



\$558,500,000*

Illinois Finance Authority

State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2017

Investor Presentation

August 22, 2017



* Preliminary, subject to change.

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IFA and IEPA Management and Financing Overview

IFA and IEPA Management and Financing Overview

Illinois Finance Authority and Illinois Environmental Protection Agency Management Teams

▪ Illinois Finance Authority (IFA)

- Chris Meister, Executive Director
- Elizabeth Fleming Weber, General Counsel
- Ximena Granda, Controller
- Rich Frampton, Executive Vice President
- Brad Fletcher, Assistant Vice President



Chris Meister
Executive Director
Illinois Finance Authority

▪ Illinois Environmental Protection Agency (IEPA)

- Alec Messina, Director
- Donovan Griffith, Deputy Director
- John J. Kim, Chief Legal Counsel
- Carol Radwine, Chief Financial Officer
- Mark Edmiston, Finance Manager
- Gary Bingenheimer, Manager, Infrastructure Financial Assistance Section
- Kevin Bryant, Water Revolving Fund Finance Manager



Alec Messina
Director
Illinois Environmental
Protection Agency

IFA and IEPA Management and Financing Overview

Financing Team

- **Financial Advisors**

- Acacia Financial Group, Inc.
- Sycamore Advisors, LLC

- **Issuer's Counsel**

- Schiff Hardin LLP

- **Bond Counsel**

- Katten Muchin Rosenman LLP

- **Senior Managers**

- Bank of America Merrill Lynch (Bookrunner)
- Citigroup (Co-Senior)

- **Co-Managers**

- Academy Securities, Inc.
- Cabrera Capital Markets
- Janney Montgomery Scott, LLC
- Loop Capital Markets, LLC
- Mesirow Financial

- **Co-Underwriters' Counsel**

- Chapman and Cutler LLP
- Pugh, Jones & Johnson, P.C.

- **Trustee**

- Amalgamated Bank of Chicago

IFA and IEPA Management and Financing Overview

Financing Overview

Par Amount	\$558,500,000*	Maturity	Preliminary Par*
Purpose	Proceeds from the sale of the Series 2017 Bonds will be used (i) to fund loans made by the IEPA to units of local government in the State of Illinois to finance eligible wastewater treatment and sanitary sewerage facilities and drinking water facilities and (ii) to pay costs of issuance	7/1/2018	\$8,700,000
Security	Series 2017 Bonds are limited obligations of the IFA, payable solely from (i) payments, revenues and receipts derived from the Pledged Agreements (but excluding payments of Loan Support Fees) and (ii) any other funds held by the Master Trustee under the Master Trust Agreement	1/1/2019	9,970,000
Tax Status	Tax-exempt for federal income tax purposes Not exempt from Illinois income taxes	7/1/2019	11,050,000
Bond Structure	7/1/2018 – 7/1/2037* Serial Bonds due semi-annually	1/1/2020	12,560,000
Optional Redemption	On or after January 1, 2027* at par	7/1/2020	13,380,000
Extraordinary Mandatory Redemption	Subject to extraordinary mandatory redemption to meet compliance with the use of proceeds requirements of the Tax Increase Prevention and Reconciliation Act (in years 1 and 3, as more fully described in the POS)	1/1/2021	13,940,000
Consent to Master Trust Agreement Amendments	Bondholders and Beneficial Owners of the Series 2017 Bonds, by their purchase, shall be deemed to have irrevocably consented to the Fund Release Amendment and the Equity Fund Amendment. See pages 4, 15 and 16 herein, as well as the POS for details	7/1/2021	14,595,000
Ratings	S&P: AAA and Fitch: AAA	1/1/2022	14,820,000
Preliminary Official Statement ("POS")	Available at www.munios.com	7/1/2022	15,040,000
		1/1/2023	15,665,000
		7/1/2023	16,080,000
		1/1/2024	16,480,000
		7/1/2024	16,640,000
		1/1/2025	16,735,000
		7/1/2025	16,635,000
		1/1/2026	16,480,000
		7/1/2026	16,840,000
		1/1/2027	17,120,000
		7/1/2027	16,370,000
		1/1/2028	16,430,000
		7/1/2028	16,115,000
		1/1/2029	16,325,000
		7/1/2029	15,980,000
		1/1/2030	15,890,000
		7/1/2030	15,695,000
		1/1/2031	15,545,000
		7/1/2031	15,840,000
		1/1/2032	15,910,000
		7/1/2032	15,770,000
		1/1/2033	15,145,000
		7/1/2033	14,205,000
		1/1/2034	13,775,000
		7/1/2034	12,810,000
		1/1/2035	13,195,000
		7/1/2035	12,740,000
		1/1/2036	11,815,000
		7/1/2036	11,345,000
		1/1/2037	8,005,000
		7/1/2037	6,865,000
			\$558,500,000

* Preliminary, subject to change.

