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Press Release

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VALLECITOS WATER DISTRICT REFINANCES DEBT WITH A LOWER INTEREST RATE TO SAVE MORE THAN \$3.4 MILLION DOLLARS

San Marcos, CA – Historically low rates for tax-exempt municipal bonds and strong credit ratings have enabled the Vallecitos Water District (VWD) to successfully refinance \$45.4 million of its bond debt to lower interest rates, saving \$3.47 million dollars. The District is scheduled to pay off nearly half of their debt in the next ten years. The District currently has no plans to take on any additional debt.

“Refinancing these bonds allows us to save millions of dollars in interest over the life of the bonds. That’s a significant step in ensuring a sustainable financial future while being responsible to our ratepayers,” said VWD Assistant General Manager, Tom Scaglione.

As part of the process leading up to the board authorization of the refinancing project, the District secured a credit upgrade from Standard & Poor’s, bringing its credit rating from AA to AA+ and affirmed its AA+ rating with Fitch Ratings. The District believes this upgrade is a result of the District’s historically strong financial performance, including a stable and diverse revenue source, strong debt coverage performance and affordable rates in a sound regional economy.

The new rating accomplishments and the successful sale of the District’s bonds reflect the fiscal responsibility of VWD Board of Directors as well as the District’s strong financial position, based on its dedicated, engaged, and knowledgeable staff, strong leadership, operational stability, and low debt.

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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.*