

Great Lakes Water Authority

Resolution 2026-162

RE: Approval of Alternate Debt Service Structure in Connection with the Issuance of Water Supply System Revenue and Revenue Refunding Bonds, Series 2026

By Board Member: Jaye Quadrozzi

- Whereas** The Great Lakes Water Authority (the “Authority”) has approved a Debt Management Policy, adopted by the Board of Directors of the Authority on December 9, 2015, as has been subsequently amended (as amended, the “Debt Management Policy”) to establish guidelines relating to the practices for debt management and guide decisions related to debt issued by the Authority; and
- Whereas** Section 9(4) of the Debt Management Policy provides, with respect to new money debt issued to finance capital projects (“New Money Debt”), that such debt issuance will be planned to achieve relatively level debt service by system in aggregate across liens; and
- Whereas** Section 9(4) of the Debt Management Policy provides, further, that an alternative structure for New Money Debt that is deemed to be advantageous to the Authority’s debt profile and cost of financing may be used if approved by the Authority Board upon recommendation of the Chief Financial Officer, with the advice of the Authority’s Registered Municipal Advisor; and
- Whereas** Section 10(1) of the Debt Management Policy provides, with respect to refunding debt, issued to refinance outstanding debt of the Authority (“Refunding Debt”), that savings resulting from such debt issuance will be structured, as described in the Debt Management Policy as either (i) on a level basis (approximately equal savings in each bond year) or (ii) on a proportional basis (with savings in each bond year approximately proportionate to the amount of refunded debt service); and
- Whereas** Section 10(1) of the Debt Management Policy provides, further, that an alternative structure for Refunding Debt, which takes savings on an upfront or deferred basis, may be used if approved by the Authority’s Chief Executive Officer in consultation with the Chief Financial Officer; and
- Whereas** The Authority has established an Extraordinary Repair and Replacement Reserve Fund (the “ER&R Fund”), pursuant to Master Bond Ordinance No. 2015-01, adopted on October 7, 2015 (as subsequently amended through the date hereof, the “Master Bond Ordinance”), amounts in which may be used by the Authority to pay the costs of making major unanticipated repairs and replacements to the Regional Water System and/or the Local Water System which individually have cost or are

reasonably expected by the Authority Board to cost in excess of \$1,000,000 as determined by the Authority Board; and

Whereas The Master Bond Ordinance authorizes the Authority to issue Additional Bonds (as defined in the Master Bond Ordinance) of any Priority of Lien for repairs, extensions, enlargements, and improvements to the Regional Water System or the Local Water System (including repaying amounts withdrawn from the ER&R Fund; and

Whereas Amounts withdrawn from the ER&R Fund must be repaid, pursuant to a determination made by the Authority, in accordance with the Master Bond Ordinance, of the Extraordinary Repair and Replacement Fund Minimum Requirement and Maximum Requirement, no later than ten (10) days following the completion of the Regional Water System’s budget for each Fiscal Year (all defined terms as defined in the Master Bond Ordinance); and

Whereas The Board of Directors of the Authority has approved by Series Ordinance (the “2026 Water Series Ordinance”) the issuance of the Authority’s Water Supply System Revenue and Revenue Refunding Bonds, Series 2026, in an aggregate amount not to exceed \$945,000,000 (the “2026 Water Bonds”), and has, in the 2026 Series Ordinance, authorized the Chief Executive Officer and Chief Financial Officer and Treasurer, each individually, to determine and establish terms of the 2026 Water Bonds, including but not limited to determinations regarding debt service and savings thresholds, within the parameters set forth in the 2026 Series Ordinance; and

Whereas The Chief Financial Officer, with the advice of the Authority’s Registered Municipal Advisor, desires to provide flexibility in structuring the New Money Debt portion of the 2026 Water Bonds to provide financial flexibility due to unexpected Regional Water System capital needs and market conditions, and recommends that this Board of Directors approve the use of an alternate structure from that provided in the Debt Management Policy for the 2026 Water Bonds that are issued as New Money Debt, if the Chief Financial Officer determines upon the sale of such 2026 Water Bonds that an alternate structure will be advantageous to the Authority and the Authority’s debt profile, including, potentially, the repayment of any amounts withdrawn from the ER&R Fund; and

Whereas The Chief Executive Officer, in consultation with the Chief Financial Officer, has determined that it will be advantageous to the Authority to provide flexibility in structuring savings related to the Refunding Debt portion of the 2026 Water Bonds, to provide financial flexibility due to unexpected Regional Water System capital needs and market conditions; and

Whereas The Debt Management Policy provides that the Authority may modify any of the policies included in the Debt Management Policy, with the approval of the Authority’s Board of Directors, and this Board of Directors desires to authorize the

Chief Financial Officer and the Chief Executive Officer, each individually, to make the determinations set forth in this Resolution regarding the use of alternate structures for debt service than provided in the Debt Management Policy, within the parameters set forth in the 2026 Series Ordinance; and

Whereas The Articles of Incorporation of the Authority provide that at least 5 of the 6 members of the Authority Board must vote to approve matters related to the issuance of bonds, notes or other evidences of indebtedness as described herein.

Now, Therefore Be It:

Resolved That this Board of Directors hereby approves the use of an alternate structure from the level debt service structure provided in the Debt Management Policy for the 2026 Water Bonds that are issued as New Money Debt, if the Chief Financial Officer or the Chief Executive Officer determines upon the sale of such 2026 Water Bonds that an alternate structure will be advantageous to the Authority and the Authority's debt profile; **And Be it Further**

Resolved That the Chief Financial Officer and the Chief Executive Officer are hereby each individually authorized and directed to approve such alternate debt service structure in the Sale Order for the 2026 Water Bonds, in accordance with the parameters set forth in the 2026 Water Series Ordinance; **And Be it Further**

Resolved That this Board of Directors acknowledges that an alternative structure from the level savings structure provided in the Debt Management Policy may also be used for the 2026 Water Bonds that are issued as Refunding Debt, and that the Chief Executive Officer and the Chief Financial Officer are each individually authorized to use such an alternative structure, as shall be set forth in the Sale Order for the 2026 Water Bonds, in accordance with the parameters set forth in the 2026 Water Series Ordinance; **And Be it Further**

Resolved That an affirmative vote of at least 5 members of the Authority Board is necessary for the passage of this Resolution.

Adopted by the Great Lakes Water Authority Board on: April 22, 2026

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