



LAKE WHATCOM WATER & SEWER DISTRICT

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PRESS RELEASE

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Lake Whatcom Water and Sewer District recently issued Water and Sewer Revenue Refunding Bonds to lower interest rates and save money. The Water and Sewer Revenue and Refunding Bonds were priced on July 13, 2016 near a historic low in interest rates. The Refunding Bonds achieved a total net savings of \$1,207,092.00 for the District, which is an average annual savings of \$63,531.00 for the remaining 19 years of the bond issue.

The new money Water and Sewer Revenue bonds financed capital improvements to the water and sewer facilities of the District including construction of the new Division 22 Reservoir project in Sudden Valley and the Strawberry Point Sewage Pump Station Improvements project in Geneva. The District also paid off a higher interest loan from the City of Bellingham to pay for the District's portion (4.8% of the total costs) of the City's recent Sewage Treatment Plant Improvements Project.

As a part of the bonding process, District staff presented information regarding the topics of management, finances, local economy and long-term planning to the national rating agency of S&P Global Ratings. The District's bond rating grade was subsequently upgraded from "A+ to AA-" thereby saving interest costs. The presentation team was comprised of General Manager Patrick Sorensen, Assistant General Manager Bill Hunter, Finance Manager Debi Denton, and Bond Underwriter Jim Nelson of D.A. Davidson & Co.

According to Finance Manager, Debi Denton, "the AA- bond rating grade was based upon the following key factors: 1. Demonstrated track record of strong financial reserves; 2. Strong historic debt service coverage; 3. Good financial management policies and practices; 4. Strength of the local economy; 5. Experienced management in operating the District in an efficient manner."

Commissioner Laura Weide stated that, "This rating grade of AA- reflects that the District is very well-managed and has strong financial policies and practices in place for the benefit of our ratepayers."

The Water and Sewer Revenue and Refunding Bonds were underwritten by D.A. Davidson & Co., Trading and Public Finance Office in Seattle.