Standard & Poor’s Affirms Western’s AA+ Bond Rating

RIVERSIDE, Calif. – As consumers, we’re familiar with the concept of a credit score, whereby lending institutions like banks and credit unions decide on the credit worthiness of borrowers. The same concept, albeit on a much larger scale, is also true for Western Municipal Water District.

According to Finance Director Kevin Mascaro, the District’s credit score is reflected in a bond rating provided by national rating organizations. “To obtain a rating we must provide detailed information to these organizations, they then conduct their own analysis and come up with our rating,” he said.

One of the rating organizations, Standard & Poor’s Ratings Services, recently affirmed the ‘AA+’ long-term rating on the District’s outstanding revenue bonds. This credit rating is considered strong by all standards and is held by only a limited number of water agencies in California.

A high bond rating like the District’s is similar to a high credit score for consumers. The higher the credit rating, the lower the risk to investors and the lower the interest rate when borrowing money.

Standard & Poor’s specifically cited several reasons for their latest rating, including Western’s strong liquidity (the amount of money readily available to pay operating expenses) and the limited need for additional debt.

Western is also recognized nationally for its financial reporting practices. The District recently received their ninth consecutive Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada. The award is given to municipalities who go beyond the minimum requirements of generally accepted accounting principles to prepare comprehensive annual financial reports that evidence the spirit of transparency and full disclosure.

The District has also received the Excellence in Budgeting Award from the California Society of Municipal Finance Officers for three consecutive years.

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