



GLWA
Great Lakes Water Authority

Summary of 2025 Financing Results Presented to Board of Directors June 25, 2025

\$528,220,000 Water Supply System Revenue and Revenue Refunding Bonds, Series 2025

\$254,725,000 Water Supply System Revenue Refunding Senior Lien Bonds, Series 2025A

\$54,530,000 Water Supply System Revenue Refunding Second Lien Bonds, Series 2025B

\$109,830,000 Water Supply System Revenue Refunding Senior Lien Bonds, Series 2025C

\$109,135,000 Water Supply System Revenue Refunding Second Lien Bonds, Series 2025D

\$435,050,000 Sewage Disposal System Revenue and Revenue Refunding Bonds, Series 2025

\$104,280,000 Sewage Disposal System Revenue Refunding Senior Lien Bonds, Series 2025A

\$283,300,000 Sewage Disposal System Revenue Refunding Second Lien Bonds, Series 2025B

\$47,470,000 Sewage Disposal System Revenue Second Lien Bonds, Series 2025C

Recent bond transactions for the Water System and Sewer System achieved favorable outcomes for GLWA

- Long-term funding procured at fixed interest rates for approximately \$230 million of regional Capital Improvement Program projects for the Water System and \$50 million for the Sewer system
- Achieved all-in cost of new money borrowing at favorable levels during a period of increasing interest rates and volatile market: 4.83% for the Water System and 4.88% the Sewer System
- No deposits to Reserve Funds because of achieving criteria to eliminate that mandatory requirement in 2024; translates to an estimated avoidance of additional borrowing by up to \$19 million for this 2025 transaction
- Rating agency upgrade achieved from Fitch (Sewer), continuing the Authority's positive rating trajectory and credit story
- Extensive outreach to investors was effective and included an electronic investor roadshow and 7 one-on-one investor calls between the Authority and major institutional investors
 - Strong GLWA name received orders from nearly 70 unique institutional investors, leading to GLWA's lowest ever credit spreads to municipal benchmark rates
 - Level of interest enabled GLWA to reduce yields on the date of the sale in oversubscribed maturities from preliminary morning levels, reducing total debt service by a net present value of approximately \$1.3 million
 - SWS supported the transaction by underwriting \$35.1 million of bonds to maintain the integrity of the order book
- Successful refinancing of \$337.0 million of Water System bonds and \$429.9 million of Sewer System bonds
 - Water System future cashflow savings of \$33.7 million (\$27.1 million net present value, or 8.0%)
 - Sewer System future cashflow savings of \$43.6 million (\$34.3 million net present value, or 8.0%)
 - Savings incorporates the exceptional tender participation results of 74% on tax-exempt bonds and 12% on taxable bonds
- Refinancing of \$7.5 million SAW loan at the request and with the support of Michigan Finance Authority (MFA) generates NPV savings of \$770,000 and assists MFA with closing out borrowing program that is no longer active, creating valuable administrative efficiencies
- New money structure on each of Water and Sewer systems smooths the impact of refunding savings on overall debt profile

The goals for the Series 2025 financings were achieved and provide the Authority with a strong base with which to weather the challenges of a growing capital plan while still achieving future financial goals.



Acquire Necessary Capital Funding At Favorable Levels



Capture Available Debt Service Savings



Positive Investor Feedback and High Level of Participation on Innovative Tender Refunding



Secure Continued Positive Ratings Trend



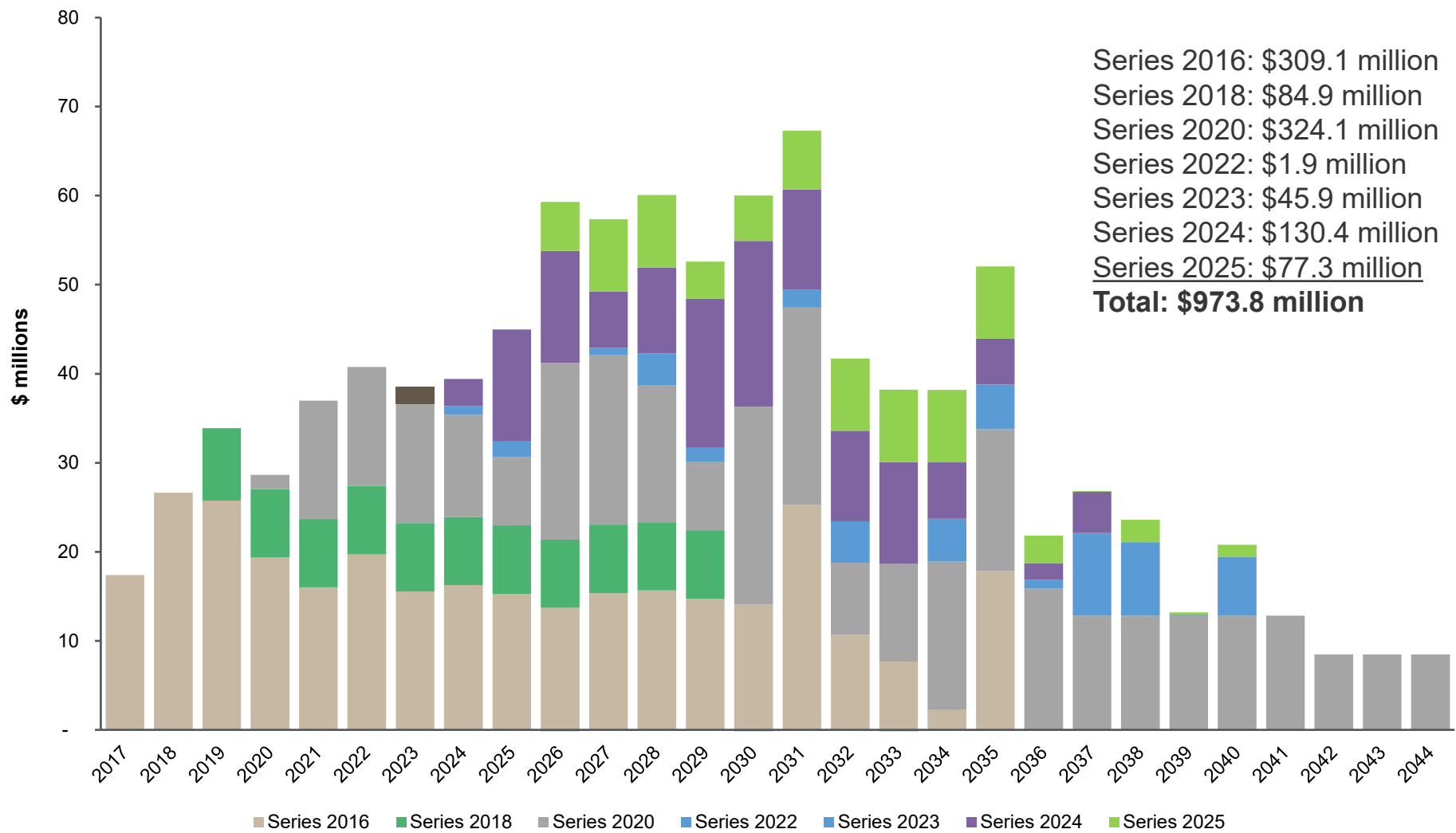
Expand the Investor Base for GLWA Credits and Streamline Disclosure Process

