

# RatingsDirect®

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## Summary:

# Southern California Metropolitan Water District; Water/Sewer

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### Credit Profile

US\$222.14 mil var rate subord wtr rev rfdg bnds ser 2021A dtd 06/15/2021 due 06/30/2043

*Long Term Rating*

AA+/A-1/Stable

New

## Rating Action

S&P Global Ratings assigned its 'AA+/A-1' rating to Metropolitan Water District of Southern California's \$221.4 million 2021 series A variable rate subordinate water revenue refunding bonds. The outlook is stable.

The 2021 series A bonds are issued as variable-rate demand obligations. The long-term component of the rating reflects our view of the district's credit characteristics. The short-term component of the rating reflects that of the Bank of America N.A., which is providing an enhancement for the bonds in the form of a standby bond purchase agreement (SBPA) for each subseries.

The SBPAs have an effective date of June 16, 2021 and cover principal and 34 days' interest for a maximum 12% annual rate for the purchase price of bonds that are not successfully remarketed. The SBPAs are due to expire on June 13, 2025, unless extended or terminated beforehand.

The SBPA only covers the bonds in the daily and weekly rate modes (the covered modes) and will terminate upon a conversion of all the bonds to a rate other than in a covered mode. The SBPA provider's obligations to purchase tendered bonds will automatically terminate should certain events of default set forth in the SBPA occur. These events (which we have deemed consistent with our published criteria) include, but are not limited to, a lowering of the rating on the bonds or any parity debt below 'BBB-'.

## Stable Outlook

The stable outlook reflects that of the district. For more information on the district, please see our report published May 12, 2021, on RatingsDirect.

## Related Research

Through The ESG Lens 2.0: A Deeper Dive Into U.S. Public Finance Credit Factors, April 28, 2020

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](http://www.standardandpoors.com) for further information. Complete ratings information is available to subscribers of RatingsDirect at [www.capitaliq.com](http://www.capitaliq.com). All ratings affected by this rating

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