OCWD Maintains ‘AAA’ Fitch Rating for 12th Consecutive Year

FOUNTAIN VALLEY, Calif. — (November 26, 2019) — The Orange County Water District’s (OCWD; the District) commitment to sound financial management was reaffirmed Tuesday when Fitch Ratings assigned the District a ‘AAA’ rating, a designation it has maintained since 2008. A key driver of this rating was the District’s strong financial performance, which Fitch Ratings cited as exemplary. OCWD also holds a ‘AAA’ rating from Standard & Poor’s, which it was awarded on Wednesday.

“OCWD’s Board and staff strive to manage the District in a sound financial manner to help make the region resilient to economic downturns, droughts, variations in water demands, and catastrophic events,” stated OCWD President Vicente Sarmiento. “This strong credit rating allows OCWD to borrow money at lower interest rates resulting in a cost savings for the 19 water retail agencies served by the District and their 2.5 million customers in north and central Orange County.”

Ensuring that Orange County’s residents and businesses receive the water they need, when they need it, requires advanced planning and investments in infrastructure. Accessing state and federal grants and low-interest rate loans are essential to building these critical water infrastructure projects, such as the Groundwater Replenishment System (GWRS) Final Expansion project. The project, which is currently under construction, will bring continued water reliability to the region by increasing GWRS capacity by 30 million gallons per day (MGD) of ultra-pure water, bringing the system’s total capacity to 130 MGD; enough water for 1 million people. GWRS water currently accounts for 30 percent of the water put into the Orange County Groundwater Basin, which is managed by OCWD and provides 77 percent of the region’s water demand.

OCWD’s revenues are derived primarily from annual groundwater pumping assessments and property taxes, which have been stable over time. In addition, the District maintains financial reserves and completes extensive financial reporting that includes year-to-year budget reports and third-party audits. All these factors and OCWD’s financial management were evaluated when Fitch Ratings and Standard and Poor’s affirmed the District’s high credit rating.
About Orange County Water District (OCWD)

The Orange County Water District is committed to enhancing Orange County’s groundwater quality and reliability in an environmentally friendly and economical manner. The following cities rely on the groundwater basin, managed by OCWD, to provide 77 percent of their water demands: Anaheim, Buena Park, Costa Mesa, Cypress, Fountain Valley, Fullerton, Garden Grove, Huntington Beach, Irvine, La Palma, Los Alamitos, Newport Beach, Orange, Placentia, Santa Ana, Seal Beach, Stanton, Tustin, Villa Park, Westminster and Yorba Linda. For more information about OCWD, please visit www.ocwd.com, like @OCWaterDistrict on Facebook, follow @OCWDWaterNews on Twitter, and follow @OCWD on Instagram.

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