



## **FOR IMMEDIATE RELEASE**

September 6, 2018

### **Media Contact:**

Michelle Zdrodowski / M: 313-618-0552 / O: 313-224-4739 / [michelle.zdrodowski@glwater.org](mailto:michelle.zdrodowski@glwater.org) or  
Amanda Abukahder / M: 734-934-7868 / O: 313-324-7854 / [Amanda.abukahder@fleishman.com](mailto:Amanda.abukahder@fleishman.com)

## **GLWA UPGRADED TO AN “AA” CATEGORY WATER RATED UTILITY BY S&P AND RECEIVED POSITIVE RATINGS ACTIONS FROM MOODY’S & FITCH**

*Positive ratings actions from all three rating agencies is third in three years for regional authority; validates Authority’s long-term strategy for sustainability*

**DETROIT** – The Great Lakes Water Authority (GLWA) recently received positive ratings actions from all three ratings agencies – S&P Global Ratings (S&P), Moody’s Investors Service (Moody’s) and Fitch Ratings (Fitch), including being recognized as an AA- rated water utility by S&P. These ratings represent the third round of positive ratings actions in three years.

“The positive ratings actions from the three ratings agencies underscore the value of the team we have assembled and collective hard work and dedication that has gone into making GLWA the provider of choice for water and wastewater services in Southeast Michigan,” said Sue F. McCormick, CEO, GLWA. “I am so proud of our team and am pleased that each rating agency took note of the continuing progress and improvements being made by GLWA.”

### *S&P Global Ratings*

S&P increased GLWA’s senior lien water system rating by three notches to AA- and its second lien water system rating by three notches to A+. S&P cited several reasons for the water system upgrade, including strong financial performance, comprehensive budgeting practices and a capital improvement plan that is forward-looking and not tied to any regulatory compliance mandates. In addition, both the senior and second liens were assigned a stable outlook.

The rating agency also increased GLWA’s senior lien sewer system rating by two notches to A+ and its second lien sewer system was increased by two notches to A. Both the senior and second sewer liens were assigned a positive outlook.

“Achieving AA category status is an extraordinary achievement for an organization that is, essentially, a start-up,” said Nicolette N. Bateson, Chief Financial Officer and Treasurer,

GLWA. “We understand that there remains work for us to do. We are committed to continuing to utilize the principles of effective utility management to become not only a sustainable utility, but one that is recognized as a strong credit by the rating agencies.”

### Moody's Investors Service

Moody's upgraded GLWA's water system and sewer system senior lien ratings one notch to A2 and its second lien ratings one notch to A3. Moody's cited GLWA's strong financial metrics and its continued progress towards operational optimization, as well as its consistent follow through on its management plan as key reasons for this current upgrade.

The ratings outlook for both classes of debt remains stable.

### Fitch Ratings

Fitch affirmed GLWA's ratings for its water system and sewer system senior lien bonds at an A, and its second lien bonds at an A-. The credit outlook for both water and sewer debt was increased from stable to positive.

In its report, Fitch said the improvement in its credit outlook for the Authority, “reflects solid fiscal 2016 and 2017 financial results related to GLWA's initial operations of the systems, outpacing prior expectations. Changes in rate-setting practices, as well as accumulation of reserves under the master bond ordinance have enhanced prospects for achieving forecast expectations...”

Fitch also cited GLWA's plans to use pay-go capital funding to alleviate debt pressures as a key factor in this outlook adjustment.

“These positive actions by the three ratings agencies are a further sign of the value that the collaborative relationship, that is the Great Lakes Water Authority, brings to the region,” said GLWA Board Chair Freman Hendrix. “As a Board, we are extremely proud of the entire organization whose hard work and dedication contributed to these upgrades. We look forward to our continued positive momentum and a successful upcoming bond transaction.”

### **About the Great Lakes Water Authority (GLWA)**

The Great Lakes Water Authority (GLWA) is the provider of choice for water and wastewater services to 127 municipalities in eight Southeast Michigan counties. With the Great Lakes as source water, GLWA is uniquely positioned to provide its customers water of unquestionable quality. GLWA has capacity to extend its service to other Southeastern Michigan communities. The Authority offers a Water Residential Assistance Program (WRAP) 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.