IFA and IEPA Management and Financing Overview

Program Structure

- All of the Agreements assigned and pledged to the Master Trustee pursuant to the Master Trust Agreement as of the date of issuance of the Series 2017 Bonds (the “Pledged Agreements”) are pledged to secure payment of the Bonds (but excluding payment of Loan Support Fees)
 - As of June 30, 2017, the Pledged Agreements, having outstanding balances or remaining future disbursements, consisted of 745 Loans with an aggregate outstanding principal amount of \$2,562,344,699 which secure the Series 2013 Bonds, Series 2016 Bonds and Series 2017 Bonds
- The repayment obligations under the Pledged Agreements of each Participant may be from one or more revenue sources of the Participant, which most often includes revenues from the Participant’s water and sewer system, sales taxes, bond proceeds, property taxes or other special assessments
- The Third Supplemental Master Trust Agreement contains amendments to the Master Trust Agreement, certain of which will become effective upon the issuance of the Series 2017 Bonds without Bondholder consent and two of which (the Fund Release Amendment and the Equity Fund Amendment) require the consent of the holders of a majority in aggregate principal amount of the outstanding Bonds
 - In the event that the aggregate principal amount of the Series 2017 Bonds exceeds \$556,755,000, all conditions to the effectiveness of the Fund Release Amendment and the Equity Fund Amendment will have been satisfied and the Master Trust Agreement will be so amended
- Clean Water (“CW” or “CWSRF”) and Drinking Water (“DW” or “DWSRF”) Loan Programs are cross-collateralized
- No debt service reserve funds required
- IEPA has a separate payment intercept authority pursuant to Section 10.05 of the State Comptroller Act (15 ILCS 405) which it may use, in its discretion, to secure the repayment obligations under a Pledged Agreement of a Participant
 - In the event of default, each Pledged Agreement provides the IEPA authority to initiate collection, including the right of offset, in accordance with the Illinois State Collection Act of 1986 (30 ILCS 210) or to pursue collection by any other reasonable means provided by law
- **Ratings of AAA/AAA by S&P/Fitch**

IFA and IEPA Management and Financing Overview

Overview of the Illinois Finance Authority

- IFA was established in 2004 to provide “access to low-cost capital to public and private institutions that are aligned with the mission of fostering economic development, creating and retaining jobs, and improving quality of life for Illinois residents”
- Under the Authority Act, IFA may not have outstanding at any one time bonds for any of its corporate purposes in an aggregate principal amount exceeding \$28,150,000,000 (subject to change, from time to time, by acts of the State Legislature), excluding bonds issued to refund the bonds of IFA or bonds of the predecessor authorities
- IFA has no taxing power
- IFA has issued \$641,700,000 of Clean Water Initiative Revolving Fund Revenue Bonds of which \$556,755,000 are currently outstanding
 - \$141,700,000 State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2013, of which \$67,315,000 are currently outstanding
 - \$500,000,000 State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2016, of which \$489,440,000 are currently outstanding

Joliet Tunnel Site



IFA and IEPA Management and Financing Overview

Overview of Illinois Environmental Protection Agency

- IEPA was established in 1970 to “safeguard environmental quality consistent with the social and economic needs of the State, so as to protect health, welfare, property and the quality of life”
- Under State law, IEPA is designated as the primary operations agency for purposes of the major federal environmental protection programs.
 - Statutory authority is granted for policy and regulatory development, planning and monitoring, permitting, inspections and enforcement, remedial actions, emergency management, and environmental infrastructure assistance
- IEPA oversees and operates the Clean Water and Drinking Water SRF programs
 - IEPA is responsible for the overall management of the SRF Programs, including review and approval of planning documents, plans and specifications, legal authority, dedicated source of revenue, and disbursement requests
 - IEPA provides low-cost loans to units of local government for qualified wastewater and drinking water capital projects
- As of June 30, 2017, IEPA had made:
 - 870 loans pursuant to the Clean Water Program, and had 509 Clean Water Program loans outstanding (approximately \$2.753 billion)
 - 572 loans pursuant to the Drinking Water Program, and had 472 Drinking Water Program loans outstanding (approximately \$911 million)

Collinsville Project



IFA and IEPA Management and Financing Overview

Program Management Responsibilities

- IEPA and IFA have entered into a Memorandum of Agreement for the Clean Water Initiative to work cooperatively and to identify and designate the responsibilities and authority of each entity. Please see “Memorandum of Agreement” in the POS, page 33, for more information



-
- IEPA is responsible for the overall management of the SRF Programs and the associated loans
 - Establish procedures for reviewing, processing, and approving applications and documentation used in the SRF Programs
 - Administer programmatic, operational, regulatory and financial matters relative to the loan program
 - Review and monitor loans
 - Maintain project files



-
- IFA is responsible for activities in connection with issuing bonds or note obligations, proceeds of which will be used by the IEPA to finance eligible projects
 - Includes arbitrage rebate compliance, compiling and reporting annual continuing disclosure, and certain quarterly reports to the Master Trustee under the Master Trust Agreement
 - Investment management of indenture funds

