

# NEWS RELEASE



**FOR IMMEDIATE RELEASE**  
May 8, 2025

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## **Illinois Environmental Protection Agency and Illinois Finance Authority Successfully Complete Sale of Series 2025 Green Bonds**

*Building on 35+ years of success, AAA-rated bonds pricing yields \$544.2 million of  
proceeds for Illinois EPA's State Revolving Fund*

SPRINGFIELD – On April 16, 2025, the Illinois Environmental Protection Agency (Illinois EPA) and the Illinois Finance Authority (IFA) closed the State of Illinois Clean Water Initiative Revolving Fund Revenue and Refunding Bonds, Series 2025 (Green Bonds), and successfully yield \$544.2 million of proceeds for Illinois EPA's State Revolving Fund (SRF) Programs.

"Illinois continues to receive strong bids from the bond market, amid the economic uncertainty being created on the federal level," **said Governor JB Pritzker**. "Our strong fiscal discipline is allowing us to save taxpayers money, while also providing local governments the capital to replace lead pipes and create economic opportunities across the state."

Consistent with prior bond issues, [Fitch Ratings](#) and S&P Global Ratings, the Series 2025 Green Bonds were priced at a premium on March 31 and April 1. These new funds will support Illinois EPA's mission of financing critical water infrastructure projects across the state through low-interest loans to Illinois public drinking water and wastewater utilities under the SRF Programs. The Series 2025 Green Bonds also refinanced \$379.1 million of outstanding bonds previously issued for the SRF Programs generating gross savings of \$27.7 million and present value savings of \$17.3 million, enhancing debt service coverage and overall program capacity.

"Illinois EPA and the IFA have successfully partnered for more than a decade to provide a vital funding source for our public water supply and water pollution control loan programs," **said Illinois EPA Acting Director James Jennings**. "The proceeds from the bond sales represent a significant portion of Illinois' State Revolving Fund, allowing Illinois EPA to address the needs of our communities through low-interest loans for water infrastructure projects that are imperative for our state's residents."

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“On behalf of the volunteer members of the IFA, we thank Governor Pritzker for his support on this transaction, and we thank Illinois EPA Acting Director James Jennings for this long and successful partnership benefitting the people of Illinois,” **said Chris Meister, Executive Director of IFA.** “The Series 2025 Green Bonds transaction was made possible by a team of professionals who reflect the diversity of the state of Illinois. The state of Illinois obtained the best possible pricing under available market conditions, and loan proceeds will be used to save Illinois taxpayers and ratepayers money in financing sewer and water projects, enhancing human health outcomes across Illinois, and putting qualified women and men to work building these projects.”

Since 2013, more than \$2 billion in AAA-rated bonds have been issued through five separate issuances. As with all State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, bond proceeds will be used to reduce the cost of debt to Illinois taxpayers, residents, and ratepayers for water infrastructure, while putting qualified women and men to work building needed infrastructure and improving human health outcomes for residents across Illinois.

The Series 2025 Green Bonds were labeled as “Green Bonds” consistent with Governor Pritzker’s Executive Order No. 6 on climate change and special consideration was given to ‘Green Portfolio Orders’ during the order period. Although the capital markets had been volatile leading up to pricing stemming largely from an imminent federal announcement on tariffs, the municipal bond market demonstrated strong demand for Illinois debt amidst the uncertainty. During a one-day retail order period held on March 31, \$380.6 million in retail orders were generated, and this strong retail demand was leveraged during institutional pricing on April 1 resulting in orders received from 50 separate institutional accounts, and orders from over 20 accounts believed to be new investors in the SRF Programs. The expanded universe of investors will help to improve liquidity and drive aggressive pricing during future transactions. The State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds are among the only AAA-rated bonds issued by the State of Illinois or its agencies. Over time, it is anticipated that these AAA-rated bonds will become a reference point for investors and could contribute to improved pricing for other State credits both in the primary and secondary markets.

Over a 35 plus year history, the Illinois EPA’s Wastewater and Drinking Water Loan Programs through the SRF have made \$11.7 billion in low- or no-interest loans available to local governments. Recipients can use the funds for a variety of wastewater and drinking water-related projects, including new drinking water or wastewater infrastructure construction, the removal and remediation of lead service lines, upgrading or rehabilitating existing infrastructure, stormwater-related projects that benefit water quality, and other projects that protect or improve the quality of Illinois’ rivers, streams and lakes. Updating these systems improves safety and enables compliance with current state and federal standards.

Proceeds from the bond sales are combined with federal grant funds and past loan repayments to provide a sustainable revenue stream to support the essential water infrastructure needs of both small and large communities in Illinois. Over the next 20 years, Illinois EPA estimates a need for \$15 billion in wastewater projects and \$20 billion in drinking water projects, including lead service line and emerging contaminants projects, throughout the state.

To learn more about Illinois EPA’s SRF Loan Programs, visit <https://epa.illinois.gov/topics/grants-loans/state-revolving-fund.html>.