



\$450,000,000*

Illinois Finance Authority

**State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds,
Series 2019 (Green Bonds)**

Investor Presentation

March 27, 2019



* Preliminary, subject to change.

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		Maturity	Preliminary Par*
Par Amount	\$450,000,000*	7/1/2020	\$9,725,000
Purpose	Proceeds from the sale of the Series 2019 Bonds will be used (i) to fund loans (including the State Match Portion) 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	1/1/2021	10,145,000
Security	The Series 2019 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	7/1/2021	10,395,000
Tax Status	Tax-exempt for federal income tax purposes Not exempt from Illinois income taxes	1/1/2022	10,675,000
Bond Structure	7/1/2020 – 7/1/2041* Semiannual amortization	7/1/2022	10,825,000
Optional Redemption	On or after [____]* at par	1/1/2023	11,195,000
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 and page 20 of this presentation)	1/1/2023	11,565,000
Green Bond Designation	Series 2019 Bonds have been designated as “Green Bonds”	1/1/2024	12,225,000
Ratings	S&P: Applied For Fitch: Applied For	7/1/2024	12,465,000
Preliminary Official Statement (“POS”)	Available at www.munios.com	1/1/2025	12,575,000
		7/1/2025	12,815,000
		1/1/2026	12,785,000
		7/1/2026	13,075,000
		1/1/2027	13,385,000
		7/1/2027	13,505,000
		1/1/2028	13,710,000
		7/1/2028	13,710,000
		1/1/2029	14,035,000
		7/1/2029	13,855,000
		1/1/2030	14,045,000
		7/1/2030	14,075,000
		1/1/2031	14,120,000
		7/1/2031	13,655,000
		1/1/2032	12,860,000
		7/1/2032	11,830,000
		1/1/2033	11,785,000
		7/1/2033	11,795,000
		1/1/2034	11,930,000
		7/1/2034	11,760,000
		1/1/2035	12,080,000
		7/1/2035	10,890,000
		1/1/2036	10,445,000
		7/1/2036	10,170,000
		1/1/2037	9,165,000
		7/1/2037	9,090,000
		1/1/2038	10,820,000
		7/1/2038	6,440,000
		1/1/2039	4,860,000
		7/1/2039	4,135,000
		1/1/2040	695,000
		7/1/2040	235,000
		1/1/2041	230,000
		7/1/2041	225,000
			\$450,000,000

* Preliminary, subject to change.

IFA and IEPA Management

IFA and IEPA Management

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
- Lisa Bonnett, Vice President Water Policy
- Rich Frampton, Executive Vice President
- Brad Fletcher, Vice President



Chris Meister
Executive Director
Illinois Finance Authority

▪ Illinois Environmental Protection Agency (IEPA)

- John J. Kim, Acting Director
- Laura Roche, Deputy Director
- Dana Vetterhoffer, Acting Chief Legal Counsel
- Courtney Bott, Chief Financial Officer
- Gary Bingenheimer, Manager, Infrastructure Financial Assistance Section
- Kevin Bryant, Water Revolving Fund Finance Manager



John J. Kim
Acting Director
Illinois Environmental
Protection Agency

IFA and IEPA Management

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

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 (the “Pledged Agreements”) are pledged to secure payment of the Series 2019 Bonds (but excluding payment of Loan Support Fees)
 - As of February 6, 2019, the Pledged Agreements having outstanding balances or remaining future disbursements consisted of 883 Loans with an aggregate outstanding principal amount of \$3,201,841,440 which secure the Series 2013 Bonds, Series 2016 Bonds, Series 2017 Bonds and Series 2019 Bonds on a parity basis (collectively, the “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
- Clean Water (“CW” or “CWSRF”) and Drinking Water (“DW” or “DWSRF”) Loan Programs are cross-collateralized
- No debt service reserve funds required in connection with the Series 2019 financing or any other Outstanding Bonds
- 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
- The IFA has applied for ratings from S&P and Fitch for the Series 2019 Bonds
 - All other Bonds are currently rated AAA/AAA by S&P/Fitch

