



MID infrastructure bonds again receive rating upgrade benefitting customers

Change reflects ongoing work to maintain healthy District finances

For Immediate Release: October 1, 2019

Contact: Mike Jensen
209-354-2856
mjensen@mercedid.org

Municipal bonds used to finance Merced Irrigation District infrastructure projects have again been upgraded by S&P Global Ratings. The credit rating upgrade reflects MID's ongoing efforts to contain costs and maintain the strongest financial management possible.

"We are very pleased with the District's rating upgrade," said MID Chief Financial Officer Dipak Bhakta. "This is a recognition of on-going efforts by the Board of Directors and staff to ensure good strong fiscal policies and practices, and provide reliable, cost-effective water and power services for our customers."

For MID's Electric Services, bond issued in both 2015 and 2017 were upgraded from an "A" rating to "A+." Similarly, the bonds associated with MID's hydroelectric and water operations were also upgraded from "A" to "A+."

"The raised rating reflects our view of the district's very strong financial performance over the past three years, which we consider sustainable given the district's lack of additional debt plans and its drought contingency plans, which we consider adequate," said S&P Global Ratings credit analyst Chloe Weil of the water and hydroelectric bond upgrade.

Regarding the MID Electric Services bond rating upgrades, S&P stated in part: "The rating reflects our opinion of the district's strong enterprise profile and very strong financial risk profile. The strong

enterprise risk profile reflects our view of the district's very strong market position and strong operational management assessment...”

The improved bond ratings should benefit MID customers in the future by reducing the borrowing costs for funding associated with larger District infrastructure enhancement and growth projects.

“Our employees work hard every day delivering water and power to our community. Maintaining our operations with the strongest possible financial management and controls remains a top priority. We could not be more pleased to have received this upgrade for the benefit of those we serve,” said MID General Manager John Sweigard.

In April 2019, for the fourth consecutive year, MID received a Certificate of Achievement for Excellence in Financial Reporting (CAFR) through the Government Finance Officers Association. It represents the highest form of recognition in the area of government accounting and finance.

“We will continue to do all we can to ensure the strongest possible financial management at MID,” said Bhakta.

###