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GLWA EXECUTES SUCCESSFUL BOND TRANSACTION SECURING FUNDING FOR REGIONAL WATER AND WASTEWATER SYSTEM IMPROVEMENTS; ACHIEVES $1 BILLION IN DEBT SERVICE SAVINGS SINCE ITS STANDUP IN 2016

- *$1 billion in cash-flow debt service savings achieved since GLWA's standup in January 2016, reducing pressure on water and sewer service charges*
- *All three credit ratings agencies affirmed GLWA's strong credit ratings with stable outlooks*
- *Successful bond transaction will provide $240 million in new funding for regional water and wastewater system capital improvements*
- *Refinancing of debt generates $91.7 million of cash flow savings ($68.0 million of present value savings)*

DETROIT – The Great Lakes Water Authority (GLWA) recently executed a successful bond transaction at favorable rates to fund $240 million in capital improvements for the regional water and wastewater systems and secured $91.7 million in cashflow savings ($68 million of present value savings) by refinancing eligible outstanding bonds. As a result of this successful transaction, GLWA reached the significant milestone of $1 billion in cash-flow debt savings since its standup in 2016.

Positive Bond Rating Agency Actions
In advance of the 2026 bond transaction, GLWA had its strong credit ratings affirmed and retained a stable rating outlook on both water and sewer system bonds:

- 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;
- Fitch Ratings affirmed GLWA's senior lien debt rating for the sewer system at 'AA' and its 'A+' rating for the water system, second lien debt rating for the sewer system at 'AA-' and it's 'A' rating for the water system, while retaining a stable outlook on both the water and sewer systems; and
- Standard & Poor Global Ratings affirmed GLWA's senior lien debt rating of 'AA'- and second lien debt rating of 'A+' with a stable outlook for both the water and sewer systems.

Bond Sale Supports Capital Projects to Improve System Reliability, Redundancy & Resiliency

The bond transaction focused on securing $208 million in new money bond proceeds to replenish funding for water system capital improvement projects and $32 million in new money bond proceeds to replenish funding for wastewater system capital improvements (an overall total of $240 million).

Examples of water and wastewater system capital improvement projects to be funded include:

- Major pump and booster station upgrades directing investment toward regional water pumping infrastructure, prioritizing modernizations at North Service Center and Newburgh pumping facilities and Springwells Water Treatment Plant low-lift and high-lift pumping stations;
- Evaluation and rehabilitation of several sewers, including the Lonyo, Conner Creek, Ashland Relief, Linwood, Second Avenue, and Shiawassee sewers, as well as the rehabilitation of the Freud and Connors Creek pump stations, and installation of a new Freud sanitary pump station;
- Improvements to system-wide linear assets, including strengthening regional transmission networks through widespread transmission main relocations and extensions, extensive pipeline renewals, valve and transmission main condition assessments, as well as reservoir inspections and rehabilitations; and
- Combined sewer overflow (CSO) facility improvements, including rehabilitation of the Oakwood and Leib CSO Facilities, process improvements for the Baby Creek CSO Facility, and the St. Aubin CSO Facility.

For a complete list of projects within GLWA's FY2027-2031 CIP, please click here.

"The capital needs of the regional water and wastewater system are immense. GLWA remains laser focused on operating the system in a way that balances reliability with affordability," said Suzanne R. Coffey, P.E., Chief Executive Officer, GLWA. "The savings from this transaction, as well as the ability to borrow at favorable rates, helps us in our continued efforts to achieve this delicate balance. I can't thank the GLWA team enough for their commitment to ensuring we provide the highest level of service possible to those we serve."

GLWA was able to secure necessary capital funding at favorable levels through the issuance of tax-exempt bonds. The fixed rate new money bonds were issued with a true interest cost of between 4.6 and 4.7 percent for both the water and wastewater systems. The variable rate new money bonds, a first for GLWA, were issued for the benefit of the water system at an initial fixed rate of 3.45 percent through July 2030. At that point, GLWA will have the flexibility to re-evaluate the structure of the bonds and decide on the best path forward. The inclusion of variable rate debt represents an intentional strategy to diversify offerings to investors, manage risk within the financial profile of the utility, and generate savings compared to other financing options.

Timing of Bond Sale and Refunding Saving Supports Affordability of Services
GLWA has aggressively pursued opportunities to generate savings from its outstanding debt portfolio when available.

"Achieving over $1 billion in cashflow savings is a significant accomplishment, but it can be difficult to relate to such a large number," said Nicolette N. Bateson, GLWA Chief Financial Officer and Treasurer. "To provide context, the impact of the cashflow savings on just the next five years relieved budget pressure, on average, by about $65 million per year. That translates to roughly 6.0 percent of the total annual budget to offset rising energy, chemical, construction and other costs."

As a part of this 2026 transaction, GLWA generated cash flow savings of $91.7 million that will be realized through 2046. These cash flow savings offset a portion of the cost of the new borrowing in support of critical capital projects and support the continued affordability of services.

Strong Investor Interest
In preparation for this offering, GLWA prepared a detailed disclosure document and investor presentation designed to demonstrate GLWA's continued credit strength and system resiliency to investors. This communication helped to generate strong interest from investors, ultimately attracting orders from over 80 unique institutional investors across the two systems, over 30 of which did not participate in the 2025 transaction. Furthermore, the addition of a variable rate component in the financing structure lowered GLWA's interest costs and diversified its investor base with five new investors on this component alone.

"Investors actively competed for our bonds allowing us to generate the low borrowing costs for our capital expansion and push us over the $1 billion threshold for debt service savings," stated Nicholas Fedewa, GLWA Public Finance Manager. "We were pleased with our pricing results and the broad investor participation in this offering."

Since GLWA's bonds were sold at a premium, the par value of the bonds for both systems totaled approximately $1.03 billion. In aggregate, $2.4 billion in orders were received for the $1.03 billion in bonds meaning, in aggregate, investors placed orders for 2.3x the number of bonds available. This strong showing of demand allowed GLWA to obtain all necessary funding while also negotiating to reduce the interest cost of certain maturities for which there was significant investor interest.

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About the Great Lakes Water Authority (GLWA)
The Great Lakes Water Authority (GLWA) is the provider-of-choice for drinking water services to nearly 40 percent and efficient and effective wastewater services to nearly 30 percent of Michigan's population. With the Great Lakes as source water, GLWA is uniquely positioned to provide those it serves with water of unquestionable quality. GLWA also has the capacity to extend its service beyond its 88 member partner communities. As part of its

commitment to water affordability, the Authority offers a Water Residential Assistance Program to assist low-income households in participating member communities throughout the system. GLWA's board includes one representative each from Oakland, Macomb and Wayne counties, two representatives from the city of Detroit and one appointed by the Michigan governor to represent customer communities outside of the tri-county area.