IFA and IEPA Management

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
- Since 2013, the IFA has issued \$1,201,725,000 of Clean Water Initiative Revolving Fund Revenue Bonds of which \$1,029,430,000 are currently outstanding
 - \$141,700,000 State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2013, of which \$40,365,000 are currently outstanding
 - \$500,000,000 State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2016, of which \$447,740,000 are currently outstanding
 - \$560,025,000 State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2017, of which \$541,325,000 are currently outstanding

Joliet Tunnel Site



IFA and IEPA Management

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 February 6, 2019, IEPA had made:
 - 914 loans pursuant to the Clean Water Program, and had 590 Clean Water Program loans outstanding (approximately \$3.108 billion)
 - 613 loans pursuant to the Drinking Water Program, and had 528 Drinking Water Program loans outstanding (approximately \$1.275 billion)
- As of February 6, 2019, the Currently Pledged Agreements represented approximately 73% of the aggregate principal amount of the outstanding Clean Water Program and Drinking Water Program loans

Collinsville Project



IFA and IEPA Management

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



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- 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
 - Provide information necessary to support designation of any series of bonds as “Green Bonds” (as Memorandum of Agreement has been amended for the Series 2019 Bonds)

-
- 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
 - Post information relating to “Green Bonds” on IFA website



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:
 - If the project will provide new wastewater collection service
 - If the project will upgrade, rehabilitate, renovate, and/or replace wastewater treatment works
 - If the project will expand existing capacity
 - If the project will reduce or eliminate flooding
 - Other factors considered include existing water quality, health hazards, 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 Loan
- IEPA determines whether, and on what terms and conditions, financial assistance will be provided
- Loan security – dedicated and pledged repayment sources sufficient to pay operating and maintenance costs, annual debt service and renewal and replacement costs:
 - *Water/Wastewater System Revenues* - approximately 78.7% of the aggregate principal amount of Loans outstanding under Currently Pledged Agreements
 - *General Obligation Debt (Property Tax)* - approximately 20.4% of the aggregate principal amount of Loans outstanding under Currently Pledged Agreements
 - *Other Sources* - approximately 0.9% of the aggregate principal amount of Loans outstanding under Currently Pledged Agreements

