



Metropolitan Water Reclamation District of Greater Chicago

Press Release

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MWRD tax abatement yields savings on property tax bills

Property owners will receive savings on future property taxes thanks to a pair of ordinances approved by the Metropolitan Water Reclamation District of Greater Chicago (MWRD) Board of Commissioners. The ordinances will direct the Cook County Clerk to abate property taxes by more than a combined \$67 million. A portion of these tax reductions will be reflected in the second installment of 2021 real estate tax bills that will be mailed to homeowners later this year and will provide additional savings in future tax levies.

The first abatement ordinance of more than \$11.2 million will reduce the tax for homeowners for the 2021 final tax levy for the stormwater capital project debt service requirement. This amount is no longer needed to pay the annual debt service related to the 2014, 2016, and 2021 stormwater alternate revenue bond issues and two stormwater loans with the IEPA because they will be fully funded by the MWRD's Stormwater Tax Levy. A similar abatement ordinance was passed each of the last seven years and will be requested each year while the MWRD's bonds are outstanding. The life of these bonds is 30 years.

In January 2021, the MWRD completed the early redemption of five state revolving fund loans using funds accumulated by the MWRD for debt service restructuring. As a result, Commissioners also approved a second abatement that will provide for several future tax year levies in the MWRD's Bond and Interest Fund in an amount of more than \$56 million. The interest savings resulting from these pre-payments is nearly \$12.7 million.



The MWRD treats the region's wastewater, manages stormwater and protects the water quality of area waterways like the North Branch of the Chicago River.

"The tax abatement of more than \$67 million represents a true savings to the taxpayers due to the MWRD's responsible management of debt service funds," said MWRD President Kari K. Steele. "These financial practices allow us the flexibility to deliver essential services and make critical resources available to protect public health and the water environment."

The MWRD's \$1.3 billion budget for fiscal year 2022 is supported by a tax levy of \$678.9 million. The MWRD taxing authority service area incorporates 83 percent of Cook County and includes 98 percent of the assessed property valuation in the county. The MWRD represents 5.47 percent of the homeowner's 2020 tax bill in Chicago.

"This savings represents our accountability to taxpayers," said MWRD Chairman of Finance Marcelino Garcia. "It is our mission to not only protect our water environment but also work within our *(continued)*

MWRD tax abatement yields savings on property tax bills, *cont.*

means to stay on budget in a fair and transparent process that represents responsible stewardship for both our finances and water resources.”

The MWRD can treat more than 2 billion gallons of wastewater per day to transform it into clean water for 5.16 million people living 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. 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. Through its comprehensive collection and sampling processes, the MWRD continues to help research partners and public health departments gain an understanding of how COVID-19 spreading in communities might be detected in sewers. Despite this wide range of services across 882 square miles, the MWRD has managed to keep rates affordable compared to other utilities across the country.

To fund projects, the MWRD has also issued green bonds to allow investors to invest directly in bonds

which specifically fund, or partially fund, environmentally beneficial capital projects undertaken by the MWRD. Green bonds are secured by the full faith and credit of the MWRD, and therefore, holders of the bonds do not assume any specific project-related risk.

The MWRD has been recognized for its prudent finances. In 2021, Fitch Ratings and S&P Global affirmed the MWRD’s AAA and AA credit ratings, respectively, 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 the Certificate of Achievement for Excellence in Financial Reporting for 28 and 14 consecutive years, respectively. The certificates are one of the highest forms of recognition in accounting and financial reporting by state and local government.

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Recovering Resources, Transforming Water

Established in 1889, the Metropolitan Water Reclamation District of Greater Chicago (MWRD) is an award-winning, special purpose government agency responsible for wastewater treatment and stormwater management in Cook County, Illinois. Learn more at mwrld.org.