



NEWS RELEASE

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FOR IMMEDIATE RELEASE

SCV Water's Credit Rating Upgraded by S&P *AA+ Rating Reflects Stable Long-Term Financial Outlook*

SANTA CLARITA – Citing SCV Water's sophisticated management and diversified water portfolio, as well as the ability to maintain strong debt service coverage and operating reserves, Standard & Poor's (S&P) has upgraded or affirmed the Agency's credit ratings at the AA+ level for a number of bonds and senior-lien certificates of participation (COPs), including:

- Raised the long-term rating to AA+ from AA on the Upper Santa Clara Valley Joint Power Authority's (USCVJPA) subordinate-lien revenue bonds, which are issued for SCV Water
- Assigned a AA+ long-term rating to the USCVJPA's anticipated \$63.7 million series 2023 subordinate-lien revenue bonds
- Affirmed a AA+ rating on SCV Water's existing senior-lien COPs, as well as parity subordinate-lien COPs

Following its comprehensive review of SCV Water's finances, S&P Global Ratings found that the Agency's operating revenues that are available for junior-lien payments are "very strong," leading the firm to upgrade the rating for the associated bonds on the determination that S&P "no longer believe[s] junior-lien bondholders are materially disadvantaged relative to senior-lien bondholders."

"Achieving a AA+ credit rating across the board recognizes SCV Water's strong financial footing and ability to pay debt," said Chief Financial and Administrative Officer Rochelle Patterson.

S&P assigns ratings to companies using letter grades to communicate to investors how likely a borrower is to repay its debt. A rating of AA+ indicates the institution is financially strong and that associated investments have a very low chance of default.

"These ratings will enable the Agency to secure lower interest rates when financing capital improvement projects, which is a benefit to ratepayers as well," added Patterson.

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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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