SRF Program Overview

SRF Program Overview

Loan Origination

- In order to qualify for funding from a SRF Program, a project must be listed on IEPA's Project Priority Lists of eligible water quality projects and eligible drinking water projects (each, a "Priority List"), which sets forth the projects expected or proposed to receive financial assistance under the SRF Programs.
- Each project is ranked on the applicable Priority List based on its Loan Priority Index ("LPI") calculated by the IEPA

- **Drinking Water Program** loan requests are ranked on:

- Existing populations served by the proposed project
- Project need (based on existing drinking water quality)
- Financial hardship in project area
- Steps taken by the applicant to protect source water or promote water conservation
- Whether the project will serve a small community

- **Clean Water Program** loan requests are ranked on:

- Financial impact of the project
- Whether the project is intended to provide new wastewater collection service, expand existing capacity, upgrade or renovate existing facilities or reduce flooding
- Other factors considered include existing water quality, organic load, health hazard, facilities condition and utilization, potential economic benefit and operating excellence of existing facilities



SRF Program Overview

Loan Review Process

- Once a project is placed on the applicable Priority List, the potential Participant must file an application with IEPA for financial assistance for such project
- The application is reviewed by IEPA to determine whether the proposed project addresses:
 - Needs identified in the approved plan
 - Compliance with regulatory and statutory requirements
 - Project administration, which determines if the project is eligible for funding in accordance with state and federal regulations
 - Environmental aspects
 - Financial capability including an applicant's ability to repay the Loan
- IEPA determines whether, and on what terms and conditions, financial assistance will be provided
- Loan security – dedicated repayment sources
 - *Water/Wastewater System Revenues* - approximately 72.3% of the aggregate principal amount of Loans outstanding
 - *General Obligation Debt (Property Tax)* - approximately 24.7% of the aggregate principal amount of Loans outstanding
 - *Other Sources* - approximately 3.0% of the aggregate principal amount of Loans outstanding

