

FOR IMMEDIATE RELEASE

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Press Release

WRD Fiscal Stability Still Strong with Renewed AA+ Fitch Bond Rating

LAKESWOOD, CA – The leading global credit rating agency, Fitch Ratings, reaffirmed the AA+ bond rating for the Water Replenishment District of Southern California (WRD), reflecting the water agency's exceptional financial standing. For WRD, California's largest groundwater agency, the rating is positive news since it all but ensures the lowest possible interest rates for future infrastructure projects the District plans to pursue to increase local water sustainability and resilience for its four million residents.

"The WRD Board of Directors is gratified to maintain one of the highest available ratings from a world leader in the ratings services industry," said WRD Board Treasurer Albert Robles. "The consistently high ratings we have received over the past several years truly reflects the commitment our Board and staff have made to sound fiscal accountability and transparency, essential components to preserving affordable groundwater rates."

WRD, the public agency with a legislative mandate to replenish two of the most utilized groundwater basins in the nation, is on track to become independent of costly imported water by next year. The Groundwater Reliability Improvement Project (GRIP), an advanced water treatment facility under construction in the City of Pico Rivera, is already set to begin producing 21,000 acre feet of water annually (about 7 billion gallons) by the end of 2018, thereby eliminating the remaining demand for water imported from the environmentally sensitive Bay Delta and the Colorado River. The District's strong financial management helped secure \$95 million in state funding to subsidize the project, saving ratepayers an estimated \$45 million.

"WRD's continued strong credit rating will directly result in millions of dollars in savings in funding future locally sustainable water supply projects outlined in the District's 2040 Water Resiliency Plan. These projects are necessary over the next two decades to expand and secure the future water needs of our region's four million residents," said WRD Board President Rob Katherman. "The 'new normal' of lower annual rainfall resulting from climate change, means that we must invest in more locally sustainable programs to replenish our groundwater basins and meet rising future demands."

The District's financial outlook has never been stronger and it remains one of the few agencies to achieve and maintain an 'AA+' rating. Fitch attributes the rating to the WRD's financial strength, stability, and sound fiscal management.

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The Water Replenishment District of Southern California is the regional groundwater management agency that protects and preserves the quantity and quality of groundwater for two of the most utilized urban basins in the State of California. The

service area is home to over ten percent of California's population `residing in 43 cities in southern Los Angeles County. WRD is governed by a publicly elected Board of Directors which includes Willard H. Murray, Jr., Robert Katherman, John D. S. Allen, Sergio Calderon, and Albert Robles.