A top financial ratings service announced Monday that the Oklahoma Water Resources Board's Bond Loan Program has received an ‘AA+’ rating, making it the highest rated, uninsured state bond program.

The rating, computed by Standard & Poor’s, is even higher than that achieved by the State of Oklahoma or the largest municipalities in the state, according to James Joseph, State Bond Advisor. “This honor reflects the maturity of the Water Board’s loan program, which has a good history of borrower repayment, strong financial management and oversight, and sound underwriting standards. It’s really a credit to the Board that the program has received such a mark of distinction,” he said.

The State Bond Advisor's Office, which staffs the Council of Bond Oversight, provides advice and assistance to the Governor and Legislature on matters relating to capital planning, debt issuance, and debt management.

“We are extremely excited and proud to attain this rating,” added Duane Smith, OWRB Executive Director. “Throughout its 18-year history, our loan program has exhibited a high level of proficiency, leading to consistent and reliable water and sewer system financing for Oklahoma’s cities, towns, and rural communities. Since inception of the program, we've issued more than $600 million in bonds yet never experienced a default.”

According to the Standard & Poor's announcement, a mitigating factor that precluded a higher rating for the Board is that roughly 11% of the program’s loan portfolio loans are non-investment-grade. Also impacting the rating was the open nature of the bond pool. “Despite these obvious limitations, the Board’s program continues to improve. In many cases, we are the only financing option for community water and sewer projects, especially those smaller towns who have limited resources to draw upon,” Smith pointed out.

Joe Freeman, Chief of the OWRB's Financial Assistance Division, said the agency's Bond Loan Program currently offers a 1.772 percent variable interest rate. “Our consistently low interest rates allow the Water Board to contend in a very competitive marketplace,” he pointed out. “But those who benefit most are the citizens of Oklahoma who depend so much on reliable water and sewer systems to fulfill their many and varied needs.”

The OWRB’s Financial Assistance Program—consisting of the Bond Loan Program, Clean Water and Drinking Water State Revolving Fund Loan Programs, Emergency Grant Program, and Rural Economic Action Plan Grant Program—is responsible for more than $1 billion in financing for community water and sewer infrastructure projects in Oklahoma. The effort was launched through a $25 million dollar appropriation by the State Legislature in 1983.

For questions about the OWRB's bond program rating or the State Financial Assistance Program, contact Joe Freeman, Chief of the OWRB’s Financial Assistance Division at (405) 530-8800.