

Date: June 9, 2020

To: Eric Anderberg, Chairman
Michael W. Goetz, Vice Chairman
James J. Fuentes
William Hobert
Mayor Arlene A. Juracek
Lerry Knox
Lyle McCoy
Roxanne Nava

George Obernagel
Terrence M. O'Brien
Roger Poole
Beth Smoots
Randal Wexler
Jeffrey Wright
Bradley A. Zeller

From: Christopher B. Meister, Executive Director

Subject: *Message from the Executive Director*

Dear Member of the Authority:

This Moment

The time in which we live was best characterized by Governor Pritzker on May 31, 2020:

“This is an immensely challenging moment for our city, our state, our country, one born from decades and centuries of systemic racism. To those peacefully expressing the pain, fear, and rage at this moment, I hear you. Your voices matter. We must address the profound injustices in our society and bring about real and meaningful change.”

Here at the Authority, we are proud to follow the lead of Governor Pritzker during these troubling and challenging times.

COVID-19, the Authority and the Municipal Finance Market

With respect to COVID-19 generally, I believe that a recent McKinsey & Company report accurately described the present situation:

“As Winston Churchill said, ‘Now this is not the end. It is not even the beginning of the end. But it is, perhaps, the end of the beginning.’ We are seeing some faint signs of progress in the struggle to contain the pandemic. But the risk of resurgence is real, and if the virus does prove to be seasonal, the effect will probably be muted. It is likely never more important that now for boards of directors and executive management teams to tackle the right questions and jointly guide their organizations to the next normal.”

Coronavirus: 15 emerging themes for boards and executive teams, Cindy Levy, Jean-Christophe Mieszala, Mihir Mysore, and Hamid Samandari, McKinsey & Company, Risk Practice, June 2020

With respect to the municipal finance market, a well-known Bloomberg commentator, Eric Kazatsky, highlighted in a notice for an upcoming webinar that COVID-19 has “now created headwinds for



municipal credit, performance and expectations of new bond sales.” Mr. Kazatsky also underscored that forecasts for municipal issuance are now “out the window.”

Proposed Fiscal Year 2021 Authority Budget and Two-Year External Compliance Audit

While the signs were certainly there in February, none of us fully understood the magnitude and impact of COVID-19 or predicted the depths of the current economic crisis and the deeply uncertain world we inhabit today. Nonetheless, the Authority is under a mandate to support its public mission and operations without State appropriations, and despite these challenging times, we must present the Members with a proposed budget to be considered and adopted. We have collectively done our best on this point. The Authority will present for consideration and adoption by the Members a budget that is optimistic, realistic, and slightly revenue positive.

We will also present, for acceptance by the Members, the Two-Year Compliance Examination for Fiscal Years 2018 and 2019 conducted by the Office of the Auditor General.

Diverse Agenda

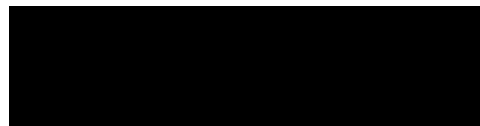
We are proud to present for consideration bond resolutions for qualified borrowers seeking to benefit from the tax-exempt financing market and the Authority’s continual excellent customer service, including ***American Water Capital Corp., Near North Montessori School, and Community Unit School District Number 220*** (Barrington), as well as an amendment for ***North Park University***.

American Water Capital Corporation (“AWCC”)

The Authority is proud to be working once again with ***AWCC*** and its affiliate American Water Company, Inc. to issue tax-exempt bonds following the Authority’s successful 2019 transaction. The 2020 ***AWCC*** project will create savings and refinance its outstanding Series 2010 bonds previously issued by the Authority. This project also continues the Authority’s focus on Illinois water finance projects. Notably, and as set forth more fully in the project summary report, ***AWCC*** has a corporate strategy consistent with the Authority’s own strategy, priorities, and accomplishments with respect to green, ESG (environmental-social-governance) and impact investing.

Please stay safe and healthy. We deeply appreciate your volunteer public service on behalf of the people of Illinois.

Respectfully,



Christopher B. Meister
Executive Director