



NEWS RELEASE

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FOR IMMEDIATE RELEASE

SCV Water's Debt Obligation Ratings Affirmed by Fitch Ratings

SANTA CLARITA – Citing a very low operating cost burden and stable financial outlook, Fitch Ratings has affirmed the ratings on several Santa Clarita Valley Water Agency (SCV Water) debt obligations for 2023. Specifically, the following ratings were affirmed:

- \$73.5 million in Certificates of Participation (COPs) at AA+
- Approximately \$78.4 million in series 2020A revenue bonds at AA
- Approximately \$154.7 million in taxable series 2020B revenue bonds at AA

In addition, Fitch Ratings affirmed SCV Water's Issuer Default Rating (IDR) at AA. Following a comprehensive review, the independent credit rating agency concluded that SCV Water continues to have a strong capacity to pay its financial commitments and has a stable outlook for the future.

"The rating affirmation recognizes the Agency's commitment to fiscal sustainability as we continue to serve the unique needs of customers in the Santa Clarita Valley," said Gary Martin, President of the SCV Water Board of Directors.

The ratings convey the Agency's capacity to absorb additional debt issuance as it implements the fiscal year 2023-27 capital improvement plan (CIP). Additionally, SCV Water will continue to secure the most favorable interest rates available for future debt financing needs.

Projects in the CIP will address pipeline repair and replacement, emergency storage, recycled water programs, as well as a large portion of spending for well treatment due to PFAS contamination by constructing treatment facilities to restore water capacity. The anticipated five-year CIP totals \$684 million, which SCV Water expects to be funded by two Water Infrastructure Finance and Innovation Act (WIFIA) loans through the Environmental Protection Agency (EPA), along with other debt, State and Federal grants (about \$41.4 million), low-interest loans, pay-as-you-go revenue from water rates, and recovery of costs from responsible parties in groundwater contamination litigation.

"The effort required to secure a favorable Fitch rating involves proactive financial management, adherence to best practices, and open communication with the rating agency to ensure a comprehensive evaluation of the Agency's creditworthiness," said Rochelle Patterson, SCV Water Chief Financial & Administrative Officer. "Our high ratings mean stability and lower interest rates, which ultimately benefit our ratepayers."

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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.

For more information, please contact:

Kevin Strauss
Communications Manager
SCV Water
kstrauss@scvwa.org
Mobile: (661) 625-2639