



## **Fitch Reaffirms OMWD’s “AAA” Bond Rating**

**Encinitas, CA**—At Olivenhain Municipal Water District’s June 17 board meeting, OMWD staff notified its Board of Directors that Fitch Ratings, a global rating agency that offers independent credit opinions, has reaffirmed the district’s “AAA” bond rating with a stable outlook. AAA is the highest possible rating assigned by Fitch, and OMWD is one of only a handful of Southern California water agencies that have achieved this rating.

“We are extremely proud to receive Fitch’s AAA bond rating,” stated Ed Sprague, President of OMWD’s Board of Directors and member of its Finance Committee. “OMWD is meticulous in its financial practices to protect our ratepayers from undue costs while safeguarding the high-quality water supply and service OMWD is known for. Our ratepayers will benefit from OMWD’s strong financial position for many years to come.”

In reaffirming OMWD’s AAA rating, Fitch cited OMWD’s prudent rate-setting, low operating cost burden, adequate capital investment, and a very strong financial profile.

Additionally, despite annual water rate increases attributable primarily to increased wholesale water costs, Fitch reported that OMWD rates remain highly affordable.

Larry Watt, Treasurer of OMWD’s Board of Directors and member of its Finance Committee, said, “It’s important that OMWD’s financial performance remains strong even in difficult operating environments like we are currently facing during the COVID-19 pandemic. By implementing judicious fiscal policies, OMWD pays lower interest on its investments, and our rates can remain in the lower half of the County.”

Higher bond ratings equate to a lower risk of default, so achieving an upgraded bond rating will help to alleviate the upward pressure on water rates resulting from increasing wholesale water costs. This will also afford OMWD lower interest rates when issuing bonds to finance critical new water facilities. Since the debt will be repaid over many years, any improvement in the interest rate for repayment of these bonds will result in significant savings. This protects ratepayers from bearing undue financial burden as OMWD moves forward with water supply projects designed to ensure customers enjoy a reliable water supply well into the future.

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*Olivenhain Municipal Water District is a public agency providing water, wastewater services, recycled water, hydroelectricity, and operation of Elfin Forest Recreational Reserve. Organized in 1959, OMWD currently serves approximately 86,000 customers over 48 square miles in northern San Diego County.*

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