MWRD/Ostara Nutrient Recovery Facility



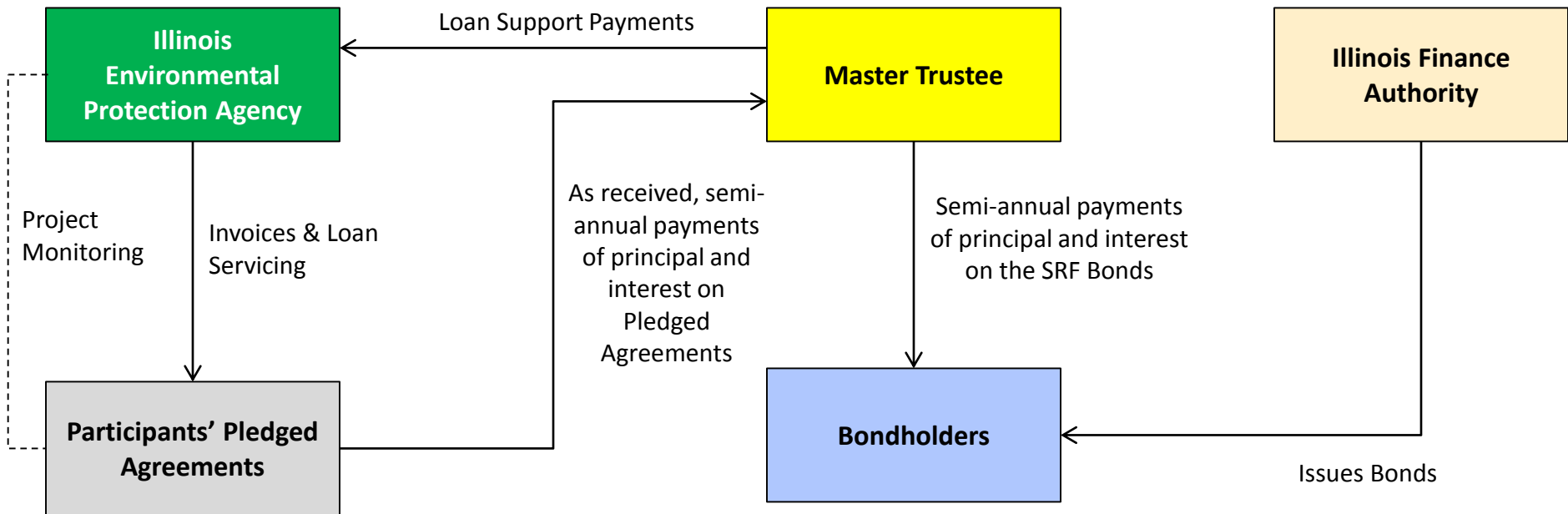
SRF Program Overview

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 2013 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%
 - The Base Loan Rate for the period ending June 30, 2019, is 1.84% for both the Clean Water Program and the Drinking Water Program
 - Small Community Rate - fixed loan rate equal to 75% of Base Loan Rate (18 loans totaling \$93.2 million outstanding¹)
 - Hardship Rate - a fixed loan rate of 1.0% (14 loans totaling \$55.1 million outstanding¹)
- IEPA may require a separate reserve for any loan to a Participant that is secured by a subordinate revenue pledge
- 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 wastewater from 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 ever occurred with respect to any pledged Clean Water or Drinking Water Loans

Financing Structure Summary

Financing Structure Summary

Trust Indenture and Security

- The 2019 Bonds will be issued under the 2013 Master Trust Agreement
 - Open indenture structure; the Series 2019 Bonds are on parity with the Series 2013 Bonds, Series 2016 Bonds and Series 2017 Bonds
 - Cash flow model
 - Debt service reserve fund allowed, however no reserves required in connection with the Series 2019 financing or any other outstanding bonds (Series 2013 Bonds, Series 2016 Bonds or Series 2017 Bonds)
 - Use of pledged Equity Fund, subject to release upon certain criteria being met
 - Includes the ability to issue leveraged and state match 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 (1x for subordinate obligations)
 - Projected Asset Coverage Ratio – 1.2x assets to debt service used for release of assets

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. On the first Business Day of each month, if the aggregate amount on deposit in the Principal Subaccounts and Interest Subaccounts 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 amount on deposit in such subaccounts in excess of the Debt Service Requirement 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

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%, the maximum rate, 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 February 6, 2019, the Currently Pledged Agreements having outstanding balances or remaining future disbursements consisted of 883 Loans with an aggregate outstanding principal amount of \$3,201,841,440 generally described as follows:

	Loans Outstanding Under Currently Pledged Agreements
Number of Discrete Borrowers	462
Average Outstanding Balance ¹	\$3,626,094
Interest Rate Range ²	0.00% to 2.91%
Interest Rate Range (Net of Loan Support Payments)	0.00% to 1.46%
Loan Maturity Range	1 month to 30 years
Security for Loans (calculated on aggregate principal amount of Loans outstanding):	
Water/Wastewater System Revenues	78.7%
General Obligation Debt (Property Tax)	20.4%
Other Sources	0.9%

