy may reduce tax rates for funds that are at or near their maximum rates in districts with rising EAVs. These reduced rates and all other rates for those funds subject to the Limitation Law are added together, which results in the aggregate preliminary rate. The aggregate preliminary rate is then compared to the limiting rate. If the limiting rate is more than the aggregate preliminary rate, there is no further reduction in rates due to the Limitation Law. If the limiting rate is less than the aggregate preliminary rate, the aggregate preliminary rate is further reduced to the limiting rate. In all cases, taxes are extended using current year EAV under Section 18-140 of the Property Tax Code.

The District has the authority to levy taxes for many different purposes. See "TAXATION OF PROPERTY WITHIN DISTRICT—STATISTICAL INFORMATION—Metropolitan Water Reclamation District Tax Rates by Fund." The ceiling at any particular time on the rate at which these taxes may be extended for the District is either (i) unlimited (as provided by statute), (ii) initially set by statute but permitted to be increased by referendum, (iii) capped by statute, or (iv) limited to the rate approved by referendum. The only ceiling on a particular tax rate is the ceiling set by statute above, at which the rate is not permitted to be further increased by referendum or otherwise. Therefore, taxing districts (such as the District) have increased flexibility to levy taxes for the purposes for which they most need the money. The total aggregate tax rate for the various purposes subject to the Limitation Law, however, will not be allowed to exceed the District's limiting rate computed in accordance with the provisions of the Limitation Law.

In general, the annual growth permitted under the Limitation Law is the lesser of 5% or the percentage increase in the Consumer Price Index during the calendar year preceding the levy year. Taxes can also be increased due to new construction, referendum approval of tax rate increases, mergers and consolidations. Local governments, including the District, can issue limited tax bonds in lieu of general obligation bonds that have otherwise been authorized by applicable law. See "SECURITY FOR THE BONDS" herein.

EXTENSIONS

The County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all of the Units having jurisdiction over the particular parcel. The County Clerk extends the tax by entering the tax (determined by multiplying the total tax rate by the EAV of that parcel for the current assessment year) in the books prepared for the Cook County Collector (the *"Warrant Books"*) along with the tax rates, the Assessed Valuation and the EAV. The Warrant Books are the Cook County Collector's (the *"County Collector"*) authority for the collection of taxes and are used by the County Collector as the basis for issuing tax bills to all property owners.

COLLECTIONS

Property taxes are collected by the County Collector, who also serves as the County Treasurer, who remits to each Unit its share of the collections. Taxes levied in one year become

payable during the following year in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. A payment due is deemed to be paid on time if the payment is postmarked on the due date. The first installment is equal to 55% of the prior year's tax bill. However, if a Certificate of Error is approved by a court or certified on or before November 30 of the preceding year and before the estimated tax bills are prepared, then the first installment is instead based on the certain percentage of the *corrected* prior year's tax bill. The second installment covers the balance of the current year's tax bill, and is based on the then current tax year levy, Assessed Valuation and Equalization Factor, and reflects any changes from the prior year in those factors. The first installment penalty date has been the first business day in March for each of the last ten years. The following table sets forth the second installment penalty date for the last ten tax levy years in the County.

TAX LEVY YEAR	SECOND INSTALLMENT PENALTY DATE
2005	September 1, 2006
2006	December 3, 2007
2007	November 3, 2008
2008	December 1, 2009
2009	December 13, 2010
2010	November 1, 2011
2011	August 1, 2012
2012	August 1, 2013
2013	August 1, 2014
2014	August 3, 2015

It is possible that the changes to the assessment appeals process described above will cause delays similar to those experienced in past years in preparation and mailing of the second installment in future years. In the future, the County may provide for tax bills to be payable in four installments instead of two.

During the periods of peak collections, tax receipts are forwarded to each Unit on a weekly basis. Upon receipt of taxes from the County Collector, the District promptly credits the taxes received to the funds for which they were levied.

Within 90 days following the second installment due date, the County Collector presents the Warrant Books to the Circuit Court and applies for a judgment for all unpaid taxes. The court orders resulting from the application for judgment provides for an Annual Tax Sale (the *"Annual Tax Sale"*) of unpaid taxes shown on that year's Warrant Books. A public sale is held, at which time successful tax buyers pay the unpaid taxes plus penalties. In each such public sale, the collector can use any "automated means." Unpaid taxes accrue penalties at the rate of 1.5% per month from their due date until the date of sale. Taxpayers can redeem their property by paying the amount paid at the sale, plus a maximum of 12% for each six-month period after the sale. If no redemption is made within the applicable redemption period (ranging from six months to two and a half years depending on the type and occupancy of the property) and the tax buyer files a petition in the Circuit Court, notifying the necessary parties in accordance with the applicable law,

the tax buyer receives a deed to the property. In addition, there are miscellaneous statutory provisions for foreclosure of tax liens.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the taxes are forfeited and the property becomes eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest accrued to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale.

The Scavenger Sale (the *"Scavenger Sale"*), like the Annual Tax Sale, is a sale of unpaid taxes. The Scavenger Sale is held every two years on all property on which two or more years' taxes are delinquent. The sale price of the unpaid taxes is the amount bid at such sale, which may be less than the amount of delinquent taxes. Redemption periods vary from six months to two and a half years depending upon the type and occupancy of the property.

TRUTH IN TAXATION LAW

Legislation known as the Truth in Taxation Law (the *"Law"*) limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels.

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TAXATION OF PROPERTY WITHIN DISTRICT—STATISTICAL INFORMATION

EQUALIZED ASSESSED VALUATION BY MAJOR CLASSIFICATION
(amounts in thousands)

YEAR OF LEVY	REAL PROPERTY	RAILROAD AND ENVIRONMENTAL PROTECTION PROPERTY	TOTAL	YEAR OVER YEAR PERCENT CHANGE
2005	$130,438,124	$148,797	$130,586,921	-------
2006	141,311,943	156,699	141,468,642	8.333
2007	155,800,132	172,662	155,972,794	10.253
2008	169,911,146	186,235	170,097,382	9.056
2009	174,255,389	212,254	174,467,643	2.570
2010	166,661,578	256,488	166,918,066	(4.327)
2011	148,773,793	274,700	149,048,493	(10.706)
2012	133,111,401	286,594	133,397,995	(10.500)
2013	123,108,018	311,526	123,419,544	(7.480)
2014	125,427,832	308,356	125,736,188	1.877

Source of data: The County Clerk
Note: The Cook County Clerk has released a preliminary 2015 equalized assessed valuation of $130,304,803,798 for the District. This 2015 equalized assessed valuation is preliminary and subject to change.

EQUALIZED ASSESSED VALUATION – CHICAGO AND SUBURBS
(amounts in thousands)

YEAR OF LEVY	CHICAGO	SUBURBS	TOTAL
2005	$59,304,530	$71,282,391	$130,586,921
2006	69,511,192	71,957,450	141,468,642
2007	73,645,316	82,327,478	155,972,794
2008	80,977,543	89,119,839	170,097,382
2009	84,586,808	89,880,835	174,467,643
2010	82,087,170	84,830,896	166,918,066
2011	75,122,914	73,925,579	149,048,493
2012	65,250,387	68,147,608	133,397,995
2013	62,363,876	61,055,668	123,419,544
2014	64,908,057	60,828,131	125,736,188

Source of data: The County Clerk
Note: The Cook County Clerk has released a preliminary 2015 equalized assessed valuation of $130,304,803,798 for the District. This 2015 equalized assessed valuation is preliminary and subject to change.

ESTIMATED FULL VALUE – CHICAGO AND SUBURBS

(amounts in thousands)

YEAR OF LEVY	CHICAGO	SUBURBS	TOTAL
2005	$283,137,884	$298,233,411	$581,371,295
2006	329,770,733	336,452,329	666,223,062
2007	320,503,503	335,971,241	656,474,744
2008	310,888,609	305,274,985	616,163,594
2009	280,288,730	269,846,639	550,135,369
2010	231,986,396	217,825,144	449,811,540
2011	222,856,064	219,931,625	442,787,689
2012	206,915,723	207,466,666	414,382,389
2013	236,695,475	223,165,122	459,860,597

Source of data: The Civic Federation, Chicago, Illinois (based upon information from the Illinois Department of Revenue.)

COMPARATIVE TAX RATES OF MAJOR LOCAL GOVERNMENTAL UNITS

(Per $100 Equalized Assessed Valuation)

	2014	2013	2012	2011	2010
Metropolitan Water Reclamation District[1]	$0.430	$0.417	$0.370	$0.320	$0.274
City of Chicago	1.193	1.209	1.151	0.999	0.914
Chicago Board of Education	3.660	3.671	3.422	2.875	2.581
Chicago Park District	0.401	0.402	0.395	0.346	0.319
County of Cook	0.568	0.560	0.531	0.462	0.423
Cook County Forest Preserve District	0.069	0.069	0.063	0.058	0.051
Community College District #508	0.193	0.199	0.190	0.165	0.151
City of Chicago Library Fund	0.134	0.135	0.128	0.111	0.102
City of Chicago School Bldg/Improvement	0.146	0.152	0.146	0.119	0.116
TOTAL	$6.794	$6.814	$6.396	$5.455	$4.931

Source of data: The County Clerk

(1) Based upon taxes extended for collection in succeeding years as a percentage of the Equalized Assessed Valuation for the tax year.

METROPOLITAN WATER RECLAMATION DISTRICT TAX RATES BY FUND

(Per $100 Equalized Assessed Valuation)

	2014	2013	2012	2011	2010
Corporate Fund	$0.183	$0.182	$0.179	$0.168	$0.144
Retirement Fund	0.040	0.042	0.021	0.019	0.016
Debt Service Fund	0.174	0.163	0.135	0.114	0.094
Reserve Claim Fund	0.002	0.005	0.005	0.002	0.001
Corporate Working Cash Fund	-	-	-	-	-
Construction Fund	0.014	0.009	0.015	0.001	0.005
Construction Working Cash Fund	-	-	-	-	-
Stormwater Management Fund	0.017	0.016	0.015	0.016	0.014
TOTAL	$0.430	$0.417	$0.370	$0.320	$0.274

Source of data: The County Clerk

STATUTORY TAX RATE LIMITATION BY FUND

(Per $100 Equalized Assessed Valuation)

Corporate Fund	$0.410
Retirement Fund[1]	Unlimited
Debt Service Fund[1]	Unlimited
Reserve Claim Fund[2]	0.005
Corporate Working Cash Fund	0.005
Construction Fund	0.100
Construction Working Cash Fund	0.005
Stormwater Management Fund	0.050

Source of data: The County Clerk

(1) Subject to the provisions of the Tax Extension Limitation Law. See "REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES—Property Tax Extension Limitation Law and Debt Reform Act."

(2) Subject to maximum accumulated value of 0.05% of the most recent equalized assessed valuation.

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TAX LEVIES, COLLECTIONS, AND RECEIVABLES

AS OF JUNE 2, 2016

(amounts in thousands) (Unaudited)

	2015[1]		2014	
	AMOUNT	% OF LEVY	AMOUNT	% OF LEVY
Gross Property Tax Levy:				
Corporate Fund	$227,196	40.9	$230,000	42.5
Construction Fund	16,500	3.0	17,400	3.2
Debt Service Fund	224,488	40.4	218,319	40.4
Retirement Fund	58,004	10.4	50,531	9.4
Stormwater Management Fund	24,050	4.3	21,000	3.9
Reserve Claim Fund	5,700	1.0	3,000	0.6
Total Gross Property Tax Levy	$555,938	100.0	$540,250	100.0
Less Allowance for Estimated Uncollectible Taxes	(19,458)	(3.5)	(18,909)	(3.5)
Anticipated Property Tax Collection	$536,480	96.5	$521,341	96.5

COLLECTIONS BY LEVY YEAR

FIRST YEAR COLLECTION ONLY

LEVY YEAR	COLLECTION YEAR	PENALTY DATE	GROSS LEVY	ALLOWANCE FOR UNCOLLECTIBLE TAXES[2]	NET LEVY	FIRST YEAR COLLECTION	NET LEVY PERCENT COLLECTED
2010	2011	11/1/11	$457,355	$16,007	$441,348	$435,009	98.6%
2011	2012	8/1/12	476,955	16,693	460,262	460,618	100.1%
2012	2013	8/1/13	493,573	17,275	476,298	476,881	100.1%
2013	2014	8/1/14	514,659	18,013	496,646	497,452	100.2%
2014	2015	8/1/15	540,250	18,909	521,341	523,203	100.4%
2015[1]	2016	8/1/16	555,938	19,458	536,480	280,743[3]	52.3%[3]

(1) The District's tax levy is preliminary, subject to change.
(2) Loss in Collection Rate: 3.5%.
(3) Collections for 2015 Tax Levy are presented through June 2, 2016.

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FINANCIAL STATEMENTS

The District's Basic Financial Statements for the year ended December 31, 2015, included in this Official Statement as APPENDIX A, have been audited by RSM US LLP, independent public accountants, as stated in their Independent Auditors' Report dated May 9, 2016. The supplementary information referred to in the Independent Auditors' Report is not included in APPENDIX A. RSM US LLP, the District's independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. RSM US LLP also has not performed any procedures relating to this Official Statement. The District's Comprehensive Annual Financial Report for the fiscal year ended December 31, 2015 and several prior years are available online at the District's website at www.mwrd.org, but the content of such website is not incorporated into this Official Statement by reference.

RATINGS

The Bonds and the District's outstanding general obligation bonds are rated "AAA" by Fitch Ratings and "AA+" by S&P Global Ratings.

The District has not requested that any other rating agency provide a rating with respect to the Bonds.

A rating reflects only the views of the rating agency assigning such rating and an explanation of the significance of such rating or the status of any review of such rating may be obtained from such agency. Certain information and materials concerning the Bonds, the District and certain overlapping entities have been furnished to the rating agencies by the District. Generally, rating agencies base their ratings on such information and materials and investigations, studies and assumptions by the respective agency. There is no assurance that each such rating will be maintained for any given period of time or that one or more of such ratings may not be raised, lowered or withdrawn entirely by the respective rating agency, if in its judgment, circumstances so warrant. Any downward change in or withdrawal of any such rating may have an adverse effect on the price at which the Bonds may be resold.

TAX MATTERS

THE TAX-EXEMPT BONDS

Summary of Co-Bond Counsel Opinion

Co-Bond Counsel are of the opinion that under existing law, interest on the 2016A, 2016B, 2016C, 2016D, and 2016E Bonds (the *"Tax-Exempt Bonds"*) is not includible in the gross income of the owners thereof for federal income tax purposes. If there is continuing compliance with the applicable requirements of the Code, Co-Bond Counsel are of the opinion that interest on the Tax-Exempt Bonds will continue to be excluded from the gross income of the owners thereof for federal income tax purposes. Interest on the Tax-Exempt Bonds is not an item of tax preference

for purposes of computing individual or corporate alternative minimum taxable income. However, interest on the Tax-Exempt Bonds is includible in corporate earnings and profits and therefore must be taken into account when computing, for example, corporate alternative minimum taxable income for purposes of the corporate alternative minimum tax. Interest on the Bonds is not exempt from present Illinois income taxes.

The Code contains certain requirements that must be satisfied from and after the date of issuance of the Tax-Exempt Bonds in order to preserve the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds. These requirements relate to the use and investment of the proceeds of the Tax-Exempt Bonds, the payment of certain amounts to the United States, the security and source of payment of the Tax-Exempt Bonds and the use of the property financed with the proceeds of the Tax-Exempt Bonds.

Tax-Exempt Bonds Purchased at a Premium

The difference (if any) between the initial price at which a substantial amount of each maturity of the Tax-Exempt Bonds is sold to the public (the *"Offering Price"*) and the principal amount payable at maturity of such Tax-Exempt Bonds is given special treatment for Federal income tax purposes. If the Offering Price is higher than the maturity value of a Bond, the difference between the two is known as "bond premium."

Bond premium is amortized over the term of a Bond on the basis of the Bond's yield from the date of purchase to the date of maturity, compounded at the end of each accrual period of one year or less with straight line interpolation between compounding dates, as provided more specifically in the Income Tax Regulations. The amount of bond premium accruing during each period is treated as a reduction in the amount of tax-exempt interest earned during such period and is subtracted from the owner's tax basis in the Bond. A Bond's adjusted tax basis is used to determine whether, and to what extent, the owner realizes taxable gain or loss upon the disposition of the Bond (whether by reason of sale, acceleration, redemption prior to maturity or payment at maturity of the Bond).

Owners who purchase Tax-Exempt Bonds at a price other than the Offering Price, after the termination of the initial public offering or at a market discount should consult their tax advisors with respect to the tax consequences of their ownership of the Tax-Exempt Bonds. In addition, owners of Tax-Exempt Bonds should consult their tax advisors with respect to the state and local tax consequences of owning the Tax-Exempt Bonds; under the applicable provisions of state or local income tax law, bond premium may give rise to taxable income at different times and in different amounts than it does for Federal income tax purposes.

Exclusion from Gross Income: Requirements

The Code sets forth certain requirements that must be satisfied on a continuing basis in order to preserve the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds. Among these requirements are the following:

Limitations on Private Use. The Code includes limitations on the amount of Bond proceeds that may be used in the trade or business of, or used to make or finance loans to, persons other than governmental units.

Investment Restrictions. Except during certain "temporary periods," proceeds of the Tax-Exempt Bonds and investment earnings thereon (other than amounts held in a reasonably required reserve or replacement fund, if any, or as part of a "minor portion") may generally not be invested in investments having a yield that is "materially higher" (1/8 of one percent) than the yield on the Tax-Exempt Bonds.

Rebate of Arbitrage Profit. Unless the Tax-Exempt Bonds qualify for an exemption, earnings from the investment of the "gross proceeds" of the Tax-Exempt Bonds in excess of the earnings that would have been realized if such investments had been made at a yield equal to the yield on the Tax-Exempt Bonds are required to be paid to the United States at periodic intervals. For this purpose, the term "gross proceeds" includes the original proceeds of the Tax-Exempt Bonds, amounts received as a result of investing such proceeds and amounts to be used to pay debt service on the Tax-Exempt Bonds.

Covenants to Comply

The District has covenanted to comply with the requirements of the Code relating to the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds.

Risks of Non-Compliance

In the event that the District fails to comply with the requirements of the Code, interest on the Tax-Exempt Bonds may become includible in the gross income of the owners thereof for federal income tax purposes retroactively to the date of issue. In such event, each Bond Ordinance requires neither acceleration of payment of principal of, or interest on, the Tax-Exempt Bonds nor payment of any additional interest or penalties to the owners of the Tax-Exempt Bonds.

Federal Income Tax Consequences

Pursuant to Section 103 of the Code, interest on the Tax-Exempt Bonds is not includible in the gross income of the owners thereof for federal income tax purposes. However, the Code contains a number of other provisions relating to the treatment of interest on the Tax-Exempt Bonds that may affect the taxation of certain types of owners, depending on their particular tax situations. Some of the potentially applicable federal income tax provisions are described in general terms below. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS CONCERNING THE PARTICULAR FEDERAL INCOME TAX CONSEQUENCES OF THEIR OWNERSHIP OF THE TAX-EXEMPT BONDS.

Cost of Carry. Owners of the Tax-Exempt Bonds will generally be denied a deduction for otherwise deductible interest on any debt which is treated for federal income tax purposes as

incurred or continued to purchase or carry the Tax-Exempt Bonds. As discussed below, special allocation rules apply to financial institutions.

Corporate Owners. Interest on the Tax-Exempt Bonds is generally taken into account in computing the earnings and profits of a corporation and consequently may be subject to federal income taxes based thereon. Thus, for example, interest on the Tax-Exempt Bonds is taken into account not only in computing the corporate alternative minimum tax but also the branch profits tax imposed on certain foreign corporations, the passive investment income tax imposed on certain S corporations, and the accumulated earnings tax.

Individual Owners. Receipt of interest on the Tax-Exempt Bonds may increase the amount of social security and railroad retirement benefits included in the gross income of the recipients thereof for federal income tax purposes.

Certain Blue Cross or Blue Shield Organizations. Receipt of interest on the Tax-Exempt Bonds may reduce a special deduction otherwise available to certain Blue Cross or Blue Shield organizations.

Property or Casualty Insurance Companies. Receipt of interest on the Tax-Exempt Bonds may reduce otherwise deductible underwriting losses of a property or casualty insurance company.

Financial Institutions. Financial institutions may be denied a deduction for their otherwise allowable interest expense in an amount determined by reference, in part, to their adjusted basis in the Tax-Exempt Bonds.

Foreign Personal Holding Company Income. A United States shareholder of a foreign personal holding company may realize taxable income to the extent that interest on the Tax-Exempt Bonds held by such a company is properly allocable to the shareholder.

THE 2016F BONDS - QUALIFIED ENERGY CONSERVATION BONDS

The following is a summary of the principal United States federal income tax consequences of ownership of the 2016F Bonds. This summary deals only with the 2016F Bonds held as capital assets by initial purchasers, and not with special classes of holders, such as dealers in securities or currencies, banks, tax-exempt organizations, life insurance companies, persons that hold the 2016F Bonds as a hedge or as hedged against currency risks or that are part of a straddle or conversion transaction, or persons whose functional currency is not the United States dollar.

The Code contains a number of provisions relating to the taxation of the 2016F Bonds (including but not limited to the treatment of and accounting for interest, premium, and market discount thereon, gain from the disposition thereof and withholding tax on income therefrom) that may affect the taxation of certain owners, depending on their particular tax situations. Prospective purchasers of the 2016F Bonds should consult their own tax advisors concerning the consequences, in their particular circumstances, under the Code and the laws of any other taxing jurisdiction, of ownership of the 2016F Bonds.

