THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Report

Office of the CFO

- Debt Management Update

Summary

The attachments contain rating reports of Fitch ratings and S&P Global ratings for the Metropolitan Water District of Southern California

Purpose

Informational

Attachments

Attachment 1: Fitch Ratings
Attachment 2: S&P Global Ratings

Date of Report: 7/11/2017

FitchRatings

FITCH RATES METRO WATER DIST OF SOUTHERN CA SUB LIEN REVS 'AA+' & SIFMA INDEX BONDS 'AA+/F1+'

Fitch Ratings-Austin-12 June 2017: Fitch Ratings has assigned the following ratings to bonds issued by the Metropolitan Water District of Southern California (Metropolitan, or the district):

--Approximately $188 million subordinate lien water revenue refunding bonds, 2017 series B 'AA+';
--Approximately $80 million subordinate lien water revenue bonds, 2017 series C (SIFMA Index) 'AA+/F1+';
--Approximately $95.6 million subordinate lien water revenue refunding bonds, 2017 series D (SIFMA Index) 'AA+/F1+';
--Approximately $96.5 million subordinate lien water revenue refunding bonds, 2017 series E (SIFMA Index) 'AA+/F1+'.

The series 2017C, D & E bonds will be issued in the SIFMA Index mode. The series 2017B bonds will be fixed rate. Bond proceeds of the 2017 series B, D and E bonds will be used to refund outstanding obligations of Metropolitan as part of an overall refunding strategy to provide savings in connection with the previously issued 2017 series A fixed-rate bonds. The 2017 series C bonds will fund capital expenditures of the district. All four series of bonds are expected to price in negotiated sale during the week of June 19, 2017.

In addition, Fitch affirms the following ratings (prerefunding amounts):

--$3.5 billion outstanding senior lien and subordinate lien water revenue bonds and term bonds at 'AA+';
--$431.2 million SIFMA index mode bonds, series 2009A-2, 2011A1-A4 and 2012B1-B2 at 'AA+'/'F1+';
--$314.8 million special variable rate (self liquidity) water revenue refunding bonds, series 2013D, 2014D, 2015A-1 and 2015A-2 at 'AA+'/'F1+';
--Bank bond ratings associated with series 2016 B-1 and B-2 bonds and 2017 authorization series A at 'AA+';
--$74.9 million general obligation (GO) bonds at 'AA+;
--Issuer Default Rating (IDR) at 'AA+'.

The Rating Outlook is Stable.

SECURITY

The subordinate water revenue refunding bonds are payable from a subordinate lien on net water revenues of Metropolitan. Metropolitan's senior lien water revenue bonds are payable from a senior lien on net water revenues of Metropolitan. Metropolitan's GO bonds are payable from an unlimited ad valorem tax levy on all taxable property within the district.

KEY RATING DRIVERS

WHOLESALE SUPPLEMENTAL WATER SUPPLIER: Metropolitan is the supplemental wholesale water supplier to 18.8 million people in southern California. Revenues are provided from 26 member agencies that rely on water purchased from Metropolitan to supply their retail customers, although there are no minimum annual purchase or payment amounts.

REVENUE VARIABILITY: Financial performance exhibits cyclicality as a result of Metropolitan's role as the supplemental supplier and its highly volumetric rate structure. Financial margins depend on the volume of water sales achieved in any given year, which fluctuate considerably. The variability may grow more pronounced over time as customers invest in alternative water supplies in order to reduce their purchases from Metropolitan.

ROBUST RESERVES: Metropolitan's credit profile is supported by the accumulation of robust cash reserves and stored water reserves. Stored water reserves provide water supplies to meet higher member-agency demand during a moderate drought or the initial years of a prolonged drought, and cash reserves help buffer the financial impact after those initial years when member-agency demand declines.

HIGH-COST WATER SUPPLY: Water is primarily provided from two independent supply sources, the State Water Project (SWP) and the Colorado River. Supply fluctuations occur on both supplies. The capital and operating costs associated with the import of these water supplies across the state result in a high treated water cost at $979 per acre foot. Metropolitan still has rate flexibility, although some sensitivity and limitations exist given the varied reliance on Metropolitan by its member agencies and ongoing lawsuit with San Diego County Water Authority (SDCWA).

SELF-LIQUIDTY SUPPORTED DEBT: The 'F1+' rating on Metropolitan's self-liquidity bonds reflects the liquidity provided by $380 million in unrestricted cash and operating and maintenance reserve as of March 31, 2017, and available liquidity provided by $180 million in dedicated revolving credit facilities. Together these balances cover the maximum daily exposure to unremarketed puts by over 1.25x.

