

Financial Services Audit Committee Communication

Date: June 6, 2025

To: Great Lakes Water Authority Audit Committee

From: Nick Fedewa, CPA, Public Finance Manager

Re: 2025 Bond Transaction: Rating Agency Updates

Background & Analysis: In conjunction with an upcoming bond transaction, the Great Lakes Water Authority (GLWA) has met with three rating agencies and recently received the rating reports.

Good news! Positive Bond Rating Agency Action from Fitch 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.

For both the water and sewer systems, 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.

A combined rating agency report is attached with more information.

Proposed Action: Receive and file this report.