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San Juan County receives a new bond rating from Moody's

San Juan County, NM – Mr. Jim Cox, San Juan County Chief Financial Officer announced to the Board of County Commissioners on Tuesday, March 6, 2018 that Moody's Investors Services issued a General Obligation (GO) rating of Aa3 which was higher than the 2015 rating of A1 for the County's revenue bond issue. Mr. Cox explained that Moody's is an investment company that ranks the creditworthiness of borrowers using a standardized scale which measurers expected investor loss. In their ratings systems, securities are assigned a rating from Aaa to C, with Aaa being the highest quality and C the lowest. They also add a numbering system with 1 as the highest and 3 the lowest. The US median rating for GO bonds is Aa2. There are 6 New Mexico Counties rated by Moody's (2 at Aaa, 2 at Aa and 2 at A). At June 30, 2017 San Juan County's legal debt margin was approximately \$141 million in GO debt, but currently does not have any outstanding general obligation debt.

In a letter received February 28, 2018, Moody's Investor Services stated their rationale for the ratings; "The Aa3 rating is primarily driven by the county's solid financial position and low and moderate debt burden. The rating further incorporates the county's significant oil & gas tax base concentration and the potential closure of a power plant and a coal mine in the taxing region, which is counterbalanced by increasing drilling activity and various commercial investment opportunities."

Jim Cox explained, "San Juan County has worked hard to ensure that we operate in an efficient and effective manner and are careful stewards of public funds. We have remained committed to following conservative, forward thinking budgeting practices and it has proven to be successful. This rating would allow San Juan County to issue debt at a low rate which has greater power to benefit the citizens of the County. It really means that we can make our funds go farther as we move into projects in the future."

Please direct all press and related inquires to Susan Hakanson,
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