



201 Vallecitos de Oro - San Marcos, California - 92069 - (760) 744-0460

Press Release

FOR IMMEDIATE RELEASE
May 29, 2015

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Rating Agencies re-affirm and upgrade the Vallecitos Water District's ratings

San Marcos, CA – Strong financial performance and the procurement of local water supplies and diversification has resulted in Fitch Ratings recently affirming Vallecitos Water District's credit rating of 'AA+', with an Outlook Stable into the foreseeable future.

Fitch's analysis determined the factors for the favorable rating to be a stable and diverse revenue source, very strong debt coverage performance, affordable rates in a sound regional economy, no debt planned for the next five years, and conservative assumptions when forecasting financial results. The rating can be found at https://www.fitchratings.com/creditdesk/press_releases/detail.cfm?pr_id=985403.

Citing the District's historically strong financial performance, Standard and Poor's also conducted a rating which resulted in an upgrade to the District rating from AA to AA+. The improved rating serves as evidence that the Vallecitos Board of Directors and management are making the right decisions to keep the District going the right fiscal direction during this time of numerous challenges. The rating can be found at

Both agencies agree that the District's significant investments in local storage have lessened the risk of supply disruptions and benefitted the region, a key rating factor. By purchasing desalinated water from the Carlsbad Desalination Facility, the district will have access to a drought-proof supply of 3,500 to 4,000 acre feet a year, equal to about 30% of current demand.

The world's leading credit rating agencies, Fitch Ratings and Standard and Poor provide credit research, commentary and benchmarks for agencies and businesses around the world.

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About Vallecitos Water District: *As an independent, special district, Vallecitos is dedicated to providing water, wastewater and reclamation services to approximately 97,000 people in a 45-square-mile area that includes San Marcos; the community of Lake San Marcos; portions of Carlsbad, Escondido and Vista; and other surrounding unincorporated areas. The public is invited to Board meetings, taking place at 4 p.m. the first and third Wednesday of each month at Vallecitos' Administration Building - 201 Vallecitos de Oro, San Marcos. Board meetings are also televised on San Marcos TV. Visit www.san-marcos.net/smtv for a complete programming schedule.*