



The ARAMARK Tower  
1101 Market Street  
Philadelphia, Pennsylvania 19107-2994

BERNARD BRUNWASSER  
Commissioner

**Contact:** Laura Copeland, 215-685-6019

**For Immediate Release:** March 19, 2007

### **Water Department Receives Favorable Bond Rating and Stable Outlook Rating Reflects Strong Operating and Financial Management**

**PHILADELPHIA** – On Wednesday, March 14, the City of Philadelphia Water Department successfully re-funded \$345 million of water and wastewater revenue bonds for a net present value savings in excess of \$14.5 million in future debt service expense for the Water Department.

“This refinancing is a great outcome for the Philadelphia water rate payers and will help the management of the Department continue to keep future rates below those of other regional water providers.” said Water Commissioner Bernard Brunwasser.

Brunwasser went on to say that “It is gratifying to have the Water Department’s operational and financial management decisions confirmed by the response of the municipal bond market to this offering. The Department will continue its conservative financial management of the utility while retaining its leadership role in meeting regulatory and environmental water and wastewater challenges.”

Moody’s Investors Service assigned an A3/stable outlook rating to the Water Department and attributes this rating to the Department’s strong management, improved financial operations, significant cash balances in the Rate Stabilization Fund and ongoing improvements in environmental compliance. “The management team of the Water Department has produced a strong record of operational and financial achievements over the past decade. Operational achievements include continued improvements in environmental compliance, launch of a proactive water main replacement program that has significantly reduced the number of main breaks and installation of automatic meters for a significant proportion of residential customers.”

In terms of rates, the Philadelphia Water Department continues to have some of the lowest rates in the region for water, wastewater, and storm-water services. The Department has had great success in containing costs, increasing employee productivity and improving services. The impact of these cost-saving measures has been to keep services high, and rates low.

- more -

## **Favorable Bond Rating/2**

During the ten year period from Fiscal Year 1996 through Fiscal Year 2005, the Department increased rates in five of ten years adding up to a total increase for residential customers of 22.4 percent versus the Philadelphia Consumer Price Index that measured 28.9 percent during the same period.

The Philadelphia Water Department is one of the largest publicly-owned water, wastewater, and stormwater utilities in the nation, and has a proud record of providing safe drinking water, protecting the environment and maintaining fiscal responsibility. The Department employs a dedicated and talented group of laborers, skilled trades workers, engineers, scientists, technicians, managers, and other support employees who provide high-quality services to the public.

###