

Water Department successfully issues \$135,000,000 of New Money Water & Wastewater Revenue Bonds

On November 16, 2011, PWD settled on \$135,000,000 in new money revenue bonds. The bonds were issued as the City of Philadelphia, Pennsylvania-Water and Wastewater Revenue Bonds, Series 2011A. The net proceeds of \$124,489,061 million from these bonds will be used to fund a portion of the Water Department's 2013 to 2016 Capital budget and to pay costs related to the transaction.

The City also refinanced a portion of the 2001A and 2007 Water and Wastewater Revenue Bonds as further described in the forepart of the Official Statement for this transaction.

The bonds were issued at true interest cost of 4.556337%. The final bond maturity was in 2041 had yield of 4.81%. The bond sale was managed by the City's bond team which included the City Treasurer Nancy Winkler, Deputy Water Commissioner Joe Clare, the underwriters, bond counsel, financial advisors and many others. Thanks to their efforts and to the assistance of many of PWD managers in compiling and presenting the data in the department's official statement, the department was able to access the market to complete this transaction which provided essential funding for infrastructure replacement and reduced the Water Department's risk exposure related to interest rate swaps, variable interest rates and liquidity costs. The department recently received confirmation of its existing bond ratings from each of the three major bond rating agencies. (Moody's: A1, S&P: A, Fitch: A+) Copies of the bond official statement and the rating agency reports are available on our website.

Congratulations to all on a job well done.

Howard Neukrug
Water Commissioner