One of the goals for the Series 2025 bond transaction was to streamline the process to accommodate an annual bond transaction.

- Brought financial projections and presentation function for bond documents in-house, with external review by system consultant
 - Master Bond Ordinance requires review by external, subject matter expert “System Consultant”
- Refreshed format of disclosure documents to improve readability, enhance transparency, and create efficiencies in updating information in the future
 - Historical and projected financial information are presented in their own appendices
 - Appendix I includes historical tables that align information disclosed within Annual Comprehensive Financial Report
 - Appendix II includes projected financial information in tables that align what is disclosed in the biennial budget and financial plan
 - Appendix III provides the System Consultant letter
- GLWA received significant positive investor feedback on enhanced clarity and consistency of presentation achieved with new format of disclosure documents

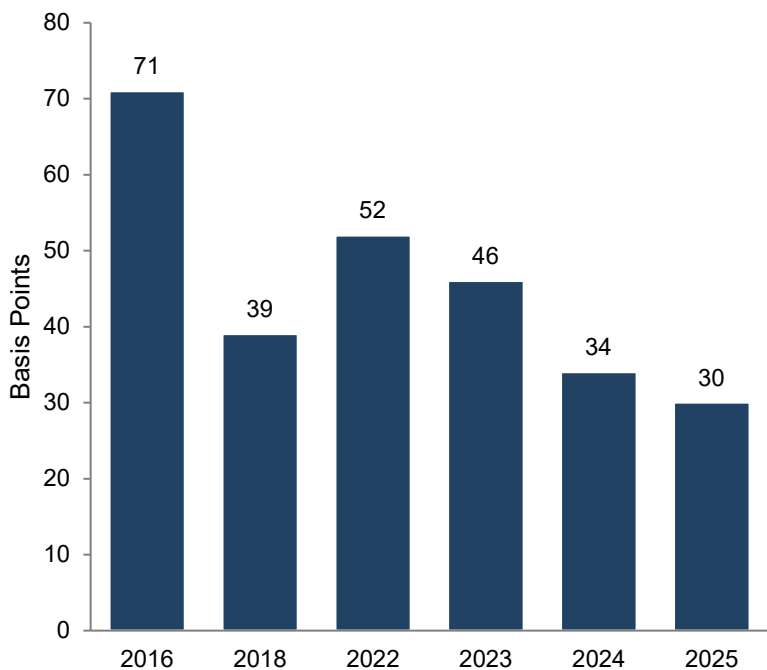
History of Debt Service Savings Since GLWA Standup

Through the leadership of the Authority's management, the financing team has been able to achieve nearly \$1 billion in future cash flow debt service savings since the stand-up of GLWA