¹ Average outstanding balance of all loans which have a loan balance remaining

² 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. As of February 6, 2019, the 10 borrowers having the largest aggregate outstanding balances on Loans made under the Agreements constituting Currently Pledged Agreements comprised approximately 57.13% 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	\$685,969,386	21.42%	Property Tax, System Revenues and User Charges ⁽¹⁾
Chicago	629,869,312	19.67% ⁽²⁾	System Revenues and User Charges ⁽³⁾
Fox Metro Water Reclamation District	124,884,389	3.90%	System Revenues
Joliet	61,299,155	1.91%	System Revenues
Oak Lawn	59,384,918	1.85%	System Revenues
Kankakee River Metropolitan Agency	57,497,845	1.80%	System Revenues
Morton Grove-Niles Water Commission	57,165,426	1.79%	System Revenues
Belleville	56,294,462	1.76%	System Revenues
Rock Island	48,964,132	1.53%	System Revenues
Central Lake County Joint Action Water Agency	47,753,009	1.49%	System Revenues and Property Tax ⁽⁴⁾
Total of Top 10 Borrowers	\$1,829,082,034	57.13%	

(1) Consists of \$649,299,305 of Loans secured by Property Taxes, \$33,110,143 secured by System Revenues and \$3,559,938 secured by User Charges and Property Taxes

(2) As of the date hereof, the percentage of the City's portion of the Loans made under Currently Pledged Agreements to the balance of all Loans made under the Currently Pledged Agreements exceeds 20%, and, as such, the City will become an Obligated Participant as described in the POS.

(3) Consists of \$597,982,095 secured by System Revenues and \$31,887,217 secured by User Charges

(4) Consists of \$38,428,086 System Revenues and \$9,324,923 secured by System Revenues and Property Taxes

Financing Structure Summary

Projected Cash Flow and Debt Service Table

- For additional details and assumptions for this table, please see page 15 of the POS - "PROJECTED CASH FLOW AND DEBT SERVICE TABLE – PROJECTED DEBT SERVICE COVERAGE FOR THE BONDS"

PAYMENT DATE	LOAN REPAYMENTS*	TOTAL SERIES 2013		TOTAL SERIES 2016		SERIES 2017		SERIES 2019 BONDS		TOTAL SERIES 2019		TOTAL BONDS DEBT SERVICE †	DEBT SERVICE COVERAGE †	
		BONDS	DEBT SERVICE	BONDS	DEBT SERVICE	BONDS	DEBT SERVICE	PRINCIPAL †	INTEREST †	BONDS	DEBT SERVICE †			
7/1/2019	\$108,990,644		\$8,580,425		\$25,278,700		\$24,633,125		\$0		\$0	\$58,492,250	1.86	
1/1/2020	117,930,884		7,875,675		25,077,450		25,875,625		0		15,937,500	15,937,500	74,766,250	1.58
7/1/2020	118,460,069		7,003,800		24,916,950		26,380,125		9,725,000		11,250,000	20,975,000	79,275,875	1.49
1/1/2021	117,621,892		5,224,300		24,831,075		26,619,125		10,145,000		11,006,875	21,151,875	77,826,375	1.51
7/1/2021	116,586,376		3,797,175		24,702,825		26,933,750		10,395,000		10,753,250	21,148,250	76,582,000	1.52
1/1/2022	115,781,828		3,625,925		24,208,075		26,786,750		10,675,000		10,493,375	21,168,375	75,789,125	1.53
7/1/2022	114,445,789		3,448,625		23,575,825		26,629,250		10,825,000		10,226,500	21,051,500	74,705,200	1.53
1/1/2023	114,397,963		2,697,250		23,479,575		26,886,375		11,195,000		9,955,875	21,150,875	74,214,075	1.54
7/1/2023	114,165,177		1,952,625		23,374,775		26,912,625		11,565,000		9,676,000	21,241,000	73,481,025	1.55
1/1/2024	113,728,763				24,026,025		26,923,375		12,225,000		9,386,875	21,611,875	72,561,275	1.57
7/1/2024	112,908,635				23,441,025		26,668,750		12,465,000		9,081,250	21,546,250	71,656,025	1.58
1/1/2025	111,178,543				22,665,025		26,340,125		12,575,000		8,769,625	21,344,625	70,349,775	1.58
7/1/2025	110,052,781				22,050,325		25,814,250		12,815,000		8,455,250	21,270,250	69,134,825	1.59
1/1/2026	107,428,941				21,141,325		25,221,000		12,785,000		8,134,875	20,919,875	67,282,200	1.60
7/1/2026	107,106,773				20,750,950		25,172,125		13,075,000		7,815,250	20,890,250	66,813,325	1.60
1/1/2027	106,759,211				20,413,650		25,034,125		13,385,000		7,488,375	20,873,375	66,321,150	1.61
7/1/2027	103,913,136				19,228,900		23,844,000		13,505,000		7,153,750	20,658,750	63,731,650	1.63
1/1/2028	102,783,340				18,654,025		23,492,875		13,710,000		6,816,125	20,526,125	62,673,025	1.64
7/1/2028	99,891,327				17,609,275		22,745,250		13,710,000		6,473,375	20,183,375	60,537,900	1.65
1/1/2029	99,355,693				17,166,525		22,556,000		14,035,000		6,130,625	20,165,625	59,888,150	1.66
7/1/2029	95,409,846				15,976,150		21,771,375		13,855,000		5,779,750	19,634,750	57,382,275	1.66
1/1/2030	94,068,567				15,386,900		21,281,125		14,045,000		5,433,375	19,478,375	56,146,400	1.68
7/1/2030	91,487,957				14,499,275		20,668,125		14,075,000		5,082,250	19,157,250	54,324,650	1.68
1/1/2031	89,521,921				13,871,575		20,115,500		14,120,000		4,730,375	18,850,375	52,837,450	1.69
7/1/2031	87,202,244				13,512,825		20,021,875		13,655,000		4,377,375	18,032,375	51,567,075	1.69
1/1/2032	82,232,256				12,940,700		19,680,875		12,860,000		4,036,000	16,896,000	49,517,575	1.66
7/1/2032	76,113,734				12,332,600		19,133,500		11,830,000		3,714,500	15,544,500	47,010,600	1.62
1/1/2033	72,451,318				10,997,100		18,069,875		11,785,000		3,418,750	15,203,750	44,270,725	1.64

