



FOR IMMEDIATE RELEASE

September 18, 2018

Media Contacts:

Amanda Abukhader / M: 734-934-7868 / O: 313-324-7854 / amanda.abukhader@fleishman.com

Michelle Zdrodowski / M: 313-618-0552 / O: 313-224-4739 / michelle.zdrodowski@glwater.org

**GREAT LAKES WATER AUTHORITY EXECUTES
MONEY-SAVING \$413 MILLION BOND SALE**
Refunding achieves \$85 million in savings

DETROIT – The Great Lakes Water Authority (GLWA) has gone to market this week, pricing a \$413 million bond sale, which includes \$331.5 million for refunding of outstanding GLWA debt and approximately \$81.6 million par amount in new bonds, generating \$91 million in funds for Detroit local sewer system improvements.

As a result of the favorable interest rates on the bonds, GLWA will realize a net cash flow savings of approximately \$85 million over the life of the refinanced bonds. Closing of the sale is expected in the first week of October.

“The market response to our bond sale, underscored by the positive actions taken recently by all three ratings agencies, further strengthens our ability to deliver on our promise to be the provider of choice for water and sewer services in southeast Michigan,” said Sue F. McCormick, Chief Executive Officer for GLWA. “I am confident that our ongoing focus on reliability, redundancy and resiliency will add to this momentum.”

The bond sale is part of a comprehensive five-year financial plan being executed by GLWA to not only continue building financial sustainability, but importantly, increase its use of a pay-as-you-go approach to fund infrastructure improvements across the regional system. For the end consumer, this translates into keeping the cost of water affordable now and into the future.

“The pricing levels achieved with this sale are now consistent with other high-grade AA category rated utilities,” said Nicolette N. Bateson, GLWA’s Chief Financial Officer and Treasurer. “We believe they also emphasize the building strength of GLWA’s credit.”

GLWA believes recent positive ratings actions from all three credit rating agencies also contributed to the success of the bond sale. S&P Global Ratings 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+. It also moved GLWA’s senior lien sewer system rating up 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. Moody’s Investors

Service upgraded GLWA's water system and sewer system senior lien ratings one notch to A2, and its second lien ratings one notch to A3. 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.

"From my experience in municipal government, I know that investors love a good story," said GLWA Board Chairman Freman Hendrix. "GLWA has a very good story to tell about the progress it has made, both financially and operationally, in its first two years – and the bond market clearly recognized that value. Congratulations to CEO Sue McCormick and everyone at GLWA for their hard work and commitment to serving GLWA's member communities."

###

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.