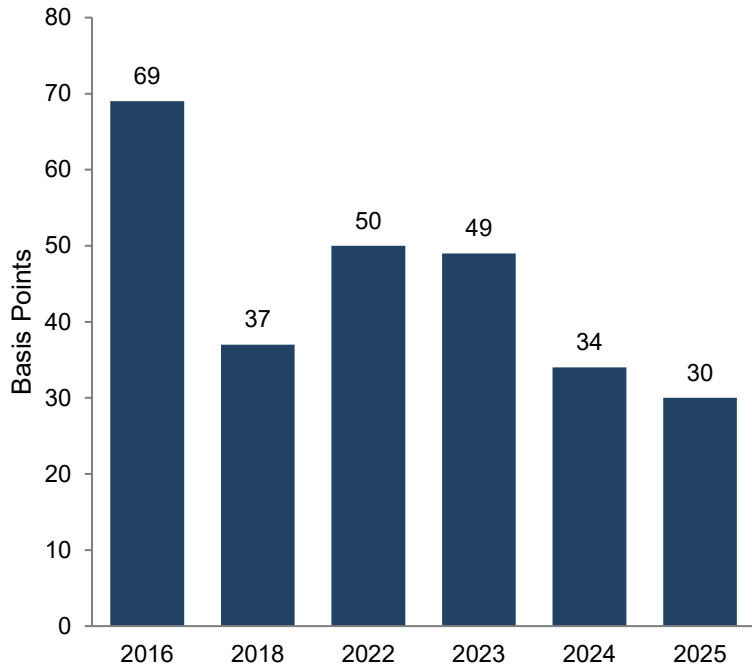


- As GLWA's credit profile has strengthened, GLWA's credit spreads to the benchmark have narrowed
 - Narrowing of GLWA credit spreads translates directly to reduced debt service costs and increased availability of refinancing savings, resulting in tangible benefits for member partners that comes from GLWA's stronger credit profile
 - GLWA's tax-exempt borrowing costs are measured as the sum of municipal benchmark rates (which are common to the market and track borrowing costs for a AAA-rated municipal borrower) plus credit spreads that are specific to GLWA
- The following charts show GLWA credit spreads in the 9 and 10-year part of the yield curve since GLWA's inaugural financing in 2016 (there were no 10-year sewer bonds in 2024)
 - Credit spreads are also impacted by market conditions at the time of the sale; GLWA's credit spreads in 2018 reflected very favorable market conditions and overall low rates

