



Cascade receives ratings upgrade from Standard & Poor's

October 22, 2009

Standard & Poor's announced on September 4 that it increased its rating on Cascade's long-term and underlying rating to AA+ from AA- on the Series 2006 water system revenue bonds. At the same time, Standard & Poor's assigned its 'AA+' long-term rating to the Cascade's series 2009A tax-exempt water system revenue bonds and series 2009B taxable water system revenue bonds (Build America Bonds).

The raised rating is based on the raised ratings of several Cascade members to 'AAA/Stable' and the system's historically good financial performance, said Scott Hardin, Finance Director.

"Standard & Poor's rating upgrade is a validation of Cascade's increasing financial and management strength" added Lloyd Warren, chair of Cascade's board of directors. "As a relatively young organization the board has focused on building a solid financial foundation as a key to our future success."

The rating was upgraded in anticipation of Cascade issuing bonds of \$80 million in October 2009. Bond proceeds will be used to implement Cascade's 2009 capital improvement plan, which includes the acquisition of Lake Tapps, installation of pipeline at State Route 900 in Issaquah, and property acquisition of property along a pipeline route.

The total all-inclusive interest cost on Cascade's bonds is 3.61% over a 25-year term, in taxable and tax-exempt series. Cascade has been able to secure these remarkably good financing terms thanks to aggressive pursuit of newly available federal financing tools like the taxable Build America Bonds, as well as a two-step ratings upgrade from Standard & Poor's. The ratings upgrade enabled Cascade bonds to generate interest from new categories of investors.

Water for today...
and tomorrow