United States Federal Income Tax Considerations for United States Holders

Payments of Interest to United States Holders. Interest on the 2016F Bonds will be taxable to a United States Holder (as defined below) as ordinary income at the time it is received or accrued, depending on the holder's method of accounting for tax purposes in accordance with generally applicable principles.

The term "*United States Holder*" refers to a beneficial owner of a 2016F Bond for United States federal income tax law purposes and that is:

- a citizen or resident of the United States;
- a corporation or partnership which is created or organized in or under the laws of the United States or of any political subdivision thereof;
- an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if (1) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust or (2) the trust was in existence on August 10, 1996 and properly elected to continue to be treated as a United States person.

The term "*Non-U.S. Holder*" refers to any beneficial owner of a 2016F Bond who or which is not a United States Holder.

If a partnership holds the 2016F Bonds, the United States federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding the 2016F Bonds should consult its tax advisor regarding the consequences to the United States federal income tax treatment of an investment in the 2016F Bonds.

Sale and Retirement of the 2016F Bonds. United States Holders of the 2016F Bonds must recognize any gain or loss on the sale, redemption, retirement or other disposition of their 2016F Bonds. The gain or loss is measured by the difference between the amount realized on the disposition of a 2016F Bond and the United States Holder's adjusted tax basis in the 2016F Bond. Such gain or loss is capital gain or loss, except to the extent of accrued market discount not previously included in income, and is long term capital gain or loss if at the time of disposition such 2016F Bond has been held for more than one year.

Unearned Income Medicare Contribution Tax. A 3.8% Medicare contribution tax is imposed on the "net investment income" of certain United States individuals and on the undistributed "net investment income" of certain estates and trusts. Among other items, "net investment income" generally includes interest and certain net gain from the disposition of property (such as the 2016F Bonds), less certain deductions.

United States Federal Income Tax Considerations for Non-U.S. Holders

Withholding Tax on Payments of Principal and Interest on Bonds. Generally, subject to the discussion of FATCA below, payments of principal and interest on a 2016F Bond will not be subject to United States federal withholding tax, provided that in the case of an interest payment:

- the beneficial owner of the 2016F Bond is not a bank to which the 2016F Bonds constitute an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business; and

- either (A) the beneficial owner of the 2016F Bond certifies to the applicable payor or its agent, under penalties of perjury on an IRS Form W-8BEN, IRS Form W-8BEN-E or a suitable substitute form, that such owner is not a United States person and provides such owner's name and address or (B) a securities clearing organization, bank or other financial institution, that holds customers' securities in the ordinary course of its trade or business (a "financial institution") and holds the 2016F Bond, certifies under penalties of perjury that such an IRS Form W-8BEN, IRS Form W-8BEN-E or suitable substitute form has been received from the beneficial owner by it or by a financial institution between it and the beneficial owner and furnishes the payor with a copy thereof.

If the beneficial owner is entitled to the benefit of an income tax treaty to which the United States is a party, such owner can obtain an exemption from or reduction of income and withholding tax (depending on the terms of the treaty) by providing to the withholding agent a properly completed IRS Form W-8BEN, IRS Form W-8BEN-E, or any successor form, before interest is paid. However, neither exemption nor reduced withholding will be available if the withholding agent has actual knowledge or reason to know that the form is false.

Except to the extent otherwise provided under an applicable tax treaty, a beneficial owner of a 2016F Bond generally will be taxed in the same manner as a United States Holder with respect to interest and original issue discount payments on a 2016F Bond if such interest and original issue discount is effectively connected with such owner's conduct of a trade or business in the United States. Effectively connected interest received by a corporate Non-U.S. Holder may also, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate (or, if applicable, a lower treaty rate), subject to certain adjustments. Such effectively connected interest will not be subject to withholding tax if the holder delivers an IRS Form W-8ECI to the payor.

Gain on Disposition of the 2016F Bonds. A beneficial owner of a 2016F Bond generally will not be subject to United States federal income tax on gain realized on the sale, exchange or redemption of a 2016F Bond unless:

- such owner is an individual present in the United States for 183 days or more in the year of such sale, exchange or redemption and either (A) such owner has a "tax home" in the United States and certain other requirements are met, or (B) the gain from the disposition is attributable to such owner's office or other fixed place of business in the United States; or

- the gain is effectively connected with such owner's conduct of a trade or business in the United States.

Taxation of Payments under FATCA to Foreign Financial Institutions and Certain Other Non-U.S. Holders that are Foreign Entities. A 30% withholding tax generally will apply to payments of interest on, and after December 31, 2018, on gross proceeds from the disposition of, the 2016F Bonds that are made to Non-U.S. Holders that are financial institutions and certain non-financial entities. Such withholding tax, imposed under sections 1471 through 1474 of the Code, or FATCA, generally will not apply where such payments are made to (i) a Non-U.S. Holder that is a financial institution that enters into an agreement with the IRS to, among other requirements, undertake to identify accounts held by certain United States persons or U.S.-owned foreign entities, report annually certain information about such accounts and withhold tax as may be required by such agreement (or otherwise complies with an applicable intergovernmental agreement with respect to FATCA), or (ii) a Non-U.S. Holder that is a non-financial entity that certifies it does not have any substantial United States owners or furnishes identifying information regarding each substantial United States owner. A Non-U.S. Holder generally will be required to provide information with respect to its status for FATCA purposes, generally on the appropriate IRS Form W-8 or any successor form, to avoid withholding taxes under FATCA. Prospective investors should consult their own tax advisors regarding the application and requirements of these information reporting and withholding provisions under FATCA.

U.S. Federal Estate Tax. A 2016F Bond held by an individual who at the time of death is not a citizen or resident of the United States (as specially defined for United States federal estate tax purposes) is not subject to United States federal estate tax if at the time of the individual's death, payments with respect to such 2016F Bond are not effectively connected with the conduct by such individual of a trade or business in the United States.

Backup Withholding and Information Reporting

United States Holders. Information reporting applies to payments of interest on the 2016F Bonds, or the proceeds of the sale or other disposition of the 2016F Bonds with respect to certain non-corporate United States holders, and backup withholding may apply unless the recipient of such payment supplies a taxpayer identification number, certified under penalties of perjury, as well as certain other information or otherwise establishes an exemption from backup withholding. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against that holder's United States federal income tax liability provided the required information is furnished to the IRS.

Non-U.S. Holders. Backup withholding and information reporting on Form 1099 does not apply to payments of principal and interest on the 2016F Bonds to a Non-U.S. Holder provided the Non-U.S. Holder provides the certification described above under "United States Federal Income Tax Considerations for Non-U.S. Holders-Withholding Tax on Payments of Principal and Interest on Bonds" or otherwise establishes an exemption (provided that neither the City nor its agent has actual knowledge that the holder is a United States person or that the conditions of any other exemptions are not in fact satisfied). Interest payments made to a Non-U.S. Holder may, however, be reported to the IRS and to such Non-U.S. Holder on Form 1042-S.

Information reporting and backup withholding generally do not apply to a payment of the proceeds of a sale of 2016F Bonds effected outside the United States by a foreign office of a foreign broker. However, information reporting requirements (but not backup withholding) will apply to a payment of the proceeds of a sale of 2016F Bonds effected outside the United States by a foreign office of a broker if the broker (i) is a United States person, (ii) derives 50% or more of its gross income for certain periods from the conduct of a trade or business in the United States, (iii) is a "controlled foreign corporation" as to the United States, or (iv) is a foreign partnership that, at any time during its taxable year is 50% or more (by income or capital interest) owned by United States persons or is engaged in the conduct of a United States trade or business, unless in any such case the broker has documentary evidence in its records that the holder is a Non-U.S. Holder (and such broker has no actual knowledge to the contrary) and certain conditions are met, or the holder otherwise establishes an exemption. Payment by a United States office of a broker of the proceeds of a sale of 2016F Bonds will be subject to both backup withholding and information reporting unless the holder certifies its non-United States status under penalties of perjury or otherwise establishes an exemption.

Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against that holder's United States federal income tax liability provided the required information is furnished to the IRS.

Change of Law

The opinion of Co-Bond Counsel and the descriptions of the tax law contained in this Official Statement are based on statutes, judicial decisions, regulations, rulings and other official interpretations of law in existence on the date the Bonds are issued. There can be no assurance that such law or the interpretation thereof will not be changed or that new provisions of law will not be enacted or promulgated at any time while the Bonds are outstanding in a manner that would adversely affect the value or the tax treatment of ownership of the Bonds.

State and Local Considerations

Interest on the Bonds is not exempt from present State of Illinois income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers, and Co-Bond Counsel expresses no opinion regarding any such consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

INVESTMENT CONSIDERATIONS

The purchase of the Bonds involves certain investment risks. Accordingly, each prospective purchaser of the Bonds should make an independent evaluation of the entirety of the information presented in this Official Statement and its appendices and exhibits in order to make an informed investment decision. Certain of the investment risks are described below. The following statements, however, should not be considered a complete description of all risks to be considered in the decision to purchase the Bonds, nor should the order of the presentation of such

risks be construed to reflect the relative importance of the various risks. There can be no assurance that other risk factors are not material or will not become material in the future.

FINANCES OF THE STATE OF ILLINOIS AND LOCAL ECONOMY

The State has experienced adverse fiscal conditions resulting in significant shortfalls between the State's general fund revenues and spending demands. The State is currently experiencing an impasse between the Governor and the Illinois General Assembly with respect to the budget for the State's current fiscal year. In addition, the underfunding of the State's pension systems has contributed to the State's poor financial health. The State's budget problems may affect the strength of the local economy. State tax revenue received by the District includes the District's share of the State's personal property replacement tax (*"PPRT"*), which is distributed to the District by the State, and which constitutes approximately 7% of the District's General Corporate Fund revenues. Although the PPRT is not subject to appropriation, the District's receipt of PPRT from the State could be delayed. PPRT revenues are not specifically pledged to the repayment of the Bonds.

The financial health of the District is in part dependent on the strength of the local economy. Many factors affect the local economy, including rates of employment and economic growth and the level of residential and commercial development. It is not possible to predict to what extent any changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur and what impact such changes would have on the finances of the District.

OVERLAPPING TAXING DISTRICTS

A number of overlapping taxing districts whose jurisdictional limits and property tax bases overlap with the District have the power to raise taxes, including property taxes. See "RECENT FINANCIAL INFORMATION-Estimated Overlapping Bonded Debt" and "OTHER LOCAL GOVERNMENTAL UNITS." The District does not control the timing of the taxes levied by these overlapping taxing districts. Increases in the amount of taxes levied by these overlapping taxing districts could have an adverse effect on the District's economy and/or property tax base. Budget problems of the State may result in decreased or delayed State appropriations to the overlapping taxing districts.

SECONDARY MARKET FOR THE BONDS

No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The Underwriters are not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof.

Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances.

No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

FUTURE CHANGES IN LAWS

Various state and federal laws, regulations and constitutional provisions apply to the District and to the Bonds. The District can give no assurance that there will not be a change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the District, or the taxing authority of the District. For example, many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the State may affect the overall financial conditions of the District, the taxable value of property within the District, and the ability of the District to levy property taxes or collect revenues for its ongoing operations.

FACTORS RELATING TO TAX EXEMPTION

As discussed under "TAX MATTERS" herein, interest on the Tax-Exempt Bonds could become includible in gross income for purposes of federal income taxation, retroactive to the date the Tax-Exempt Bonds were issued, as a result of future acts or omissions of the District in violation of its covenants. Should such an event of taxability occur, the Tax-Exempt Bonds are not subject to any special redemption. Further, as discussed under "TAX MATTERS," legislative proposals are currently pending, and additional legislative proposals may be introduced, in the Congress of the United States relating to the federal tax treatment of interest on the Bonds, including some that carry retroactive effective dates, that, if enacted, could affect the market value of the Bonds.

ENVIRONMENTAL MATTERS

ENVIRONMENTAL REMEDIATION

Under current environmental protection laws, the District may be ultimately responsible for the environmental remediation of some of its properties that have been leased to other parties. The District has developed preliminary estimates of environmental remediation costs for major lease sites. The range of estimated remediation costs at December 31, 2015, was between $27.5 million and $42.4 million. The District is of the opinion that the tenants (except for those who are bankrupt, out of business, or otherwise financially unable to perform) would ultimately be liable for the bulk, if not all, of these site clean-up costs. Negotiations are under way between the District's lawyers and the tenants to resolve remedial activity and costs liability issues. As a result of the implementation of GASB Statement No. 49, the District determined a current estimated remediation cost of $33,575,000 with an estimated remediation cost recoverable of $22,150,000 resulting in $11,425,000 being recognized at December 31, 2015, in the long-term liabilities of the government-wide financial statements. These estimates are subject to changes as a result of price increases, changes in technology, solvency of tenants and new laws and regulations. These estimates were generated using the expected cash flows technique. GASB Statement No. 49 addresses accounting and financial reporting standards for pollution (including contamination)

remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities, such as site assessments and cleanups. The preliminary estimates exclude pollution prevention or control obligations with respect to current operations, and future pollution remediation activities that are required upon retirement of an asset.

EFFLUENT DISINFECTION

In October 2007, the IEPA initiated a rulemaking with the Illinois Pollution Control Board (the *"IPCB"*) arising out of its Proposed Use Attainability Analysis (*"UAA"*) seeking to upgrade the recreational and aquatic use designations and water quality standards for the Chicago Area Waterway System (*"CAWS"*) and Lower Des Plaines River. The rulemaking is captioned *"In the Matter of: Water Quality Standard and Effluent Limitations for the Chicago Area Waterway System and the Lower Des Plaines River: Adm. Code Parts 301, 302, 303 and 304"* (R08-09). The IPCB has divided this rulemaking into a general docket and five subdockets: (A) recreational uses; (B) recreational standards and criteria; (C) aquatic life uses; (D) aquatic life use standards and criteria; and (E) issues surrounding Bubbly Creek. The rulemaking is now concluded with the IPCB having adopted rules in subdockets A through D and closing subdocket E without taking action. As a result of the rulemaking, the two standards and criteria with the greatest potential impact on the District are the disinfection of the effluent to meet water quality standards protective of recreational uses and the supplemental aeration and flow augmentation of the waterway to meet proposed water quality standards for dissolved oxygen (*"DO"*).

On June 7, 2011, the District adopted a policy that requires the District to voluntarily implement disinfection at the District's Terrence J. O'Brien and Calumet Water Reclamation Plants by the start of the recreational season in 2016. Subsequent to the Board's decision to implement disinfection at the Calumet and O'Brien plants, the IPCB issued its ruling that makes disinfection mandatory at only these two plants. The capital construction costs for the chlorination disinfection at Calumet and ultraviolet disinfection at O'Brien combined are approximately $93 million. The Calumet WRP's disinfection facilities have been operational since July 2015. Disinfection facilities at the O'Brien WRP have been operational since February, 2016. At this time, the District is not required to disinfect the effluent discharged from its Stickney plant.

Additionally, on June 18, 2015, the IPCB issued its Final Opinion and Order in Subdocket D adopting the IEPA's proposed DO standards. On July 10, 2015, the adopted rules were published in the Illinois Register with an effective date of July 1, 2015. Because it is possible that the District will not meet the new water quality standards for DO with consistency until its tunnel and reservoir plan is completed, on July 21, 2015 the District filed a Petition for Variance from the DO standards. The Petition for Variance is currently pending before the IPCB and operates as a stay of the new standards as to the District. A ruling on the Variance is not expected until late 2016 at the earliest. Should the IPCB deny the Petition for Variance, it is the District's position that, in the event supplemental aeration is needed, the District is not responsible for the installation of additional aeration stations. However, in the event that the District is required to install aeration stations and unable to obtain a variance, the District may be obligated to incur potentially substantial amounts to make the capital investments sufficient to implement any requirement for supplemental aeration stations.

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM

NPDES Permits. The District operates its water reclamation plants (or WRPs) in accordance with National Pollutant Discharge Elimination System (*"NPDES"*) permits issued by the IEPA. The NPDES permits for the Stickney, Calumet and O'Brien WRPs were renewed in December 2013. These permits included phosphorous limits of 1.0 mg/L at all three plants, increased monitoring of fecal coliform at the Calumet and O'Brien WRPs, and continuous monitoring of dissolved oxygen at the outfall of the O'Brien WRP.

NPDES Permit Appeals. The District appealed the Calumet and O'Brien WRP NPDES permits to the IPCB. In its appeal, the District argued that the increased monitoring of fecal coliform at both WRPs and the continuous monitoring of DO at the O'Brien WRP are unnecessary to meet the requirements of the Illinois Environmental Protection Act or the IPCB's regulations. On December 18, 2014, the IPCB granted the District summary judgment on its claim related to fecal coliform, but rejected the District's claim related to continuous DO monitoring. The IPCB, therefore, remanded the Calumet and O'Brien permits back to the IEPA so that they could be modified and reissued in accordance with the IPCB's ruling.

Once reissued, the permits will become effective and the District will have to comply with the continuous DO monitoring requirements at the O'Brien WRP. This will require the District to obtain, install and maintain new infrastructure. At this point, initial costs to comply with this new requirement are estimated to be $1,100,000 with residual maintenance over the next ten years to be de minimus.

Several non-governmental organizations (*"NGOs"*) filed a third party appeal of the NPDES permits for all three plants arguing that the 1.0 mg/L phosphorous limit was insufficient to meet water quality standards. The IPCB disposed of the case via summary judgment, but this ruling was recently overturned by the Illinois Court of Appeals. The Court of Appeals has remanded the case back to the IPCB, which must now rule on the factual evidence in the record.

While the District is in the process of an overall phosphorous and nitrogen removal program, if the NGOs prevail in this case and the IPCB requires the IEPA to reduce the phosphorous limit, the costs for such reduction are estimated to be substantial. See "ENVIRONMENTAL MATTERS—*NPDES Citizen Suit*" below.

NPDES Consent Decree. The District's NPDES permits, in addition to controlling discharges from the WRPs, also impose conditions upon combined sewer system overflows (the *"CSOs"*). In compliance with the NPDES permits, the District's TARP was developed as a long term control plan to control CSOs. The USEPA alleged that discharges from the District's CSOs have and continue to violate certain permit requirements, including the prohibition on discharging pollutants into waters that cause or contribute to violations of applicable water quality standards for dissolved oxygen, solids, and floatables. IEPA joined the USEPA in alleging the stated water quality violations. Entities with combined sewer systems that allegedly are in violation of applicable water quality standards are subject to an enforceable schedule for the implementation of a long term control plan, requiring a judgment or a consent decree entered in a federal district court.

In December 2011, the USEPA and IEPA filed a lawsuit against the District for the alleged violations, and lodged a consent decree negotiated between the USEPA, IEPA and the District. The case is captioned *United States of America and State of Illinois v. Metropolitan Water Reclamation District of Greater Chicago*, 11 CV 08859. Without an admission of liability, the consent decree resolved the federal and state claims associated with the District's CSOs. The consent decree, among other things: (a) establishes a construction schedule with interim milestones for completion and operation of portions of the District's TARP plan; (b) obligates the District to advance funds to the U.S. Army Corps of Engineers (the *"Corps"*) for portions of the District's TARP for which the Corps is responsible should federal funds be unavailable to the Corps by the stated deadlines; (c) establishes performance criteria and develops post-construction monitoring for portions of the TARP system; (d) requires the District to continue seasonal operation of debris boats and pontoon boats to control floatables in the CAWS; (e) requires the District to submit annual reports on its compliance with the terms of the consent decree; (f) imposes stipulated penalties for violations of the decree; (g) imposes a total civil penalty of $675,000, which the District has already paid; (h) requires the District to implement one or more green infrastructure projects within one year for a minimum of $325,000, which the District has done; and (i) to implement additional green infrastructure projects staggered over the next 15 years that provide a minimum of 10 million gallons of design retention capacity for any individual storm.

In August 2012, the Natural Resources Defense Council, Inc., Sierra Club, Inc., Prairie Rivers Network, Alliance for the Great Lakes and Environmental Law and Policy Center (*"Intervenors"*) were granted leave to intervene in the litigation. Intervenors opposed entry of the decree. On January 6, 2014, the United States District Court for the Northern District of Illinois (*"District Court"*) entered the consent decree, and the Intervenors appealed. On July 9, 2015, the United States Court of Appeals for the Seventh Circuit issued its opinion captioned *United States of America and State of Illinois v. Metropolitan Water Reclamation District of Greater Chicago, et al.*, 14-1776 & 14-1777 affirming the District court, thereby ending the litigation. The District Court retained jurisdiction to enforce the terms of the decree.

NPDES Citizen Suit. In May 2011, the Natural Resources Defense Council, Sierra Club, and Prairie Rivers Network (the *"NGOs"*) filed a Clean Water Act (*"CWA"*) citizen suit against the District in the District Court alleging violations of CWA-based water quality standards. The complaint in Count I alleges that the District's CSO discharges into the CAWS violated certain conditions of the District's NPDES permits. Due to the duplicative nature between the relief sought and the subject of the District's approved Consent Decree, the parties have agreed to hold Count I in abeyance; the parties expect that Count I will ultimately be dismissed. The complaint in Count II alleges that the District's discharge of phosphorous from its three largest WRPs indirectly cause violations of narrative standards and water quality standards contained in the District's NPDES permits for those three WRPs.

The NGOs are seeking a permanent injunction preventing the alleged violations of the CWA, an order requiring the District to complete all actions necessary to comply with its permits and CWA, and an award of civil penalties as well as attorney's fees. An adverse ruling could result in significant costs and expenses to the District. Violations of the CWA can result in statutory penalties of up to $37,500 per violation, and an adverse determination may result in an obligation by the District to pay the attorney's fees of the NGOs in excess of $1 million.

