CITY OF OCEANSIDE

NEWS RELEASE



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Standard and Poor's Sewer Credit Rating

Standard & Poor's Ratings Services, one of the world's leading independent credit rating agencies, has raised its rating on the City of Oceanside's Sewer Revenue Refunding Bonds from 'A+' to 'AA', a two-notch rating increase. Standard & Poor's typically will either downgrade or upgrade a financial rating by only one notch. The increase follows a 2008 rating of A+ and a 2009 action by Standard & Poor's which put the sewer utility on negative credit watch when the City Council did not pass sewer increases necessary for bond coverage. Since 2009 the City Council has taken a proactive approach to infrastructure and has passed the necessary rate increases to ensure adequate bond coverage and funding for infrastructure.

According to S&P, a credit rating is Standard & Poor's opinion on the general creditworthiness of an obligor, or the creditworthiness of an obligor with respect to a particular debt security or other financial obligation. A "AA" rating indicates a "very strong capacity to meet financial commitments." Of the 60 municipal water and sewer utilities upgraded by S&P throughout the United States in 2012, only 5/60, or 8%, received a 2-notch rating increase. Cari Dale, the City's Water Utilities Director, stated that, "I couldn't be more pleased with the rating and I very much appreciate the support of the City Council. They have courageously taken actions

that have strengthened the sewer utility's financial performance which has ultimately improved our rating. This translates to savings for Oceanside customers."

Earlier this month, the City Council authorized the issuance of Sewer Revenue Refunding Bonds in the amount of \$18,000,000 to refinance existing debt and issue \$1,000,000 in new debt for technology improvements.

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

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