Water System Credit Spreads Over Time
10 Year Maturities

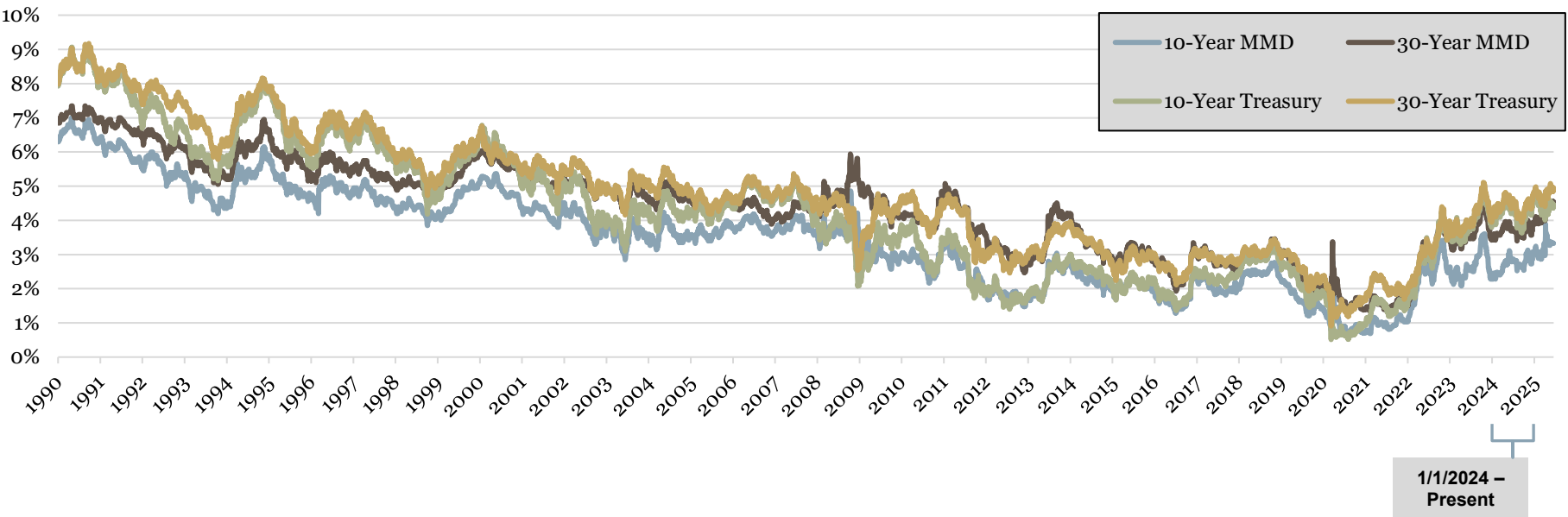


Sewer System Credit Spreads Over Time
9 Year Maturities

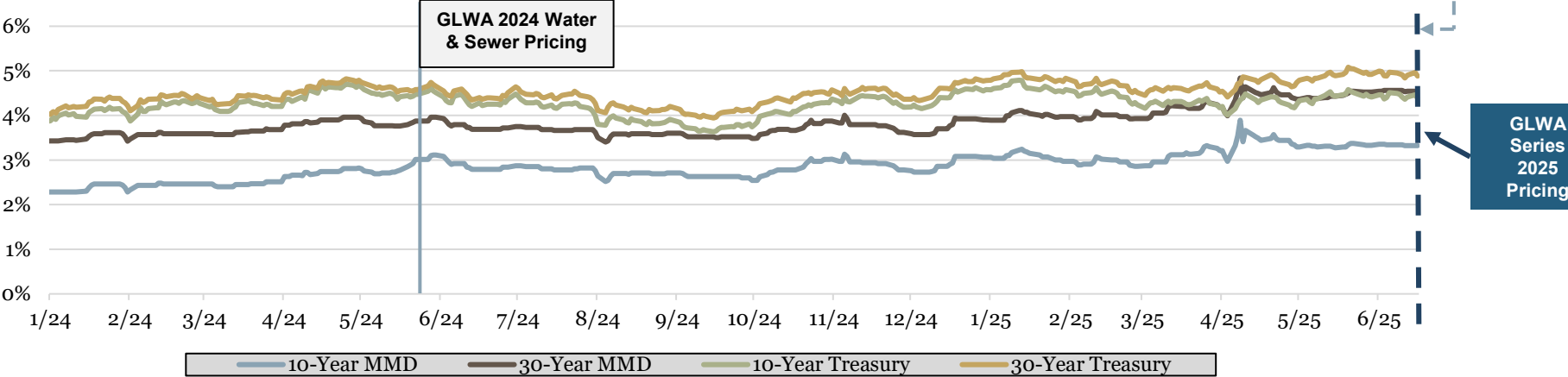


10-Year and 30-Year MMD and Treasury Yields

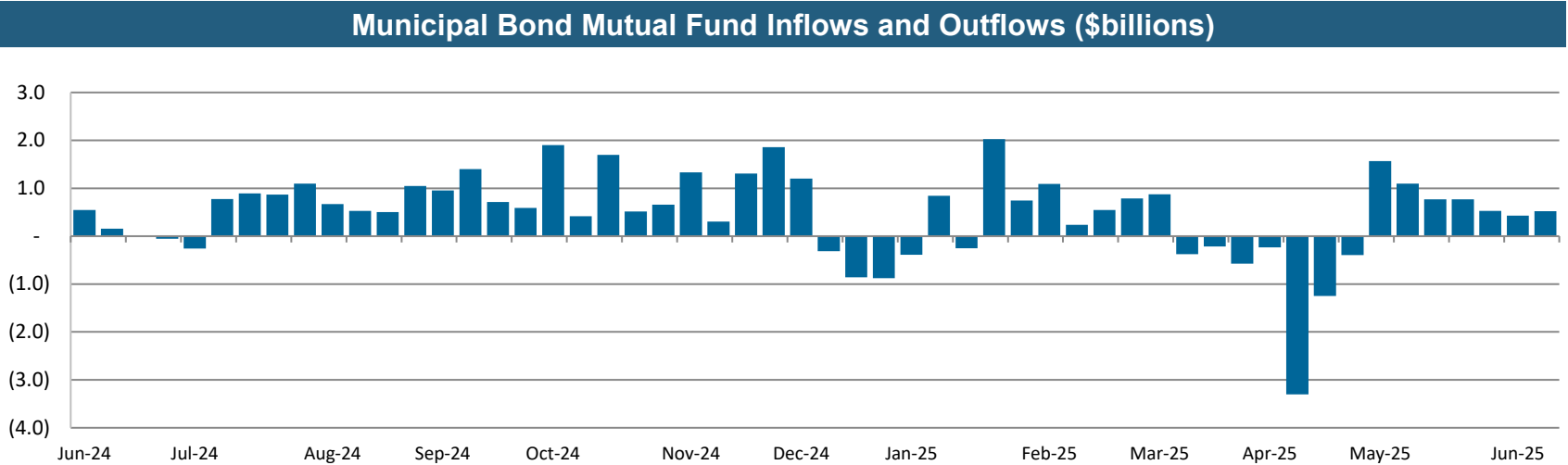
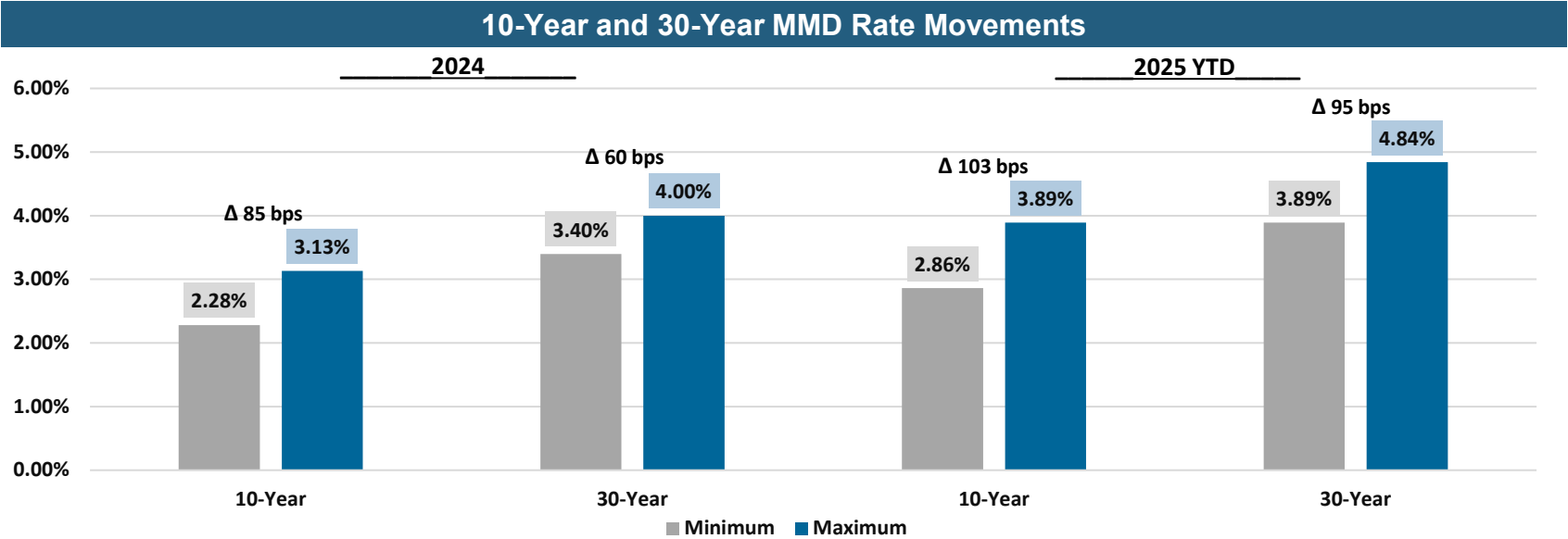
Long Term Interest Rate Landscape Over 30 Years: 10-Year and 30-Year MMD and UST Rates



