

For Immediate Release

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Tight Economy Contributes to Downgrade Of Solid Waste Bond Rating

MERCED, Calif., November 18, 2009 -- Moody's Investor Service today notified Merced County Regional Waste Management Authority that it plans to downgrade the Authority's Solid Waste Revenue Bond rating from A3 to Baa3, still considered a medium safe investment.

"This move is a further reflection of the economy," says Sam Chandler, Solid Waste Deputy Director. "People are buying less, which means they're creating less waste, and that means less waste deliveries to the landfills."

Tipping fees at the landfill recently increased 5.2%, but Moody's feels they should have increased more to offset the rapid decline in waste tonnage. However, the Authority Board, consisting of an elected representative from each city and a supervisor from each of the county's five districts, voted to keep increases low to still be affordable and approved several cost-cutting operational efficiencies.

Moody's also acknowledged the weak economic environment in the region as a contributor to the decline in revenue.

"The new rating is comparable to other solid waste authorities in California," explains Chandler. "From a cash flow viewpoint, we remain in a stable position."

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About the Merced County Regional Waste Management Authority Board

The Authority Board is comprised of city and county governments, with members who meet to discuss and solve regional issues concerning solid waste. Members include one elected representative from each of the six cities and one supervisor from each of the county's five districts. More information can be found at www.mcagov.org or by calling (209) 723-3153, ext. 308.