RATING SENSITIVITIES

WEAK FINANCIAL MARGINS: The long-term 'AA+' rating and Stable Outlook anticipate a degree of cyclicality in Metropolitan's coverage and reserve levels. Stronger margins and reserves are needed to offset the periodic risk of lower revenues in years such as fiscal 2016. However, multiple years of lower coverage and/or reserve levels could place downward pressure on the rating.

GENERAL OBLIGATION CAPPED AT IDR: The GO debt rating for Metropolitan is sensitive to changes in the Issuer Default Rating.

CREDIT PROFILE

Metropolitan is a wholesale water supplier in southern California to 26 member agencies, many of whom have some form of local water supply. The largest three member agencies (54% of water revenues in fiscal 2016) are SDCWA (senior lien revenue bonds 'AA+'), Los Angeles Department of Water and Power (water revenue bonds 'AA') and Municipal Water District of Orange County (revenue bonds 'AAA').

SUBORDINATE LIEN BONDS RATED ON PAR WITH SENIOR LIEN

Fitch views the legal provisions of the subordinate lien indenture as similar to those offered by Metropolitan to existing bondholders. The inclusion of a subordinate net revenue pledge to the payment of tender purchase price on the district's SIFMA index bonds is a stronger credit feature while other changes result in weaker covenants. The distinction in subordinate lien covenants does not warrant a rating distinction given the small amount of subordinate lien debt outstanding in relation to Metropolitan's full debt profile and the overall credit strength of Metropolitan, as indicated by the IDR.

The most significant item in the subordinate lien indenture is the change to the definition of debt service used in the rate covenant and additional bonds test calculations. Variable-rate obligations issued under the subordinate lien indenture can pledge net revenues towards repayment of tender purchase but do not have to be included at the full par amount at each tender purchase date. Therefore, the series 2017C, D & E SIFMA Index bonds include a subordinate net revenue pledge on the tender purchase price of those bonds. Failure to pay the purchase price would trigger a default under Metropolitan's subordinate lien indenture. Other differences in the subordinate lien indenture include a change to the rate covenant to allow the inclusion of unrestricted reserves in the calculation and a change to the additional bonds test to 1.0x average annual debt service in comparison to the 1.2x maximum annual debt service that is required by the senior indenture.

DECLINING WATER SALES

Significant variation in member-agency water sales has occurred over the past 10 years but the overall trend has been downward. Member-agency sales declined from levels of over 2 million acre-feet (maf) prior to 2008 to low points of 1.63 maf in fiscal 2011 and 1.62 maf in fiscal 2016. Both of these low points occurred a few years into a drought period when member-agency conservation efforts reduced retail water sales and member agencies ceased purchasing water from Metropolitan. In most cases, Metropolitan's water supply is the most expensive source in a member-agency's overall water supply portfolio. Metropolitan expects water sales to decline even further to 1.56 maf in 2017 and 1.5 maf in 2018. Rate increases averaging 4% per year have been adopted in 2017 and 2018 although these rate increases were adopted in April 2016 when water sales in these years were expected to be 1.7 maf.

Metropolitan's member agencies are not required to buy minimum amounts of water from Metropolitan but instead use the imported water supply to supplement their other sources. However, Metropolitan's role in the region is crucial in that, even with its reduced sales, it still supplies 40%-60% of southern California's water supply. Fitch expects Metropolitan to remain a key water supplier although over the long term there will likely be further declines in the volume of water purchased by its member agencies, placing additional competitive pressures on the cost of Metropolitan's supply. Metropolitan continues to project that it will supply 1.75-1.80 maf annually to member agencies over the next 20 years.

Metropolitan absorbs most of the regional demand variability from naturally occurring hydrological conditions that impact the member agencies' local supplies. As drought lowers available local supplies and households have greater outdoor watering demands, member agencies increase their purchases from Metropolitan. Conversely, as one of the highest-cost resources in the region, Metropolitan bears a disproportionate impact of reduced demand, such as from the state-mandated conservation levels; member-agencies reduce purchases from Metropolitan before reducing production from their own local supplies.