10-Year and 30-Year MMD and UST Rates from 1/1/2024 to Present



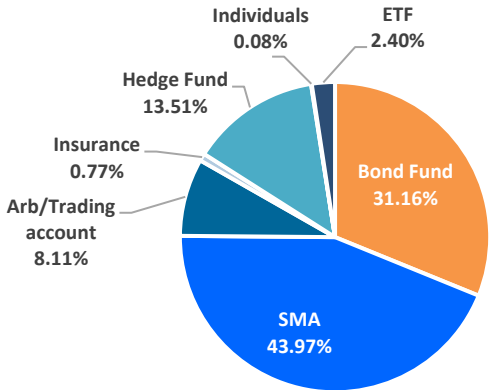
Note: All rates, analyses, and commentary are as of June 17, 2025
Sources: MMD provided by TM3, US Treasury rates provided by US Department of Treasury



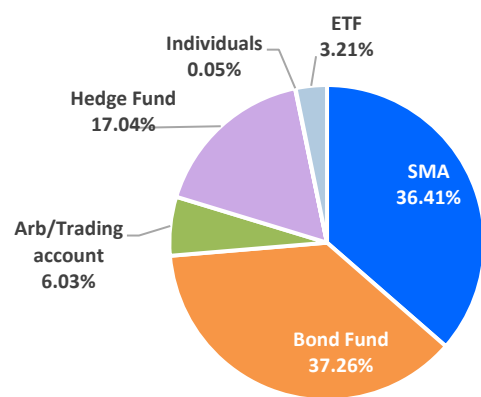
Order Book & Marketing Process:

- An extensive premarketing effort led by Siebert Williams Shank & Co., LLC in the days leading up to the sale generated demand from a wide variety of institutional accounts
 - Marketing outreach efforts included 7 one-on-one investor calls, 67 unique investor views of the POS, and 42 unique investor views of the investor roadshow
 - Of the roadshow viewers, 23 unique investors followed through with orders on either the water or sewer credits
 - 6 of 7 investors requesting one-on-one calls with GLWA management followed through with orders
- **Institutional Orders:**
 - **The Water System** transaction received \$1.51 billion in priority orders
 - 67 unique investors participated, including 44 institutional investors that did not participate in GLWA’s 2024 water transaction
 - **The Sewer System** transaction received \$1.17 billion in priority orders
 - 40 unique investors participated, including 29 institutional investors that did not participate in GLWA’s 2024 sewer transaction
- **Subscriptions:**
 - Orders were received from a mix of investors including insurance companies, bond funds, separately managed accounts (“SMA”), and bank portfolios
 - **Water System:** Subscription levels (excluding stock) ranged from 0.0x to a high of 10.5x
 - **Sewer System:** Subscription levels (excluding stock) ranged from 0.0x to a high of 5.6x

Water System
Orders Breakdown by Investor Type



Sewer System
Orders Breakdown by Investor Type



GLWA's 2025 tender offer represents one of the largest and most successful liability management transactions in the municipal market this year and allowed GLWA to generate \$43 million of cashflow savings (\$32 million NPV)

- This FY 2025 tender transaction follows a successful tender in FY 2024 demonstrating GLWA's commitment to actively manage its debt portfolio to keep charges affordable
- As part of overall liability management strategy, GLWA invited the holders of \$1.37 billion of bonds to sell their bonds back to the Authority, funded with the proceeds of Series 2025 bonds
 - \$753.3 million of tax-exempt bonds (Water 2016C/D and Sewer 2016B/C)
 - \$617.9 million of taxable bonds, which were offered previously in 2023 (Water 2020C and Sewer 2020A/B)
- Holders of \$625.3 million of bonds accepted GLWA's offer, representing an overall *aggregate* participation rate of approximately 45.6%
 - Higher tender participation translates to additional debt service savings
- *Tax-exempt tender level of 73.5%* was the highest participation rate by a municipal issuer this year
 - GLWA accepted the tendered tax-exempt bonds with maximum benefit and maintains a valuable option to refund the remaining bonds in a future current refunding in 2026
 - Investor participation in the tender was aided by order priority on the new Series 2025 bonds for tendering investors who sought to retain exposure to GLWA credit
 - Successful tax-exempt tender response is sufficient to manage interest rate exposure concentrated in 2026
- *Taxable tender level of 11.6%* met expectations
 - Lower participation expected because of unfavorable accounting treatment for taxable bonds repurchased below face value and GLWA previously tendered for these same bonds

Water System – Transaction Overview

- GLWA issued \$528.2 million in Water System Bonds to fund \$230 million for capital improvements, refund bonds for savings, and fund the purchase of tendered bonds for savings
- Tender, refunding, and new money components were structured together to optimize transaction cashflows
 - Tender refunding and current refunding were structured to create level savings through the term of the refunded debt, to the extent possible
 - New money amortization used to smooth out cashflow impact from savings structure; 30-year final maturity; Principal beginning in 2027
- Tender & refunding components generated \$33.7m of cashflow savings, or \$27.1m of present value savings (8.0% of refunded / tendered par)
 - Tender: \$21.7m cashflow; \$17.2m present value (7.4%)
 - Refunding: \$11.9m cashflow; \$9.9m present value (9.3%)

Water System Sources and Uses

	Senior Lien	Second Lien	Senior Lien	Second Lien	Aggregate
Sources	Series 2025A	Series 2025B	Series 2025C	Series 2025D	Ser. 2025 Bonds
Par Amount	254,725,000	54,530,000	109,830,000	109,135,000	528,220,000
Premium	26,675,428	5,665,116	5,734,299	6,426,456	44,501,300
GLWA Cash ¹	6,784,276	1,482,625	-	-	8,266,901
Total²	288,184,704	61,677,741	115,564,299	115,561,456	580,988,201

