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NEWS RELEASE

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FOR IMMEDIATE RELEASE

SCV Water receives credit rating upgrade from Fitch Ratings

SANTA CLARITA – Citing a stable outlook and very low operating cost burdens, Fitch Ratings has upgraded the overall credit rating of the SCVWA to AA from AA-. In addition, the rating on several debt obligations were upgraded as follows:

\$75 million in Certificates of Participation were upgraded to AA+ from AA

\$233.1 million in Revenue Bonds were upgraded to AA from AA-

In their comprehensive review, Fitch Ratings, an independent credit rating agency, has concluded that the Agency has a very strong capacity for payment of financial commitments, and is not significantly vulnerable to foreseeable events.

“The rating upgrade recognizes our very strong capacity for payment of financial commitments,” said Gary Martin, President of SCV Water Board of Directors. “At SCV Water, we work hard to be good stewards of our ratepayer’s money, and this rating means lower interest rates for us when we do need to turn to financing for certain capital improvement projects.”

This rating affirms the Agency’s capacity to absorb the additional debt issuance planned to implement the agency’s fiscal 2022-2026 capital improvement plan (CIP) and will allow SCV Water to continue to secure the best available interest rates for future debt financing requirements to meet infrastructure needs.

Projects in the CIP will address pipeline repair and replacement, emergency storage, and recycled water programs, as well as treatment to restore water capacity from wells closed due to PFAS contamination. The anticipated CIP totals \$420 million, which SCV Water expects to fund with available reserves, pay as you go revenue from water rates, State and Federal grants and low interest loans, recovery of costs from responsible parties in groundwater contamination litigation, as well as an additional \$175 million in debt.

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About SCV Water:

The Santa Clarita Valley Water Agency (SCV Water) is a full-service regional water agency located in the Santa Clarita Valley. SCV Water provides water service to approximately 75,000 business and residential customers. It was formed on January 1, 2018, when local water suppliers combined into one integrated, regional water provider. More information can be found at www.yourSCVwater.com.

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