REVENUE VARIABILITY

With Metropolitan's primarily volumetric rate structure, rates are set to achieve a strong financial cushion in order to absorb the revenue implications of a potential drop in water sales. As a result, Metropolitan's financial margins can vary from year to year. Budgets have traditionally been designed to achieve a fixed charge coverage (FCC) of at least 1.2x and debt service coverage of 2.0x in order to provide revenues to fund a portion of annual capital needs and to build reserves.

STORED WATER SUPPORTS SALES DURING INITIAL YEARS OF DROUGHT

Metropolitan made substantial investment in its physical storage facilities and inter-agency water storage agreements in the past 20 years. Storage capacity is nearly four times what it was in 1994.

Metropolitan currently has 5.83 maf in storage capacity. Strong hydrological conditions allowed Metropolitan to build its stored water reserves in 2011-2013. Storage reached a high point of 3.38 maf on Jan. 1, 2013 before declining to 1.55 maf as of Jan. 1, 2016. With lower member sales and an increased water allocation from SWP in calendar 2016, storage increased to 1.9 maf on Jan. 1, 2017.

Metropolitan's substantial stored water position allowed it to meet the increased water demand of members during the initial years of the recent drought. Financial performance in fiscals 2014 and 2015 exceeded budget expectations and Fitch calculated all-in debt service coverage exceeded 2.2x. FCC in those years was over 1.8x, in excess of Metropolitan's internal target.

Fitch uses FCC as the key financial metric for Metropolitan (a proxy for total debt service coverage) and Metropolitan uses this calculation for internal rate-setting as well. FCC includes the amount of SWP costs that are a capitalized expense as if they were paid as debt service. This expense is paid to the state for SWP expenses and is a cash outflow, much as principal on debt-financed assets is paid but is not considered an operating expense of the system in its accounting treatment.

FINANCIAL MARGINS DECLINED IN FISCAL 2016; SOME IMPROVEMENT EXPECTED

Water sales in fiscal 2016 were 1.62 maf, below the 1.75 maf assumed in the budget, affected by the state's very quick implementation of mandatory conservation requirements on Metropolitan's retail utility members. In addition, SWP costs were above budget even with the power cost savings from pumping a lower allocation from the project. As a result, Fitch calculated all-in debt service coverage was below 1.0x in fiscal 2016 based on audited revenues and expenditures; FCC in fiscal 2016 was similarly low. However, expenditures in that year included spending on one-time conservation programs that were funded from reserves. Without these one-time expenditures, debt service coverage was higher at 1.6x.

Financial margins in fiscal 2017 are forecasted to rebound, given the easing of drought conditions and water rates implemented Jan. 1, 2017. However, results may still be below Metropolitan's typical strong levels as sales are expected to remain constrained. Water sales in fiscal 2017 are currently projected at 1.56 maf as compared to the 1.7 maf in the budget. Financial margins are projected to tighten again in fiscal 2018 based on the new assumption of 1.5 maf water sales (as compared to the budgeted level of 1.7 maf). Fitch assumes expenditure reductions or other measures will occur, as needed, during fiscal 2018 to bring FCC into compliance with Metropolitan's 1.2x target.

RESERVES SPENT DOWN IN 2016

The healthy water sales in the initial years of the recent drought bolstered unrestricted cash and investments as shown on the balance sheet to over $1 billion at the end of fiscals 2014 and 2015 (days cash on hand [DCOH] of 389 and 385, respectively). In fiscal 2016, overall cash reserves were spent down to fund $450 million of conservation programs and to purchase property and related water rights, but unrestricted cash remained robust at the end of fiscal 2016 with around $950 million, or 288 DCOH.

Fitch views the rapid spenddown in reserves in fiscal 2016 as reasonable from a credit perspective given the starting point of Metropolitan's reserves in excess of its unrestricted reserve target level, the extreme nature of the drought and the governor's executive order that required each of Metropolitan's member agencies to significantly reduce water sales. Metropolitan's historically strong cash reserves have provided a high degree of financial flexibility that has helped mitigate variable water sales.

In addition to cash balances, Metropolitan put in place two liquidity facilities in April 2016 with RBC Municipal Products, LLC and U.S. Bank for a total of $400 million. These facilities can be drawn for any purpose. Metropolitan currently has $262.25 million drawn on these facilities, $250 million of which replaced a portion of the district's funds being held in an exchange agreement set-aside fund for the disputed amount related to litigation with SDCWA. Another $50 million may be drawn prior to the end of fiscal 2017 to bolster reserves. Metropolitan also has $180 million in dedicated revolving credit agreements to pay the purchase price of its self-liquidity bonds, if needed.

