

Fitch Ratings

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Ms. Lisa Wilson
MBIA Insurance Corp.
113 King Street
Armonk, NY 10504
October 22, 2002

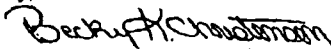
Dear Ms. Wilson:

Re: Public Facilities Financing Authority of the City of San Diego
\$286,945,000
Subordinated Water Revenue Bonds, Series 2002
(Payable Solely From Subordinated Installment Payments Secured By Net System
Revenues of the Water Utility Fund)
(39248)

Fitch Ratings has assigned a rating of 'AAA' to the above referenced Bonds. This reflects credit enhancement in the form of a bond insurance policy provided by MBIA Insurance Corp. (MBIA), which has an insurer financial strength rating of 'AAA'. Fitch Ratings defines companies with 'AAA' insurer financial strength ratings as follows: "Companies are viewed as possessing exceptionally strong capacity to meet policyholder and contract obligations. Risk factors are minimal and the impact of any adverse business and economic factors is expected to be extremely small."

Ratings assigned by Fitch Ratings are based on information provided to us by MBIA. Fitch Ratings does not audit or verify the truth or accuracy of such information. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payment made in respect of any security. The insurer financial strength rating assigned to MBIA may be changed, withdrawn, suspended, or placed on RatingWatch as a result of changes in MBIA's financial condition. The assignment of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement or other filing under U.S., UK or any other relevant securities laws.

Sincerely,



Becky K. Christensen
Manager / Insured Ratings