MWRD/Ostara Nutrient Recovery Facility



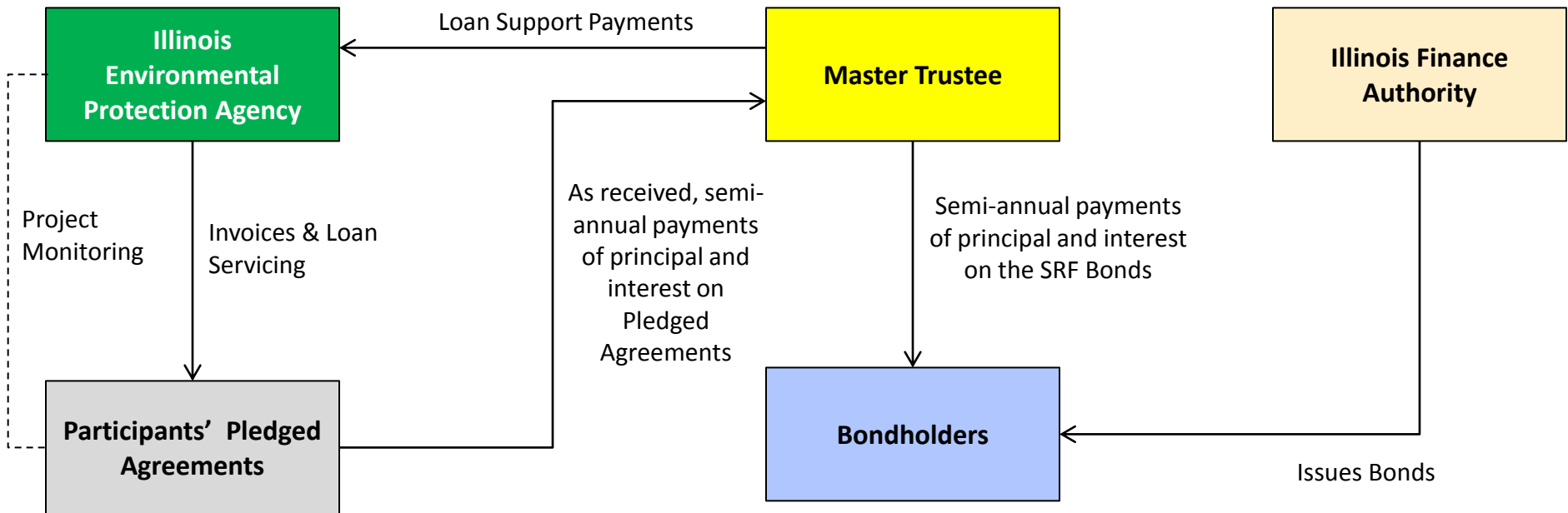
SRF Program Overview

Loan Management and Servicing

- Once a Loan is made, IEPA produces invoices and the Participant remits Loan payments semi-annually to the Master Trustee
- To the extent IEPA does not receive a Loan repayment, it sends a formal notice of delinquency promptly if a payment is more than 15 days in arrears
 - It has not been necessary for IEPA to send a formal notice of delinquency to a Participant with respect to any Loan issued pursuant to a Pledged Agreement since the execution and delivery of the Master Trust Agreement
- IEPA assigns to each Loan a fixed rate of interest determined at the time a Loan is made to a Participant equal to the Base Loan Rate, the Small Community Rate or the Hardship Rate
 - The Base Loan Rate is the rate computed annually using the mean interest rate of the Bond Buyer 20-Bond G.O. Index of the preceding State fiscal year rounded to the nearest one hundredth of a percent and multiplied by 50 percent
 - The Base Loan Rate through June 30, 2018, is 1.76% for each of the Clean Water Program and the Drinking Water Program
 - Small Community Rate - a fixed loan rate equal to 75% of the Base Loan Rate
 - Hardship Rate - a fixed loan rate of 1.0%
- IEPA may require a separate reserve for any subordinate revenue loans to a Participant
- Participants may receive a 0.2% discount from the applicable Fixed Loan Rate (the “Environmental Impact Discount”), where at least 50% of the eligible project costs fund:
 - new projects for the collection or treatment of unsewered communities
 - projects involving nutrient removal or nutrient loss reduction
 - green infrastructure projects
 - projects lowering water demand
 - projects reducing energy demands at a wastewater treatment facility or
 - projects involving the removal or replacement of lead in water mains or service lines

SRF Program Overview

Loan Management and Servicing (Continued)



No Payment Defaults have occurred with respect to any pledged Clean Water or Drinking Water Loans

SRF Program Overview

Restructuring of Loans

- The IEPA has announced a policy for authorizing Loan restructuring which provides Loan restructuring will only be approved for Participants demonstrating their existing Loan imposes a financial hardship jeopardizing the Participant's ability to repay the Loan on a timely basis
- The Master Trust Agreement provides that the Authority will provide its consent to an amendment, change, modification, alteration or termination of a Pledged Agreement only if the Master Trustee has received the evidence required under the Master Trust Agreement that, taking into account the contemplated amendments, changes, modifications, alterations or terminations of such Pledged Agreements:
 - i. the Projected Asset Coverage Ratio for each subsequent Bond Year is not less than 1.20:1.00 and
 - ii. the resulting Revenues available for the payment of the principal of and interest on the Bonds are reasonably expected to be sufficient to pay the principal of and interest due on the Bonds on each Interest Payment Date and at maturity thereof
- The IEPA can give no assurance as to the number of current or future Participants that will apply for restructuring, however, an application for restructuring does not guarantee a Participant's Loan will be restructured

Joliet Tunnel Project



Financing Structure Summary

Financing Structure Summary

Trust Indenture and Security

- The 2017 Bonds will be issued under the 2013 Master Trust Agreement
 - Open indenture structure; the Series 2017 Bonds are on parity with the Series 2013 Bonds and Series 2016 Bonds
 - Cash flow model
 - Debt service reserve fund allowed, however no reserves required in connection with the Series 2017 financing or any other outstanding bonds (Series 2013 Bonds or Series 2016 Bonds)
 - Use of pledged Equity Fund, subject to release upon certain criteria being met
 - Includes the ability to issue leveraged and state match bonds
 - No state match bonds will be issued as part of the Series 2017 Bonds
- Clean Water and Drinking Water Loan Programs are cross-collateralized
- Includes two coverage tests:
 - Projected Debt Service Coverage Ratio – 1.05x revenues to debt service used for additional issuance (1.00x for subordinate obligations)
 - Projected Asset Coverage Ratio – 1.20x assets to debt service used for release of assets
- The Third Supplemental Master Trust Agreement contains amendments to the Master Trust Agreement, certain of which will become effective upon the issuance of the Series 2017 Bonds without Bondholder consent and two of which (the Fund Release Amendment and the Equity Fund Amendment) require the consent of the holders of a majority in aggregate principal amount of the outstanding Bonds. Please also see page 15 and page 16 as well as the POS for more information

