



MID infrastructure bonds receive rating upgrade

Improvement reflects District's ongoing work to contain electric costs

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Contact: Mike Jensen

209-354-2856

mjensen@mercedid.org

Municipal bonds used to finance crucial MID electrical infrastructure projects have been upgraded by S&P Global Ratings. The rating upgrade is part of MID's ongoing efforts to provide the most affordable electric rates possible.

Specifically, the Merced Irrigation District's Series 2015 Electric Services bonds were upgraded to "A" from the previous "A-." Further, an "A" rating has been assigned to \$19.6 million in new 2017 electric service bonds.

The rating upgrade will help reduce MID's borrowing costs for funding acquired to construct the South Transmission Project.

"During the next two years, financial margins will remain strong for MID," S&P Global Ratings said in a statement.

"We have worked hard to achieve this improvement and are extremely pleased," said MID Chief Financial Officer Brian Stubbert.

"This is extremely important and reflective of our long-term commitment to both our community and the electric customers we serve," said MID General Manager John Sweigard.

The South Transmission Project will connect the southern part of the District's system to the California Independent Systems Operator (CAISO). It includes construction of the Lyons Substation as well as new underground distribution power lines. Located in the southeast edge of the City of Merced, the project will help maintain reliable electric service for MID's current and potential future customers. Design work is now underway and it is scheduled to be online in 2019.

MID began serving as a public utility in 1996. It now provides retail electric service to 8,700 customers in eastern Merced County. Those customers include commercial, industrial and residential electric users in Merced, Atwater and Livingston.

Since the founding of the public utility, approximately 777 commercial and industrial customers have switched from investor-owned electricity to MID public power.

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