Press Release

FOR IMMEDIATE RELEASE

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Standard and Poor's reaffirm the Vallecitos Water District’s ‘AA’ rating with a stable outlook

San Marcos, CA – As the Vallecitos Water District navigates through a challenging economic climate, an in-depth fiscal analysis of Vallecitos conducted by Standard and Poor’s (S&P) revealed Vallecitos is moving in the right direction. The leading financial services provider reaffirmed Vallecitos’s ‘AA’ rating with a ‘stable outlook’ into the foreseeable future.

Continuing on its mission of offering its customers exceptional and sustainable services at the most affordable cost possible, the District has been reducing operating costs. A newly adopted Water, Wastewater and Reclamation Master Plan resulted in a capital facility and impact fee that equitably ensures adequate capital funding is collected for facilities to serve future construction projects and new developments.

Accomplishing this while keeping water and wastewater rates reasonable despite a 70 percent increase in the past five years in the price wholesalers charge for imported water the District supplies was a key finding that contributed to the favorable S&P outlook.

Also taken into consideration for this financial evaluation was the District’s diverse and stable customer base, strong debt coverage, and a manageable five-year capital improvement plan that includes $36.2 million in new and replacement projects. Adoption of appropriate fees fund capital improvements to water, sewer and reclamation services, replenish the agency’s depleted reserve funds, and ensure future growth pays its fair share for required improvements without burdening existing ratepayers.
With water demand projections expected to rebound to pre-drought levels for 2013 and the District looking into diversification strategies to ease its reliance on imported water, it is anticipated that the District will continue on this strong financial path to maintain or exceed its current rating from Standard and Poor’s.

Standard and Poor’s is a worldwide leader of financial market intelligence, providing investors with analysis to make informed investment decisions in the form of credit ratings, indices, investment research and risk evaluations and solutions.

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*Vallecitos Water District is an independent, special district dedicated to providing water, wastewater and reclamation services to approximately 94,000 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, Maintenance, and Operations Facility - 201 Vallecitos de Oro, San Marcos.*