



News from EMWD

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For Immediate Release

Eastern Municipal Water District makes the grade with AA bond rating

Perris, CA (December 20, 2004)— Fitch Ratings has recently assigned a "AA" rating to the Eastern Municipal Water District's outstanding certificates of participation bonds. This is an improvement from the AA- assigned by Standard & Poor's and the AA3 assigned by Moody's Investor Services.

The increased rating is based on the EMWD's favorable financial performance, rate flexibility, and sound economic underpinnings. Additionally, it was cited by Fitch that "sound formal reserve policies and covenants ensure healthy liquidity levels." Ultimately, the improved rating will lead to lower interest costs of borrowing, which in turn benefits the ratepayers.

According to EMWD's Director of Finance, Chuck Rathbone, "Strong financial management, planning, and organization reinforce EMWD's ability to accommodate growth in our rapidly growing service area. The AA bond rating reassures customers of EMWD's sound financial position."

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EMWD serves a 555-square mile area from Moreno Valley to Temecula, and from Hemet and San Jacinto, to Good Hope and Mead Valley. Approximately 530,000 people live and work in this area. In addition to its own water customers, EMWD supplements water to eight local water agencies and municipalities that have their own water departments. EMWD operates four water reclamation facilities and treats some 39 million gallons of wastewater daily. More information can be found at EMWD's web site www.emwd.org.