

October 14, 2003

FOR FURTHER INFORMATION,
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***Water Board Loan Program
Achieves Superior Rating***

For the second time since June, a pending Oklahoma Water Resources Board bond issue has received an exceptionally high rating from top financial ratings services.

Last week, Standard & Poor's, Fitch, and Moody's assigned 'AAA' ratings to the OWRB's \$125 million series 2003 Drinking Water State Revolving Fund (DWSRF) revenue bonds. To obtain the lofty ranking, the Water Board had to demonstrate extremely strong bondholder security and excellent oversight of the DWSRF loan program, which funds community drinking water system improvements in Oklahoma. In June, the agency's Bond Loan Program received a 'AA+' rating for a separate bond issue. The Bond Loan Program funds both water and wastewater infrastructure projects.

"We are again thrilled to receive this direct validation of our efforts to bring affordable and sound financing to Oklahoma's cities, towns, and rural water districts," emphasized Duane Smith, OWRB Executive Director. "This rating is especially noteworthy because it's the highest ever achieved by an uninsured state entity that issues revenue debt in Oklahoma," he added.

According to James Joseph, State Bond Advisor, the rating reflects the Water Board's strong standing in the state and national financial community. "The rating is a credit to exceptional management of the Drinking Water SRF program by the Water Board and its staff and, specifically, the program's outstanding history of borrower repayment, with no loan ever in default," he pointed out. 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.

"The rating attained through this bond issue will enable the Board to provide an extremely competitive interest rate on loans for drinking water projects, leading to even more savings for our citizens who rely so much upon dependable water supply." added Joe Freeman, chief of the OWRB's Financial Assistance Division.

Currently, the Board has 19 DWSRF loan applications for more than \$120 million either approved or on the 2004 project priority list awaiting funding from the bond proceeds. An additional six applications for \$64.4 million are on the fiscal year 2005 priority list. In addition to loan fund repayments and establishment of reserves, the bond issue will help fund Oklahoma's 20 percent match required by the U.S. Environmental Protection Agency, which sponsors the program. The OWRB's Financial Assistance Program—consisting of the Drinking Water and Clean Water State Revolving Fund Loan Programs, Bond Loan Program, 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 DWSRF loan program rating or the State Financial Assistance Program, contact Joe Freeman, Chief of the OWRB's Financial Assistance Division at (405) 530-8800.