	Senior Lien	Second Lien	Senior Lien	Second Lien	Aggregate
Uses	Series 2025A	Series 2025B	Series 2025C	Series 2025D	Ser. 2025 Bonds
Tender Purchase	215,225,339	23,130,922	-	-	238,356,260
Escrow Account	71,044,351	38,186,018	-	-	109,230,369
Construction Fund	-	-	115,000,000	115,000,000	230,000,000
UWD	778,208	161,770	314,806	312,973	1,567,758
COI	1,136,806	199,031	249,493	248,483	1,833,814
Total²	288,184,704	61,677,741	115,564,299	115,561,456	580,988,201

Water System Cashflow Impacts ³					
Fiscal Year	Tender Refunding (Savings)	Current Refunding (Savings)	New Money Principal	New Money Interest	Combined Change in DS
2025	-	-	-	-	-
2026	(568,579)	(459,521)	-	11,481,630	10,453,530
2027	(1,283,052)	(2,343,000)	4,180,000	11,449,825	12,003,773
2028	(941,173)	(2,684,500)	4,385,000	11,240,825	12,000,152
2029	(1,278,904)	(2,344,250)	4,605,000	11,021,575	12,003,421
2030	(3,656,204)	29,750	4,835,000	10,791,325	11,999,871
2031	(4,569,400)	945,250	5,075,000	10,549,575	12,000,425
2032	(2,974,671)	(650,500)	5,330,000	10,295,825	12,000,654
2033	(2,932,686)	(694,250)	5,600,000	10,029,325	12,002,389
2034	(127,598)	(3,494,750)	5,875,000	9,749,325	12,001,977
2035	(3,328,855)	(294,000)	6,170,000	9,455,575	12,002,720
2036	203,983	-	2,650,000	9,147,075	12,001,058
2037	203,983	-	2,780,000	9,014,575	11,998,558
2038	(476,017)	-	3,600,000	8,875,575	11,999,558
2039	-	-	6,220,000	8,695,575	14,915,575
2040	-	-	6,530,000	8,384,575	14,914,575
2041	-	-	6,860,000	8,058,075	14,918,075
2042	-	-	7,210,000	7,706,563	14,916,563
2043	-	-	7,580,000	7,337,113	14,917,113
2044	-	-	7,975,000	6,939,163	14,914,163
2045	-	-	8,395,000	6,520,475	14,915,475
2046	-	-	8,835,000	6,079,738	14,914,738
2047	-	-	9,310,000	5,604,913	14,914,913
2048	-	-	9,810,000	5,104,550	14,914,550
2049	-	-	10,340,000	4,577,300	14,917,300
2050	-	-	10,895,000	4,021,550	14,916,550
2051	-	-	11,480,000	3,435,950	14,915,950
2052	-	-	12,100,000	2,818,888	14,918,888
2053	-	-	12,750,000	2,168,488	14,918,488
2054	-	-	13,435,000	1,483,125	14,918,125
2055	-	-	14,155,000	760,925	14,915,925
Total	(21,729,172)	(11,989,771)	218,965,000	222,798,993	408,045,050

1: Represents accrued interest and principal on refunded obligations

2: Totals may not tie exactly due to rounding of figures

3: Represents cashflow impacts on a Debt Service Installment Requirement basis

Sewer System – Transaction Overview

- GLWA issued \$435.1 million in Sewer System Bonds to fund \$50 million for capital improvements, refund bonds for savings, and fund the purchase of tendered bonds for savings
- Tender, refunding, and new money components were structured together to optimize transaction cashflows
 - Tender refunding and current refunding were structured to create level savings through the term of the refunded debt, to the extent possible
 - New money amortization used to smooth out cashflow impact from savings structure; 30-year final maturity; Principal beginning in 2026
- Tender & refunding components generated \$43.6m of cashflow savings, or \$34.3m of present value savings (8.0% of refunded / tendered par)
 - Tender: \$21.2m cashflow; \$19.2m present value (9.4%)
 - Refunding: \$22.4m cashflow; \$15.1m present value (6.7%)

Sewer System Sources and Uses

	Senior Lien	Second Lien	Second Lien	Aggregate
Sources	Series 2025A	Series 2025B	Series 2025C	Ser. 2025 Bonds
Par Amount	104,280,000	283,300,000	47,470,000	435,050,000
Premium	10,367,964	28,620,193	2,792,605	41,780,762
GLWA Cash ¹	2,545,393	7,878,702	-	10,424,094
Total²	117,193,357	319,798,895	50,262,605	487,254,856

	Senior Lien	Second Lien	Second Lien	Aggregate
Uses	Series 2025A	Series 2025B	Series 2025C	Ser. 2025 Bonds
Tender Purchase	116,275,773	109,590,521	-	225,866,294
Escrow Account	-	202,195,657	-	202,195,657
Repayment of SRF Loan	-	6,154,100	-	6,154,100
Construction Fund	-	-	50,000,000	50,000,000
UWD	330,587	852,482	138,257	1,321,326
COI	586,997	1,006,135	124,348	1,717,480
Total²	117,193,357	319,798,895	50,262,605	487,254,856