Financing Structure Summary

Flow of Funds

1. On each Interest Payment Date, the Master Trustee shall deposit into the applicable State Match Portion Subaccounts of the Bond Fund:
 - i. first from the moneys on deposit in the applicable Interest Subaccounts of the Revenue Fund, and
 - ii. second from moneys on deposit in the applicable Interest Subaccounts of the Equity Fund, an amount which when aggregated shall be sufficient to pay the principal of and interest on the State Match Portion of the Bonds due on such Interest Payment Date
2. In addition, on each Interest Payment Date, there shall be deposited into the Leveraged Portion Subaccount of the Bond Fund, an amount which when aggregated shall be sufficient to pay the principal of the Leveraged CWSRF Portion and the Leveraged DWSRF Portion of the Bonds due on such date, plus the interest due on such Interest Payment Date on the Leveraged CWSRF Portion and the Leveraged DWSRF Portion of the Bonds Outstanding, from the following sources and in the following order of priority:
 - i. moneys on deposit in the applicable Principal Subaccounts of the Revenue Fund,
 - ii. moneys on deposit in the applicable Interest Subaccounts of the Revenue Fund (the Leveraged Portion Subaccount of the Bond Fund will receive these moneys only after the State Match Portion Subaccounts of the Bond Fund have received sufficient funds to meet their debt service payment requirements), and
 - iii. moneys on deposit in the Equity Fund
3. Until such time as the Fund Release Amendment shall become effective, as described on the next page, the Master Trustee thereafter shall transfer all excess amounts remaining on deposit in the Principal Subaccounts and Interest Subaccounts of the Revenue Fund attributable to the Bonds to the appropriate subaccounts of the Equity Fund
4. On the first Business Day of each month, the Master Trustee shall:
 - i. transfer all amounts held in the Loan Support Fee Subaccounts to the IEPA,
 - ii. transfer all amounts held in the Redemption Subaccounts to the Equity Fund and
 - iii. transfer all investment earnings on all moneys held in the Bond Fund to the applicable Interest Subaccount of the Revenue Fund

Financing Structure Summary

Fund Release Amendment and Equity Fund Amendment

- The Third Supplemental Master Trust Agreement contains amendments to the Master Trust Agreement, certain of which will become effective upon the issuance of the Series 2017 Bonds without Bondholder consent and two of which (the Fund Release Amendment and the Equity Fund Amendment) require the consent of the holders of a majority in aggregate principal amount of the outstanding Bonds
- The Bondholders and Beneficial Owners of the Series 2017 Bonds, by their purchase thereof, shall be deemed to have irrevocably consented to the Fund Release Amendment and the Equity Fund Amendment
 - In the event that the aggregate principal amount of the Series 2017 Bonds exceeds \$556,755,000, all conditions to the effectiveness of the Fund Release Amendment and the Equity Fund Amendment will be satisfied and the Master Trust Agreement will be so amended
 - If the aggregate principal amount of the Series 2017 Bonds is less than \$556,755,000, the Fund Release Amendment and the Equity Fund Amendment will become effective at such time as the Master Trustee has received consents from the holders of a majority in aggregate principal amount of the Bonds then outstanding
- From and after the time the Fund Release Amendment becomes effective as described above, the provisions of paragraph 3, of the prior slide, shall read as follows:
 - On the first Business Day of each month, if the aggregate amount on deposit in the Principal Subaccount and the Interest Subaccount of each of the CWSRF Revenue Account and the DWSRF Revenue Account is at least equal to the Debt Service Requirement, then the Master Trustee shall transfer any amounts on deposit in such subaccounts in excess of the Debt Service Requirement to the appropriate subaccounts of the Equity Fund

Financing Structure Summary

Fund Release Amendment and Equity Fund Amendment (continued)

- The Equity Fund Amendment would permit amounts on deposit in the Equity Fund to be withdrawn from the Equity Fund and used to pay, without evidencing satisfaction of the Projected Asset Coverage Ratio after such withdrawal, expenses related to the Master Trust Agreement including, without limitation, fees and expenses of the Authority's investment managers and advisors relating to investment of the funds held under the Master Trust Agreement. It currently reads as follows:
 - Amounts on deposit in the Equity Fund may also be used to pay fees and expenses of the Master Trustee, make grants, make deposits, and provide other subsidies and assistance in connection with the SRF Programs upon such terms as the Authority may determine in accordance with the Memorandum of Agreement between the Authority and IEPA dated as of November 1, 2013, as amended by the First Amendment to Memorandum of Agreement dated as of June 30, 2014, the Second Amendment to Memorandum of Agreement dated as of September 1, 2016, the Third Amendment to Memorandum of Agreement dated as of April 1, 2017, and the Fourth Amendment to Memorandum of Agreement dated as of September 1, 2017, and as the same may be hereafter supplemented and amended (the "MOA"); provided that there is first delivered to the Master Trustee a written report of an Authorized Officer stating that the Projected Asset Coverage Ratio for each subsequent Bond Year is not less than 1.20:1.00, taking into account the proposed transfer from the Equity Fund
- From and after the time the Equity Fund Amendment becomes effective as described above, the provisions of the immediately preceding paragraph shall read as follows:
 - Amounts on deposit in the Equity Fund may be withdrawn from the Equity Fund and be used to pay (i) fees and expenses of the Master Trustee, (ii) expenses related to the Master Trust Agreement including, without limitation, fees and expenses of the Authority's investment managers and advisors relating to investment of the funds held under the Master Trust Agreement and (iii) the annual management fee of the Authority set forth in the Memorandum of Agreement between the Authority and IEPA dated as of November 1, 2013, as amended by the First Amendment to Memorandum of Agreement dated as of June 30, 2014, the Second Amendment to Memorandum of Agreement dated as of September 1, 2016, the Third Amendment to Memorandum of Agreement dated as of April 1, 2017, and the Fourth Amendment to Memorandum of Agreement dated as of September 1, 2017, and as the same may be hereafter supplemented and amended (the "MOA"). Additionally, provided that there is first delivered to the Master Trustee a written report of an Authorized Officer stating that the Projected Asset Coverage Ratio for each subsequent Bond Year is not less than 1.20:1.00, taking into account the proposed transfer from the Equity Fund, amounts on deposit in the Equity Fund may also be used to make grants, make deposits, and provide other subsidies and assistance in connection with the SRF Programs upon such terms as the Authority may determine in accordance with the MOA

