



Metropolitan Water Reclamation District of Greater Chicago

Press Release

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Balanced MWRD 2022 budget approved, granting critical services to protect public health, water environment



One of the many projects highlighted in the MWRD's 2022 budget is the MWRD's Addison Creek Reservoir, which along with Addison Creek Channel improvements, will protect west suburban communities from flooding.

The Metropolitan Water Reclamation District of Greater Chicago (MWRD) Board of Commissioners has approved a \$1.3-billion budget for 2022 to ensure that critical resources are available for the MWRD to continue its essential work protecting the public health and water environment for more than 5.16 million residents it serves.

The MWRD Board of Commissioners on Dec. 16 formally approved the fiscal year 2022 budget that will support the MWRD's operations at its seven water reclamation plants and allow the MWRD to implement various flood control initiatives across Cook County. To view the budget, visit mwr.org/finances.

"This balanced budget reflects the values of our five-year Strategic Plan that builds on the principles of



MWRD President Kari K. Steele formally approves the MWRD's 2022 budget by signing the adopting ordinances for the levy of taxes that will provide revenue for the MWRD to maintain its critical work protecting the regional water environment.

engagement, collaboration, innovation, equity and resilience to improve the quality of life in the diverse communities we serve throughout Cook County," said MWRD President Kari K. Steele. "The budget approved affords us the opportunity to deliver the continued excellent services that have prevailed at all hours of the day despite the trying times of the COVID-19 pandemic."

The \$1.3-billion budget allows the MWRD to maintain services for Chicago and 128 surrounding municipalities, transforming wastewater into clean water for a total treatment capacity of more than 2.0 billion gallons per day. In addition, the MWRD serves as the regional authority for stormwater management for Cook County and protects area waterways and the region's drinking water supply in Lake *(continued)*

Balanced MWRD 2022 budget approved, *cont.*

Michigan. To accomplish this, the MWRD owns and operates 560 miles of intercepting sewers and force mains, 23 pumping stations, 34 stormwater detention reservoirs and controls 76.1 miles of navigable waterways. The MWRD's renowned [Tunnel and Reservoir Plan \(TARP\)](#) includes more than 110 miles of tunnels and three major reservoirs that protect area waterways from pollution and mitigates flooding in communities served by combined sewer systems across 375 square miles. In 2021, the MWRD's Monitoring and Research Department participated in [sewage surveillance studies](#) to help research partners gain an understanding of how COVID-19 spreading in communities might be detected in sewers, while MWRD employees reported to work to ensure the region had clean water.

The MWRD pursues its mission and many endeavors through the framework established in the MWRD's new 2021-2025 [Strategic Plan](#). This ambitious 21st century roadmap provides leadership with direction on climate change, water resource protection, and guides the region to a safe and sustainable future. The MWRD's new budget affords the MWRD the opportunity to follow this guidance to outlast the pandemic, climate change and other challenges.

"We have worked through a global pandemic, economic volatility and shifting weather patterns to secure a fiscally responsible budget that demonstrates both transparency, affordability and commitment to taxpayers through our continued reliable and innovative service," said MWRD Commissioner Marcelino Garcia, chairman of Finance. "We have also made it an obligation to strengthen our pension reserves and protect future resources."

The MWRD's budget is highlighted by that commitment to fulfilling its pension fund. After receiving statutory authority to contribute additional revenues to the pension fund, the MWRD will contribute \$30.0 million in Corporate Fund budgetary reserves to the Retirement Fund to maintain the funded ratio. The 2022 Budget will also continue to fund \$5.0 million annually to the OPEB (Other Postemployment

Benefits) Trust Fund, which is projected to be fully funded by 2026 to ensure retiree benefits.

The budget, passed on Dec. 16, is supported by a 2022 tax levy of \$678.9 million, a 2.5 percent increase from the 2021 tax levy. The MWRD represents 5.47 percent of the homeowner's tax bill. Estimated taxes to be paid for a home with a market value of \$200,000 are \$242 for 2022.

The 2022 budget reflects a recent MWRD bond sale that provides \$182.5 million in new project funding and will result in \$152.2 million in future levy savings on the refunding bond portion of the sale. The budget also includes a prepayment on five state revolving fund (SRF) loans totaling \$43.0 million, leveraging accumulated investment income to optimize low interest rates and result in savings of \$12.7 million over 15 years.

Low interest rates will help fund the MWRD's Capital Improvement Program, but inflationary pressures and supply chain concerns have influenced budget cost estimates in both operating needs of the MWRD's Corporate Fund (\$438.5 million) and the Capital Improvement Program (\$313.9 million). Two of the MWRD's largest non-personnel expenditures, chemicals and electricity, are expected to see price increases in 2022, officials said. The MWRD has been able to shoulder these increases in 2021 through higher-than-expected personal property replacement tax collections, position vacancy management, reduction in discretionary spending, and delays in other operational spending due to the pandemic slowdown.

The Corporate Fund Budget will invest in key treatment operations, including new water reclamation plant technology and projects and initiatives related to the Strategic Plan. The Capital Improvement Plan will help the MWRD rehabilitate and modernize aging infrastructure, complete TARP and implement wastewater treatment innovation.

The Stormwater Management Fund Budget (\$97.0 million) supports the MWRD's Cook (*continued*)

Balanced MWRD 2022 budget approved, *cont.*

County Stormwater Management Plan in reducing flooding throughout the region. This fund gives the MWRD resources to invest in key projects in 2022 that include the Addison Creek Channel improvements, the 135th Street flood mitigation project in Crestwood, the Midlothian Creek diversion channel flood control project in Robbins and dozens of local green infrastructure projects.

“We are proud to present this approved budget that acknowledges our role as both stewards to our taxpayer resources and our water environment,” said MWRD Commissioner Josina Morita, chairman of the Budget and Employment Committee. “These critical dollars will improve our operations, protect area water quality, mitigate flooding and allow us to maintain our record of vigilance, dedication and innovation to the 5.16 million residents we serve.”

In its latest review and report this fall, Fitch Ratings again affirmed the MWRD’s AAA credit rating for its reliable revenue streams, low operating costs, and an improving debt leverage ratio. The Government Finance Officers Association (GFOA) of the United States and Canada has also honored the MWRD with the Distinguished Budget Presentation Award for 37 consecutive years. The MWRD has also received the GFOA’s Certificate of Achievement for Excellence in Financial Reporting for 46 consecutive years. The MWRD Retirement Fund and the MWRD Retiree Health Care Trust have received the Certificate of Achievement for Excellence in Financial Reporting for 28 and 14 consecutive years, respectively. The certificates are also one of the highest forms of recognition in accounting and financial reporting by state and local government.

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