Furthermore, if the District were required to reduce the phosphorus in its effluent at its three major WRPs, to a level more stringent than the existing 1.0 mg/l phosphorus effluent limit, the District could be obligated to incur substantial capital costs and increased ongoing operational expenses. The character and magnitude of any such capital costs would be materially different depending on the stringency of any standard that may be imposed by the court. Because the standard is unknown and because of the material differences in the type and amount of capital costs for varying standards, it is not possible to estimate potential capital costs for the District with accuracy. However, based on previous estimates for some standard levels, such capital costs could approach $1 billion. In the event a more stringent standard is imposed, the District anticipates an extended compliance period of at least 10 years. The District is vigorously defending this lawsuit and denies that the NGOs are entitled to the relief sought. The case is set for trial in January 2017.

LITIGATION

Upon the delivery of the Bonds, the District will furnish a certificate to the effect that there is no litigation pending or threatened to restrain or enjoin the issuance, sale or delivery of the Bonds, or in any way contesting the validity or enforceability of the Bonds or the pledge of the District's full faith, credit and taxing power for their payment.

The District has previously been and is presently a party to several proposed class action lawsuits in the Circuit Court of Cook County arising out of local sewer back-ups and basement flooding. The District is also in receipt of a number of flooding claims in which lawsuits have not yet been filed. The lawsuits and claims are generally brought in tort, or for constitutional or statutory violations. As of the date of this Official Statement, the Circuit Court of Cook County and the Illinois Appellate Court for the First District have ruled in the District's favor in every fully-adjudicated matter. A constitutional question is currently on appeal to the Illinois Supreme Court and other cases remain pending in the Circuit Court of Cook County Illinois Chancery Division. The estimated potential liability in these matters is $70 million, of which $43 million is attributable to a consolidated pair of lawsuits seeking monetary damages and injunctive relief. The District will continue to vigorously contest liability in each of these matters.

The District is also involved in various other litigation matters relating principally to claims arising from construction contracts, enforcing property rights, personal injury and property damage. The majority of any claims and judgments for personal injury and property damage are recovered by insurance or settled and paid from the District's Reserve Claim Fund. For example, currently, the District is a defendant in one personal injury action brought by a contractor's employee for injuries sustained when he was struck by a mold while the contractor was performing work under a District contract for improvements to one of the District's WRPs. The District denies any liability and intends to vigorously pursue both this defense and indemnity from the contractor, and to defend against the underlying claim. Most other claims and judgments involving construction contracts are paid by the Capital Improvement Fund.

RISK MANAGEMENT

The District is primarily self-insured for the "working layer" of losses. The District purchases excess insurance policies that provide funding for catastrophic level losses. The current coverage includes property coverage for $10.5 billion in District assets, excess liability coverage for third-party legal liability issues and excess workers' compensation coverage, as well as for fiduciary liability, fidelity and travel accident.

The District has statutory authority for a Reserve Claim Fund to pay judgments or claims against the District, including environmental liabilities. Statutory authority authorizes the District to levy an annual property tax not to exceed .005% of the equalized assessed valuation of all taxable property within the District. The amount accumulated in the Reserve Claim Fund cannot exceed .05% of the equalized assessed property valuation, or approximately $62.9 million.

The District's Reserve Claim Fund collected revenues totaling $3.6 million in 2015 (primarily from property taxes and Personal Property Replacement Taxes) and made payments totaling $5.7 million (primarily employee injury claims). The fund balance at December 31, 2014, was $27.6 million and at December 31, 2015, was $25.5 million. In 2014 there was a significant withdrawal from the Reserve Claim Fund related to the Terra litigation. The case was captioned *Metropolitan Water Reclamation District of Greater Chicago v. Terra Foundation for American Art, et al.*, case number 06 CH 13817. The trial court entered judgment against the District in the amount of $36,432,047. The District appealed and the Appellate Court reduced the judgment by $670,000, but otherwise affirmed the balance of the judgment. The District subsequently satisfied the judgment in 2014, which has now been released.

For additional information regarding the District's insurance policies and the Reserve Claim Fund, see "APPENDIX A—Basic Financial Statements."

CONTINUING DISCLOSURE

The District will enter into a Continuing Disclosure Undertaking (the *"Undertaking"*) for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the MSRB pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the *"Rule"*) adopted by the Securities and Exchange Commission (the *"Commission"*) under the Securities Exchange Act of 1934, as amended (the *"Exchange Act"*). The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a summary of other terms of the Undertaking, including termination, amendment and remedies, are set forth below under "THE UNDERTAKING."

The District represents that, within the past five years, it has not failed to comply in all material respects with each and every continuing disclosure undertaking that it has previously entered into pursuant to the Rule. A failure by the District to comply with the Undertaking will not constitute a default under the Bond Ordinance and beneficial owners of the Bonds are limited to remedies described in the Undertaking. See "THE UNDERTAKING—Consequences of Failure of the District to Provide Information." A failure by the District to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or

municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

THE UNDERTAKING

The following is a brief summary of certain provisions of the Undertaking of the District and does not purport to be complete. The statements made under this caption are subject to the detailed provisions of the Undertaking, a copy of which is available upon request from the District.

ANNUAL FINANCIAL INFORMATION DISCLOSURE

The District covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (as described below) to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. Annual Financial Information, exclusive of the Audited Financial Statements, will be provided to the MSRB within 210 days after the last day of the District's fiscal year (currently December 31). Audited Financial Statements, as described below, should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included.

"Annual Financial Information" means the financial information and operating data of the type contained in the Official Statement under the following captions: "DEBT INFORMATION" (excluding information in the table "Estimated Overlapping Bonded Debt," and graph and information under the heading "Debt Limits and Borrowing Authority"), "BUDGETARY PROCEDURES—Comparative Budget Information," "TAXATION OF PROPERTY WITHIN THE DISTRICT—STATISTICAL INFORMATION," "APPENDIX B—CAPITAL IMPROVEMENTS PROGRAM," Table 1 and Tables 3 through 9 and Exhibit A in "APPENDIX C—PENSION AND OTHER POST-EMPLOYMENT BENEFITS."

"Audited Financial Statements" means the audited financial statements of the District prepared using the accounting standards as follows: Generally Accepted Accounting Principles, as applicable to governmental units (*i.e.,* as subject to the pronouncements of the Governmental Accounting Standards Board) and subject to any express requirements of State law.

Audited Financial Statements shall be provided to the MSRB at the time the Annual Financial Information is provided, or within 30 days after availability to the District, if later.

REPORTABLE EVENTS DISCLOSURE

The District covenants that it will disseminate to the MSRB in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event), the disclosure of the occurrence of a Reportable Event (as described below) with respect to the Bonds, in such manner

and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. The "Reportable Events" are:

- Principal and interest payment delinquencies
- Non-payment related defaults, if material
- Unscheduled draws on debt service reserves reflecting financial difficulties
- Unscheduled draws on credit enhancements reflecting financial difficulties
- Substitution of credit or liquidity providers, or their failure to perform
- Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
- Modifications to the rights of security holders, if material
- Bond calls, if material, and tender offers
- Defeasances
- Release, substitution or sale of property securing repayment of the securities, if material
- Rating changes
- Bankruptcy, insolvency, receivership or similar event of the District*
- The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- Appointment of a successor or additional trustee or the change of name of a trustee, if material

CONSEQUENCES OF FAILURE OF THE DISTRICT TO PROVIDE INFORMATION

The District is required to give notice in a timely manner to the MSRB of any failure to provide disclosure of Annual Financial Information and Audited Financial Statements when the same are due under the Undertaking.

In the event of a failure of the District to comply with any provision of the Undertaking, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the District to comply with its obligations under the Undertaking. A default under the Undertaking shall not be deemed a default under the Bond Ordinance, and the sole remedy under the Undertaking in the event of any failure of the District to comply with the Undertaking shall be an action to compel performance.

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* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

AMENDMENT; WAIVER

Notwithstanding any other provision of the Undertaking, the District by resolution or ordinance authorizing such amendment or waiver, may amend the Undertaking, and any provision of the Undertaking may be waived, if:

(a) (i) The amendment or the waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including, without limitation, pursuant to a "no-action" letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the District, or type of business conducted; or

(ii) The Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by a party unaffiliated with the District (such as bond counsel).

In the event that the Commission or the MSRB or other regulatory authority approves or requires Annual Financial Information or notices of a Reportable Event to be filed with a central post office, governmental agency or similar entity other than the MSRB or in lieu of the MSRB, the District shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending the Undertaking.

TERMINATION OF UNDERTAKING

The Undertaking shall be terminated if the District shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Bond Ordinance. The District shall give notice to the MSRB in a timely manner if this paragraph is applicable.

ADDITIONAL INFORMATION

Nothing in the Undertaking shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in the Undertaking or any other means of communication, or including any other information in any Annual Financial Information or Audited Financial Statements or notice of occurrence of a Reportable Event, in addition to that which is required by the Undertaking, *provided* that the District shall have no obligation under the Undertaking to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

DISSEMINATION OF INFORMATION; DISSEMINATION AGENT

When filings are required to be made with the MSRB in accordance with the Undertaking, such filings are required to be made through its EMMA system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

UNDERWRITING

The underwriters listed on the cover page of this Official Statement (collectively, the *"Underwriters"*) have jointly and severally agreed, subject to certain conditions, to purchase the Bonds from the District. The purchase price for the 2016A Bonds shall be $348,894,775.15 (the par amount of the 2016A Bonds less an underwriting discount of $241,676.85 and plus original issue premium of $68,206,452.00). The purchase price for the 2016B Bonds shall be $51,129,315.58 (the par amount of the 2016B Bonds less an underwriting discount of $35,984.97 and plus original issue premium of $9,835,300.55). The purchase price for the 2016C Bonds shall be $35,713,293.60 (the par amount of the 2016C Bonds less an underwriting discount of $26,006.40 and plus original issue premium of $5,739,300.00). The purchase price for the 2016D Bonds shall be $24,701,217.25 (the par amount of the 2016D Bonds less an underwriting discount of $17,673.60 and plus original issue premium of $4,718,890.85). The purchase price for the 2016E Bonds shall be $60,501,642.33 (the par amount of the 2016E Bonds less an underwriting discount of $43,680.02 and plus original issue premium of $10,545,322.35). The purchase price for the 2016F Bonds shall be $3,996,314.08 (the par amount of the 2016F Bonds less an underwriting discount of $3,685.92). The Underwriters reserve the right to join with dealers and other underwriters in offering the Bonds to the public. The District maintains various banking relationships with certain of the Underwriters. Various officers of the Underwriters hold positions on governing boards of certain overlapping units of government.

The obligation of the Underwriters to accept delivery of the Bonds is subject to various conditions set forth in the Bond Purchase Agreement with respect to the Bonds. The Underwriters are obligated to purchase all of the Bonds if they purchase any of the Bonds.

The Underwriters may offer and sell the Bonds to certain dealers (including those dealers depositing the Bonds into investment trusts) and others at prices lower than the public offering prices stated on the cover page. After the initial public offering, the public offering prices may be changed from time to time by the Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriters and their affiliates may have certain creditor and/or other rights against the District and its affiliates in connection with such activities. In the various course

of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the District**.** The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

The District intends to use a portion of the proceeds from this offering to redeem the Prior Bonds. To the extent an Underwriter or an affiliate thereof is an owner of the Prior Bonds, such Underwriter or its affiliate, as applicable, would receive a portion of the proceeds from the issuance of the Bonds in connection with such Prior Bonds being redeemed by the District.

Citigroup Global Markets Inc., an Underwriter of the Bonds, has entered into a retail distribution agreement with each of TMC Bonds L.L.C. (*"TMC"*) and UBS Financial Services Inc. (*"UBSFS"*). Under these distribution agreements, Citigroup Global Markets Inc. may distribute municipal securities to retail investors through the financial advisor network of UBSFS and the electronic primary offering platform of TMC. As part of this arrangement, Citigroup Global Markets Inc. may compensate TMC (and TMC may compensate its electronic platform member firms) and UBSFS for their selling efforts with respect to the Bonds.

J.P. Morgan Securities LLC (*"JPMS"*), one of the Underwriters of the Bonds, has entered into negotiated dealer agreements (each, a *"Dealer Agreement"*) with each of Charles Schwab & Co., Inc. (*"CS&Co."*) and LPL Financial LLC (*"LPL"*) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that such firm sells.

Loop Capital Markets LLC (*"LCM"*), one of the Underwriters of the Bonds, has entered into an agreement (the *"Distribution Agreement"*) with Deutsche Bank Securities Inc. (*"DBS"*) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the Distribution Agreement, DBS will purchase Bonds from LCM at the original issue prices less a negotiated portion of the selling concession applicable to any Bonds that such firm sells.

Siebert Brandford Shank & Co., L.L.C. ("SBS") has entered into a separate agreement with Muriel Siebert & Co. for the retail distribution of certain securities offerings, at the original issue prices. Pursuant to the distribution agreement, if applicable to the Bonds, Muriel Siebert & Co. will purchase Bonds at the original issue price less the selling concession with respect to any Bonds that Muriel Siebert & Co. sells. SBS will share a portion of its underwriting compensation with Muriel Siebert & Co.

CO-FINANCIAL ADVISORS

The District has engaged A.C. Advisory, Inc. and Columbia Capital Management, LLC, as co-financial advisors (the *"Co-Financial Advisors"*), in connection with the authorization, issuance and sale of the Bonds. Under the terms of their engagement, the Co-Financial Advisors are not obligated to undertake any independent verification of or assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization and issuance of the Bonds are subject to the approving opinions of Katten Muchin Rosenman LLP, Chicago, Illinois, and Charity & Associates, P.C, Chicago, Illinois, Co-Bond Counsel who have been retained by, and who act as counsel to, the District. Certain legal matters will be passed upon for the District by its General Counsel. Certain legal matters will be passed on for the Underwriters by Kutak Rock LLP, Chicago, Illinois, and Greene and Letts, Chicago, Illinois, Co-Underwriters' Counsel. Co-Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Official Statement, except that Co-Bond Counsel has, at the request of the District, reviewed only those portions of the Official Statement involving the description of the Bonds, the security for the Bonds (excluding forecasts, projections, estimates or any other financial or economic information in connection therewith), and the description of the federal tax status of interest on the Bonds. This review was undertaken solely at the request of the District and did not include any obligation to establish or confirm factual matters set forth herein. Chapman and Cutler LLP, Chicago, Illinois and Sanchez Daniels & Hoffman LLP are Co-Disclosure Counsel to the District.

ADDITIONAL INFORMATION—APPENDICES

Included in this Official Statement as APPENDIX A are the District's Basic Financial Statements for the year ended December 31, 2015. A description of the District's Capital Improvements Program is included as APPENDIX B. Information regarding the District's Retirement Fund is included as APPENDIX C. Economic and demographic information with respect to Cook County is presented as APPENDIX D. The forms of the opinions of Co-Bond Counsel are included as APPENDIX E. Information concerning DTC and DTC's book-entry system is included as APPENDIX F.

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AUTHORIZATION

The District has authorized the distribution of this Official Statement.

At the time of delivery of the Bonds, the District will furnish a certificate executed by the Treasurer stating that to the best of her knowledge the Official Statement does not (as of the date thereof and will not at the date of the delivery of the Bonds) contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

/s/ Mary Ann Boyle
Treasurer
Metropolitan Water Reclamation District of Greater Chicago
100 East Erie Street
Chicago, Illinois 60611
Telephone: (312) 751-5150

APPENDIX A

BASIC FINANCIAL STATEMENTS

APPENDIX B

CAPITAL IMPROVEMENTS PROGRAM

APPENDIX B

CAPITAL IMPROVEMENTS PROGRAM

OVERVIEW

The District currently serves the City of Chicago and 128 other municipalities encompassing an area of approximately 884 square miles. In carrying out its responsibilities, the District collects and treats wastewater from a population equivalent of about 10.35 million people; this includes domestic wastewater from approximately 5.25 million people, a commercial and industrial equivalent of approximately 4.5 million people, and a combined sewer overflow equivalent of approximately 0.6 million people. Its operating facilities are estimated to have a present day replacement cost of $39.1 billion.

Treated wastewater, along with runoff from rainfall, enters the rivers and streams of the Cook County area, waterways that serve as headwaters of the Illinois waterway system. Stringent water quality standards imposed by the Federal and State governments require that wastewater treatment result in unpolluted streams for the residents of Cook, DuPage and Will Counties, and other downstream communities. Each of the District's Water Reclamation Plants operates under a National Pollutant Discharge Elimination System (NPDES) permit issued by the IEPA. All of the District's Water Reclamation Plants are in compliance with their NPDES permit. In order to maintain compliance, the District's facilities are continuously rehabilitated and upgraded to provide cost effective collection and treatment.

The District's Capital Improvements Program consists of those projects identified as necessary to assure safe and uninterrupted operation of its facilities, meet existing and new statutory and regulatory requirements, and increase efficiency through facility upgrades and modernization. The District anticipates constructing its Capital Improvements Program projects with funding from the Illinois EPA State Revolving Fund, the Corps, Construction and Storm Water Management Fund tax levy collections, and the District's bonding authority. A description of the major elements in the Capital Improvements Program follows, together with the estimated cost of projects identified to date (based upon current price levels).

COLLECTION SYSTEM

In order to collect wastewater from local sewer systems for conveyance to its water reclamation plants, the District has constructed or has under construction approximately 22 pumping stations and 560 miles of intercepting sewers and force mains ranging in size from 6 inches to 27 feet in diameter.

In 2013 the District replaced the existing Interceptor Inspection and Rehabilitation Program with the new Collections Asset Management Plan (CAMP). The intent of CAMP is to move the District from a prescriptive inspection and rehabilitation program, in which efforts are often expended on repeatedly inspecting sewers with little downside risk, into a risk based asset management system where the most at risk infrastructure is consistently given priority and resources are optimally allocated. The plan includes complete adoption of industry wide

inspection standards published by the National Association of Sewer Service Companies, adoption of additional and more efficient inspection technologies, and the prioritization of sewer inspection and rehabilitation based on a risk register tailored to the District's infrastructure.

Within the next five years, award of construction projects with a cost of approximately $26 million is currently anticipated for collection system improvements.

WATER RECLAMATION PLANT EXPANSIONS AND IMPROVEMENTS

The District has a total secondary treatment capacity of approximately 2 billion gallons per day. The Capital Improvements Program includes projects for enhancements at all of the District's Water Reclamation Plants. Typically studies are conducted to determine future needs when facilities are operating near or at capacity, or when new facilities are anticipated to be required as a result of pending regulations. Award of construction projects with a cost of approximately $133 million is currently anticipated for Water Reclamation Plant upgrades, within the next five years. This figure includes several projects at the Stickney, Calumet and O'Brien Water Reclamation Plants that have already been identified and added to the program as a result of the ongoing studies. Some major initiatives are highlighted below.

In 2012 the Engineering Department issued a Request for Proposal (RFP) for third-party vendors to provide a process to recover phosphorus from the centrate wastestream at the Stickney WRP. Phosphorus is an essential element for plant growth, and high yield agricultural production relies on a perpetual supply of it in fertilizers. Currently, phosphorus to support agriculture is mined and the reserves in these mines are being rapidly depleted. This makes phosphorus a valuable resource whose supply is dwindling due to expansion of high production agriculture world-wide. The District has adopted the guiding principle that nutrient removal should be designed to optimize phosphorus recovery and reuse. Following this guiding principle, the District investigated ways to remove and recover phosphorus in the most cost-efficient way, even before any phosphorus regulation is established for existing treatment plants in Illinois. The Engineering Department has been working with the M&O and M&R Departments to modify existing biological processes to enhance phosphorus uptake, and to implement a phosphorus recovery process at the Stickney WRP, which will return phosphorus to the economy for reuse. In 2013, design of phosphorus recovery facilities at Stickney began, and a construction contract was awarded in August of 2014 for just under $32 million to construct these facilities. Construction is complete and the facility is operational.

The District has also adopted the ambitious goal of becoming energy neutral. A major activity to achieve this goal is maximizing the use and production of digester gas. In September of 2014 the District identified two firms which with to commence negotiations to increase digester gas production and then turn that digester gas into a renewable energy source at the Calumet WRP. The proposed projects will include the importation of external organic feedstock to boost digester gas production in the anaerobic digesters, and the cleaning of the resultant digester gas for sale as a renewable energy methane product. After the plan is implemented at the Calumet WRP, a similar approach for increasing digester gas production and utilization of the digester gas as a renewable energy source will be undertaken at the Stickney WRP. Design of the Calumet facilities commenced in 2015.

BIOSOLIDS MANAGEMENT

Improved wastewater treatment and greater plant efficiency will result in the District's collection of increased quantities of biosolids. The effective handling of biosolids is a major program of the District. Projects have been identified to improve biosolids management and have been incorporated in the Capital Improvements Program. Within the next five years, award of construction projects with a cost of approximately $78.4 million is currently anticipated for biosolids management improvements.

TUNNEL AND RESERVOIR PLAN (TARP)

The District's Board of Commissioners adopted the Tunnel and Reservoir Plan (TARP) in 1972 as a comprehensive pollution and flood control program for its 375 square mile combined sewer area. This area includes part or all of 52 communities including the City of Chicago. The primary goals of TARP are as follows: protect Lake Michigan – the area's primary source of drinking water – from polluted backflows; clean up the area's waterways; and provide an outlet for floodwaters in order to reduce basement sewage flooding. TARP was adopted after years of studies conducted through the Flood Control Coordinating Committee (FCCC). The members of the FCCC represented the State of Illinois, Cook County, the City of Chicago, and the District.

Prior to the startup of TARP, combined sewer overflow (CSO), a mix of raw sewage and stormwater runoff, discharged to the waterways approximately 100 times a year. During periods of heavy rain, the pollution effect of the CSO was equivalent to a polluted wastewater load from a population of about 4.5 million people. The discharge exceeded the capacity of local sewers and waterways and resulted in basement and street flooding in the area and, during the heaviest rains, backflows to Lake Michigan.