Financing Structure Summary

Trust Indenture and Security

- The Bonds are not general obligations of the IFA, nor will they constitute an indebtedness or an obligation of the IFA, the State or any political subdivision thereof
- The Bonds are limited obligations payable solely from revenues or other amounts pledged under the Master Trust Agreement
- The Bonds are secured by:
 - Payments, revenues and receipts derived from the Pledged Agreements (but excluding Loan Support Fees)
 - Any other funds held under the Master Trust Agreement and available for such payment
- Loan Support Fees, which are primarily used for administrative expenses for CW and DW program activities, are not pledged to secure the Bonds
 - The Loan Support Fee for all outstanding Pledged Agreements is currently equal to 50% of the applicable Fixed Loan Rate (the Base Loan Rate, the Small Community Rate or the Hardship Rate, as applicable)

Hoopeston Water Tank Project



Financing Structure Summary

Pledged Loan Portfolio Composition

- As of June 30, 2017, the Pledged Agreements having outstanding balances or remaining future disbursements consisted of 745 Loans with an aggregate outstanding principal amount of \$2,562,344,699, generally described as follows:

	Loans Outstanding Under Pledged Agreements
Number of Discrete Borrowers	402
Average Outstanding Balance	\$3,439,389
Interest Rate Range ¹	1.25% to 2.91%
Interest Rate Range (Net of Loan Support Payments)	0.63% to 1.46%
Loan Maturity Range	1 month to 22 years
<hr/> Security for Loans (calculated on aggregate principal amount of Loans outstanding):	
Water/Wastewater System Revenues	72.3%
General Obligation Debt (Property Tax)	24.7%
Other Sources	3.0%

¹ Includes Loan Support Fee component of interest rate, which is not pledged to the payment of the Bonds

Financing Structure Summary

Pledged Loan Portfolio Composition (Continued)

- A discrete borrower may be a Participant with respect to a number of Agreements. The ten borrowers having the largest aggregate outstanding balances on Loans made under the Agreements constituting Pledged Agreements comprise approximately 54.1% of the total outstanding balance of all Loans made under Agreements that are part of the Pledged Agreements, such borrowers being further described as follows:

Top 10 Borrowers	Loan Balance	Loan Balance (% of Total)	Security
Metropolitan Water Reclamation District of Greater Chicago	\$657,783,400	25.7%	Property Tax, Revenues of the System, User Charges ⁽¹⁾
Chicago	304,086,066	11.9%	Revenues of the System
Fox Metro Water Reclamation District	77,662,194	3.0%	Revenues of the System
Kankakee River Metropolitan Agency	62,148,749	2.4%	Revenues of the System
Belleville	57,780,894	2.3%	Revenues of the System
Joliet	54,434,155	2.1%	Revenues of the System
Sangamon County Water Reclamation District	47,984,461	1.9%	Revenues of the System
Urbana and Champaign Sanitary District	43,184,477	1.7%	Revenues of the System
Rock Island	41,969,777	1.6%	Revenues of the System
Evanston	40,233,236	1.6%	Revenues of the System
Total	\$1,387,267,409	54.1%	

(1) Consists of \$629,729,570 of Loans secured by property taxes, \$25,215,100 secured by system revenues and \$2,838,730 secured by user charges and property taxes.

Financing Structure Summary

Projected Cash Flow and Debt Service Table

- For additional details and assumptions for this table, please see page 13 of the POS - "PROJECTED CASH FLOW AND DEBT SERVICE TABLE – PROJECTED DEBT SERVICE COVERAGE FOR THE BONDS"