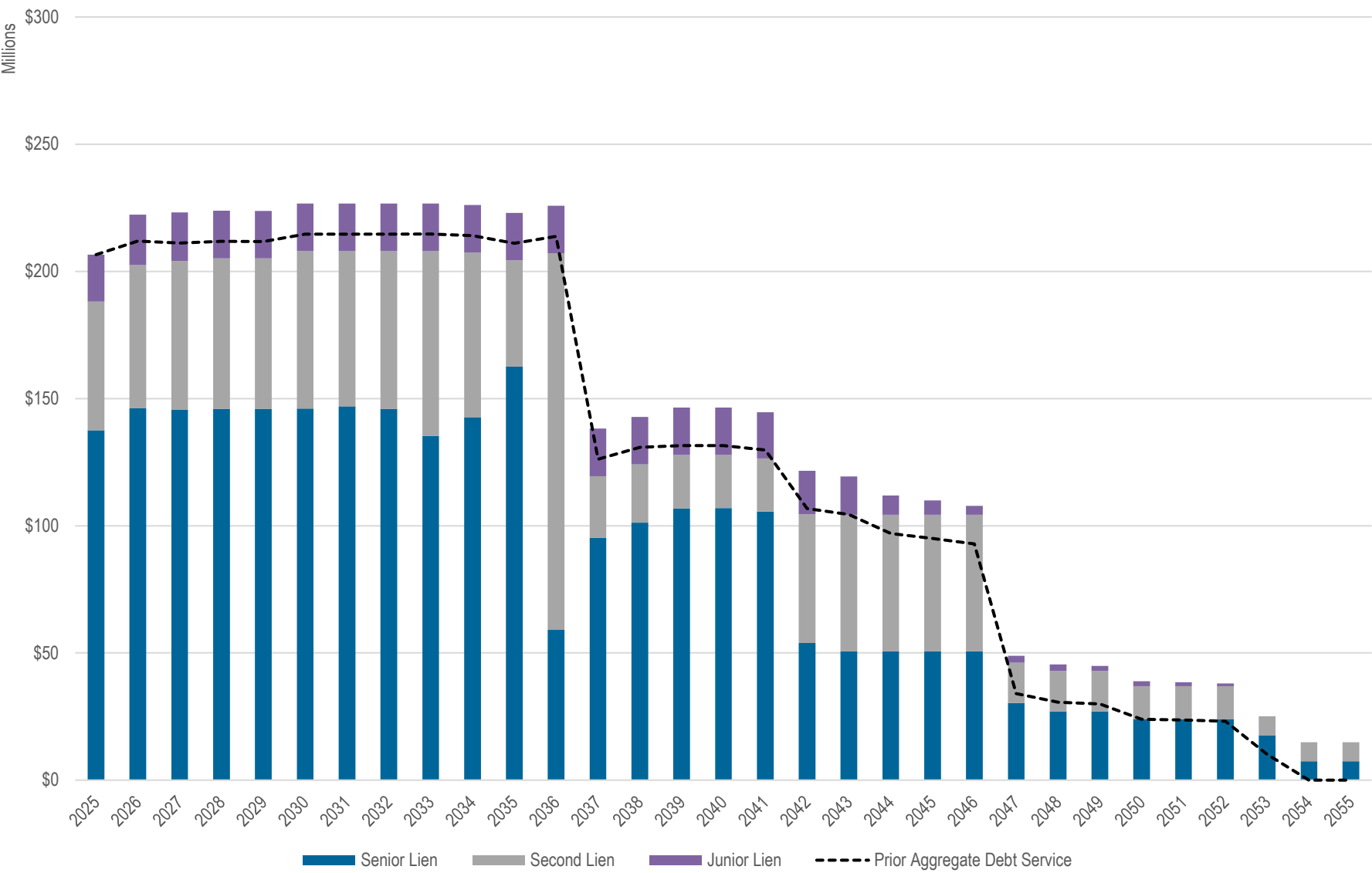
Sewer System Cashflow Impacts ³					
Fiscal Year	Tender Refunding (Savings)	Current Refunding (Savings)	New Money Principal	New Money Interest	Combined Change in DS
2025	-	-	-	-	-
2026	(55,236)	(4,430,403)	1,650,000	2,522,111	(313,528)
2027	(83,376)	(4,399,281)	1,730,000	2,432,625	(320,032)
2028	(83,376)	(4,405,719)	1,820,000	2,346,125	(322,970)
2029	(83,376)	(430,813)	-	2,255,125	1,740,937
2030	(1,038,376)	(433,125)	-	2,255,125	783,624
2031	(2,545,626)	(433,344)	405,000	2,255,125	(318,845)
2032	(2,745,126)	(1,746,531)	1,930,000	2,234,875	(326,782)
2033	(2,659,977)	(1,830,875)	2,030,000	2,138,375	(322,477)
2034	(874,471)	(3,613,344)	2,125,000	2,036,875	(325,939)
2035	(3,741,221)	(744,938)	2,235,000	1,930,625	(320,533)
2036	(3,210,933)	(99,750)	1,170,000	1,818,875	(321,808)
2037	(191,399)	(102,219)	-	1,760,375	1,466,758
2038	(1,939,517)	(104,063)	-	1,760,375	(283,205)
2039	(598,063)	384,563	-	1,760,375	1,546,875
2040	(1,363,578)	-	-	1,760,375	396,797
2041	-	-	1,460,000	1,760,375	3,220,375
2042	-	-	1,535,000	1,683,725	3,218,725
2043	-	-	1,615,000	1,603,138	3,218,138
2044	-	-	1,700,000	1,518,350	3,218,350
2045	-	-	1,790,000	1,429,100	3,219,100
2046	-	-	1,885,000	1,335,125	3,220,125
2047	-	-	1,990,000	1,231,450	3,221,450
2048	-	-	2,100,000	1,122,000	3,222,000
2049	-	-	2,215,000	1,006,500	3,221,500
2050	-	-	2,335,000	884,675	3,219,675
2051	-	-	2,465,000	756,250	3,221,250
2052	-	-	2,600,000	620,675	3,220,675
2053	-	-	2,740,000	477,675	3,217,675
2054	-	-	2,895,000	326,975	3,221,975
2055	-	-	3,050,000	167,750	3,217,750
Total	(21,213,648)	(22,389,841)	47,470,000	47,191,124	51,057,635

