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FOR IMMEDIATE RELEASE

Western Carolina Regional Sewer Authority Commission Approves the Refinancing of Outstanding Revenue Bonds

On March 2, 2005, the Western Carolina Regional Sewer Authority's Board of Commissioners approved the sale of \$69,695,000 in revenue bonds, the proceeds of which refinanced \$71.7 million of the Authority's outstanding debt for savings over the life of the bonds of \$3.71 million. The bond sale took advantage of currently available interest rates that are significantly lower than those pertaining to the older issue. A.G. Edwards & Sons managed the sale of the bonds for Western Carolina.

"The refinancing is part of our overall capital improvement funding process," said Ray Orvin, Western Carolina's Executive Director. "When we free up debt capacity through periodic refinancings such as this, we get more bang for our rate-payers' bucks – that is, we can pay for additional capital improvements to our sewer system, improvements that are required by customer base growth and environmental concerns, at no additional cost to our customers."

Western Carolina maintains a long-range capital improvement plan that identifies and prioritizes the needs of its collection system, treatment plants, and other facilities. This plan is a part of the Upstate Roundtable, a comprehensive 20-year regional plan designed to ensure adequate sewer infrastructure to handle growth and development in the areas served by the Reedy, Saluda, and Enoree River Basins. The projects included in the capital improvement plan address capacity needs, environmental compliance and performance, and efficiency improvements. As part of that plan, the Authority issued \$86,560,000 in bonds last January to fund improvements throughout the system.

Moody's Investors Service accorded Western Carolina a credit rating of Aa3 and Standard & Poor's Corporation assigned a rating of AA-. These ratings are the highest of any sewer utility in South Carolina and are among the highest assigned to any such utility in the country.

"Our credit ratings serve as an important endorsement of the approach we are taking in managing our sewer collection and treatment system," said Orvin. "And the confidence of bond investors in that approach has been demonstrated twice in the past two months. We are pleased with the results."

For more information about Western Carolina's refinancing and Capital Improvement program, please contact Ray Orvin at 864-299-4000.

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*****Western Carolina Regional Sewer Authority Celebrates 75 Years of Environmental Stewardship*****