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Press Release

FOR IMMEDIATE RELEASE
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Fitch Ratings assigns Vallecitos Water District a 'AA+' rating with a "Positive" Outlook Board of Directors approves issuing Debt at expected rate of 2.34%

San Marcos, CA – Fitch Ratings recently reaffirmed Vallecitos Water District's credit rating of 'AA+', with a "Stable" Outlook improved to "Positive." Fitch's analysis determined the factors for the favorable rating include a very strong financial profile and very low leverage. The AA+ rating is a testament to the actions taken by the Vallecitos Board to ensure that Vallecitos is properly run financially.

Further, at the Board meeting on August 4, 2021, the Board of Directors approved staff to move forward with contracts necessary to issue \$28 million in 2021 Certificates of Participation (COPS). The Preliminary Official Statement is scheduled to be posted and distributed on Thursday, August 5. The COPS are scheduled to price on or around August 12 and close on August 19, subject to change based on market conditions. The terms of the 2021 COPS are estimated at a fixed all-in true interest cost of 2.34% for 30 years.

In this way, Vallecitos will be able to reimburse itself for previously constructed projects, address the Capacity Fund revenue shortfall, and provide funding for upcoming projects.

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About Vallecitos Water District: *As an independent, special district, Vallecitos is dedicated to providing water, wastewater, and reclamation services to over 105,000 people in a 45-square-mile area that includes San Marcos; the community of Lake San Marcos; portions of Carlsbad, Escondido and Vista; and other surrounding unincorporated areas.*

Due to the evolving situation with the COVID-19 Novel Coronavirus and Executive Order N-29-20, VWD will hold future meetings via teleconferencing. The public is encouraged to watch or listen to the meeting from their homes and observe the meeting electronically or listen in by phone. The District's Board meetings are held on the first and third Wednesday of each month at 5:00 p.m. To provide public comments prior to the meeting, submit comments via e-mail at PublicComment@VWD.org up to 90 minutes in advance of the meeting. Comments received are handled by the Clerk of the Board of Directors as if submitted in person. All written comments that are received at least 90 minutes before the meeting will be provided to the Board, and a record of the receipt of comment will be noted during the meeting. To comment during the meeting or to watch or listen to the live meeting, go to www.vwd.org/meetings. Board meetings are also televised on San Marcos TV. Visit www.san-marcos.net/smtv for a complete programming schedule.