1: Represents accrued interest and principal on refunded obligations

2: Totals may not tie exactly due to rounding of figures

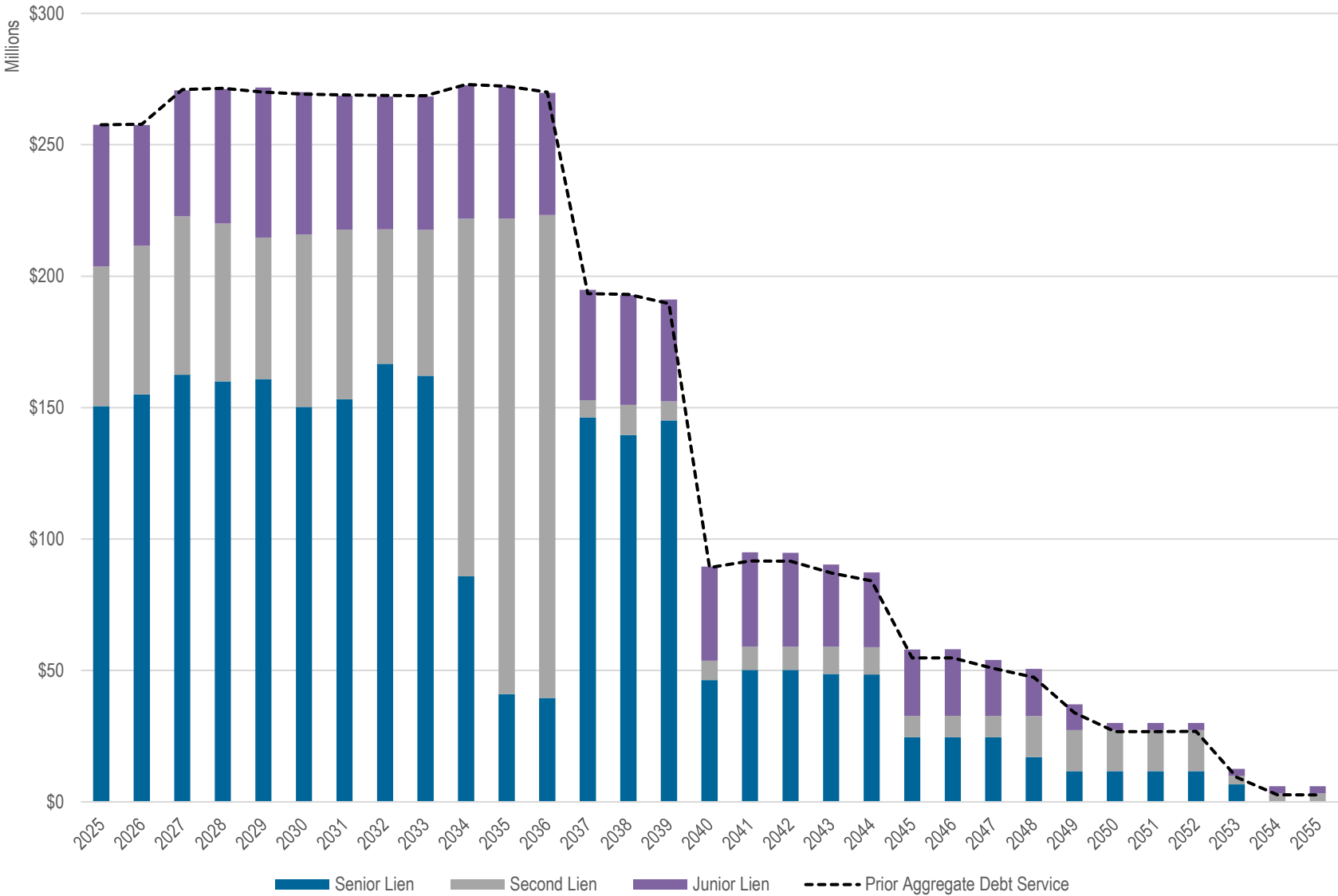
3: Represents cashflow impacts on a Debt Service Installment Requirement basis

Water System – Aggregate Debt Portfolio



Note: Junior Lien debt service assumes all currently outstandingg loans are drawn in full

Sewer System – Aggregate Debt Portfolio



Note: Junior Lien debt service assumes all currently outstanding loans are drawn in full

Transaction Role	Firm
Issuer	<ul style="list-style-type: none"> Great Lakes Water Authority
Financial Advisor	<ul style="list-style-type: none"> PFM Financial Advisors LLC
Bond Counsel	<ul style="list-style-type: none"> Dickinson Wright, PLLC
System Consultant	<ul style="list-style-type: none"> The Foster Group
Trustee	<ul style="list-style-type: none"> U.S. Bank, N.A.
Senior Bookrunning Manager	<ul style="list-style-type: none"> Siebert Williams Shank & Co., LLC
Co-Senior Manager	<ul style="list-style-type: none"> BofA Securities, Inc.
Co-Managing Underwriters	<ul style="list-style-type: none"> Goldman Sachs & Co. LLC Huntington Capital Markets Jefferies LLC Loop Capital Markets LLC Morgan Stanley & Co. LLC Stifel
Underwriter's Counsel	<ul style="list-style-type: none"> Kutak Rock, LLP
Auditor	<ul style="list-style-type: none"> Baker Tilly Virchow Krause, LLP