



OFFICE OF THE MAYOR
CITY OF CHICAGO

FOR IMMEDIATE RELEASE

September 2, 2014

CONTACT:

Mayor's Press Office

312.744.3334

press@cityofchicago.org

MAYOR EMANUEL ANNOUNCES REVISED OUTLOOK ON WASTEWATER REVENUE BONDS
S&P Upgrades Rating on Upcoming Second Lien Wastewater Debt to "AA-" from "A+" with Stable Outlook; Also Raises Rating for Senior Lien Wastewater Debt to "AA" from "AA-"

Mayor Rahm Emanuel announced today that S&P has raised the rating on the City of Chicago's second lien wastewater secured debt, raising the rating to 'AA-' from 'A+' with stable outlook. S&P also revised the outlook on the City of Chicago's 'outstanding senior lien wastewater debt to 'AA' from 'AA-' reflecting the city's efforts to improve its financial position, address capital needs in a timely fashion, and maintain low customer rates.

"The upgraded rating on the wastewater bonds and the affirmed 'AA' rating on the water lien is evidence that the City of Chicago's efforts are paying off with respect to increased service coverage and better financial oversight of our utilities," Mayor Emanuel said.

The revised rating is a reflection of the City's large and diverse customer base, its reserves, low rates and debt service coverage. The stable outlook on the senior lien bonds takes into account recently adopted rate increases as well as the City's position as an economic leader for the Midwest and the nation. Bond proceeds are used to finance improvements to the City's 4,600-mile-long wastewater sewer system. The Capital improvement plan for the wastewater system includes installation of 250 miles of sewer mains, lining 490 miles of sewers and 140,000 sewer structures.

In addition, S&P today also affirmed its 'AA' long-term and underlying rating (SPUR) on the city's senior lien water debt outstanding and its 'AA-' long-term rating and SPUR on the city's second-lien debt outstanding with a stable outlook.

In Fall 2011, Mayor Emanuel embarked on a visionary plan to improve the City's water and sewer system, financed with revenues generated by the water and sewer rate increased passed by City Council as part of his first budget. The administration has improved debt

service coverage, maintained cash reserves, and is working toward funding 40 percent of the 10-year sewer improvement plan with cash, rather than debt.

###