CRITERIA VARIATION

Fitch applied a variation in its 'U.S. Water and Sewer Revenue Bond Rating Criteria' in determining the district's IDR. The variation relates to the application of the 'U.S. Public Finance Tax Supported Rating Criteria' in evaluating the impact of tax revenues on the district's IDR.

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Applicable Criteria
Fitch Internal Liquidity Worksheet (pub. 13 Jun 2013)
https://www.fitchratings.com/site/re/710906
Rating Criteria for Public Sector Revenue-Supported Debt (pub. 05 Jun 2017)
https://www.fitchratings.com/site/re/898969
Rating U.S. Public Finance Short-Term Debt (pub. 08 Feb 2017)
https://www.fitchratings.com/site/re/893974
U.S. Public Finance Tax-Supported Rating Criteria (pub. 31 May 2017)
https://www.fitchratings.com/site/re/898466
U.S. Water and Sewer Revenue Bond Rating Criteria (pub. 30 Nov 2016)
https://www.fitchratings.com/site/re/890402

S&P Global
Ratings

RatingsDirect®

Summary:

Southern California Metropolitan Water District; General Obligation; Water/Sewer

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Summary:

Southern California Metropolitan Water District; General Obligation; Water/Sewer

Credit Profile		
US$187.64 mil subordinate wtr rev rfdg bnds ser 2017 B dtd 07/03/2017 due 08/01/2022		
Long Term Rating	AA+/Stable	New
US$95.65 mil subordinate wtr rev rfdg bnds ser 2017 E dtd 07/03/2017 due 07/01/2037		
Short Term Rating	A-1+	New
US$95.65 mil subordinate wtr rev rfdg bnds ser 2017 D dtd 07/03/2017 due 07/01/2037		
Short Term Rating	A-1+	New
US$80.0 mil subordinate wtr rev bnds ser 2017C dtd 07/03/2017 due 07/01/2047		
Short Term Rating	A-1+	New

Rationale

S&P Global Ratings assigned its 'AA+' long-term rating to the Metropolitan Water District of Southern California's (MWD, or the district) $187.6 million of 2017 series B subordinate water revenue refunding bonds (fixed-rate refunding bonds) and its 'A-1+' short-term ratings to the district's $80 million of 2017 series C subordinate water revenue bonds (index interest rate period), $95.7 million of 2017 series D subordinate water revenue refunding bonds (index interest rate period), and $95.7 million of series E subordinate water revenue bonds (index interest rate period). Because the scheduled purchase date for the 2017 series C, D, and E index tender bonds occur in less than 13 months, in accordance with our criteria, we are assigning a short-term rating to each of these series of bonds.

At the same time, we affirmed our ratings on MWD's existing revenue bonds, including:

- 'AAA' long-term rating and underlying rating (SPUR) on MWD's senior-lien bonds,
- 'AA+' long-term rating on MWD's subordinate-lien bonds, and
- 'A-1+' short-term rating on MWD's senior lien self-liquidity bonds (variable rate bonds without bank enhancement).

The outlook, where applicable, is stable.

The 'AAA' SPUR reflects our view that Southern California's continued dependence on MWD for water will likely remain strong, and that MWD's ability to supply needed water is critical to the health of the Southern California economy, creating a large political incentive to meet future water demand. Our rating also considers MWD's ability to draw water supplies from the Colorado River, the State Water Project, stored water, and supplemental water transfers to keep supplies and regional demands in balance. Management projects lower than budgeted water sales in fiscal 2017 as a result of the extremely wet weather conditions in California through this winter, however, MWD continues to exhibit good-to-strong financial performance, in our opinion.

We understand the court of appeal date in "San Diego County Water Authority (SDCWA) v. Metropolitan Water

District of Southern California, et al." occurred on May 10, 2017, and the court of appeal has 90 days to issue a ruling. If the courts ultimately rule against MWD, we would expect MWD to develop a funding plan which may result in the issuance of revenue debt, the use of existing cash reserves, or implementation of future rate adjustments to replenish any payments made to SDCWA under the ruling. In fiscal 2016, SDCWA was the district's largest water customer, representing 28.7% of MWD's water sales and 23.2% of MWD's water revenues; as the ruling relates to MWD's cost allocation methodologies in prior years, in our view, it is unknown how the ruling would MWD's future water sales, if at all.

