



Financial Services Audit Committee Communication

Date: September 21, 2018
To: Great Lakes Water Authority Audit Committee
From: Nicolette N. Bateson, CPA, Chief Financial Officer & Treasurer
Re: 2018 Refunding and New Money Transaction Results

Background: On Monday, September 17, 2018, the Great Lakes Water Authority (GLWA) successfully refinanced \$178.8 million of water system bonds and \$207.7 million of sewer system bonds. This resulted in water system gross cashflow savings of \$30.9 million (\$24.9 million of present value savings, or 13.9%) and sewer system gross cashflow savings of \$54.0 million (\$34.5 million of present value savings, or 16.6%) over the remaining life of the bonds. In addition, GLWA issued \$81.6 million of new money sewer bonds for the Local System, achieving a very favorable long-term average interest cost of 4.03% for 30-year debt and meeting the project funding target of \$91 million.

Analysis: By all measures this was a very successful transaction. The financing team has prepared a synopsis of the transaction (attached) which will be reviewed at the Audit Committee.

Proposed Action: Receive and file report.