TARP Tunnel System. The TARP Tunnel System is comprised of the Upper Des Plaines, Des Plaines, Mainstream and Calumet tunnel systems and the Mainstream and Calumet TARP pumping stations. The TARP tunnel system eliminates about 85% of the pollution load attributable to CSOs by capturing and storing the most polluted fractions until they can be treated in the District's Water Reclamation Plants.

TARP Reservoirs. Three reservoirs will provide storage for additional sewage and stormwater runoff flows captured by the TARP tunnel system. The three Chicago Underflow Plan reservoirs – Gloria Alitto Majewski, Thornton, and McCook – will provide 18.3 billion gallons of flood control storage when completed. The Majewski Reservoir was completed in 1998. The Thornton Reservoir, which has a capacity of 7.9 billion gallons, became operational on November 25, 2015. Engineering design and construction for the McCook Reservoir continues, with Phase 1 scheduled to be operational in 2017. The combined total cost for all three reservoirs is estimated at $1.5 billion, with the Corps and the District providing approximately $790 million and $710 million, respectively. Continuing design and construction projects with a cost to the District of approximately $145 million is currently anticipated for TARP reservoir construction over the next five years.

STORMWATER MANAGEMENT

The District undertakes stormwater management projects under two phases of its Stormwater Management Program. Phase I consists of projects identified under Detailed Watershed Plans (DWPs), which were completed in 2010. Phase I projects address regional waterway overbank flooding and streambank stabilization concerns. In 2015, construction was completed on 3 Phase I projects and construction was initiated on 4 additional Phase I projects. It is anticipated 11 Phase I projects will be advertised in 2016. In addition, there are 10 Phase I project in various stages of design. The District initiated Phase II of its Stormwater Management Program in 2013 to address local flooding problems not necessarily involving overbank flooding. In 2013, 2014 and 2015, several Phase II projects were approved by the District to assist communities and agencies across Cook County to address flooding issues. 26 shovel-ready projects were approved for District funding assistance to local municipalities, and 15 problem areas were identified for further study by the District under Phase II. Since late in 2014, the District has been performing preliminary engineering for the 15 problem areas, while 14 of the shovel-ready projects were under construction (three of those completed in 2015), and six of the remaining 12 projects are under design by others. The three other problem areas that were identified will need further study before a potential solution can be designed; those investigations began in 2014. In early 2016, it is anticipated that several of the District's preliminary engineering projects will move into final design. For circumstances where a flood control project is not feasible, the District initiated a Flood-Prone Property Acquisition Program in 2015 and partnered with the Village of Glenview and City of Des Plaines to acquire 30 properties, remove the structures on the acquired properties and place deed restrictions requiring the properties to remain as open space into perpetuity. The municipalities own the acquired properties and perform all required maintenance. In 2016, the District will be working with several municipalities to acquire additional flood-prone properties.

In addition to Phase I and Phase II, the District has implemented a Green Infrastructure Program Plan to foster the use of green infrastructure controls throughout Cook County to reduce the amount of stormwater that flows into sewer systems during a storm and reduce the occurrence of basement backups. In 2014, the District partnered with Chicago Public Schools System (CPSS) and the Chicago Department of Water Management (CDWM) to incorporate green infrastructure at four elementary schools under a program known as Space to Grow. The projects serve to educate the public on the importance of stormwater management and the multiple benefits of green infrastructure. The success of this initial project led the District, CPSS, and CDWM to partner on 30 more schools that will be completed by 2019. The District also constructed a green infrastructure project in the City of Blue Island where permeable pavement and rain gardens were installed to combat local flooding. The District partnered with the City of Evanston to install permeable pavement, swales, and rain gardens at the City's Civic Center. In 2016, the District will be partnering through intergovernmental agreements with the Village of Crestwood, City of Berwyn, Village of Kenilworth, Village of Niles, Village of Wilmette, Village of Northbrook, and Village of Skokie on various green infrastructure projects.

Presently, the capital cost for the Phase I, Phase II, and Green Infrastructure projects over the next five years is estimated to be $445 million of which $381 million will be funded by the Capital Improvement Bond Fund and the remaining $64 million from the Stormwater Management Fund.

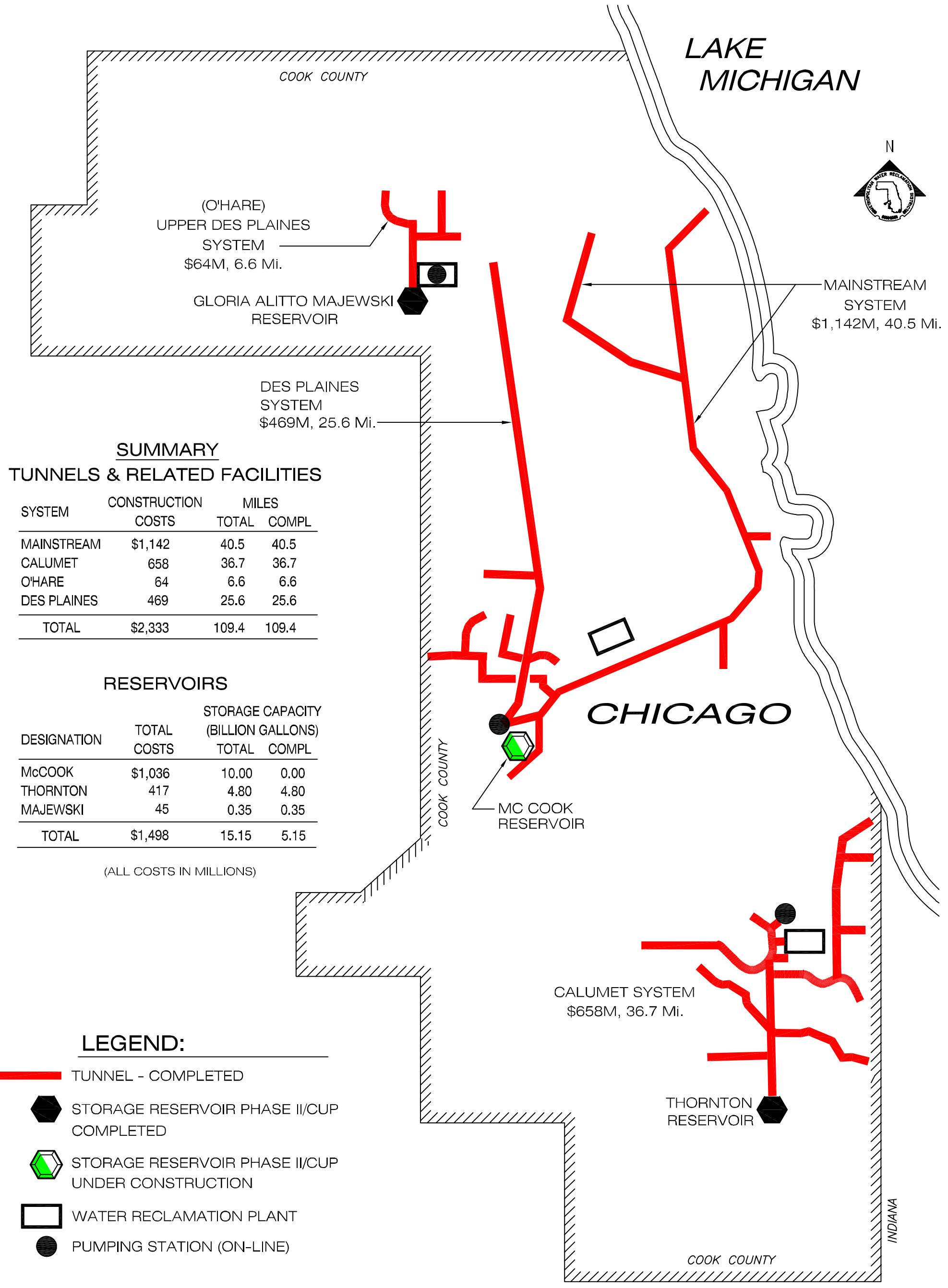
REPLACEMENT OF FACILITIES

Many of the District's plants and interceptors were placed in service over 50 years ago. In order to maintain continuous operations, the District has maintained a capital improvement plan to replace physically deteriorating facilities through major rehabilitation, alteration or expansion. Costs for all projects identified for replacement facilities are approximately $82.1 million over the next five years.

MEANS OF FINANCING

The only USEPA grant funding available to the District in recent years has been limited to Congressional earmarks for District TARP projects, which are no longer available. Most of the funding of the District's planned improvements of its plants and continued construction of TARP facilities is expected to be accomplished through State Revolving Fund Loans (*"SRF Loans"*) and the issuance of bonds by the District. The District funding needed to complete the components of the Capital Improvements Program being funded over the course of the next five years is approximately $845.7 million.

CAPITAL IMPROVEMENTS PROGRAM OVER THE NEXT FIVE YEAR PERIOD	DISTRICT BONDS (MILLIONS)
Intercepting Sewers	$ 26.0
Water Reclamation Plant Expansions & Improvements	133.0
Biosolids Management	78.4
Tunnel & Reservoir Plan CUP (District Portion)	145.0
Stormwater Management	381.2
Replacement of Facilities	82.1
TOTAL	$ 845.7



SUMMARY
TUNNELS & RELATED FACILITIES

SYSTEM	CONSTRUCTION COSTS	MILES TOTAL	MILES COMPL
MAINSTREAM	$1,142	40.5	40.5
CALUMET	658	36.7	36.7
O'HARE	64	6.6	6.6
DES PLAINES	469	25.6	25.6
TOTAL	$2,333	109.4	109.4

RESERVOIRS

DESIGNATION	TOTAL COSTS	STORAGE CAPACITY (BILLION GALLONS) TOTAL	STORAGE CAPACITY (BILLION GALLONS) COMPL
McCOOK	$1,036	10.00	0.00
THORNTON	417	4.80	4.80
MAJEWSKI	45	0.35	0.35
TOTAL	$1,498	15.15	5.15

(ALL COSTS IN MILLIONS)

APPENDIX C

PENSION AND OTHER POST-EMPLOYMENT BENEFITS

PENSION BENEFITS

GENERAL

The District provides funding for the Metropolitan Water Reclamation District Retirement Fund (the *"Retirement Fund"*), which is established by and administered under Article 13 of the Illinois Pension Code (the *"Pension Code"*). The Retirement Fund's goal is to provide retirement annuities, death and disability benefits for certain employees of the District and employees of the Retirement Fund.

The Retirement Fund is governed by a seven-member Board of Trustees (the *"Retirement Fund Board"*). The Retirement Fund Board is composed of four member-elected trustees and three appointed trustees, one of whom is a retiree. The Retirement Fund Board is authorized by the Pension Code to make investments, pay benefits, hire staff and consultants and perform all functions necessary for operation of the Retirement Fund. The Retirement Fund operates pursuant to the provisions of the Pension Code, including provisions related to the defined benefits and the employer and employee contribution levels. The provisions of the Pension Code may be amended only by the Illinois General Assembly.

As of December 31, 2015, the end of the Retirement Fund's most recent fiscal year, the Retirement Fund had a total membership of 4,335, consisting of 1,846 active employees, 2,359 retirees and beneficiaries currently receiving benefits, and 130 inactive employees entitled to benefits or a refund of contributions.

The Retirement Fund is a single-employer, defined benefit public employee retirement system. "Single-employer" refers to the fact that there is a single plan sponsor, in this case, the District. "Defined benefit" refers to the fact that the Retirement Fund pays a periodic benefit to retired employees and survivors in a fixed amount determined at the time of retirement. The amount of the periodic benefit is generally determined pursuant to a statutory formula on the basis of the employee's service credits and salary. Eligible employees receive the defined benefit on a periodic basis for life, along with certain benefits to spouses and children that survive the death of the employee.

To fund the benefits to be paid by the Retirement Fund, both employees and the District make contributions to the Retirement Fund. Generally, employees contribute a fixed percentage of their annual salary and the District contributes the amount derived from a separate and distinct annual levy of property taxes determined in accordance with a formula set forth in the Pension Code (the *"Pension Levy"*). Effective with the 2013 fiscal year, the formula for calculating the Pension Levy was modified to provide for greater funding of the Retirement Fund by the District. See "DETERMINATION OF EMPLOYER CONTRIBUTIONS."

Beginning in 2015, District employees in service prior to January 1, 2011, are required to contribute 12.0% of their salary to the Retirement Fund. District employees in service after January 1, 2011, are required to contribute 9.0% of their salary to the Retirement Fund**.**

Section 5 of Article XIII of the Illinois Constitution provides that "[m]embership in any pension retirement system of the State, any unit of local government or school district, or any agency or instrumentality thereof, shall be an enforceable contractual relationship, the benefits of which shall not be diminished or impaired." The benefits available under the Retirement Fund accrue throughout the time a member is employed by the District or by the Retirement Fund. Although benefits accrue during employment, certain age and service requirements must be achieved for an employee to receive a retirement or survivor's periodic defined benefit payment upon retirement or termination from the District.

The Retirement Fund Board manages the investments of the Retirement Fund. The Retirement Fund's investment authority is established by and subject to the provisions of State law. The Retirement Fund Board invests the Retirement Fund's assets in accordance with the "prudent person" rule and the Retirement Fund's formal investment policy, which requires members of the Retirement Fund Board, who are fiduciaries of the Retirement Fund, to discharge their duties with the care, prudence and diligence that a prudent person acting in a like capacity and familiar with such matters would use in a similar situation. In carrying out this duty, the Retirement Fund Board, acting upon the advice of an investment consultant who has acknowledged a fiduciary status, appoints and monitors investment managers, acting as fiduciaries, to manage the investment assets of the Retirement Fund. Such investment managers are granted discretionary authority to manage the Retirement Fund's assets in accordance with the prudent person rule. Additional information regarding the Retirement Fund's investments and investment management may be found on the Retirement Fund's website at www.mwrdrf.org, but the content of such website is not incorporated into this Official Statement by reference. See also "EXHIBIT A—Report of the Consulting Actuary on the District Retirement Fund" to this Appendix (the *"Actuary's Report"*). Table 1 provides information on the investment returns experienced by the Retirement Fund for the period 2006 through 2015.

TABLE 1 – INVESTMENT RATES OF RETURN, 2006-2015[1]

YEAR	INVESTMENT RETURN[2]
2006	9.6%
2007	5.4%
2008	-25.6%
2009	23.1%
2010	15.9%
2011	-0.3%
2012	11.9%
2013	21.7%
2014	6.7%
2015	-0.2%
5-YR. RETURN[3]	7.7%
10-YR RETURN[3]	5.9%

Source: The Retirement Fund.

(1) For all fiscal years after fiscal year 2013, the Retirement Fund has assumed, for actuarial purposes, an investment rate of return of 7.50%. Prior to fiscal year 2014, the Retirement Fund's assumed investment rate of return was 7.75%. See "Actuarial Assumptions" herein.

(2) Investment returns are reported net of investment fees, except for 2008.

(3) Annualized.

DETERMINATION OF EMPLOYER CONTRIBUTIONS

Under the Pension Code, the District's contributions to fund the Retirement Fund are determined pursuant to a statutory formula on an annual basis. The District's contributions to the Retirement Fund are generated primarily through the levy and collection of the Pension Levy. Beginning in fiscal year 2013, the Pension Code requires that the District annually levy the Pension Levy at the rate which, when extended, will produce a sum that will (i) be sufficient to meet the Actuarially Determined Contribution Requirement, but (ii) not exceed an amount equal (the *"Contribution Limitation"*) to the total employee contributions two years prior multiplied by 4.19 (the *"Multiplier"*). The *"Actuarially Determined Contribution Requirement"* or *"ADC"* is the amount equal to the District's Normal Cost (as hereinafter defined) plus the annual amount necessary to amortize the unfunded liability of the Retirement Fund to a Funded Ratio (as hereinafter defined) of 90% by the year 2050 as a level percent of payroll.

On October 2, 2014, the District approved a funding policy (the *"Funding Policy"*) with a goal to contribute annually to the Retirement Fund an amount that, over time, will increase the Funded Ratio of the Retirement Fund to 100% by the year 2050. The Funding Policy, which was developed by the District in conjunction with the Retirement Fund, was designed to better provide for the long-term financial health of the Retirement Fund while balancing the interests of employees, retirees, taxpayers and the District. The Funding Policy establishes maximum contribution amounts equal to the maximum contribution allowed by the Pension Code and minimum contribution levels that are intended to exceed the minimum contribution required by the Pension Code. The following chart shows an example projection for the next 10 years prepared by the District of the minimum District contributions required by the Pension Code, the minimum

District contributions described in the Funding Policy, the maximum District contributions described in the Funding Policy for each year.

TABLE 2 – PROJECTION OF EMPLOYER CONTRIBUTION UNDER DISTRICT'S FUNDING POLICY (Millions of Dollars)

YEAR	MINIMUM CONTRIBUTION AMOUNT UNDER PENSION CODE	ACTUARIALLY DETERMINED CONTRIBUTION	CONTRIBUTION UNDER DISTRICT FUNDING POLICY	CONTRIBUTION IN EXCESS OF ADC	PERCENTAGE BY WHICH FUNDING POLICY CONTRIBUTION EXCEEDS ADC
2016[(1)]	$ 52.9	$ 64.6	$ 79.5	$ 14.9	123.1%
2017	53.1	65.2	89.6	24.4	137.4%
2018	53.4	66.1	86.8	20.7	131.3%
2019	56.1	69.3	90.2	20.9	130.2%
2020	58.9	72.7	91.7	19.0	126.1%
2021	60.8	75.0	92.9	17.9	123.9%
2022	62.6	77.5	94.2	16.7	121.5%
2023	64.6	80.0	95.4	15.4	119.3%
2024	66.6	82.6	96.4	13.8	116.7%
2025	68.7	85.4	97.5	12.1	114.2%
Total	$597.7	$738.4	$914.2	$175.8	123.8%

Source: Foster & Foster, Oakbrook Terrace, Illinois. Foster & Foster serves as consulting actuary to the Retirement Fund. In millions of dollars. These projections are based on the legislative structure in place as of the date of this Official Statement and assume no changes to such legislative structure.

(1) 2016 policy contribution amount reflects 2016 budgeted contribution at the statutory maximum contribution amount.

The projections shown in the chart above are based upon numerous variables that are subject to change, and are forward-looking statements regarding future events. No assurance can be given that these assumptions underlying such projections will be realized or that actual events will not cause material changes to the projections shown.

THE ACTUARIAL VALUATION

General

The actuary for the Retirement Fund annually produces a report, called the *"Actuarial Valuation,"* which (i) determines the amount to be contributed by the District to the Retirement Fund pursuant to the Pension Code, (ii) measures the financial position of the Retirement Fund, and (iii) discloses certain information mandated by the financial reporting standards issued by the Governmental Accounting Standards Board (*"GASB"*), as described below. In the Actuarial Valuation, the Retirement Fund's actuary employs demographic data (such as employee age, salary and service credits), economic assumptions (such as estimated salary and interest rates), and decrement assumptions (such as employee turnover, mortality and retirement rates) to produce the information required by the Prior GASB Standards or the New GASB Standards, each as hereinafter defined. The Retirement Fund's Actuarial Valuations are publicly available and may be obtained from the Retirement Fund, and certain of these Actuarial Valuations are available on

the Retirement Fund's website, www.mwrdrf.org; *provided, however,* that the content of these reports and such website is not incorporated by reference herein.

GASB Standards

For the Retirement Fund's fiscal years prior to and including the fiscal year ended December 31, 2013, the applicable GASB financial reporting standards were GASB Statement No. 25 (*"GASB 25"*) and GASB Statement No. 27 (*"GASB 27"* and, together with GASB 25, the *"Prior GASB Standards"*). The Prior GASB Standards required the determination of an "Annual Required Contribution" (referred to herein as the *"Actuarially Required Contribution"*) which was such pronouncement's method for calculating the annual amounts needed to fully fund the Retirement Fund, though the Actuarially Required Contribution was a financial reporting requirement and not a funding requirement, and the calculation of pension funding statistics such as the UAAL, the Funded Ratio and the Net Pension Obligation or Asset. The Prior GASB Standards also provided for variety in the actuarial methods that could be used to make calculations in Actuarial Valuations.

The Actuarially Required Contribution consisted of (1) the Normal Cost, the same being the portion of the present value of pension plan benefits allocated to the valuation year by the actuarial cost method, and (2) an amortized portion of any UAAL.

Pursuant to the Prior GASB Standards, the *"Actuarial Accrued Liability,"* or the actuary's calculation of the present value of the benefits owed to members of the Retirement Fund, was calculated using the an actuarial cost method and the demographic data, economic assumptions and decrement assumptions discussed under "—General" above. The "*Actuarial Value of Assets"* reflected the value of the investments and other assets held by the Retirement Fund. Various methods existed under the Prior GASB Standards for calculating the Actuarial Value of Assets and the Actuarial Accrued Liability. For a discussion of the methods and assumptions used to calculate the Retirement Fund's Actuarial Accrued Liability and Actuarial Value of Assets under GASB 25, see "—Actuarial Methods" and "—Actuarial Assumptions" below.

Any shortfall between the Actuarial Value of Assets and the Actuarial Accrued Liability was referred to as the *"Unfunded Actuarial Accrued Liability"* or *"UAAL."* The UAAL represented the present value of benefits attributed to past service that are in excess of plan assets. In addition, the actuary computed the *"Funded Ratio,"* which was the Actuarial Value of Assets divided by the Actuarial Accrued Liability, expressed as a percentage. The Funded Ratio and the UAAL provide one way of measuring the financial health of a pension plan. An increasing UAAL or a decreasing Funded Ratio from year to year signaled a deterioration in the financial health of a pension plan because it indicates the incurrence of additional liability without a corresponding increase in assets necessary to pay those additional liabilities. Conversely, a decreasing UAAL or an increasing Funded Ratio indicated an improvement in the financial health of a pension plan because such a change reflects the closing of the gap between the liabilities accrued by the pension plan and the assets necessary to pay those liabilities when they become due.

