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**GLWA SEWER SYSTEM BONDS RECEIVE UPGRADE TO AA /  
UTILITY EXECUTES SUCCESSFUL BOND TRANSACTION TO SECURE FUNDING FOR  
REGIONAL WATER AND WASTEWATER SYSTEM IMPROVEMENTS AND GARNERS  
MONEY-SAVING REFUNDING**

- *GLWA received an upgrade from Fitch Ratings on its Sewer System to AA for the senior lien and AA- for the second lien, with affirmation of strong ratings from each of the other rating agencies*
- *Successful bond transaction provides \$280 million in new funding for regional water and wastewater system capital improvements*
- *Refinancing of debt generates \$77 million of cash flow savings (\$61 million of present value savings)*

**DETROIT** – The Great Lakes Water Authority (GLWA) has executed a successful bond transaction at favorable rates to fund \$280 million in capital improvements for the regional water and wastewater systems and secured \$77 million in cashflow savings (\$61 million of present value savings) by refinancing eligible outstanding bonds.

***Positive Bond Rating Agency Action from Fitch Ratings on the Sewer System*** In advance of the 2025 bond transaction, Fitch Ratings upgraded GLWA’s senior lien debt rating by one notch from AA- to AA and second lien debt rating from A+ to AA- with a stable outlook for the sewer system. For the water system, Fitch Ratings also affirmed GLWA’s senior lien debt rating of A+ and second lien debt rating of A with a stable outlook.

Additional positive actions by the ratings agencies include:

- Moody’s Investors Service affirmed GLWA’s senior lien debt rating of Aa3 and second lien debt rating of A1 with a stable outlook for both the water and sewer systems;
- Standard & Poor Global Ratings affirmed GLWA’s senior lien debt rating of AA- and second lien debt rating of A+ with a stable outlook for both the water and sewer systems.

“Improved bond ratings are critical because they directly translate into a lower cost of borrowing and open the doors to more investors interested in buying our bonds, which also drives down the cost of borrowing,” said Brian Baker, Chair of GLWA’s Audit Committee, and the Board Member appointed by Macomb County.

### ***Bond Sale Supports Capital Projects to Improve System Reliability, Redundancy & Resiliency***

The bond transaction focused on securing \$230 million in new money bond proceeds to replenish funding for water system capital improvement projects and \$50 million in new money bond proceeds to replenish funding for wastewater system capital improvements (an overall total of \$280 million).

GLWA was able to secure necessary capital funding at favorable levels. The new money tax-exempt bonds were issued with a true interest cost of between 4.8 and 4.9 percent for both the water and wastewater systems.

“This transaction occurs as we are approaching our 10-year anniversary. While we have accomplished so much, we are laser focused on our priorities for the next 10 years, which are centered around reliability, redundancy and resiliency for the regional system,” said Suzanne R. Coffey, P.E., GLWA Chief Executive Officer. “The savings from this transaction, as well as the ability to borrow at favorable rates, allow us to meet those priorities while placing less burden on the consumer.”

For a complete list of projects within GLWA’s FY2026-2030 CIP, please click [here](#).

### ***Innovative Tender Refunding Plus Current Refunding Results in Significant Savings***

Because of a market opportunity to buy back bonds at an attractive price and reduce regional system debt service, GLWA invited the holders of \$1.37 billion of previously issued water and sewer bonds to sell their bonds back to the Authority. Holders of \$625.3 million of bonds accepted GLWA’s offer, representing a participation rate of 46 percent, which exceeded expectations as that level is well above the average level of similar transactions over the past year. GLWA sold \$415 million of refunding bonds to pay for the purchase, in conjunction with the new money and current refunding transactions.

Ultimately, the tender refunding transaction will reduce GLWA debt service future cash flow needs by \$43 million through 2040, representing a present value savings to GLWA of \$32 million. The transaction underscores GLWA’s commitment to pursuing innovative financing strategies to reduce its debt service costs for member partners.

In addition to the tender refunding, a current refunding resulted in further decreased future cash flow needs by \$34 million through 2040, representing a present value savings to GLWA of \$29 million.

The combined effect of the two refunding strategies is \$77 million of cash flow savings (\$61 million of present value savings).

### ***Timing of Bond Sale and Tender Refunding Supports Affordability of Services***

GLWA has aggressively pursued opportunities to generate savings from the outstanding debt portfolio when available.

“Since 2016, GLWA has pursued debt refunding transactions that are approaching the \$1 billion target in cashflow savings with over \$974 million achieved to date,” said Nicolette N. Bateson, GLWA Chief Financial Officer and Treasurer. “These substantial savings directly impact the affordability of charges and the amount of funding that is available for new capital projects that are necessary for building resiliency in the regional systems.”

As a part of this transaction, GLWA generated cash flow savings of \$77 million that will be realized through 2040. These cash flow savings offset a portion of the cost of the new borrowing in support of critical capital projects and support the continued affordability of services.

### ***Strong Investor Interest***

On the heels of its rating upgrade, GLWA engaged in a comprehensive investor outreach. This outreach, combined with a strong day within the financial markets, attracted orders from nearly 70 unique institutional investors. In addition, retail orders were placed on behalf of several individual retail investors.

“Consistently, investors provide feedback that GLWA sets the bar among municipal debt issuers for transparency and accessibility to the management team,” stated Nicholas Fedewa, GLWA Public Finance Manager. “We are able to demonstrate the strength of our team members across GLWA who support excellent performance while keeping an eye on the reality of managing the risks associated with aging infrastructure.”

Since GLWA’s bonds were sold at a premium, the par value of the bonds for both systems totaled approximately \$963 million. In aggregate, \$2.6 billion in orders were received for the \$963 million in bonds, meaning investor demand exceeded available bonds in aggregate by 2.7 times, allowing GLWA to significantly reduce the preliminary pricing yields and reduce total debt service for this 30-year debt.

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

The Great Lakes Water Authority (GLWA) is the provider-of-choice for drinking water services to nearly 40 percent and efficient and effective wastewater services to nearly 30 percent of Michigan’s population. With the Great Lakes as source water, GLWA is uniquely positioned to provide those it serves with water of unquestionable quality. GLWA also has the capacity to extend its service beyond its 88 member partner communities. As part of its commitment to water affordability, the Authority offers a Water Residential Assistance Program to assist low-income households in participating member communities throughout the system. GLWA’s board includes one representative each from Oakland, Macomb and Wayne counties, two representatives from the city of Detroit and one appointed by the Michigan governor to represent customer communities outside of the tri-county area.