

CITY OF OCEANSIDE
NEWS RELEASE



Contact:

Cari Dale, Water Utilities Director
(760) 435-5827 or cdale@ci.oceanside.ca.us

Water Utilities DEPT.

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OCEANSIDE BONDS GET CREDIT RATING UPGRADE

Strong Financial Management Leading to Higher Ratings Lowers Borrowing Costs

Standard & Poor's Global Ratings, one of the world's leading independent credit rating agencies, upgraded its rating on the City of Oceanside's Sewer Revenue Refunding Bonds from AA to AA+. The improved credit rating indicates greater confidence in the City's financial standing and ability to meet financial commitments as they come due. The ratings upgrade follows a 2013 rating of AA, up from the previous 2008 A+ and a 2009 action by Standard & Poor's that put the sewer utility on negative credit watch. Since 2009, the City Council has consistently taken a proactive approach to water and sewer infrastructure and has passed the necessary rate increases to ensure adequate bond coverage and funding for sewer related projects.

"We are proud to be receiving recognition in the form of this higher credit rating," said Water Utilities Director Cari Dale. "The support and confidence from our City Council are further validation that we are moving in the right direction and achieving positive results that better serve our city and our community."

According to Standard & Poor's, a credit rating is the general creditworthiness of a borrower, or the creditworthiness of a borrower with respect to a particular debt security or other financial obligation. An "AA" to an "AA+" rating indicates a sewer system with a "very strong operational risk profile" and an "extremely strong financial risk profile." In other words, the credit risk is extremely low.

Oceanside has produced consistently strong financial metrics while continuing to invest in a robust capital improvement plan. This reinforces the City's ability to maintain strong bond coverage while being able to satisfy short term debt that exceeds the existing five-year financial forecast.

For additional information please contact Cari Dale, Water Utilities Director, at (760) 435-5827.