PAYMENT DATE	LOAN REPAYMENTS*	TOTAL SERIES 2013 BONDS DEBT SERVICE	TOTAL SERIES 2016 BONDS DEBT SERVICE	SERIES 2017 BONDS PRINCIPAL [†]	SERIES 2017 BONDS INTEREST ^{† ‡}	TOTAL SERIES 2017 BONDS DEBT SERVICE [†]	TOTAL BONDS DEBT SERVICE [†]	PROJECTED DEBT SERVICE COVERAGE RATIO [†]
1/1/2018	\$83,645,361	\$11,204,175	\$24,387,700		\$8,180,904	\$8,180,904	\$43,772,779	1.91x
7/1/2018	89,259,440	10,565,675	25,110,200	\$8,700,000	13,509,750	22,209,750	57,885,625	1.54
1/1/2019	90,660,859	9,467,175	25,183,000	9,970,000	13,292,250	23,262,250	57,912,425	1.57
7/1/2019	91,830,052	8,580,425	25,278,700	11,050,000	13,043,000	24,093,000	57,952,125	1.58
1/1/2020	92,751,364	7,875,675	25,077,450	12,560,000	12,766,750	25,326,750	58,279,875	1.59
7/1/2020	92,527,415	7,003,800	24,916,950	13,380,000	12,452,750	25,832,750	57,753,500	1.60
1/1/2021	91,594,755	5,224,300	24,831,075	13,940,000	12,118,250	26,058,250	56,113,625	1.63
7/1/2021	90,521,470	3,797,175	24,702,825	14,595,000	11,769,750	26,364,750	54,864,750	1.65
1/1/2022	89,427,064	3,625,925	24,208,075	14,820,000	11,404,875	26,224,875	54,058,875	1.65
7/1/2022	87,944,957	3,448,625	23,575,825	15,040,000	11,034,375	26,074,375	53,098,825	1.66
1/1/2023	87,803,738	2,697,250	23,479,575	15,665,000	10,658,375	26,323,375	52,500,200	1.67
7/1/2023	87,478,386	1,952,625	23,374,775	16,080,000	10,266,750	26,346,750	51,674,150	1.69
1/1/2024	86,826,098		24,026,025	16,480,000	9,864,750	26,344,750	50,370,775	1.72
7/1/2024	85,909,163		23,441,025	16,640,000	9,452,750	26,092,750	49,533,775	1.73
1/1/2025	84,072,643		22,665,025	16,735,000	9,036,750	25,771,750	48,436,775	1.74
7/1/2025	82,861,974		22,050,325	16,635,000	8,618,375	25,253,375	47,303,700	1.75
1/1/2026	80,193,370		21,141,325	16,480,000	8,202,500	24,682,500	45,823,825	1.75
7/1/2026	79,768,359		20,750,950	16,840,000	7,790,500	24,630,500	45,381,450	1.76
1/1/2027	79,265,473		20,413,650	17,120,000	7,369,500	24,489,500	44,903,150	1.77
7/1/2027	76,354,073		19,228,900	16,370,000	6,941,500	23,311,500	42,540,400	1.79
1/1/2028	75,235,299		18,654,025	16,430,000	6,532,250	22,962,250	41,616,275	1.81
7/1/2028	72,292,506		17,609,275	16,115,000	6,121,500	22,236,500	39,845,775	1.81
1/1/2029	71,552,609		17,166,525	16,325,000	5,718,625	22,043,625	39,210,150	1.82
7/1/2029	67,646,849		15,976,150	15,980,000	5,310,500	21,290,500	37,266,650	1.82
1/1/2030	66,505,773		15,386,900	15,890,000	4,911,000	20,801,000	36,187,900	1.84
7/1/2030	63,858,739		14,499,275	15,695,000	4,513,750	20,208,750	34,708,025	1.84
1/1/2031	62,060,434		13,871,575	15,545,000	4,121,375	19,666,375	33,537,950	1.85
7/1/2031	61,279,418		13,512,825	15,840,000	3,732,750	19,572,750	33,085,575	1.85
1/1/2032	59,741,856		12,940,700	15,910,000	3,336,750	19,246,750	32,187,450	1.86
7/1/2032	58,013,385		12,332,600	15,770,000	2,939,000	18,709,000	31,041,600	1.87
1/1/2033	53,147,038		10,997,100	15,145,000	2,544,750	17,689,750	28,686,850	1.85
7/1/2033	48,292,703		9,513,900	14,205,000	2,166,125	16,371,125	25,885,025	1.87
1/1/2034	44,632,259		8,456,400	13,775,000	1,811,000	15,586,000	24,042,400	1.86
7/1/2034	40,419,783		7,186,600	12,810,000	1,535,500	14,345,500	21,532,100	1.88
1/1/2035	40,949,276		7,244,100	13,195,000	1,279,300	14,474,300	21,718,400	1.89
7/1/2035	37,301,625		6,117,800	12,740,000	1,015,400	13,755,400	19,873,200	1.88
1/1/2036	32,010,975		4,811,300	11,815,000	760,600	12,575,600	17,386,900	1.84
7/1/2036	29,325,776		4,263,600	11,345,000	524,300	11,869,300	16,132,900	1.82
1/1/2037	16,241,106			8,005,000	297,400	8,302,400	8,302,400	1.96
7/1/2037	13,970,210			6,865,000	137,300	7,002,300	7,002,300	2.00

* Loan Repayments on the Pledged Agreements. Loan Repayments exclude the Loan Support Fees, a component of the Fixed Loan Rate in an amount not exceeding 50% of the Fixed Loan Rate, which are not pledged to the payment of the Bonds. Loan Repayments may in the future include a positive return on investments. The Authority and IEPA have assumed a 0% return on investments for purposes of this table.