As of April 10, 2017, MWD's water sales forecast for fiscal 2017 is 1.56 million acre-feet, 137,000 acre-feet under budget. The district's financial projections for fiscal 2017, based on preliminary financial results through March 31, 2017, and revised projections for the balance of fiscal 2017, reflect lower water sales revenues that are estimated to be $139 million, or 11%, below budget, based on the revised water sales projection. Overall projected expenses for the 12 months ending June 30, 2017 are $1.7 billion. This is $175 million, or 9%, less than budgeted expenses.

The combination of lower-than-budgeted water sales revenue and expenses result in projected fiscal 2017 all-in (aggregate senior and subordinate revenue bond) debt service coverage (DSC) to be 1.5x. As calculated by S&P Global Ratings, MWD's all-in DSC was 1.4x in fiscal 2016, down from an extremely strong 2.7x in fiscal 2015. At the same time, we understand MWD is also projecting all-in DSC to decline further to 1.1x in fiscal 2018, which we consider relatively thin for the current rating level, and below board policy. MWD's board policy is to maintain 2.0x annual senior-lien DSC by net operating revenue, which we view as strong, and 1.2x fixed-charge coverage (across both the senior and subordinate liens), which we view as good, especially for a wholesaler.

We base our 'AAA' rating on MWD's revenue base, which is primarily locally derived. Local service charges, derived through an autonomous rate-setting process, represent virtually all of the entity's revenue. This, coupled with operating expense flexibility, limits exposure to federal revenue.

Series 2017BCDE Plan of Finance

MWD's net operating revenue secures the subordinate series 2017B, C, and D bonds; repayment is subordinate to the debt service on MWD's $3.5 billion aggregate principal amount of senior bonds, which will be outstanding following the subordinate series B, C, D, and E transactions. Any draws on MWD's two short-term revolving credit agreements with U.S. Bank and Royal Bank of Canada, as well as certain potential swap repayments, are also senior to the subordinate-lien bonds.

The bonds will be on parity with $238 million of 2017 subordinate series A bonds and a $175 million direct purchase with Bank of America N.A. There is a 1.0x rate covenant and 1.0x additional bonds test for the subordinate-lien bonds. We view the master subordinate resolution bond provisions to be somewhat permissive. The resolution adjusts the "assumed" debt service for certain "covered obligations" in the rate covenant, such as any principal and interest payments under a revolving credit facility (as long as the facility is outstanding) and any mandatory tender payments of any index tender bonds (or potential variable-rate demand obligations [VRDOs]) to be issued on this lien. At the same time, failure to remarket the bonds on the scheduled mandatory tender date is now considered an event of default. The resolution also revises the assumed interest rate on variable-rate obligations for purposes of the subordinate-lien rate covenant to be equal to the average of the SIFMA municipal swap index for the 12-week period

immediately preceding the calculation date.

The subordinate series 2017B, D, and E bonds are being issued to refund a portion of the senior series 2006A and series 2014G-2 bonds for debt service savings, and the senior series 2009A-2, 2011A-1, and 2011A-3 index tender bonds in advance of their scheduled mandatory tender date of July 10, 2017. The subordinate series 2017C bonds will be issued to fund upcoming capital needs of the district.

The subordinate series 2017B bonds are fixed-rate bonds which mature on Aug. 1, 2022. The subordinate series 2017C, D, and E bonds are Securities Industry and Financial Markets Association (SIFMA) index tender bonds, which are expected to be sold on June 20, 2017at a spread above the SIFMA Index. The series 2017C, D, and E bonds are expected to be sold with a call protection date and scheduled purchase date within 13 months of pricing, and a nominal final maturity ranging between July 1, 2033 and July 1, 2047.

A failed remarketing of the series C, D, and E index tender bonds would most likely occur as a result of something exogenous in the financial markets, unrelated to the credit quality of the district. We understand that if MWD can't cover any mandatory tenders with the proceeds of the remarketing of the index tender bonds, MWD would refund the bonds before the scheduled mandatory tender date, requiring future market access, or by temporarily drawing on available reserves of the district. MWD may also use available capacity (currently about $138 million) under its U.S. Bank and Royal Bank of Canada revolving credit agreements for this purpose. We understand MWD is currently evaluating the need for an additional draw of $50 million on these facilities (which are expected to be deposited in the district's unrestricted financial reserves if made) which would lower the available capacity to about $88 million.

