

Ratings Services
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Vincent Orgo
Administrative Officer
Public Finance Ratings

Standard & Poor's

A Division of The McGraw-Hill Companies 

October 22, 2002

Ms. Lisa A. Wilson
Vice President Manager DAC Group
MBIA Insurance Corporation
113 King Street
Armonk, NY 10504

Re: *\$286,945,000 Public Facilities Financing Authority of the City of San Diego, California, Subordinated Water Revenue Bonds, Series 2002, (Payable Solely from Subordinated Installment Payments Secured by Net System Revenues of the Water Utility Fund), dated: Date of Delivery, due: August 1, 2006-2024, Term Bonds due: August 1, 2026, August 1, 2032, (POLICY #39248)*

Dear Ms. Wilson:

This is to advise you that we have changed the rating to 'AAA' from 'A+' on the subject bonds.

The rating change reflects our assessment of the likelihood of repayment of principal and interest based on the bond insurance policy your company is providing.

When using the Standard & Poor's rating, include the definition of the rating together with a statement that this may be changed, suspended or withdrawn as a result of changes in, or unavailability of, information. This rating is not a "market rating", because it is not a recommendation to buy, hold or sell the obligations.

If you have any questions, please contact us.

Very truly yours

Vincent S Orgo

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