† Preliminary, subject to change

‡ Interest payments on the Series 2017 Bonds are calculated based on estimated interest rates and yields as of August 15, 2017

Summary

Summary

Transaction Summary

Par Amount	\$558,500,000*	Maturity	Preliminary Par*
Purpose	Proceeds from the sale of the Series 2017 Bonds will be used (i) to fund loans made by the IEPA to units of local government in the State of Illinois to finance eligible wastewater treatment and sanitary sewerage facilities and drinking water facilities and (ii) to pay costs of issuance	7/1/2018	\$8,700,000
Security	Series 2017 Bonds are limited obligations of the IFA, payable solely from (i) payments, revenues and receipts derived from the Pledged Agreements (but excluding payments of Loan Support Fees) and (ii) any other funds held by the Master Trustee under the Master Trust Agreement	1/1/2019	9,970,000
Tax Status	Tax-exempt for federal income tax purposes Not exempt from Illinois income taxes	7/1/2019	11,050,000
Bond Structure	7/1/2018 – 7/1/2037* Serial Bonds due semi-annually	1/1/2020	12,560,000
Optional Redemption	On or after January 1, 2027* at par	7/1/2020	13,380,000
Extraordinary Mandatory Redemption	Subject to extraordinary mandatory redemption to meet compliance with the use of proceeds requirements of the Tax Increase Prevention and Reconciliation Act (in years 1 and 3, as more fully described in the POS)	1/1/2021	13,940,000
Consent to Master Trust Agreement Amendments	Bondholders and Beneficial Owners of the Series 2017 Bonds, by their purchase, shall be deemed to have irrevocably consented to the Fund Release Amendment and the Equity Fund Amendment. See pages 4, 15 and 16 herein, as well as the POS for details	7/1/2021	14,595,000
Ratings	S&P: AAA and Fitch: AAA	1/1/2022	14,820,000
Preliminary Official Statement ("POS")	Available at www.munios.com	7/1/2022	15,040,000
		1/1/2023	15,665,000
		7/1/2023	16,080,000
		1/1/2024	16,480,000
		7/1/2024	16,640,000
		1/1/2025	16,735,000
		7/1/2025	16,635,000
		1/1/2026	16,480,000
		7/1/2026	16,840,000
		1/1/2027	17,120,000
		7/1/2027	16,370,000
		1/1/2028	16,430,000
		7/1/2028	16,115,000
		1/1/2029	16,325,000
		7/1/2029	15,980,000
		1/1/2030	15,890,000
		7/1/2030	15,695,000
		1/1/2031	15,545,000
		7/1/2031	15,840,000
		1/1/2032	15,910,000
		7/1/2032	15,770,000
		1/1/2033	15,145,000
		7/1/2033	14,205,000
		1/1/2034	13,775,000
		7/1/2034	12,810,000
		1/1/2035	13,195,000
		7/1/2035	12,740,000
		1/1/2036	11,815,000
		7/1/2036	11,345,000
		1/1/2037	8,005,000
		7/1/2037	6,865,000
			\$558,500,000

* Preliminary, subject to change.

Summary

- ☑ The Clean Water Initiative was created in 2012 as a stand-alone, self-sufficient financing program
 - No reliance on state funding for repayment of the loan pool
- ☑ Diverse loan portfolio with solid history of loan repayments - no Payment Defaults have occurred with respect to any Clean Water or Drinking Water Loans
- ☑ Over-collateralized SRF program with cross collateralization between the Clean Water and Drinking Water loan programs
 - Approximately \$1.207* billion total bonds outstanding after issuance of Series 2017 bonds
 - As of June 30, 2017, the Pledged Agreements having outstanding balances or remaining future disbursements consisted of 745 Loans with an aggregate outstanding principal amount of \$2,562,344,699 secure the Series 2013 Bonds, Series 2016 Bonds and Series 2017 Bonds
- ☑ Equity Fund provides additional security
- ☑ IEPA further has a separate payment intercept authority pursuant to Section 10.05 of the State Comptroller Act (15 ILCS 405) which it may use, in its discretion, to secure the repayment obligations under a Pledged Agreement of a Participant
- ☑ Credit strengths reflect the AAA-credit quality of the Program
 - The Bonds will be rated AAA/AAA by S&P/Fitch

* Preliminary, subject to change.

Summary

Key Dates and Contact Information

AUGUST						
S	M	T	W	Th	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

SEPTEMBER						
S	M	T	W	Th	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

 Key Dates

Activity	Date*
Release of Preliminary Official Statement	Friday, August 18 th
Pricing	Monday, August 28 th and Tuesday, August 29 th
BPA Signing	Tuesday, August 29 th
Closing	Tuesday, September 12 th

For any questions, please contact:

Name	Company	Telephone	Email
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* Preliminary, subject to change.