Beginning with the fiscal year ended December 31, 2014, GASB 25 was replaced with GASB Statement No. 67 (*"GASB 67"*), and GASB 27 was replaced with GASB Statement No. 68

beginning with the fiscal year ending December 31, 2015 (*"GASB 68"* and, together with GASB 67, the *"New GASB Standards"*). Whereas the Prior GASB Standards established standards related to the funding of pension plans, the New GASB Standards provide standards related solely to financial reporting and accounting. The statistics calculated pursuant to the New GASB Standards differ from those required by the Prior GASB Standards. Specifically, the New GASB Standards require calculation and disclosure of a *"Net Pension Liability,"* which is the difference between the actuarial present value of projected benefit payments that is attributed to past periods of employee service calculated pursuant to the methods and assumptions set forth in the New GASB Standards (referred to in such statements as the *"Total Pension Liability"*) and the fair market value of the pension plan's assets (referred to as the *"Fiduciary Net Position"*). These concepts are related to, but differ in some respects, from the concepts of Actuarial Accrued Liability, Actuarial Value of Assets, and UAAL as set forth under the Prior GASB Standards. The differences between the Prior GASB Standards statistics and the New GASB Standards generally exist (i) because the Fiduciary Net Position is calculated at fair market value (as opposed to the Asset Smoothing Method) and (ii) because of the differences in the manner of calculating the Total Pension Liability as compared to the Actuarial Accrued Liability under the Prior GASB Standards.

In addition, the New GASB Standards use a *"Discount Rate"* in calculating the Total Pension Liability which may differ from the investment rate of return used in calculating the Actuarial Accrued Liability under the Prior GASB Standards. The Discount Rate, which is used to discount projected benefit payments to their actuarial present values, may be a blended rate comprised of (1) a long-term expected rate of return on the Retirement Fund's investments (to the extent that such assets are projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate meeting certain specifications set forth in the New GASB Standards. Therefore, in certain cases in which the assets of the Retirement Fund are not expected to be sufficient to pay the projected benefits of such Retirement Fund, the Discount Rate calculated pursuant to the New GASB Standards may differ from the assumed investment rate of return used in reporting pursuant to the Prior GASB Standards.

Finally, the New GASB Standards require that the Net Pension Liability be disclosed in the notes to the financial statements of the Retirement Fund and that a proportionate share of the Net Pension Liability be recognized on the balance sheet of the District (beginning with the fiscal year ended December 31, 2015. In addition, the New GASB Standards require an expense (the *"Pension Expense"*) to be recognized on the District's income statement. The recognition of the Net Pension Liability and the Pension Expense do not measure the manner in which the Retirement Fund is funded and therefore do not conflict with the funding methods established pursuant to the Pension Code for the Retirement Fund.

As described above, because the District contributes to the Retirement Fund pursuant to the methods established in the Pension Code, and not in accordance with the Prior GASB Standards, the change to the New GASB Standards will not impact the contributions made by the District without legislative action.

Actuarial Methods

The Retirement Fund's actuaries employ a variety of actuarial methods to arrive at the pension reporting statistics required by the Prior GASB Standards and the New GASB Standards. Certain of these methods are discussed in the following sections.

Actuarial Value of Assets

Under the Prior GASB Standards, and under the applicable provisions of the Pension Code, the Actuarial Value of Assets is calculated by recognizing investment gains and losses on such assets equally over a five-year period. This method of valuation is called the *"Asset Smoothing Method."* Under the Asset Smoothing Method, the Retirement Fund will recognize in the current year 20% of the investment gain or loss realized in each of the previous four years. The goal of the Asset Smoothing Method is to prevent extreme fluctuations in the Actuarial Value of Assets, the UAAL and the Funded Ratio that may otherwise occur as a result of market volatility. However, asset smoothing delays recognition of gains and losses, thereby providing an Actuarial Value of Assets that does not reflect the actual value of pension plan assets at the time of measurement. As a result, presenting the Actuarial Value of Assets as determined under the Asset Smoothing Method might provide a more or less favorable presentation of the current financial position of a pension plan than would a method that recognizes investment gains and losses annually.

As described above, under the New GASB Standards, the Fiduciary Net Position is equal to the fair market value of a pension plan's assets as of the date of determination. As such, the Asset Smoothing Method does not apply to the determination of the Fiduciary Net Position under the New GASB Standards.

Table 3 provides a comparison of the Retirement Fund's assets on a fair value basis and after application of the Asset Smoothing Method.

TABLE 3 – ASSET SMOOTHED VALUE OF ASSETS VS. FAIR VALUE OF NET ASSETS(1)

FISCAL YEAR	ACTUARIAL VALUE OF ASSETS(2)	FAIR VALUE OF NET ASSETS	ACTUARIAL VALUE AS A PERCENTAGE OF FAIR VALUE
2006	$1,209,602	$1,223,297	98.88%
2007	1,256,890	1,232,068	102.01%
2008	1,211,838	878,797	137.90%
2009	1,177,810	1,014,819	116.06%
2010	1,151,595	1,092,648	105.39%
2011	1,097,397	1,021,471	107.43%
2012	1,076,740	1,092,403	98.57%
2013	1,188,504	1,298,614	91.52%
2014	1,263,287	1,337,796	94.43%
2015	1,307,982	1,286,653	101.66%

Source: The Retirement Fund.
(1) In thousands of dollars.
(2) The Actuarial Value of Assets is calculated through use of the Asset Smoothing Method.

Actuarial Accrued Liability

To develop the Actuarial Accrued Liability and the Normal Cost under the Prior GASB Standards and the Pension Code and the Total Pension Liability under the New GASB Standards, the actuary applies an actuarial cost method to allocate the total value of benefits to past, present and future periods of employee service. The Retirement Fund uses the entry age normal actuarial cost method (the *"Entry Age Normal Method"*) with costs allocated on the basis of earnings. The Entry Age Normal Method was an approved actuarial cost method under the Prior GASB Standards and is the only allowable actuarial cost method under the New GASB Standards.

Under the Entry Age Normal Method, the present value of the projected pension of each member is assumed to be funded by annual installments, equal to a level percent of the member's earnings for each year between entry age and assumed exit age. The Normal Cost, as calculated under the Prior GASB Standards, for the member for the current year is equal to the portion of the value so determined, assigned to the current year. Therefore, the "Normal Cost" for the plan for the year is the sum of the normal costs of all active members.

The Actuarial Accrued Liability, under the Prior GASB Standards, and the Total Pension Liability, under the New GASB Standards, is the portion of the present value of benefits assigned by the cost method to years of service up to the valuation date or, in other words, for past service. This value changes as the member's salary and years of service change, and as some members leave and are replaced by new members. Future normal cost is the portion of the present value of benefits assigned to future years of service and is assumed to be funded annually.

Actuarial Assumptions

The Retirement Fund's actuaries use a variety of assumptions to make the calculations required by the Pension Code, the Prior GASB Standards and the New GASB Standards. The

assumptions used by the Retirement Fund are based on the experience study of the Retirement Fund conducted in September 2014 and were formally adopted by the Retirement Fund Board upon recommendation by the Retirement Fund's actuary effective December 31, 2014. No assurance can be given that any of the assumptions underlying the Actuarial Valuations will reflect the actual results experienced by the Retirement Fund. Variances between the assumptions and actual results may cause increases or decreases in the statistics calculated pursuant to the Prior GASB Standards or the New GASB Standards.

Additional information on the Retirement Fund's actuarial assumptions is available in the Retirement Fund's Actuarial Valuation and in the Actuary's Report. Certain of the Retirement Fund's actuarial assumptions in the current year's Actuarial Valuation are as follows:

- Mortality rate assumption tables: for healthy participants, RP-2000 Combined Healthy Mortality Table with Generational Mortality Improvements (Scale AA); and for Disabled Lives, RP-2000 Disabled Retiree Mortality Table;

- Salary increases were assumed to be between 4.25% and 7.00% per year based on years of service;

- The investment rate of return was assumed to be 7.50% per year compounded annually;

- 76% of participants were assumed to be married; and

- Spouses of male employees were assumed to be four years younger than the employee and spouses of female employees were assumed to be four years older than the employee.

FUNDED STATUS OF THE RETIREMENT FUND

The Pension Code requires that the District fund the Retirement Fund through the levy, collection and contribution of the Pension Levy. The District contributes to the Retirement Fund a percentage of the Pension Levy equal to the percentage actually collected by the District from its separate total annual levy. For fiscal years 2005 and after, the District reduced its contribution to the Retirement Fund by an assumed 3.5% loss in collecting the Pension Levy. These reductions in contributions to the Retirement Fund have the effect of increasing the Retirement Fund's UAAL and decreasing its Funded Ratio.

In each year, the District has contributed to the Retirement Fund in accordance with the requirements of the Pension Code. Despite the District making the maximum contribution allowed by the Pension Code, the Retirement Fund's UAAL has continued to rise and the Retirement Fund's Funded Ratio has not increased significantly. The District has experienced these changes in the UAAL and the Funded Ratio in large part due to the Contribution Limitation, which was calculated pursuant to a lower Multiplier under prior provisions of the Pension Code, and which historically has limited the Pension Levy to an amount insufficient to fully fund the Retirement Fund to the amount of the Actuarially Determined Contribution.

Table 4 provides information on the Actuarially Determined Contribution, the District's actual contributions in accordance with the Pension Code, the percentage of the Actuarially Determined Contribution made in each year and the Multiplier that would have been necessary in each year to allow the District to contribute the Actuarially Determined Contribution for each year 2006 through 2015.

TABLE 4 – HISTORY OF CONTRIBUTIONS[1]

FISCAL YEAR	ACTUARIALLY DETERMINED CONTRIBUTION[2]	ACTUAL EMPLOYER CONTRIBUTION	PERCENTAGE OF ACTUARIALLY DETERMINED CONTRIBUTION CONTRIBUTED	ESTIMATED MULTIPLIER NECESSARY TO MATCH ACTUARIALLY DETERMINED CONTRIBUTION[4][5]
2006	$47,369	$34,476	72.78%	3.76
2007	47,090	27,947	59.35%	3.40
2008	49,758	33,407	67.14%	3.48
2009	54,790	32,154	58.69%	3.68
2010	61,873	29,918	48.35%	4.19
2011	69,393	37,379	53.87%	4.42
2012	74,829	65,098	87.00%	2.82
2013	74,774	92,944	124.30%	2.98
2014	69,924	73,906	105.69%	3.94
2015	62,604	71,041[3]	112.69%	3.82

Sources: The Retirement Fund.

(1) In thousands of dollars.

(2) For fiscal years prior to 2015, the Actuarially Determined Contribution amounts are the Actuarially Required Contribution amounts determined according to Prior GASB Standards. For fiscal year 2015 the Actuarially Determined Contribution amount is the actuarially determined amount according to the Funding Policy.

(3) The District has levied a tax, which is in the process of collection. The actual employer contribution, which will come, from the tax levy, cannot be determined until the levy has been collected.

(4) In 2012, 2013 and 2014 the Fund received from the District special contributions of $30.0 million, $30.0 million and $12.0 million, respectively. These contributions reduced the tax multiple needed to fully fund the ARC from 4.71 to 2.82 in 2012 and 4.97 to 2.98 in 2013 and from 4.75 to 3.94 in 2014.

(5) Please see "RETIREMENT FUND—Determination of Employer Contributions" for information regarding the statutory limits on the multiplier.

As of the end of fiscal year 2015, the Retirement Fund had an aggregate UAAL of approximately $1,063 million on an actuarial basis (using the Asset Smoothing Method) and $1,084 million on a fair value basis. The respective Funded Ratios for these UAALs are 55.2% and 54.3%. The dramatic increase in the Retirement Fund's UAAL and the decrease in its Funded Ratio beginning in fiscal year 2008 correlates directly to the severe global economic downturn. The downturn had a significant impact on the value of the Retirement Fund's investments and, as such, the value of the assets available to the Retirement Fund. The impact of the economic downturn on the District and the Retirement Fund was similar to the experience of other governmental entities during the same period of time.

The tables on the following pages summarize the current financial condition and the funding progress of the Retirement Fund.

TABLE 5 – FINANCIAL CONDITION OF THE RETIREMENT FUND
FISCAL YEARS 2006-2015
($ IN THOUSANDS)

FISCAL YEAR	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Beginning Net Assets (Fair Value)	$1,159,313	$1,223,297	$1,232,068	$ 878,797	$1,014,819	$1,092,648	$1,021,471	$1,092,403	$1,298,614	$1,337,796
Income										
- Employee Contributions	14,955	15,628	14,778	15,690	15,873	15,032	14,714	16,891	18,975	21,385
- Employer Contributions	34,476	27,947	33,407	32,154	29,918	37,379	65,098	92,944	73,906	71,041
- Investment Income[(1)]	106,512	62,463	(299,744)	194,068	142,662	(1,710)	115,537	225,550	81,600	(1,428)
- Miscellaneous Income[(2)]	3	209	602	8	253	334	789	552	5	29
Total	$ 155,946	$ 106,246	$(250,957)	$ 241,920	$ 188,705	$ 51,035	$ 196,138	$ 335,937	$ 174,486	$ 91,027
Expenditures										
- Benefits	89,079	94,846	100,069	103,405	108,219	118,102	122,714	127,206	132,914	139,161
- Refunds	1,411	1,164	965	1,175	1,380	2,711	1,195	1,129	984	1,349
- Administration	1,472	1,465	1,280	1,319	1,277	1,399	1,297	1,391	1,407	1,660
Total	$ 91,962	$ 97,475	$ 102,314	$ 105,898	$ 110,876	$ 122,212	$ 125,206	$ 129,726	$ 135,305	$ 142,170
Ending Net Assets (Fair Value)	$1,223,297	$1,232,068	$ 878,797	$1,014,819	$1,092,648	$1,021,471	$1,092,403	$1,298,614	$1,337,796	$1,286,653
Actuarial Value of Assets[(3)]	$1,209,602	$1,256,890	$1,211,838	$1,177,810	$1,151,595	$1,097,397	$1,076,740	$1,188,504	$1,263,287	$1,307,982
Actuarial Accrued Liabilities	$1,724,705	$1,795,177	$1,852,280	$1,939,172	$2,036,680	$2,101,319	$2,136,508	$2,194,912	$2,296,439	$2,371,031
UAAL (Fair Value)[(4)]	$ 501,408	$ 563,108	$ 973,482	$ 924,353	$ 944,032	$1,079,848	$1,044,106	$ 896,298	$958,644	$1,084,379
UAAL (Actuarial Value)[(3)]	$ 515,103	$ 538,287	$ 640,441	$ 761,362	$ 885,085	$1,003,922	$1,059,768	$1,006,408	$1,033,152	$1,063,049
Funded Ratio (Fair Value)[(4)]	70.9%	68.6%	47.4%	52.3%	53.6%	48.6%	51.1%	59.2%	58.3%	54.3%
Funded Ratio (Actuarial Value)[(3)]	70.1%	70.0%	65.4%	60.7%	56.5%	52.2%	50.4%	54.1%	55.0%	55.2%

Source: The Retirement Fund (Comprehensive Annual Financial Reports of the Retirement Fund), except for fiscal year 2015 information, which was derived from the Actuarial Valuation for such fiscal year. Table may not add due to rounding. For additional information, see the Actuary's Report.

(1) Investment income is shown net of fees and expenses.

(2) Beginning in fiscal year 2007, includes income from the Retirement Fund's securities lending program. For more information, see Note 7 to the Financial Statements in the Comprehensive Annual Financial Report of the Retirement Fund for the fiscal year ended December 31, 2014.

(3) The actuarial value is determined by application of the Asset Smoothing Method as discussed in "Actuarial Methods—Actuarial Value of Assets" above.

(4) Calculated using net assets.

TABLE 6 – SCHEDULE OF FUNDING STATUS
FISCAL YEARS 2006-2015
($ IN THOUSANDS)

FISCAL YEAR	ACTUARIAL ACCRUED LIABILITY	ACTUARIAL VALUE OF ASSETS(1)	FAIR VALUE OF NET ASSETS	UAAL (ACTUARIAL)(2)	UAAL (FAIR VALUE)(3)	FUNDED RATIO (ACTUARIAL)(2)	FUNDED RATIO (FAIR VALUE)(3)	PAYROLL	UAAL TO PAYROLL (ACTUARIAL)(2)	UAAL TO PAYROLL (FAIR VALUE)(3)
2006	$1,724,705	$1,209,602	$1,223,297	$ 515,103	$ 501,408	70.1%	70.9%	$152,767	337.2%	328.2%
2007	1,795,177	1,256,890	1,232,068	538,287	563,108	70.0%	68.6%	158,832	338.9%	354.5%
2008	1,852,280	1,211,838	878,797	640,441	973,482	65.4%	47.4%	167,865	381.5%	579.9%
2009	1,939,172	1,177,810	1,014,819	761,362	924,353	60.7%	52.3%	176,915	430.4%	522.5%
2010	2,036,680	1,151,595	1,092,648	885,085	944,032	56.5%	53.6%	174,486	507.3%	541.0%
2011	2,101,319	1,097,397	1,021,471	1,003,922	1,079,848	52.2%	48.6%	164,275	611.1%	657.3%
2012	2,136,508	1,076,740	1,092,403	1,059,768	1,044,106	50.4%	51.1%	163,817	646.9%	637.4%
2013	2,194,912	1,188,504	1,298,614	1,006,408	896,298	54.1%	59.2%	169,376	594.2%	529.2%
2014	2,296,439	1,263,287	1,337,796	1,033,152	958,643	55.0%	58.3%	176,184	586.4%	544.1%
2015	2,371,031	1,307,982	1,286,653	1,063,049	1,084,379	55.2%	54.3%	177,792	597.9%	609.9%

Source: The Comprehensive Annual Financial Reports of the Retirement Fund for the fiscal years ending December 31, 2006, through December 31, 2014, and the Actuarial Valuation of the Retirement Fund for the fiscal year ended December 31, 2015. For additional information, see the Actuary's Report.

(1) The actuarial value is determined by application of the Asset Smoothing Method as discussed in "Actuarial Methods—Actuarial Value of Assets" above.

(2) For purposes of this column, "Actuarial" refers to the fact that the calculation was made using the Actuarial Value of Assets.

(3) For purposes of this column, "Fair Value" refers to the fact that the calculation was made using the Fair Value of Net Assets.

A variety of factors impact the Retirement Fund's UAAL and Funded Ratio. Increases in member salary and benefits, a lower return on investment than that assumed by the Retirement Fund, and insufficient contributions when compared to the Normal Cost plus interest will all cause an increase in the UAAL and a decrease in the Funded Ratio. Conversely, decreases in member salary and benefits, a higher return on investment than assumed, and employer contributions in excess of Normal Cost plus interest will decrease the UAAL and increase the funded ratio. In addition, changes in actuarial assumptions and certain other factors will have an impact on the UAAL and the Funded Ratio. The causes of the change in the UAAL for the fiscal years ended December 31, 2006 through December 31, 2015, are set forth in Table 7 below.

TABLE 7 – COMPONENTS OF CHANGE IN UNFUNDED ACTUARIAL LIABILITY[1]

FISCAL YEAR	SALARY INCREASES/ (DECREASES)	INVESTMENT RETURNS (HIGHER)/LOWER THAN ASSUMED	EMPLOYER CONTRIBUTIONS (HIGHER)/LOWER THAN NORMAL COST PLUS INTEREST[2]	LEGISLATIVE AMENDMENTS	CHANGES IN ACTUARIAL ASSUMPTIONS/ METHODS	OTHER FACTORS[3]	TOTAL CHANGE IN UNFUNDED LIABILITY
2006	$(2,688)	$ 8,916	$ 22,369	-	$ (4,786)	$ 8,949	$ 32,760
2007	4,365	(9,437)	29,263	-	-	(1,008)	23,183
2008	1,117	86,292	26,927	-	(22,900)	10,718	102,155
2009	2,554	67,693	35,218	-	-	15,455	120,921
2010	(20,417)	49,970	46,823	-	39,769	7,577	123,723
2011	(25,335)	71,035	49,402	-	-	23,735	118,837
2012	(23,146)	58,585	31,301	-	7,171	(18,065)	55,846
2013	(6,368)	(48,964)	3,396	-	-	(1,423)	(53,360)
2014	(5,667)	(26,867)	16,960	-	32,495	9,822	26,744
2015	(3,201)	3,056	17,071	-	(4,471)	17,442	29,896

Source: The Retirement Fund. Totals may not add due to rounding.

(1) In thousands of dollars.

(2) To determine whether employer contributions represented an increase or decrease in UAAL, such contributions are measured against contributions based on the Normal Cost plus interest. If employer contributions exceed Normal Cost plus interest, the UAAL will decrease. If employer contributions are less than Normal Cost plus interest, the UAAL will increase.

(3) "Other Factors" consists of the following miscellaneous experience of the Retirement Fund: changes in liabilities related to optional retirement, retirement in general, mortality, reciprocal annuities, death and employee withdrawal from service.

Net Pension Liability and Discount Rate

As described in "— The Actuarial Valuation—GASB Standards" above, the New GASB Standards require the calculation of the Net Pension Liability, which is the difference between the Total Pension Liability and the Fiduciary Net Position. Furthermore, the Discount Rate is the blended rate at which the Retirement Fund's actuary discounts projected benefit payments to their actuarial present values. The following tables present information on the Net Pension Liability and the components thereof and the Discount Rate and the sensitivity of the Net Pension Liability to changes in the Discount Rate. As described in this Appendix, the fiscal year ended December 31, 2014 is the first fiscal year for which GASB 67 is effective and, as such, comparative historical information is not yet available with respect to the information provided in these tables.

