



**THE OFFICE OF
STATE TREASURER
DENISE L. NAPPIER**

NEWS

**Treasurer Nappier Announces Strong Investor Response
to State's High-Quality Clean Water Fund Bonds**

*Sale Weathered Bumpy Market as Investors Vied for
Latest Issue of High Quality Bonds*

**FOR IMMEDIATE RELEASE
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HARTFORD -- Treasurer Nappier today announced the successful sale of \$196 million in State of Connecticut Clean Water Fund bonds. The proceeds of the bonds will be used to fund projects through the Clean Water and Drinking Water Funds.

"These high quality bonds were apparently just what investors were looking for," said Nappier. "Given recent market volatility and concern over credit in the financial markets, it was no surprise that both retail and institutional investors were interested in the Connecticut Clean Water bonds, which are rated AAA, without bond insurance."

The State of Connecticut received orders for \$78 million in bonds from individual investors and their investment advisors during a two-day special priority retail order period held on July 21 and 22. The retail order period was advertised through Connecticut's radio stations and newspapers. On July 23, institutional investors submitted orders totaling three times the number of available bonds, allowing the State to reduce the interest rates further.

"Remarkably, this tremendous response occurred during one of the most volatile days in the market, and the State was able to achieve very favorable interest rates," said Nappier.

The sale included \$196 million of 10-year fixed-rate, tax-exempt new money bonds that were sold at an overall true interest cost of 3.39%.

"The successful sale means real savings for Connecticut's water quality programs," Nappier said. "The favorable cost of funds was possible because of both the strong investor demand and because the State was able to issue these bonds with a shorter than normal 10-year maturity structure."

The State's ability to issue bonds with a shorter maturity was possible because in 2003, Nappier restructured the Clean Water financing program, and in 2008 cash defeased all of the older bonds, allowing the benefits of the new simplified credit structure to be fully

realized. The program's restructure is a significant accomplishment that will allow the State to structure future bond issues as appropriate to maximize project funding for essential Clean Water Fund and Drinking Water fund projects throughout the State.

"Our environment is one of our most precious resources, and the results of this bonds sale will enhance the ability of the Connecticut Clean Water Fund to meet our environmental water quality goals," said Treasurer Nappier.

M.R. Beal was the senior managing underwriter on the transaction. Edwards Angell Palmer & Dodge, and the Hardwick Law Firm are co-bond counsel for the program. The State was advised on the sale by the financial advisory firms of Lamont Financial and First Southwest. The bond sale closed on August 6.