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NORTH BEACH WATER DISTRICT

PRESS RELEASE

A+ Stable Credit Rating for North Beach Water District

North Beach Water Districts scores an A+ Stable Credit Rating with Standard and Poor's Rating Services.

Ocean Park, June 18, 2013: Working with Martin Nelson and Company, North Beach Water District secured an A+ Stable credit rating from Standard and Poor's Rating Service.

In a report released May 29, 2013, Standard and Poor's noted the District's credit strengths and stable outlook. Credit strengths included a "good to strong financial risk profile" and "no additional debt plans" which contributed to an A+ credit rating. The District's "strong cash position" and "very strong Debt Service Coverage" contributed to the stable rating.

The Standard and Poor's Ratings Report was part of a revenue bond issuance plan adopted by the District's Board of Commissioners. The purpose of the bond issuance is to refinance an adjustable rate loan used to purchase the Ocean Park Water Company and Pacific Water Company in 2006 and to purchase property for a new wellfield, purchase or build a business office and build an equipment storage building at the North Wellfield.

The A+ Stable rating allowed the District to fix an average interest rate of 3.36% with a 20 year repayment term on the replacement debt.

"The District's Commissioners are committed to seeking ways to minimize potential costs increases to our ratepayers" said General Manager, Bill Neal. "The Commissioners understand that their ratepayers are very concerned about the cost of living and they are pleased to have removed the risk of future costs increases due to rising interest rates on an adjustable rate loan". The Commissioners chose to enter the bond market now and fix the District's interest cost at historically low rates for the next 20 years.

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