TABLE 8– NET PENSION LIABILITY

($ IN THOUSANDS)

	TOTAL PENSION LIABILITY	PLAN NET POSITION	NET PENSION LIABILITY	PLAN NET POSITION AS A PERCENTAGE OF TOTAL PENSION LIABILITY
2014	$2,285,096	$1,337,796	$ 947,300	58.54%
2015	2,359,766	1,286,653	1,073,113	54.52

Source: The Comprehensive Annual Financial Report of the District for the fiscal year ended December 31, 2014, and the Actuarial Valuation of the District for the fiscal year ended December 31, 2015.

TABLE 9 – SENSITIVITY OF NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE[1]

	1% DECREASE	CURRENT	1% INCREASE
2014			
Discount Rate	6.50%	7.50%	8.50%
Net Pension Liability	$1,217,730	$947,299	$720,079
2015			
Discount Rate	6.50%	7.50%	8.50%
Net Pension Liability	$1,349,610	$1,073,113	$840,621

Source: The Comprehensive Annual Financial Report of the District for the fiscal year ended December 31, 2014, and the Actuarial Valuation of the District for the fiscal year ended December 31, 2015.
(1) In thousands.

RECENT LEGISLATIVE CHANGES

On April 14, 2010, the Governor of the State signed Public Act 96-0889 into law. Public Act 96-1490, which was effective January 1, 2011, made some technical and clarifying changes to the provisions of Public Act 96-0889 (Public Acts 96-0889 and 96-1490 are referred to herein as the *"Pension Reform Act"*). The Pension Reform Act establishes a "two-tier" benefit system with less generous benefits for employees who become members of the Retirement Fund on or after January 1, 2011, as compared to those provided to employees prior to such date. Among other changes, the Pension Reform Act:

- Increases the time required for pension benefits to vest to ten years from five years;
- Increases the minimum age at which an active employee may retire with unreduced benefits to age 67 from age 60 or younger based on a formula combining the age of the employee and the number of years of service;
- Increases the minimum age at which an active employee may retire with reduced benefits to age 62 from age 50;
- For employees hired after January 1, 2011, reduces the cost of living adjustment to the lower of 3% or 50% of the change in the consumer price index for all urban

consumers, whichever is lower, with increases based on the original benefit. Previously, the cost of living adjustment was 3%, compounded; and

- Caps the salary on which a pension may be calculated at $106,800 in 2011 (subject to certain adjustments for inflation).

The Pension Reform Act does not impact persons that first became members or participants prior to its effective date of January 1, 2011.

Taken independently of any other legislative or market effects, the reduced benefits afforded new hires by the Pension Reform Act is expected to reduce the growth in the Actuarial Accrued Liability, the UAAL and the Actuarially Required Contribution. However, no assurance can be given that these expectations will be the actual experience of the Retirement Fund going forward.

On August 3, 2012, the Governor of the State signed Public Act 97-0894 into law. This bill, which was effective with the 2013 fiscal year, increased the employee and employer contributions to their current levels as described in this Appendix.

The Illinois Supreme Court recently determined that pension reform legislation with respect to certain of the State of Illinois' pension plans and pension reform legislation with respect to certain of the City of Chicago's pension plans were unconstitutional. As of the date hereof, no lawsuits have been filed challenging Public Act 97-0894.

PROJECTION OF FUNDED STATUS

Table 10 provides a projection, prepared by the actuary for the Retirement Fund, of the Actuarial Value of Assets, the Actuarial Accrued Liability, the UAAL and the Funded Ratio through fiscal year 2025.

TABLE 10 – PROJECTION OF FUTURE FUNDING STATUS[1]

FISCAL YEAR	ACTUARIAL ACCRUED LIABILITY (a)	ACTUARIAL VALUE OF ASSETS[2] (b)	UNFUNDED ACCRUED ACTUARIAL LIABILITIES (UAAL) (a-b)	FUNDED RATIO (b/a)
2016	$2,430.6	$1,361.0	$1,069.6	56.0%
2017	2,490.8	1,416.7	1,074.1	56.9%
2018	2,550.0	1,452.5	1,097.5	57.0%
2019	2,607.9	1,486.1	1,121.8	57.0%
2020	2,664.2	1,541.5	1,122.7	57.9%
2021	2,718.5	1,596.6	1,121.9	58.7%
2022	2,770.7	1,651.3	1,119.5	59.6%
2023	2,820.6	1,705.2	1,115.3	60.5%
2024	2,867.9	1,758.4	1,109.4	61.3%
2025	2,912.4	1,810.7	1,101.7	62.2%

Source: (1) Foster & Foster, Oakbrook Terrace, Illinois. Foster & Foster serves as consulting actuary to the Retirement Fund. In millions of dollars. These projections are based on the legislative structure in place as of the date of this Official Statement and assume no changes to such legislative structure.

(2) The actuarial value is determined by application of the Asset Smoothing Method as discussed in "Actuarial Methods—*Actuarial Value of Assets*" above.

The projections in Table 10 are based upon numerous variables that are subject to change, and are forward-looking statements regarding future events based on the Retirement Fund's actuarial assumptions and assumptions made regarding such future events, including that there are no changes to the current legislative structure. No assurance can be given that these assumptions will be realized or that actual events will not cause material changes to the data presented.

The District experienced a period of steadily declining Funded Ratios in the several years prior to fiscal year 2013 caused by, among other things, poor investment returns and contributions by the District less than those required by the Prior GASB Standards. As a result of such declines, the District recognized that legislative changes were necessary to properly fund the Retirement Fund. P.A. 97-0894, which was supported by the District, increased the District's contributions to the Retirement Fund as a means of rectifying the funding problem. In addition, on October 2, 2014, the District approved the Funding Policy with a goal to contribute annually to the Retirement Fund the amount necessary to attain a Funded ratio of 100% by the end of fiscal year 2050. See "Determination of Employer Contributions."

As shown in Table 10, based on the current legislative structure, including the Pension Reform Act and Public Act 97-0894, the Retirement Fund's actuary projects that the Retirement Fund's Funded Ratio will be 62.2% at the end of fiscal year 2025.

DIVERSION OF STATE PAYMENTS TO THE RETIREMENT FUND UNDER P.A. 099-0008

Public Act 099-0008 (*"P.A. 99-8"*) allows the State Comptroller to divert State payments intended for the District to the Retirement Fund if the District fails to transmit the statutorily

required contribution by December 31st of the year in which such contribution is due. To cause the State to redirect such funds upon a failure by the District to make the required contribution, the Retirement Fund must provide the District with notice and then must certify to the State Comptroller the amount of the delinquent payments. Upon such a certification, the State Comptroller must deduct and remit to the Retirement Fund the certified amounts from payments of State funds to the District. P.A. 99-8 provides that the amount to be deducted from these State funds may not exceed the amount of the delinquent payments certified to the State Comptroller by the Retirement Fund.

SOURCE OF INFORMATION

The information contained herein relies on information produced by the Retirement Fund, their independent accountants and its independent actuaries (the *"Source Information"*). The information presented herein is presented on the basis of the Source Information. The District has not independently verified the Source Information and makes no representations nor expresses any opinion as to the accuracy of the Source Information.

The Comprehensive Annual Financial Reports and the Actuarial Valuations of the Retirement Fund for the fiscal years ending December 31, 2006 through December 31, 2015, may be obtained by contacting the Retirement Fund. The majority of these reports are also available on the Retirement Fund's website at www.mwrdrf.org; *provided, however,* that the content of these reports and such website is not incorporated by reference herein.

Additional information on the Retirement Fund is available in the Actuary's Report.

OTHER POST EMPLOYMENT BENEFITS

The Metropolitan Water Reclamation District's Retiree Health Care Plan (the *"OPEB Plan"*) is a single-employer defined benefit post-employment health care plan that covers eligible retired employees of the District. The OPEB Plan, which is administered by the District, allows employees who retire and meet certain eligibility requirements to continue medical and prescription drug coverage as a participant in the OPEB Plan. Spouses and dependents of eligible retirees are also eligible for medical coverage. All employees of the District are eligible to receive post-employment health care benefits. Lifetime coverage for retirees and their spouses and dependents is provided. As of December 31, 2015, there were 1,846 active employees and 2,775 retirees and beneficiaries receiving health care coverage.

The funding of the OPEB Plan is accomplished in two parts. The District (i) pays the current year's retiree health care claim payments and insurance premiums from operating funds of the District on a pay-as-you-go basis, and (ii) contributes an advance funding amount to the OPEB Trust Fund (as defined below). The OPEB Trust Fund was established to advance fund benefits provided under the OPEB Plan. Currently, benefit payments and premiums are not paid from the OPEB Trust Fund, as described below.

In 2007, the District established the Metropolitan Water Reclamation District Retiree Health Care Trust (the *"OPEB Trust Fund"*) and adopted a funding policy (the *"OPEB Funding Policy"*) that is meant to (i) improve the District's financial position by reducing the amount of future employer contributions and (ii) serve to establish a reserve to help ensure the financial ability to provide healthcare coverage for District retirees and annuitants in the future. The OPEB Trust Fund is considered a component unit of the District and, as such, is included in the District's financial statements as a retiree health care trust fund.

Through April 30, 2016, $122,400,000 has been contributed by the District to the OPEB Trust Fund. The OPEB Advance Funding Policy was amended by the Board of Commissioners on October 2, 2014. The amended funding policy changed the Target Funding Level from 50% to 100%; Remaining Advance Funding Period from 50 years to 12 years; and, Funding Amount of $5 million to be contributed in each of the twelve years 2015 through 2026. No further advance funding contributions will be required after 2026. Pursuant to Section 9.6d of the Act, the Board has discretionary authority to determine contribution amounts to be paid by the District into the OPEB Trust Fund.

It is projected that the OPEB Trust Fund will begin to pay claims in 2027 using the investment redemptions of the funding contributions made by the District. While there are no legal restrictions on utilizing the assets in the OPEB Trust Fund to pay benefits claims by the District until 2027, all benefit claim payments prior to that date are anticipated be paid directly by the District on a pay-as-you-go basis from operating funds of the District.

As of December 31, 2015 (the most recent actuarial valuation date), the funded ratio for the OPEB Plan was 52.1% and the unfunded actuarial accrued liability was $137,317,000. The funded ratio is the ratio of actuarial value of assets to the actuarial liability and is a measure of the ability of the OPEB Plan to pay all future benefits from the assets held in the OPEB Trust Fund. Additional information pertaining to the other post-employment benefits is contained in Note 8 to the Basic Financial Statements attached hereto as APPENDIX A.

The comprehensive annual financial report of the OPEB Trust Fund for the fiscal years ending December 31, 2007 through December 31, 2015 may be obtained by contacting the District and are also available on the District's website at www.mwrd.org; *provided, however,* that the content of such reports and website is not incorporated by reference herein.

EXHIBIT A
REPORT OF THE CONSULTING ACTUARY ON THE DISTRICT RETIREMENT FUND

The Metropolitan Water Reclamation District (the *"District"*) has a contributory pension fund which provides coverage for all District employees and Commissioners. The total number of covered employees in active service at the end of 2015 was 1,846. The total number receiving benefits was 2,359.

The pension fund is financed by employee contributions and District contributions. Both are fixed by State statute. The employee rate is a fixed percentage of salary. The District contribution is a multiple of the employee contributions made two years prior. The employee rate of contribution was eight and one-half percent of salary until January 1, 1988. Beginning January 1, 1988, the rate was raised to nine percent of salary. The District multiple was 2.19 for 1988 and each year thereafter. An exception was made to this 2.19 multiplier for all employee contributions made to the Optional Plan beginning in 2003 through 2007 for which the tax levy was made on dollar-for-dollar basis.

On August 3, 2012, the Governor signed Public Act 97-0894 into law. This bill, which is effective with the 2013 fiscal year, increases the maximum tax levy from 2.19 multiplied by the employee contributions two years prior to the lesser of 4.19 multiplied by the employee contributions two years prior or the actuarially determined contribution requirement. Employee retirement contributions are also increased for employees in service prior to January 1, 2011 (Tier 1) by 1% per year for three years, starting with the first pay period paid in 2013. Resulting contribution rates for Tier 1 members are 10% in 2013, 11% in 2014, and 12% in 2015. The Tier 1 employee contribution rate will revert to 9% the first pay period paid on or after the date when the funded ratio of the Fund is determined to have reached the 90% funding goal.

The actuarial funding method used is the Entry Age Normal Method. The Entry Age Normal Method is an immediate gain valuation method. This means that any deviation of plan experience from the actuarial assumptions is reflected immediately in the Unfunded Liability.

This Entry Age Normal Method assigns to each year of employment a constant percentage of an employee's salary, called the Current Service Cost, sufficient to accumulate the necessary funds to provide for the full prospective costs of the employee's projected retirement pension. The amount of pension must be estimated using various assumptions as to future compensation levels, employee turnover, mortality, and pension fund investment earnings, since the actual pension can only be known at the time of retirement. These are called actuarial assumptions and reflect long range expectations of the plan on an ongoing or permanent basis. An annual review of these assumptions is made and appropriate changes are made when required.

The Accrued Liability of the fund at any point in time is the accumulated value of all Current Service Costs which should have been paid to that time for active employees plus full prospective cost of pensions for all retired employees. The extent that the actual Plan Assets are less than the Accrued Liability is called the Unfunded Liability.

Under Prior GASB Standards (GASB No. 25), an amount of money is required each year to amortize the Unfunded Liability over a span of thirty years. This amount is called the 30-Year Amortization of the Unfunded Liability. The total Actuarial Required Contribution to the fund (financed by the employee and employer) is equal to the Current Service Cost plus 30-Year Amortization of the Unfunded Liability as a level percent of payroll.

Note, for fiscal years 2013 and later, Section 13-503 of the Illinois Pension Code specifies that actual contributions to the fund are based on an Actuarially Determined Contribution (ADC). The ADC equals the Current Service Cost plus a Supplemental Cost (annual amount to amortize the Unfunded Liability by 2050).

The required contribution amounts and rates contained in the report herein reflect the Prior GASB Standards (a 30-year amortization of the Unfunded Liability) for amounts before fiscal year 2015 and reflect the Actuarially Determined Contribution (based on a supplemental amortization cost to fund the Unfunded Liability by 2050) for fiscal years 2015 and later.

In 2015, employer contributions to the Fund amounted to 113.5% of the actuarially determined contribution amount.

FINANCIAL POSITION

YEAR END	EMPLOYEE CONTRIBUTIONS	EMPLOYER CONTRIBUTIONS[1]	INVESTMENT INCOME [2]	TOTAL INCOME
2006	$14,955,252	$34,476,332	$108,689,160	$158,120,744
2007	15,627,673	27,947,096	65,234,747	108,809,516
2008	14,778,404	33,406,819	(296,635,043)	(248,449,820)
2009	15,690,322	32,153,874	196,652,890	244,497,086
2010	15,872,560	29,917,793	146,521,908	192,312,261
2011	15,031,961	37,379,137	3,012,778	55,423,876
2012	14,714,496	65,097,835	121,081,385	200,893,716
2013	16,890,798	92,944,381	231,567,647	341,402,826
2014	18,974,954	73,906,168	87,504,592	180,385,714
2015	21,385,212	71,041,361	4,143,814	96,570,387

YEAR END	BENEFITS	ADMINISTRATIVE AND INVESTMENT EXPENSES	REFUNDS	TOTAL[3]	INCOME LESS PAYOUTS[4]	RETURN ON INVESTED ASSETS[5]
2006	$89,079,089	$3,646,960	$1,410,954	$94,137,003	$63,983,741	9.6%
2007	94,846,021	4,027,657	1,164,218	100,037,896	8,771,620	5.4
2008	100,068,749	3,787,807	964,846	104,821,402	(353,271,222)	(25.5)
2009	103,404,530	3,895,636	1,174,864	108,475,030	136,022,056	23.1
2010	108,219,186	4,883,958	1,380,310	114,483,454	77,828,807	15.9
2011	118,102,369	5,787,836	2,711,115	126,601,320	(71,177,444)	(0.3)
2012	122,713,908	6,052,080	1,195,737	129,961,725	70,931,991	11.9
2013	127,205,981	6,856,698	1,128,922	135,191,601	206,211,225	21.7
2014	132,913,502	7,306,073	984,343	141,203,918	39,181,796	6.7
2015	139,160,911	7,202,753	1,348,845	147,712,509	(51,142,122)	(0.2)

(1) Net Tax Levy and Miscellaneous Income.
(2) Includes realized net gain/loss on sale and exchange of bonds and stocks, securities lending income and other miscellaneous income. Not shown net of fees and expenses.
(3) Includes Pensions, Benefits, Refunds and Administrative Expenses.
(4) Does not include Prior Years Tax Adjustments.
(5) Computed on assets shown, less taxes receivable and cash.

DISTRIBUTION OF CASH AND SECURITY HOLDINGS

YEAR	CASH	FEDERAL GOVERNMENT SECURITIES	STATE AND LOCAL GOVERNMENT SECURITIES	CORPORATE STOCKS AND BONDS	SHORT TERM	CONVERTIBLE SECURITIES	OTHER BONDS
2006	0.0%	4.9%	0.1%	93.8%	1.0%	0.0%	0.2%
2007	0.0	4.7	0.1	94.0	1.0	0.0	0.2
2008	0.0	1.8	0.0	96.5	1.7	0.0	0.0
2009	0.0	0.0	0.0	98.0	2.0	0.0	0.0
2010	0.0	0.0	0.0	98.1	1.9	0.0	0.0
2011	0.0	0.0	0.0	98.2	1.8	0.0	0.0
2012	0.0	2.2	0.0	95.1	2.7	0.0	0.0
2013	0.0	1.7	0.0	94.1	4.2	0.0	0.0
2014	0.0	4.8	0.0	92.3	2.7	0.2	0.0
2015	0.0	5.2	0.0	91.5	3.3	0.0	0.0

SCHEDULE OF FUNDING STATUS

YEAR	ACCRUED LIABILITY(1)	ASSETS AT ACTUARIAL VALUE(2)	FUNDED RATIO	UNFUNDED ACCRUED LIABILITY	PAYROLL AT YEAR END	UNFUNDED ACCRUED % PAYROLL (SURPLUS)
2006(a)	$1,724,705,199	$1,209,601,736	70.1%	$ 515,103,463	$152,767,396	337%
2007	1,795,176,667	1,256,889,942	70.0	538,286,725	158,831,772	339
2008(a)	1,852,279,634	1,211,838,320	65.4	640,441,314	167,865,254	382
2009	1,939,172,047	1,177,810,068	60.7	761,361,979	176,915,399	430
2010(a)	2,036,679,763	1,151,595,245	56.5	885,084,518	174,485,734	507
2011	2,101,319,098	1,097,397,206	52.2	1,003,921,892	164,275,424	611
2012	2,136,508,223	1,076,740,164	50.4	1,059,768,059	163,816,934	647
2013	2,194,911,693	1,188,503,716	54.1	1,006,407,971	169,375,857	594
2014(a)	2,296,438,698	1,263,287,068	55.0	1,033,151,630	176,183,941	586
2015(b)	2,371,031,195	1,307,982,039	55.2	1,063,049,156	177,792,309	598

(a) Change in actuarial assumptions.
(b) Change in actuarial methods.
(1) 2006 – 2013 results are based on 7.75% interest and 5.0% salary scale. Results for 2014 and later are based on 7.50% interest and a salary scale that varies based on service.
(2) All asset values shown here reflect the smoothed actuarial assets. For information on the fair market value of assets for fiscal years 2006 through 2015 and additional information on asset smoothing, see "RETIREMENT FUND—Actuarial Methods" in the Official Statement.

In the Schedule of Funding Status, analysis of the dollar amount of net assets available for benefits, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the actuarial accrued liability provides one indication of funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage is, the stronger the retirement system. Trends in unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing

the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of progress made in accumulating sufficient assets to pay benefits when due. Generally, a smaller percentage indicates a stronger retirement system.

PRIORITIZED SOLVENCY TEST

The prioritized solvency test is another means of checking a system's progress under its funding program. In a short-term solvency test, the plan's present assets (cash and investments) are compared with actuarial accrued liabilities classified into the following categories: (1) liability for active member contributions on deposit; (2) liability for future benefits to present retired lives; and (3) liability for the employer financed portion of service already rendered by active members. In a system that has been following the discipline of level percent of payroll financing the obligation for active member contributions on deposit (present value 1) and the present value of future benefits to present retired lives (present value 2) will be fully covered by present assets (except in rare circumstances). In addition, the present value of credited projected benefits for present active members (present value 3) will be partially covered by the remainder of present assets. Generally, if the system has been using a level cost financing, the funded portion of present value will increase over time.

	AGGREGATE ACCRUED LIABILITIES FOR:				**PORTION (%) OF ACCRUED LIABILITIES COVERED BY ASSETS**		
	(1)	(2)	(3)				
VALUATION DATE 12/31	**ACTIVE MEMBER CONTRIBUTIONS**	**RETIREES AND BENEFICIARIES**	**ACTIVE MEMBERS (ER FINANCED PORTION)**	**ACTUARIAL ASSET VALUES[a]**	(1)	(2)	(3)
2006	$176,844,639	$1,075,659,908	$472,200,652	$1,209,601,736	100	96	0
2007	181,077,729	1,139,967,612	474,131,326	1,256,889,942	100	94	0
2008[b]	190,017,921	1,176,701,786	485,559,927	1,211,838,320	100	87	0
2009	202,119,201	1,200,102,267	536,950,579	1,177,810,068	100	81	0
2010[b]	206,933,701	1,313,366,530	516,379,532	1,151,595,245	100	72	0
2011	199,015,897	1,433,294,765	469,008,436	1,097,397,206	100	63	0
2012[b]	213,323,414	1,431,829,221	491,355,588	1,076,740,164	100	60	0
2013	223,354,127	1,463,856,177	507,701,389	1,188,503,716	100	66	0
2014[b]	231,430,077	1,541,326,692	422,154,924	1,263,287,068	100	67	0
2015[c]	236,967,954	1,616,195,435	517,867,805	1,307,982,039	100	66	0

(a) Assets at 5-year smoothed market value.
(b) Change in actuarial assumptions.
(c) Change in actuarial method.