* 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 IFA and IEPA have assumed a 0% return on investments for purposes of this table.

† Preliminary, subject to change

Financing Structure Summary

Projected Cash Flow and Debt Service Table (continued)

- For additional details and assumptions for this table, please see page 15 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 DEBT SERVICE	SERIES 2019 BONDS PRINCIPAL†	SERIES 2019 BONDS INTEREST†	TOTAL SERIES 2019 BONDS DEBT SERVICE†	TOTAL BONDS DEBT SERVICE†	DEBT SERVICE COVERAGE†
7/1/2033	68,598,827		9,513,900	16,723,000	11,795,000	3,124,125	14,919,125	41,156,025	1.67
1/1/2034	66,252,684		8,456,400	15,915,375	11,930,000	2,829,250	14,759,250	39,131,025	1.69
7/1/2034	62,054,728		7,186,600	14,644,125	11,760,000	2,531,000	14,291,000	36,121,725	1.72
1/1/2035	62,582,712		7,244,100	14,776,125	12,080,000	2,237,000	14,317,000	36,337,225	1.72
7/1/2035	56,731,507		6,117,800	14,036,875	10,890,000	1,935,000	12,825,000	32,979,675	1.72
1/1/2036	53,321,301		4,811,300	12,812,875	10,445,000	1,662,750	12,107,750	29,731,925	1.79
7/1/2036	50,219,678		4,263,600	12,086,500	10,170,000	1,401,625	11,571,625	27,921,725	1.80
1/1/2037	37,403,063			8,440,875	9,165,000	1,147,375	10,312,375	18,753,250	1.99
7/1/2037	35,081,650			7,144,250	9,090,000	918,250	10,008,250	17,152,500	2.05
1/1/2038	32,358,416				10,820,000	691,000	11,511,000	11,511,000	2.81
7/1/2038	19,204,915				6,440,000	420,500	6,860,500	6,860,500	2.80
1/1/2039	13,581,325				4,860,000	259,500	5,119,500	5,119,500	2.65
7/1/2039	11,747,232				4,135,000	138,000	4,273,000	4,273,000	2.75
1/1/2040	1,652,370				695,000	34,625	729,625	729,625	2.26
7/1/2040	570,426				235,000	17,250	252,250	252,250	2.26
1/1/2041	572,701				230,000	11,375	241,375	241,375	2.37
7/1/2041	551,046				225,000	5,625	230,625	230,625	2.39
Total	\$3,474,460,188	\$44,205,800	\$603,703,125	\$788,790,875	\$450,000,000	\$230,941,375	\$680,941,375	\$2,117,641,175	

