



Metropolitan Water Reclamation District of Greater Chicago

Press Release

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AAA credit rating affirms MWRD fiscal stability and promising outlook

A sign of financial stability, Fitch Ratings Service has affirmed the Metropolitan Water Reclamation District of Greater Chicago's (MWRD) AAA credit rating.

A new report from Fitch documents the MWRD's continued steady financial performance and flexibility, sufficient reserves to cover unexpected expenditures and overfunding of pension and other post employee benefits while routinely underspending its budgeted expenditures.

"The 'AAA Issuer Default Rating is based upon Fitch's assessment of the district's strong revenue defensibility profile and the expectation of continued steady financial performance," the Fitch report stated.

The report notes that the MWRD provides an essential service to the third largest metropolitan area in the country, and although the MWRD's current capital improvement program is large at \$1.1 billion, it "equates to a very manageable approximately \$70 per customer" living in the MWRD's 882-square-mile service area.

"This AAA credit rating demonstrates our commitment to long-term fiscal management," said MWRD President Mariyana Spyropoulos. "Having reliable financial standing affords us the opportunity to meet long-term vision and goals through the optimization of new technology to bolster our resource recovery efforts and ensure environmental protection of our water. We thank Fitch for recognizing our financial standing."

In its daily role, the MWRD treats and cleans an average of 1.3 billion gallons of used water, serving about 10.35 million people in Chicago and 128 communities across nearly all of Cook County. The MWRD protects the region's waterways and source of drinking water in Lake Michigan, while also protecting homes and businesses from flooding. Fitch reports that the MWRD's service area is broad and diverse, representing all major sectors of employment and strong educational attainment levels. "The district serves a well-developed and mature economy whose stability and growth underpin Fitch's expectations for continued revenue growth," the Fitch report outlines.

The MWRD's Stormwater Management Fund has increased in recent years in light of increasing efforts to create a resilient



The MWRD's Melas Centennial Fountain graces the city skyline along the Chicago River. The MWRD has left a lasting imprint on the quality of the Chicago River and has managed sound finances in the process.

Cook County in the face of changing weather patterns and flooding, according to the Fitch report. But the report also noted that MWRD finances have benefitted from strong discretionary funding of pension and retirement benefits coupled with a favorable labor environment. Recent labor-approved pension reform and health care plan design changes have strengthened the MWRD's finances.

"We could not employ the best technology, invest as much in our communities, or protect our water environment without achieving a strong credit rating," said MWRD Chairman of Finance Frank Avila. "This credit rating validates that our financial house is in order and the investments we make today will yield long-term benefits."

The Civic Federation, a government research organization, has also expressed support for MWRD finances, noting in an analysis of the agency's \$1.15-billion 2018 budget that the MWRD "continues to control operating expenses and maintains financial safeguards, including substantial reserves, to cover shortfalls or financial emergencies." The Civic Federation cited the MWRD's ability to control spending; prepare for unforeseen expenses; restore its pension fund; address worker safety training programs and encourage public participation in the budget process.

For additional information, please visit <https://www.fitchratings.com/site/pr/10030748>

Recovering Resources, Transforming Water

Established in 1889, the MWRD (www.mwr.org) is an award winning, special purpose government agency responsible for used water treatment and stormwater management in Cook County, Illinois.