ACTUARIAL REQUIREMENTS

Beginning with the 2015 fiscal year, the total required Actuarially Determined Contribution to the Fund (financed by the employee and the District) is equal to the Current Service Cost plus an amount to amortize the Unfunded Liability over a period ending in 2050. Prior to the December 31, 2014 valuation, the contribution amounts reflected a 30-year amortization period in accordance with the Prior GASB Statements (GASB No. 25).

For the year 2015 the District contributed $71,041,361 or 39.96% of December 31, 2015 payroll. For 2015, employee contributions were $21,385,212 or 12.03% of December 31, 2015 payroll. The total actuarially determined contribution, consisting of the Current Service Cost plus the amount to amortize the Unfunded Liability over a period ending in 2050 was 35.21% of payroll.

As the District tax levy is expressed as a multiple of the total salary deductions made two years prior, the District is effectively contributing a level annual percentage of payroll.

YEAR	TOTAL ACTUARIALLY DETERMINED CONTRIBUTION RATE	ACTUAL CONTRIBUTION		DEFICIENCY (EXCESS) IN ANNUAL CONTRIBUTION
		EMPLOYER	EMPLOYEE	
2006	41.38%	23.10%	10.02%	8.26%
2007[a]	40.53	18.29	10.22	12.02
2008	40.33	21.03	9.31	9.99
2009[a]	41.64	19.15	9.35	13.14
2010	43.97	16.91	8.97	18.09
2011	48.77	21.42	8.62	18.73
2012[a]	54.54	39.62	8.96	5.96
2013	55.62	56.74	10.31	(11.43)
2014[a]	52.18	43.63	10.90	(2.65)
2015[b]	49.18	41.94	12.63	(5.39)
2016	50.37	46.94 Est	12.23 Est	(8.80) Est

(a) Change in actuarial assumptions.
(b) Change in actuarial method.
Note: The actuarially determined contribution rate for 2006 through 2014 is calculated as the normal cost plus 30-year amortization of the unfunded liability according to GASB 25. For contributions determined for 2015, GASB 25 no longer applies. The reported required actuarial contribution is based on the actuarially determined contribution according to state statute: normal cost plus an amount to amortize the unfunded accrued liability by 2050 (a 35-year amortization for 2016).

SCHEDULE OF EMPLOYER CONTRIBUTIONS

FISCAL YEAR	ACTUARIALLY DETERMINED CONTRIBUTION[1]	TAX LEVY[2]	EMPLOYER SPECIAL CONTRIBUTION	TOTAL EMPLOYER CONTRIBUTION	PERCENT OF ADC CONTRIBUTED BY EMPLOYER
2006	$47,368,878	$27,580,000		$34,478,941	72.79%
2007	47,090,445	30,312,000		27,947,096	59.35
2008	49,758,238	31,314,000		33,406,819	67.14
2009	54,790,175	32,640,000		32,153,874	58.69
2010	61,872,925	32,307,000		29,917,793	48.35
2011	69,393,171	34,362,000		37,379,134	53.87
2012	74,828,844	34,761,000	$30,000,000	65,097,835	87.00
2013	74,774,148	62,984,000	30,000,000	92,944,381	124.30
2014	69,924,438	61,654,000	12,000,000	73,906,168	105.69
2015	62,603,576	70,772,000		71,041,361	113.48

(1) The actuarially determined contribution for 2006 through 2014 is calculated as the normal cost plus 30-year amortization of the unfunded liability according to GASB 25. For contributions determined for 2015, GASB 25 no longer applies. The reported required actuarial

contribution is based on the actuarially determined contribution according to state statute: normal cost plus an amount to amortize the unfunded accrued liability by 2050 (a 36-year amortization for 2015).
(2) Tax levy.

ACTUARIAL ASSUMPTIONS AND COST METHOD

The actuarial assumptions used for the December 31, 2014 and December 31, 2015 actuarial valuations were based on our experience analysis of the fund for the five-year period 2008 through 2013.

The major actuarial assumptions used for these valuations are summarized below:

- *Investment return:* 7.50% per year, compounded annually.
- *Salary increase:* Tables of rates based on service.
- *Retirement Rates:* Rates of retirement for each age from 50 to 70, based on the recent experience of the fund.
- *Termination Rates:* Termination rates, varying by age and length of service, based on the recent experience of the fund.
- *Mortality Rates:* RP-2000 Combined Healthy Mortality Table, with Generational mortality improvements (Scale AA) for healthy lives and to RP-2000 Disabled Retiree Mortality Table for disabled lives.

In our opinion, the actuarial assumptions used for the valuation are reasonable, in the aggregate, taking into account Fund experience and future expectations and represent our best estimate of anticipated experience.

APPENDIX D

DEMOGRAPHIC AND ECONOMIC INFORMATION

APPENDIX D

DEMOGRAPHIC AND ECONOMIC INFORMATION

Demographic and economic developments provide context for understanding the setting within which the District's financial activities take place. This appendix provides material for analyzing that setting.

POPULATION 1980 – 2015

YEAR	UNITED STATES	STATE OF ILLINOIS	COOK COUNTY
1980	226,545,805	11,427,409	5,253,655
1990	248,709,873	11,430,602	5,105,067
2000	281,421,906	12,419,293	5,376,741
2010	308,745,538	12,830,632	5,198,716
2015 Estimate	321,418,820	12,859,995	5,238,216

Source: U.S. Department of Commerce, Bureau of the Census and Bureau of Economic Analysis.

POPULATION OF THE STATE OF ILLINOIS AND COOK COUNTY - 2006 – 2015

YEAR	COOK COUNTY	STATE OF ILLINOIS
2006	5,165,495	12,643,955
2007	5,154,235	12,695,866
2008	5,161,831	12,747,038
2009	5,181,728	12,796,778
2010	5,198,716	12,830,632
2011	5,214,988	12,858,725
2012	5,232,340	12,873,763
2013	5,246,635	12,890,552
2014	5,246,456	12,880,580
2015 Estimate	5,238,216	12,859,995

Source: U.S. Department of Commerce, Bureau of Economic Analysis, except 2015 population information, which is a U.S. Census Bureau estimate.

PER CAPITA INCOME
COOK COUNTY
Last Ten Fiscal Years

YEAR	POPULATION	PERSONAL INCOME (IN $1,000S)	PER CAPITA PERSONAL INCOME
2015	5,238,216	Not Available	Not Available
2014	5,246,456	$269,035,658	$51,280 (1)
2013	5,246,635	260,670,182	49,683
2012	5,232,340	260,223,662	49,734
2011	5,214,988	247,098,775	47,382
2010	5,198,716	235,817,398	45,361
2009	5,181,728	231,331,860	44,644
2008	5,161,831	247,335,539	47,916
2007	5,154,235	242,335,904	47,017
2006	5,165,495	228,453,932	44,227

Source: U.S. Department of Commerce, Bureau of Economic Analysis, except 2015 population information, which is a U.S. Census Bureau estimate.

(1) The U.S. Department of Commerce, Bureau of Economic Analysis estimates per capita personal income for the State of Illinois and the United States of America to be $30,417 and $30,176, respectively, for 2014.

TOTAL EMPLOYMENT IN COOK COUNTY - 2006 – 2015
(as of December 1)

YEAR	NUMBER EMPLOYED
2006	2,544,848
2007	2,570,089
2008	2,554,522
2009	2,480,487
2010	2,368,516
2011	2,380,043
2012	2,413,924
2013	2,424,642
2014	2,286,711
2015	2,312,020

Source: U.S. Department of Labor, Bureau of Labor Statistics.

AVERAGE WEEKLY WAGE

2005-2014

YEAR	COOK COUNTY	STATE OF ILLINOIS	UNITED STATES OF AMERICA
2005	$1,000	$ 887	$825
2006	1,051	928	861
2007	1,101	975	898
2008	1,118	985	918
2009	1,136	1,006	942
2010	1,157	1,035	955
2011	1,122	1,013	955
2012	1,099	945	906
2013	1,155	951	899
2014	1,209	1,011	871

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

UNEMPLOYMENT RATES

Last Ten Fiscal Years

YEAR	COOK COUNTY	STATE OF ILLINOIS	UNITED STATES OF AMERICA
2006	5.1%	4.1%	4.5%
2007	5.2%	5.1%	4.6%
2008	6.5%	6.2%	5.8%
2009	10.3%	10.0%	9.3%
2010	10.5%	10.3%	9.6%
2011	10.4%	9.8%	8.9%
2012	8.9%	8.7%	8.1%
2013	9.1%	8.3%	6.7%
2014	7.0%	6.2%	5.6%
2015	6.2%	6.0%	5.5%

Source: U.S. Department of Labor, Bureau of Labor Statistics. Represents the average unemployment rate experienced during the year.

PRINCIPAL EMPLOYERS

2015 and Nine Years Ago

	2015			2006		
EMPLOYER	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
U.S. Government	45,673	1	0.87%	51,700	1	0.97%
Chicago Public Schools	38,933	2	0.74	43,783	2	0.83
City of Chicago	30,345	3	0.58	39,675	4	0.75
Cook County	21,622	4	0.41	25,482	5	0.48
Advocate Health Care	18,556	5	0.35	25,279	6	0.48
University of Chicago	16,025	6	0.30	-	-	-
J.P. Morgan Chase & Co	15,015	7	0.29	-	-	-
State of Illinois	14,925	8	0.28	17,056	8	0.32
Northwestern Memorial Healthcare	14,550	9	0.28	-	-	-
United Continental Holdings, Inc.[1]	14,000	10	0.27	-	-	-
Jewel-Osco	-	-	-	34,037	4	0.64
United Parcel Service of America Inc.	-	-	-	19,000	7	0.36
SBC Communications, Inc.	-	-	-	16,500	9	0.31
Wal-Mart Stores Inc.	-	-	-	16,350	10	0.31
Total	229,644		4.37%	288,862		5.45%

Source: Crain's Chicago Business December 21, 2015 © Crain Communications, Inc.

(1) Owns and operates United Airlines.

(2) Total employment for 2015 based on a population of 5,260,069; total employment for 2006 based on a population of 5,306,935.

PRINCIPAL PROPERTY TAXPAYERS

2014 and Eleven Years Ago

(in thousands of dollars)

		2014[1]			2003		
TAXPAYER	TYPE OF BUSINESS	EQUALIZED ASSESSED VALUE[3]	RANK	PERCENTAGE OF TOTAL EQUALIZED ASSESSED VALUE	EQUALIZED ASSESSED VALUE[3]	RANK	PERCENTAGE OF TOTAL EQUALIZED ASSESSED VALUE
Willis Tower	Retail & Office	$ 364,454	1	0.29%	$ 519,080	1	0.40%
Aon Center	Insurance	241,083	2	0.19	341,767	2	0.26
Merchandise Mart	Retail & Office	236,632	3	0.19	-	-	-
Citadel Center	Office	233,798	4	0.19	-	-	-
Hyatt Center	Office	223,714	5	0.18	-	-	-
CME Center (2)	Office	220,757	6	0.18	341,076	3	0.26
One North Wacker Drive	Office	215,718	7	0.17	-	-	-
Blue Cross Blue Shield Tower	Office	206,782	8	0.16	-	-	-
Water Tower Place	Retail & Office	195,486	9	0.16	183,187	9	0.14
Chase Tower	Banking	194,963	10	0.16	218,014	6	0.17
AT&T Corporate Center	Communications	-	-	-	268,519	4	0.21
One Prudential Plaza	Financial Services	-	-	-	266,283	5	0.20
Citigroup Center	Banking	-	-	-	196,622	7	0.15
Leo Burnett Building	Advertising	-	-	-	188,219	8	0.14
R.R. Donnelley & Sons	Publishing	-	-	-	174,418	10	0.14
		$2,333,387		1.87%	$2,700,185		2.07%

Source: Cook County Treasurer's Office and Cook County Clerk's Office

(1) 2015 information is unavailable.

(2) Two adjoining tower office buildings; formerly referred to as Equity Office.

(3) The Equalized Assessed Valuation (in thousands of dollars) for 2003 was $110,266,628 and for 2014 is $125,736,188.

NON-FARM EMPLOYMENT BY MAJOR INDUSTRY SECTOR

Sector	Cook County Employees (in 1,000s)	Cook County Percentage of Total Employment	United States Employees (in 1,000s)	United States Percentage of Total Employment
Natural resources and mining	1	0.04%	844	0.60%
Construction	74	2.90%	6,409	4.54%
Manufacturing	187	7.32%	12,316	8.72%
Trade, transportation, and utilities	469	18.37%	26,815	18.99%
Information	55	2.15%	2,745	1.94%
Financial Activities	189	7.40%	8,089	5.73%
Professional and business services	466	18.25%	19,505	13.81%
Education and health services	432	16.92%	21,905	15.51%
Leisure and hospitality	277	10.85%	15,010	10.63%
Government	301	11.79%	21,971	15.56%
Other Services and unclassified	102	4.00%	5,614	3.98%
Total	2,553	100.00%	141,223	100.00%

Source: U.S. Department of Labor, Bureau of Labor Statistics. Data for Cook County is as of June 2015 and data for the United States of America is as of April 2015.

COMPARATIVE ANNUAL COST OF WASTEWATER SERVICES
(2009-2014)

YEAR	THE DISTRICT[1]	MIDWEST[2]	NATIONAL[2]
2009	$123	$292	$357
2010	137	309	381
2011	152	336	398
2012	182	387	412
2013	193	407	435
2014	204	439	448

Source: NACWA Cost of Clean Water Index, 2009 – 2014, except for information regarding the District which was calculated by the District based on information available from the County Clerk.

(1) Represents the average cost of wastewater services for a house located in the City of Chicago with an equalized assessed valuation of $200,000.

(2) Represents the average annual cost paid for wastewater services for a single family residence in the respective geographic area.

APPENDIX E

FORMS OF OPINIONS OF CO-BOND COUNSEL

APPENDIX E

2016A BONDS

[LETTERHEAD OF CO-BOND COUNSEL]

[TO BE DATED THE CLOSING DATE]

The Board of Commissioners of the
Metropolitan Water Reclamation District of Greater Chicago

Dear Commissioners:

We have examined a record of proceedings relating to the issuance of $280,930,000 principal amount of General Obligation Unlimited Tax Refunding Bonds, 2016 Series A (the "Bonds") of the Metropolitan Water Reclamation District of Greater Chicago (the "District"), a sanitary district and a body politic and corporate of the State of Illinois. The Bonds are authorized and issued pursuant to the provisions of the Metropolitan Water Reclamation District Act, 70 Illinois Compiled Statutes 2605, the Sanitary District Refunding Bond Act, 70 Illinois Compiled Statutes 3005 and the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350, and by virtue of Ordinance Number O16-002 adopted by the Board of Commissioners of the District on April 7, 2016, and entitled: "An Ordinance Authorizing and Providing For the Issuance of Not to Exceed $346,000,000 General Obligation Unlimited Tax Refunding Bonds of the Metropolitan Water Reclamation District of Greater Chicago" (the "Bond Ordinance").

The Bonds are issuable in the form of fully registered bonds in the denominations of $5,000 and any integral multiple thereof. The Bonds delivered on original issuance are dated July 7, 2016. The Bonds bear interest from their date at the rate of five per centum (5.00%) per annum, payable on December 1, 2016 and semiannually thereafter on each June 1 and December 1. The Bonds mature on December 1, in each of the following years in the respective principal amount set opposite each such year in the following table:

Year	Principal Amount
2023	$25,495,000
2024	26,655,000
2025	27,875,000
2026	29,165,000
2027	30,515,000
2028	33,935,000
2029	35,500,000
2030	35,045,000
2031	36,745,000

The Bonds maturing on or after December 1, 2027 are subject to redemption prior to maturity at the option of the District, in such principal amounts and from such maturities as the District shall determine and by lot within a single maturity, on December 1, 2026 and on any date thereafter, at a redemption price equal to the principal amount thereof to be redeemed.

In our opinion, the Bonds are valid and legally binding general obligations of the Metropolitan Water Reclamation District of Greater Chicago, and the District has power and is obligated to levy ad valorem taxes upon all the taxable property within the District for the payment of the Bonds and the interest thereon, without limitation as to rate or amount. However, the enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and remedies heretofore or hereafter enacted.

We are of the opinion that, under existing law, interest on the Bonds is not includable in the gross income of the owners thereof for Federal income tax purposes. If there is continuing compliance with the applicable requirements of the Internal Revenue Code of 1986 (the "Code"), we are of the opinion that interest on the Bonds will continue to be excluded from the gross income of the owners thereof for Federal income tax purposes. We are further of the opinion that the Bonds are not "private activity bonds" within the meaning of Section 141(a) of the Code. Accordingly, interest on the Bonds is not an item of tax preference for purposes of computing individual or corporate alternative minimum taxable income. However, interest on the Bonds is includable in corporate earnings and profits and therefore must be taken into account when computing corporate alternative minimum taxable income for purposes of the corporate alternative minimum tax.

The Code contains certain requirements that must be satisfied from and after the date hereof in order to preserve the exclusion from gross income for Federal income tax purposes of interest on the Bonds. These requirements relate to the use and investment of the proceeds of the Bonds, the payment of certain amounts to the United States, the security and source of payment of the Bonds and the use of the property financed with the proceeds of the Bonds. The District has covenanted in the Bond Ordinance to comply with these requirements.

Interest on the Bonds is not exempt from Illinois income taxes.

Very truly yours,

2016B BONDS

[Letterhead of Co-Bond Counsel]

[To Be Dated the Closing Date]

The Board of Commissioners of the
Metropolitan Water Reclamation District of Greater Chicago

Dear Commissioners:

We have examined a record of proceedings relating to the issuance of $41,330,000 principal amount of General Obligation Limited Tax Refunding Bonds, 2016 Series B (the "Bonds") of the Metropolitan Water Reclamation District of Greater Chicago (the "District"), a sanitary district and a body politic and corporate of the State of Illinois. The Bonds are authorized and issued pursuant to the provisions of the Metropolitan Water Reclamation District Act, 70 Illinois Compiled Statutes 2605, the Sanitary District Refunding Bond Act, 70 Illinois Compiled Statutes 3005 and the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350, and by virtue of Ordinance Number O16-003 adopted by the Board of Commissioners of the District on April 7, 2016, and entitled: "An Ordinance Authorizing and Providing For the Issuance of Not to Exceed $50,000,000 General Obligation Limited Tax Refunding Bonds of the Metropolitan Water Reclamation District of Greater Chicago" (the "Bond Ordinance").

The Bonds are issuable in the form of fully registered bonds in the denominations of $5,000 and any integral multiple thereof. The Bonds delivered on original issuance are dated July 7, 2016. The Bonds bear interest from their date at the rate of five per centum (5.00%) per annum, payable on December 1, 2016 and semiannually thereafter on each June 1 and December 1. The Bonds mature on December 1, in each of the following years in the respective principal amount set opposite each such year in the following table:

Year	Principal Amount
2023	$4,175,000
2024	4,265,000
2025	4,370,000
2026	4,485,000
2027	4,600,000
2028	4,725,000
2029	4,835,000
2030	4,845,000
2031	5,030,000

The Bonds maturing on or after December 1, 2027 are subject to redemption prior to maturity at the option of the District, in such principal amounts and from such maturities as the District shall determine and by lot within a single maturity, on December 1, 2026 and on any date thereafter, at a redemption price equal to the principal amount thereof to be redeemed.

The Bonds are "limited bonds" as defined in the Local Government Debt Reform Act, which are payable from the "debt service extension base" of the District as defined in the Property Tax Extension Limitation Law, 35 Illinois Compiled Statutes 200/18-185 through 18-245.

In our opinion, the Bonds are valid and legally binding general obligations of the Metropolitan Water Reclamation District of Greater Chicago, and the District has power and is obligated to levy ad valorem taxes upon all the taxable property within the District for the payment of the Bonds and the interest thereon, without limitation as to rate, but limited as to amount by provisions of the Property Tax Extension Limitation Law. However, the enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and remedies heretofore or hereafter enacted.

We are of the opinion that, under existing law, interest on the Bonds is not includable in the gross income of the owners thereof for Federal income tax purposes. If there is continuing compliance with the applicable requirements of the Internal Revenue Code of 1986 (the "Code"), we are of the opinion that interest on the Bonds will continue to be excluded from the gross income of the owners thereof for Federal income tax purposes. We are further of the opinion that the Bonds are not "private activity bonds" within the meaning of Section 141(a) of the Code. Accordingly, interest on the Bonds is not an item of tax preference for purposes of computing individual or corporate alternative minimum taxable income. However, interest on the Bonds is includable in corporate earnings and profits and therefore must be taken into account when computing corporate alternative minimum taxable income for purposes of the corporate alternative minimum tax.

The Code contains certain requirements that must be satisfied from and after the date hereof in order to preserve the exclusion from gross income for Federal income tax purposes of interest on the Bonds. These requirements relate to the use and investment of the proceeds of the Bonds, the payment of certain amounts to the United States, the security and source of payment of the Bonds and the use of the property financed with the proceeds of the Bonds. The District has covenanted in the Bond Ordinance to comply with these requirements.

Interest on the Bonds is not exempt from Illinois income taxes.