* 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 IFA and IEPA have assumed a 0% return on investments for purposes of this table.

† Preliminary, subject to change

Financing Structure Summary

The Series 2019 Bonds are issued as **Green Bonds**

Designation of **Green Bonds**

- The Authority is issuing the Series 2019 Bonds as “**Green Bonds**” due to the Projects’ adherence to the standards of the Clean Water Act and Safe Drinking Water Act (“the Acts”)
- The goals of the Acts are to improve water quality, protect the environment and protect public health
 - The proceeds of the Series 2019 Bonds, aside from the portion used to pay the costs associated with the issuance of the Series 2019 Bonds, are being used for those purposes including to fund loans to local governments in accordance with the Acts in order to assist in the achievement of such goals

Project Evaluation, Monitoring and Selection Process

- The State provides subsidized loans to Participants to finance the acquisition, construction and improvement of water pollution control facilities and public drinking water supply facilities within the State in accordance with the Acts through the SRF Programs
- The IEPA:
 - Annually prepares Intended Use Plans (the “IUPs”) for the Clean Water Program and the Drinking Water Program, which identify projects eligible for assistance under the applicable SRF Programs. The IEPA updates the IUPs annually
 - Evaluates project plans and specifications, monitors construction, conducts environmental reviews and issues construction permits
 - Receives grant proceeds under capitalization grant agreements and monitors the balance of State Match funds available for use by the SRF Program
- Applicants eligible for loans from the SRF Program based upon, among other things, the applicants’ needs for new or improved facilities, applicants’ ability to commence construction of their projects within the time frame mandated by the SRF Program, and applicants’ ability to identify and dedicate a source of revenue, at a level sufficient to repay their loans, interest thereon, and applicable servicing fees
- Projects are selected and loan amounts are determined in accordance with the Acts and administrative rules adopted by the IEPA

Reporting Requirements

- In connection with the Series 2019 Bonds issuance, the IEPA agrees to report information on the projects financed with Series 2019 Bonds proceeds including:
 - Name of the local government completing the project;
 - Description of the project;
 - Amount of the loan for such project
 - Percentage of the loan disbursed for such project; and
 - Actual completion date thereof
- Such report will be published and updated annually on the Authority’s website

Financing Structure Summary

TIPRA Requirements and IFA and IEPA Compliance

- Among the TIPRA Requirements are provisions requiring the redemption of bonds if certain amounts of the bond proceeds are not used for loans within certain prescribed periods. In particular, the Code requires:
 - The IFA to reasonably expect:
 - (1) to use, directly or indirectly, within the 1-year period beginning at closing, at least 30% of net proceeds of the issue to make loans; and
 - (2) to use, directly or indirectly, within the 3-year period beginning at closing, at least 95% of the net proceeds of the issue to make loans
 - The IFA to redeem outstanding bonds within 90 days after the end of such 1-year period and 3-year period, as applicable, to the extent of, and in an amount equal to the unused proceeds (*i.e.*, difference between amount actually used and amount equal to such applicable %)
- The Series 2019 Bonds are subject to extraordinary mandatory redemptions (“EMR”) as part of TIPRA Requirements
 - All bonds maturing on and after January 1, 2021 are subject to EMR on July 15, 2020* (the “One Year Extraordinary Mandatory Redemption Date”) in an amount equal to the One-Year Computation Amount
 - All bonds maturing on and after January 1, 2023 are subject to EMR on July 15, 2022* (the “Three Year Extraordinary Mandatory Redemption Date”) in an amount equal to the Three-Year Computation Amount
- The Series 2013 Bonds, Series 2016 Bonds and Series 2017 Bonds were subject to TIPRA Requirements
 - No redemptions were required with respect to these bonds as all bond proceeds were spent within the required time periods

