



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: Impact of 2018 Bond Transaction Results on Feasibility Forecast

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: With the results of the transaction now known, the feasibility forecast for the final official statements will be updated based upon the savings realized. The Foster Group, feasibility consultant for the transaction, has provided the attached analysis to explain the impact on the forecast and to present a summary of key updates that will be reflected in the final official statements.

Proposed Action: Receive and file report.