



Legislation Text

File #: 2025-106, Version: 1

Resolution Regarding Approval of Series Ordinance Authorizing Issuance and Sale of Water Supply System Revenue and Revenue Refunding Bonds in a Principal Amount Not to Exceed \$900,000,000 (Ordinance 2025-01)

Agenda of: April 23, 2025
Item No.: **2025-106**
Amount: Not to Exceed \$900,000,000

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Suzanne R. Coffey, P.E.
Chief Executive Officer
Great Lakes Water Authority

DATE: April 23, 2025

RE: Resolution Regarding Approval of Series Ordinance Authorizing Issuance and Sale of Water Supply System Revenue and Revenue Refunding Bonds in a Principal Amount Not to Exceed \$900,000,000 (Ordinance 2025-01)

MOTION

Upon recommendation of Nicolette N. Bateson, Chief Financial Officer\Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), **approves the resolution for the Series Ordinance Authorizing Issuance and Sale of Water Supply System Revenue and Revenue Refunding Bonds in a Principal Amount Not to Exceed \$900,000,000 (Ordinance 2025-01) as presented**, and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

In order for the Great Lakes Water Authority ("GLWA") to proceed with the issuance of new money bonds to support regional capital plan improvements and refunding of various outstanding water supply system bonds for the purpose of

achieving annual debt service savings, potentially including by effecting the tender and/or exchange of certain outstanding bonds, the GLWA Board must approve the included resolution approving the Series Ordinance.

The Series Ordinance sets forth the guidelines for the New Money and Refunding Bonds and authorizes the Chief Executive Officer of the Chief Financial Officer to execute the final terms of the Bonds, paying issuance costs and signing of the Bond Purchase Agreement, within the parameters set forth in the Series Ordinance.

JUSTIFICATION

New Money Portion: The authorized amount for the New Money Bonds is for an aggregate principal amount not to exceed \$230,000,000 for the regional water system.

Refunding Portion: The authorized amount for the Refunding Bonds is presented for an aggregate principal amount of not to exceed \$670,000,000. The final par amount of the Refunding Bonds will be determined at the time of pricing and is based on current bond market pricing levels, tender pricing levels and investor participation in any tender offer, issuance costs and the par amount of the bonds to be refunded or solicited for tender by GLWA as determined by the savings level achieved.

Key Provisions:

- Not to Exceed Par Amount: \$900 million (\$230 million for new money, \$670 million for refunding)
- Maximum Coupon Rate: 6.00%
- Minimum Purchase Price: 98% of principal amount of bonds
- Maximum Underwriter Discount: 0.40% of principal amount of bonds
- Present Value Savings: Greater than 2.50% of principal amount of bonds to be refunded

BUDGET IMPACT

Savings resulting from the potential Water Refunding Bonds are not included in the FY 2025 budget or ten-year financial plan. When savings are achieved, the financial plan will be revised if necessary.

COMMITTEE REVIEW

This matter was reviewed by the GLWA Audit Committee at its meeting on March 28, 2025. The Audit Committee unanimously recommended the resolution for the Series Ordinance Authorizing Issuance and Sale of Water Supply System Revenue and Revenue Refunding Bonds in a Principal Amount Not to Exceed \$900,000,000 as presented.

SHARED SERVICES IMPACT

This item does not impact the shared services agreement between GLWA and DWSD.