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IN MAJOR FINANCIAL NEWS CENTRAL BASIN MUNICIPAL WATER DISTRICT HAS BEEN ASSIGNED AN A3 RATING BY MOODY'S TO THE DISTRICT'S STANDBY CHARGE REFUNDING REVENUE BONDS, SERIES 2022A & 2022B

District continues advancing its goal of financial stability, improved customer confidence and quality service

City of Commerce, January 26, 2022 – The Central Basin Municipal Water District has announced it has received an A3 rating by Moody's Investors Service to the District's Standby Charge Refunding Revenue Bonds, Series 2022A and Series 2022B (Taxable). The bonds will be issued in the expected par amounts of approximately \$13.7 million and \$32.4 million, respectively.

"This drastically improved rating by Moody's is an affirmation the recent actions and policies taken by District's board and executive team have led to a significantly improved financial position and standing with our customers," said Dr. Alejandro Rojas, general manager of the Central Basin Municipal Water District. "We look forward to further actions leading to even stronger financial standing, improved customer confidence and enhanced relations with our customers.

The A3 rating reflects the expectation of relatively weak debt service coverage by pledged parcel tax revenues of around 1.1 times and the risk associated with required annual board approval of the parcel tax levy. The rating also factors in the stability of pledged standby charge parcel tax collections of \$10 on over 309,000 mostly residential parcels with average area income levels and low delinquency rates.

Collections are further secured by a lockbox mechanism under which pledged parcel tax revenues will be remitted directly to the Trustee by Los Angeles County (Aa1 stable) for debt service payments prior to their release to the district. This lockbox structure helps to counterbalance the district's historically weak operating performance and management practices.

About Central Basin Municipal Water District

Established in 1952, Central Basin Municipal Water District (District) is a water and water service provider that delivers imported water to 40 retail water providers and one water wholesaler including: cities, mutual water companies, investor-owned utilities, and private companies in southeast Los Angeles County. The District purchases imported water from the Metropolitan Water District of Southern California (MWD).

With a vision to secure water supplies in southeast Los Angeles, Central Basin also provides the region with recycled water for municipal, commercial, and industrial use.

Today, the District serves 1.6 million people from 24 cities and unincorporated areas in southeast Los Angeles and is governed by an eight-member board.