MWD has historically held a strong liquidity position in part to serve as a natural hedge against its variable-rate debt exposure. MWD's total unrestricted reserve position (which consists of the Water Rate Stabilization Fund and the Revenue Remainder Fund) at the end of fiscal 2016 was $475 million, equivalent to 144 days' cash, down slightly from the prior-year balance of $485 million. We understand the district does not plan to spend down its cash reserves, and we view strong reserves (and the maintenance of the dedicated credit facilities) as necessary if the district can't refund or remarket (or is unsuccessful in doing so) the $315 million of senior-lien self-liquidity weekly VRDOs or $616 million of senior (and subordinate) index tender bonds. In addition to the $80 million of new money subordinate series C bonds to be sold next month, there are currently $536 million in total index tender bonds outstanding, including the $337 million to be refunded onto the subordinate lien as part of the subordinate series 2017 B, D, and E transactions.

Outlook

The stable outlook reflects our view that MWD will continue to take steps to reduce market access risk well in advance of the next scheduled purchase date for the subordinate series 2017 C, D, and E index tender bonds. The outlook additionally reflects our anticipation that MWD will raise rates sufficiently to manage through its capital needs during the next five years, as well as funding any possible settlement costs associated with the SDCWA ruling (if the court rules against the district). We could lower the rating or revise the outlook to negative in the unlikely event that MWD's DSC or liquidity position significantly deteriorate, or damages ultimately paid to SDCWA (if any) significantly exceed management's current estimates.

Ratings Detail (As Of June 13, 2017)

Southern California Metro Wtr Dist wtr		
Long Term Rating	AAA/Stable	Affirmed
Southern California Metro Wtr Dist spl var rate wtr rev rfdg bnds		
Long Term Rating	AAA/A-1+/Stable	Affirmed
Southern California Metro Wtr Dist subordinate wtr rev rfdg bnds ser 2017 A dtd 06/01/2017 due 07/01/2027		
Long Term Rating	AA+/Stable	Affirmed
Southern California Metro Wtr Dist var rate wtr rev rfdg bnds		
Long Term Rating	AAA/A-1/Stable	Affirmed
Southern California Metro Wtr Dist var rate wtr rev rfdg bnds		
Long Term Rating	AAA/A-1/Stable	Affirmed
Southern California Metro Wtr Dist water rev rfdg bnds		
Long Term Rating	AAA/Stable	Affirmed
Southern California Metro Wtr Dist wtrwks GO rfdg bnds ser 2014A dtd 12/11/2014 due 03/01/2016-2021		
Long Term Rating	AAA/Stable	Affirmed
Southern California Metro Wtr Dist wtr rev bnds ser 2017A due 06/30/2046		
Long Term Rating	AAA/A-1/Stable	Affirmed
Southern California Metro Wtr Dist wtr rev bnds (2008 Authorization) due 07/01/2024		
Long Term Rating	AAA/Stable	Affirmed
Southern California Metro Wtr Dist wtr rev rfdg bnds		
Long Term Rating	AAA/Stable	Affirmed
Southern California Metro Wtr Dist wtr rev rfdg bnds		
Short Term Rating	A-1+	Affirmed
Southern California Metro Wtr Dist wtr rev rfdg bnds		
Long Term Rating	AAA/Stable	Affirmed
Southern California Metro Wtr Dist wtr (FGIC) (SEC MKT)		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed
Southern California Metro Wtr Dist WTRSWR		
Long Term Rating	AAA/Stable	Affirmed
Southern California Metro Wtr Dist WTRSWR		
Long Term Rating	AAA/A-1+/Stable	Affirmed
Southern California Metro Wtr Dist WTRSWR		
Long Term Rating	AAA/Stable	Affirmed
Southern California Metro Wtr Dist WTRSWR		
Long Term Rating	AAA/Stable	Affirmed
Southern California Metro Wtr Dist WTRSWR		
Long Term Rating	AAA/Stable	Affirmed
Southern California Metro Wtr Dist WTRSWR		
Long Term Rating	AAA/Stable	Affirmed
Southern California Metro Wtr Dist WTRSWR		
Long Term Rating	AAA/Stable	Affirmed

Ratings Detail (As Of June 13, 2017) (cont.)		
Southern California Metro Wtr Dist WTRSWR		
Long Term Rating	AAA/Stable	Affirmed
The Metropolitan Water District of Southern California, Water Revenue Bonds, 2000 Authorization, Seriew B-3		
Long Term Rating	AAA/A-1/Stable	Affirmed

Many issues are enhanced by bond insurance.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com. All ratings affected by this rating action can be found on the S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.