



NEWS RELEASE

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FOR IMMEDIATE RELEASE

SCV Water 2023 Revenue Bonds Successfully Sold

High Credit Rating Leads to Total Debt Service Savings above \$1.5 Million

SANTA CLARITA – Following a recent credit rating upgrade to AA+ by Standard & Poor's, SCV Water's 2023 revenue bonds were successfully sold in the market on Tuesday, August 1. The \$75 million bond issuance achieved an all-in total interest cost of 2.85% and the Agency had an oversubscription of interest from investors of 3.8 times that amount.

"The successful sale of the 2023 revenue bonds affirms SCV Water's financial stability and outlook," said Chief Financial and Administrative Officer Rochelle Patterson. "The Agency's high credit rating resulted in an attractive investment in the market, which is ultimately a benefit to SCV Water ratepayers through a lower interest rate and debt service savings over time."

Despite yields rising in the tax-exempt market on Tuesday, the significant investor interest allowed the yields on the Agency's bonds to price lower than initially offered. As a result, all-in interest costs for the agency finished at 2.85%, and were lower than the projected 3.03% presented at the SCV Water Board of Directors meeting on July 18. Due to high demand for tax-exempt debt and other factors, including market movement following the mid-July projection, few California issues the same day and SCV Water's good credit quality, the lower rate translates to total debt service savings of \$1,576,248 through maturity.

"Securing favorable financing terms is always important, and it is especially critical as SCV Water works to upgrade our water system – including treatment plants, reservoir storage, recycled water facilities, and pipelines. This bond issue will fund a portion of a much larger investment over the next five to 10 years. A significant part of that is adding well treatment facilities at multiple locations throughout the valley to deal with groundwater contamination and meet new drinking water standards related to per- and polyfluoroalkyl substances (PFAS). Lower borrowing costs, grants, and the potential use of federal WIFIA (Water Infrastructure Finance and Innovation Act) financing will help to better manage the rate impacts of these necessary water quality and reliability projects," said General Manager Matt Stone.

"The results achieved during the bond sale are a testament to the hard work put in by the Agency's Financing Group, which includes staff, consultants and legal representatives," added Patterson. "This is significant positive news for the Agency and all SCV Water customers."

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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 yourSCVwater.com.

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