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**GLWA IS NOW AN “A” RATED UTILITY
AFTER NINE MONTHS OF INDEPENDENT OPERATION**

Positive ratings actions from all three rating agencies validates GLWA Board of Directors’ direction and Management Team’s efforts on behalf of the utility

DETROIT – The Great Lakes Water Authority (GLWA) last week received positive ratings actions from all three ratings agencies – Fitch Ratings, Moody’s Investors Service and S&P Global Ratings, and is now an “A” rated utility after nine months of operation as an independent regional water and sewer authority that services nearly 40 percent of the water customers in Michigan.

“I am very pleased to see the positive actions from the three ratings agencies as they are the reflection of the hard work and dedication of the entire GLWA team,” said Sue F. McCormick, CEO of GLWA. “That each rating agency took note of the continuing progress and improvements being made by GLWA is gratifying.”

Fitch Ratings

Fitch provided a substantial upgrade in ratings for senior and second lien debt, moving GLWA’s outstanding bonds up three notches from “BBB” to an “A” rating with a stable outlook for its senior lien, and from “BBB-” to “A-” for its second lien.

The rating agency explained its upgrade stating, “The rating upgrade reflects improved operating fundamentals, including enhanced revenues and reduced operating costs that generated audited 2015 and unaudited 2016 results that were stronger than expected. The higher rating and stable outlook further reflect Fitch’s expectation that the authority’s improved debt service coverage and liquidity will be sustained...”

Fitch also cited GLWA’s independence, lease revenue protections, willingness to adjust annual revenue requirements to meet system needs, and plans to use pay-go capital funding to alleviate debt pressures as key factors in this rating increase.



Moody's Investors Service

Moody's has upgraded GLWA's credit rating for the second time this year. In February 2016, GLWA's senior lien debt was upgraded to Baa1 with a stable outlook and its second lien debt was upgraded to Baa2. Last week, Moody's again upgraded GLWA's senior lien rating to A3 and its second lien debt to Baa1.

"Under any circumstances, receiving two upgrades within nine months is extraordinary," said Nicolette Bateson, Chief Financial Officer and Treasurer for GLWA. "While there remains more work to do, Moody's upgrade reflects the significant accomplishments that GLWA has made in its short tenure of existence."

The rating upgrade reflects the continued strong management and financial performance of the utility. Moody's indicated that significant factors supporting its upgrade were GLWA's stronger than anticipated financial performance for Fiscal Year 2014-15, as well as the continued improvement in its estimated Fiscal 2015-16 financial performance numbers.

S&P Global Ratings

In November 2015, S&P assigned a substantial upgrade to A- with a stable outlook for the senior bonds, and BBB+ with a stable outlook for the second lien bonds anticipating their transfer to GLWA on January 1, 2016. At the time of that review, S&P stated that no further ratings adjustments would be likely over the next two years while the new GLWA established its own track record of performance.

However, last week S&P adjusted GLWA's rating outlook upward to positive from stable for both its senior lien and second lien bonds.

According to the S&P report, "The positive outlook reflects our expectation that within the two year outlook horizon, financial performance that either meets or exceeds current projections should be consistent with a higher rating, assuming no other credit factors significantly offset this trend." This conservative but positive momentum change reflects the progress that GLWA has made in its brief tenure.

"Even with the cautious approach taken by the rating agencies, a second upgrade in nine months from Moody's, a momentum adjustment to a positive outlook from S&P, and a multi-level upgrade from Fitch is wonderful news," said GLWA Board Chair Robert Daddow. "This acknowledgement sets a positive tone for the bond market's reception of GLWA's upcoming inaugural bond offering."



About the Great Lakes Water Authority (GLWA)

The Great Lakes Water Authority (GLWA) was established in November 2014 to provide water and waste water services to 126 municipalities in seven Southeastern Michigan counties. On January 1, 2016, GLWA assumed operational, infrastructure improvements, environmental compliance and budget-setting responsibilities for the regional water and sewage treatment plants, major water transmission mains and sewage interceptors, and related facilities. The organization leases these facilities from the City of Detroit for an allocation of \$50 million per year to fund capital improvements for the City of Detroit retail system and/or debt obligations. GLWA also funds a Water Residential Assistance Program to assist low-income residential customers throughout the system. The GLWA board includes one representative each from Oakland, Macomb and Wayne counties as well as two representatives from the City of Detroit, and one appointed by the governor of Michigan to represent customer communities outside the tri-county area.