IFA and IEPA Compliance with TIPRA Requirements

SERIES	PAR AMOUNT	CLOSING DATE	ATTAINMENT OF 1	ATTAINMENT OF 3
			YEAR/30% REQUIREMENT	YEAR/95% REQUIREMENT
2013	\$141,700,000	12/05/2013	02/04/2014	12/24/2014
2016	500,000,000	9/12/2016	01/19/2017	09/29/2017
2017	560,025,000	9/12/2017	12/20/2017	09/25/2018

* Preliminary, subject to change.



Summary

Financing Overview

Financing Overview

		Maturity	Preliminary Par*
Par Amount	\$450,000,000*	7/1/2020	\$9,725,000
Purpose	Proceeds from the sale of the Series 2019 Bonds will be used (i) to fund loans (including the State Match Portion) 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	1/1/2021	10,145,000
Security	The Series 2019 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	7/1/2021	10,395,000
Tax Status	Tax-exempt for federal income tax purposes Not exempt from Illinois income taxes	1/1/2022	10,675,000
Bond Structure	7/1/2020 – 7/1/2041* Semiannual amortization	7/1/2022	10,825,000
Optional Redemption	On or after [____]* at par	1/1/2023	11,195,000
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 and page 20 of this presentation)	1/1/2023	11,565,000
Green Bond Designation	Series 2019 Bonds have been designated as “Green Bonds”	1/1/2024	12,225,000
Ratings	S&P: Applied For Fitch: Applied For	7/1/2024	12,465,000
Preliminary Official Statement (“POS”)	Available at www.munios.com	1/1/2025	12,575,000
		7/1/2025	12,815,000
		1/1/2026	12,785,000
		7/1/2026	13,075,000
		1/1/2027	13,385,000
		7/1/2027	13,505,000
		1/1/2028	13,710,000
		7/1/2028	13,710,000
		1/1/2029	14,035,000
		7/1/2029	13,855,000
		1/1/2030	14,045,000
		7/1/2030	14,075,000
		1/1/2031	14,120,000
		7/1/2031	13,655,000
		1/1/2032	12,860,000
		7/1/2032	11,830,000
		1/1/2033	11,785,000
		7/1/2033	11,795,000
		1/1/2034	11,930,000
		7/1/2034	11,760,000
		1/1/2035	12,080,000
		7/1/2035	10,890,000
		1/1/2036	10,445,000
		7/1/2036	10,170,000
		1/1/2037	9,165,000
		7/1/2037	9,090,000
		1/1/2038	10,820,000
		7/1/2038	6,440,000
		1/1/2039	4,860,000
		7/1/2039	4,135,000
		1/1/2040	695,000
		7/1/2040	235,000
		1/1/2041	230,000
		7/1/2041	225,000
			\$450,000,000

* 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 \$1.479* billion total bonds outstanding after issuance of Series 2019 bonds
 - As of February 6, 2019, the Currently Pledged Agreements having outstanding balances or remaining future disbursements consisted of 883 Loans with an aggregate outstanding principal amount of \$3,201,841,440 which secure the Series 2013 Bonds, Series 2016 Bonds, Series 2017 Bonds and Series 2019 Bonds on a parity basis
- ☑ 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

* Preliminary, subject to change.

Summary

Key Dates and Contact Information

March						
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

April						
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	Wednesday, March 27
Receive Ratings	Thursday, March 28
Retail Order Period	Tuesday, April 2
Pricing and BPA Signing	Wednesday, April 3
Closing	Tuesday, April 16

For any questions, please contact:

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* Preliminary, subject to change.