Very truly yours,

2016C BONDS

[Letterhead of Co-Bond Counsel]

[To Be Dated the Closing Date]

The Board of Commissioners of the
Metropolitan Water Reclamation District of Greater Chicago

Dear Commissioners:

We have examined a record of proceedings relating to the issuance of $30,000,000 principal amount of General Obligation Unlimited Tax Capital Improvement Bonds, 2016 Series C (Green Bonds) (the "Bonds") of the Metropolitan Water Reclamation District of Greater Chicago (the "District"), a sanitary district and a body politic and corporate of the State of Illinois. The Bonds are authorized and issued pursuant to the provisions of the Metropolitan Water Reclamation District Act, 70 Illinois Compiled Statutes 2605, and the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350, and by virtue of Ordinance Number O16-004 adopted by the Board of Commissioners of the District on April 7, 2016, and entitled: "An Ordinance Authorizing and Providing For the Issuance of Not to Exceed $30,000,000 General Obligation Unlimited Tax Capital Improvement Bonds of the Metropolitan Water Reclamation District of Greater Chicago" (the "Bond Ordinance").

The Bonds are issuable in the form of fully registered bonds in the denominations of $5,000 and any integral multiple thereof. The Bonds delivered on original issuance are dated July 7, 2016. The Bonds mature on December 1, 2045 and bear interest from their date at the rate of five per centum (5.00%) per annum, payable on December 1, 2016 and semiannually thereafter on each June 1 and December 1.

The Bonds are subject to redemption prior to maturity at the option of the District, as a whole, or in part by lot, on December 1, 2026 and on any date thereafter, at a redemption price equal to the principal amount thereof to be redeemed.

The Bonds are subject to mandatory redemption, in part and by lot, on December 1, 2044, by the application of sinking fund installment in the principal amount of $5,500,000 and at a redemption price equal to the principal amount thereof to be redeemed.

In our opinion, the Bonds are valid and legally binding general obligations of the Metropolitan Water Reclamation District of Greater Chicago, and the District has power and is obligated to levy ad valorem taxes upon all the taxable property within the District for the payment of the Bonds and the interest thereon, without limitation as to rate or amount. However, the enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and remedies heretofore or hereafter enacted.

We are of the opinion that, under existing law, interest on the Bonds is not includable in the gross income of the owners thereof for Federal income tax purposes. If there is

continuing compliance with the applicable requirements of the Internal Revenue Code of 1986 (the "Code"), we are of the opinion that interest on the Bonds will continue to be excluded from the gross income of the owners thereof for Federal income tax purposes. We are further of the opinion that the Bonds are not "private activity bonds" within the meaning of Section 141(a) of the Code. Accordingly, interest on the Bonds is not an item of tax preference for purposes of computing individual or corporate alternative minimum taxable income. However, interest on the Bonds is includable in corporate earnings and profits and therefore must be taken into account when computing corporate alternative minimum taxable income for purposes of the corporate alternative minimum tax.

The Code contains certain requirements that must be satisfied from and after the date hereof in order to preserve the exclusion from gross income for Federal income tax purposes of interest on the Bonds. These requirements relate to the use and investment of the proceeds of the Bonds, the payment of certain amounts to the United States, the security and source of payment of the Bonds and the use of the property financed with the proceeds of the Bonds. The District has covenanted in the Bond Ordinance to comply with these requirements.

Interest on the Bonds is not exempt from Illinois income taxes.

Very truly yours,

2016D BONDS

[Letterhead of Co-Bond Counsel]

[To Be Dated the Closing Date]

The Board of Commissioners of the
Metropolitan Water Reclamation District of Greater Chicago

Dear Commissioners:

We have examined a record of proceedings relating to the issuance of $20,000,000 principal amount of General Obligation Limited Tax Capital Improvement Bonds, 2016 Series D (Green Bonds) (the “Bonds”) of the Metropolitan Water Reclamation District of Greater Chicago (the “District”), a sanitary district and a body politic and corporate of the State of Illinois. The Bonds are authorized and issued pursuant to the provisions of the Metropolitan Water Reclamation District Act, 70 Illinois Compiled Statutes 2605, and the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350, and by virtue of Ordinance Number O16-005 adopted by the Board of Commissioners of the District on April 7, 2016, and entitled: “An Ordinance Authorizing and Providing For the Issuance of Not to Exceed $20,000,000 General Obligation Limited Tax Capital Improvement Bonds of the Metropolitan Water Reclamation District of Greater Chicago” (the “Bond Ordinance”).

The Bonds are issuable in the form of fully registered bonds in the denominations of $5,000 and any integral multiple thereof. The Bonds delivered on original issuance are dated July 7, 2016. The Bonds bear interest from their date at the rate of five per centum (5.00%) per annum, payable on December 1, 2016 and semiannually thereafter on each June 1 and December 1. The Bonds mature on December 1, in each of the following years in the respective principal amount set opposite each such year in the following table:

Year	Principal Amount
2022	$1,815,000
2023	1,905,000
2024	2,000,000
2025	2,100,000
2026	2,205,000
2027	2,315,000
2028	2,430,000
2029	2,550,000
2030	2,680,000

The Bonds maturing on or after December 1, 2027 are subject to redemption prior to maturity at the option of the District, in such principal amounts and from such maturities as the

District shall determine and by lot within a single maturity, on December 1, 2026 and on any date thereafter, at a redemption price equal to the principal amount thereof to be redeemed.

The Bonds are "limited bonds" as defined in the Local Government Debt Reform Act, which are payable from the "debt service extension base" of the District as defined in the Property Tax Extension Limitation Law, 35 Illinois Compiled Statutes 200/18-185 through 18-245.

In our opinion, the Bonds are valid and legally binding general obligations of the Metropolitan Water Reclamation District of Greater Chicago, and the District has power and is obligated to levy ad valorem taxes upon all the taxable property within the District for the payment of the Bonds and the interest thereon, without limitation as to rate, but limited as to amount by provisions of the Property Tax Extension Limitation Law. However, the enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and remedies heretofore or hereafter enacted.

We are of the opinion that, under existing law, interest on the Bonds is not includable in the gross income of the owners thereof for Federal income tax purposes. If there is continuing compliance with the applicable requirements of the Internal Revenue Code of 1986 (the "Code"), we are of the opinion that interest on the Bonds will continue to be excluded from the gross income of the owners thereof for Federal income tax purposes. We are further of the opinion that the Bonds are not "private activity bonds" within the meaning of Section 141(a) of the Code. Accordingly, interest on the Bonds is not an item of tax preference for purposes of computing individual or corporate alternative minimum taxable income. However, interest on the Bonds is includable in corporate earnings and profits and therefore must be taken into account when computing corporate alternative minimum taxable income for purposes of the corporate alternative minimum tax.

The Code contains certain requirements that must be satisfied from and after the date hereof in order to preserve the exclusion from gross income for Federal income tax purposes of interest on the Bonds. These requirements relate to the use and investment of the proceeds of the Bonds, the payment of certain amounts to the United States, the security and source of payment of the Bonds and the use of the property financed with the proceeds of the Bonds. The District has covenanted in the Bond Ordinance to comply with these requirements.

Interest on the Bonds is not exempt from Illinois income taxes.

Very truly yours,

2016E BONDS

[Letterhead of Co-Bond Counsel]

[To Be Dated the Closing Date

The Board of Commissioners of the
Metropolitan Water Reclamation District of Greater Chicago

Dear Commissioners:

We have examined a record of proceedings relating to the issuance of $50,000,000 principal amount of General Obligation Unlimited Tax Bonds (Alternate Revenue Source), 2016 Series E (Green Bonds) (the "Bonds") of the Metropolitan Water Reclamation District of Greater Chicago (the "District"), a sanitary district and a body politic and corporate of the State of Illinois. The Bonds are authorized and issued pursuant to the provisions of the Metropolitan Water Reclamation District Act, 70 Illinois Compiled Statutes 2605, and the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350, and by virtue of Ordinance Number O14-006 adopted by the Board of Commissioners of the District on October 2, 2014, and entitled: "An Ordinance Authorizing the Issuance of Not to Exceed $200,000,000 General Obligation Bonds (Alternate Revenue Source) of the Metropolitan Water Reclamation District of Greater Chicago, for the Purpose of Providing Funds for Stormwater Management Projects" and Ordinance Number O16-006 adopted by said Board of Commissioners on April 7, 2016, and entitled: "An Ordinance Providing For the Issuance of Not to Exceed $50,000,000 General Obligation Unlimited Tax Bonds (Alternate Revenue Source) of the Metropolitan Water Reclamation District of Greater Chicago" (collectively, the "Bond Ordinance").

The Bonds are "alternate bonds" issued pursuant to Section 15 of the Local Government Debt Reform Act. The Bonds are issuable in the form of fully registered bonds in the denominations of $5,000 and any integral multiple thereof. The Bonds delivered on original issuance are dated July 7, 2016. The Bonds bear interest from their date at the rate of five per centum (5.00%) per annum, payable on December 1, 2016 and semiannually thereafter on each June 1 and December 1. The Bonds mature on December 1, in each of the following years in the respective principal amount set opposite each such year in the following table:

Year	Principal Amount	Year	Principal Amount
2022	$1,125,000	2031	$ 1,745,000
2023	1,180,000	2032	1,830,000
2024	1,240,000	2033	1,920,000
2025	1,300,000	2034	2,020,000
2026	1,365,000	2035	2,120,000
2027	1,435,000	2036	2,225,000
2028	1,505,000	2041	12,905,000
2029	1,580,000	2045	12,845,000
2030	1,660,000		

The Bonds maturing on or after December 1, 2027 are subject to redemption prior to maturity at the option of the District, in such principal amounts and from such maturities as the District shall determine and by lot within a single maturity, on December 1, 2026 and on any date thereafter, at a redemption price equal to the principal amount thereof to be redeemed.

The Bonds maturing in the years 2041 and 2045 are subject to mandatory redemption, in part and by lot, on December 1 of the years and in the respective principal amounts set forth in the following tables, by the application of sinking fund installments, at a redemption price equal to the principal amount thereof to be redeemed:

2041 Bonds		2045 Bonds	
Year	Principal Amount	Year	Principal Amount
2037	$2,335,000	2042	$2,980,000
2038	2,450,000	2043	3,130,000
2039	2,575,000	2044	3,285,000
2040	2,705,000		

In our opinion, the Bonds are valid and legally binding general obligations of the Metropolitan Water Reclamation District of Greater Chicago, and the District has power and is obligated to levy ad valorem taxes upon all the taxable property within the District for the payment of the Bonds and the interest thereon, without limitation as to rate or amount. However, the enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and remedies heretofore or hereafter enacted.

We are of the opinion that, under existing law, interest on the Bonds is not includable in the gross income of the owners thereof for Federal income tax purposes. If there is continuing compliance with the applicable requirements of the Internal Revenue Code of 1986 (the "Code"), we are of the opinion that interest on the Bonds will continue to be excluded from the gross income of the owners thereof for Federal income tax purposes. We are further of the opinion that the Bonds are not "private activity bonds" within the meaning of Section 141(a) of the Code. Accordingly, interest on the Bonds is not an item of tax preference for purposes of computing individual or corporate alternative minimum taxable income. However, interest on the Bonds is includable in corporate earnings and profits and therefore must be taken into account when

computing corporate alternative minimum taxable income for purposes of the corporate alternative minimum tax.

The Code contains certain requirements that must be satisfied from and after the date hereof in order to preserve the exclusion from gross income for Federal income tax purposes of interest on the Bonds. These requirements relate to the use and investment of the proceeds of the Bonds, the payment of certain amounts to the United States, the security and source of payment of the Bonds and the use of the property financed with the proceeds of the Bonds. The District has covenanted in the Bond Ordinance to comply with these requirements.

Interest on the Bonds is not exempt from Illinois income taxes.

Very truly yours,

2016F BONDS

[Letterhead of Co-Bond Counsel]

[To Be Dated the Closing Date]

The Board of Commissioners of the
Metropolitan Water Reclamation District of Greater Chicago

Dear Commissioners:

We have examined a record of proceedings relating to the issuance of $4,000,000 principal amount of General Obligation Limited Tax Capital Improvement Bonds, (Qualified Energy Conservation Bonds – Direct Payment) 2016 Taxable Series F (Green Bonds) (the "Bonds") of the Metropolitan Water Reclamation District of Greater Chicago (the "District"), a sanitary district and a body politic and corporate of the State of Illinois. The Bonds are authorized and issued pursuant to the provisions of the Metropolitan Water Reclamation District Act, 70 Illinois Compiled Statutes 2605, and the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350, and by virtue of Ordinance Number O16-007 adopted by the Board of Commissioners of the District on April 7, 2016, and entitled: "An Ordinance Authorizing and Providing For the Issuance of Not to Exceed $4,000,000 General Obligation Limited Tax Qualified Energy Conservation Bonds of the Metropolitan Water Reclamation District of Greater Chicago" (the "Bond Ordinance") and a Bond Order dated June 7, 2016 (the "Bond Order").

The Bonds are issuable in the form of fully registered bonds in the denominations of $5,000 and any integral multiple thereof. The Bonds delivered on original issuance are dated July 7, 2016. The Bonds mature on December 1, 2036, and bear interest from their date at the rate of four per centum (4.00%) per annum, payable on December 1, 2016 and semiannually thereafter on each June 1 and December 1.

The Bonds are subject to redemption prior to maturity at the option of the District, as a whole, or in part by lot, on any date, at a make whole redemption price determined pursuant to the Bond Ordinance and the Bond Order.

The Bonds are subject to extraordinary mandatory redemption, as a whole, or in part by lot, at a redemption price for each Bond to be redeemed equal to the principal amount thereof to be redeemed, on July 7, 2019 and on any date thereafter, to the extent required to expend unexpended proceeds of the Bonds in accordance with the requirements of Section 54A(d)(2)(B) of the Internal Revenue Code of 1986 regarding the required expenditure of the available project proceeds of the Bonds within the three year period (or permitted extended period) following the date of issuance of the Bonds.

The Bonds are "limited bonds" as defined in the Local Government Debt Reform Act, which are payable from the "debt service extension base" of the District as defined in the Property Tax Extension Limitation Law, 35 Illinois Compiled Statutes 200/18-185 through 18-245.

Interest on the Bonds is includable in the gross income of the owners thereof for United States Federal income tax purposes and is not exempt from State of Illinois income taxes.

In our opinion, the Bonds are valid and legally binding general obligations of the Metropolitan Water Reclamation District of Greater Chicago, and the District has power and is obligated to levy ad valorem taxes upon all the taxable property within the District for the payment of the Bonds and the interest thereon, without limitation as to rate, but limited as to amount by provisions of the Property Tax Extension Limitation Law. However, the enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and remedies heretofore or hereafter enacted.

Very truly yours,

APPENDIX F

BOOK-ENTRY SYSTEM

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Direct Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds (b) bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis or that DTC, DTC Direct Participants or DTC Indirect Participants will act in the manner described in this OFFICIAL STATEMENT. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedure" of DTC to be followed in dealing with DTC Participants are on file with DTC.

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (*"Direct Participants"*) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (*"DTCC"*). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, and trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (*"Indirect Participants"*). DTC has a S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More

information about DTC can be found at www.dtcc.com and www.dtc.org (such websites are not incorporated herein by such reference).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (*"Beneficial Owner"*) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Bond Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, Bond Registrar or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Bond Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Bond Registrar. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of the book-entry transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the District takes no responsibility for the accuracy thereof.

USE OF CERTAIN TERMS IN OTHER SECTIONS OF THIS OFFICIAL STATEMENT

In reading this Official Statement it should be understood that, while the Bonds are in the Book-Entry System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds; however, all rights of ownership must be exercised through DTC and the book-entry system.

The District cannot and does not give any assurances that DTC, Direct Participants or Indirect Participants of DTC will distribute to the Beneficial Owners of the Bonds (i) payment of principal of or interest on the Bonds (ii) confirmations of their ownership interests in the Bonds or (iii) other notices sent to DTC or Cede & Co., its partnership nominee, as the Registered Owner of the Bonds, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement.

The District does not have any responsibility or obligation to DTC, the Direct Participants or Indirect Participants of DTC or the Beneficial Owners with respect to (1) the accuracy of any records maintain by DTC or any Direct Participants or Indirect Participants of DTC; (2) the payment by DTC or any Direct Participants or Indirect Participants of DTC of any amount due to any Beneficial owner in respect of the principal amount of or interest on Bonds; (3) the delivery by DTC or any Direct Participants or Indirect Participants of DTC of any notice to any Beneficial Owner that is required or permitted to be given to owners under the terms of the Resolution; or (4) any consent given or other action taken by DTC as owner of the Bonds.

Metropolitan Water Reclamation District of Greater Chicago

Multi-Year Awards

1975-2014
Government Finance Officers Association of the United States and Canada
Certificate of Achievement for Excellence in Financial Reporting/Comprehensive Annual Financial Report

1993-2014
Government Finance Officers Association of the United States and Canada
Certificate of Achievement for Excellence in Financial Reporting Award for Retirement Fund's Comprehensive Annual Financial Report

1985-2015
Government Finance Officers Association of the United States and Canada
Award for Distinguished Budget Presentation

2007-2014
Government Finance Officers Association of the United States and Canada
Certificate of Achievement for Excellence in Financial Reporting Award for the Retiree Health Care Trust Fund's Comprehensive Annual Financial Report

2010-2011
Chicago Public Schools
Certificate of Appreciation for providing outstanding work-based learning experiences for Chicago Public School Career and Technical Education students through participation in the Work-Based Learning Program

Individual Year Awards (partial listing)

2011
National Association of Clean Water Agencies, formerly known as Association of Metropolitan Sewage Agencies
NACWA Award for Full Compliance with National Pollutant Discharge Elimination System, Gold Award for Hanover Park Water Reclamation Plant

National Association of Clean Water Agencies, formerly known as Association of Metropolitan Sewage Agencies
NACWA Award for Compliance with National Pollutant Discharge Elimination System, Silver Award for John E. Egan Water Reclamation Plant

Water Environment Federation
Thomas E. Kunetz, Assistant Director of Engineering, is a recipient of the Water Environment Federation's Fellows Recognition Program, which honors professional achievements, stature, and contributions to the water profession

2012
American Academy of Environmental Engineers
Excellence in Environmental Engineering Grand Prize for the University Research for Chicago Health, Environmental Exposure, and Recreation Study (CHEERS)

American Public Works Association
Thomas E. Kunetz, Assistant Director of Engineering, is the recipient of the Charles Walter Nichols Award for National Environmental Excellence, which recognizes outstanding and meritorious achievement in the environmental field

Chicago City Branch and Chicago Metro Chapter: Project of the Year in the Environmental $25 to $75 Million Category for the design of the Calumet Central Boiler Facility

Federation of Women Contractors
Outstanding Program of the Year Award for the MWRD Affirmative Action Program

National Association of Clean Water Agencies, formerly known as Association of Metropolitan Sewage Agencies
NACWA Award for Compliance with National Pollutant Discharge Elimination System, Silver Award for John E. Egan Water Reclamation Plant

Metropolitan Water Reclamation District of Greater Chicago

2013

Illinois Water Environment Association

Commissioner Debra Shore is the recipient of the inaugural Public Official of the Year award. The Public Official of the Year award is presented to an elected or appointed public official that has made a documented significant contribution in the areas of clean water legislation, public policy, government service, or another area of public prominence that resulted in improvements to the water environment

National Association of Clean Water Agencies, formerly known as Association of Metropolitan Sewage Agencies

NACWA Award for Compliance with National Pollutant Discharge Elimination System, Silver Award for John E. Egan and Stickney Water Reclamation Plants

National Association of Clean Water Agencies, formerly known as Association of Metropolitan Sewage Agencies

Former Executive Director Richard Lanyon was inducted into the Hall of Fame and became the fifth District executive in its ranks. The other four are former Director of M&R Dr. Cecil Lue-Hing and former General Superintendents Bart Lynam, Hugh McMillan, and Ben Sosewitz

National Association of Government Defined Contribution Administrators

Leadership Recognition Award of Distinction for National Save for Retirement Week Campaign

Water Environment Research Foundation

Award for Excellence in Innovation

2014

Academy of Interactive and Visual Arts

The Interactive Multimedia Communicator Award for "National Save for Retirement Week Campaign"

Center for Active Design

Excellence Award (Honorable Mention) for the Space to Grow program, a collaboration between the District, Chicago Public School Systems, and the City of Chicago Department of Water Management. Space to Grow was the only submission from Chicago to be recognized. Fellow award recipients span the globe

Illinois Association for Floodplain and Stormwater Management

Sustainability Award for the Space to Grow program for the redevelopment of four school properties using a variety of Best Management Practices for creating green space

National Association of Clean Water Agencies, formerly known as Association of Metropolitan Sewage Agencies

Excellence in Management Platinum Award for excellence in utility management and successful implementation of programs that address the range of management challenges facing public wastewater utilities in today's competitive environment

National Association of Clean Water Agencies, formerly known as Association of Metropolitan Sewage Agencies

NACWA Award for Compliance with National Pollutant Discharge Elimination System, Platinum Award for 23 consecutive years of full compliance for Calumet Water Reclamation Plant; Platinum Award for 18 consecutive years of full compliance for Lemont Water Reclamation Plant; Platinum Award for 10 consecutive years of full compliance for James C. Kirie Water Reclamation Plant; Platinum Award for 9 consecutive years of full compliance for Terrence J. O'Brien Water Reclamation Plant; and Platinum Award for 7 consecutive years of full compliance for Hanover Park Water Reclamation Plant

National Association of Clean Water Agencies, formerly known as Association of Metropolitan Sewage Agencies

NACWA Award for Compliance with National Pollutant Discharge Elimination System, Gold Award for John E. Egan and Stickney Water Reclamation Plants

National Physical Plan Alliance

Champion Award for the Space to Grow program for the collaborative efforts of the District, Chicago Public Schools, and the Department of Water Management in transforming Chicago's underused and outdated schoolyards into vibrant outdoor spaces that benefit students, communities and the environment

2015

Chatham Business Association

Partner Award

Government Finance Officers Association of the United States and Canada

Budget Document recognized as Outstanding as a Communications Device