

RATING AGENCIES REAFFIRM MDC'S STABLE FINANCIAL OUTLOOK

District maintains favorable rating in advance of upcoming bond sales

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(HARTFORD, CT) – MDC Chief Executive Officer Scott W. Jellison announced today that S&P Global Ratings and Moody's Investors Service have released their ratings on the District's upcoming and outstanding bonds. S&P Global Ratings raised its rating on MDC's outstanding clean water project revenue and revenue refunding bonds to 'AA' from 'AA-' and affirmed its 'AA' rating on MDC's outstanding and upcoming general obligation bonds while maintaining its stable outlook for all rated debt.

Moody's Investor Service reaffirmed its 'Aa2' rating on outstanding clean water project revenue and its 'Aa3' rating on MDC's outstanding and upcoming general obligation bonds while maintaining its stable outlook for all rated debt. The MDC sought these ratings in advance of an \$86.2 million bond sale planned for August 16, 2022. These bonds will finance \$23.9 million in water projects, \$38.1 million in sewer projects, and \$24.2 million in combined funding projects.

The ratings from Moody's and Standard & Poor's represent a high-grade rating awarded by each of these agencies. Because of this rating, The MDC is assured of receiving favorable interest rates when it issues bonds to finance its capital projects.

"I am proud to report these favorable ratings to our member towns, staff and bond holders. They demonstrate our prudent fiscal management during the significant challenges of the past several years. Specifically, the cost of compliance with state and federal mandates, the pandemic's impact on our personnel, and global unrest and inflation's impact on the costs and availability of goods for construction and operations" said CEO Jellison. "Our strong bond ratings allow us to invest and improve our complex infrastructure at the lowest possible costs to our member towns and rate payers."

The rating reports issued by the two credit rating agencies present a thorough, objective, and independent analysis of the MDC's financial operations and credit strength.

S&P Global Ratings indicated that its rating reflects the MDC's "affluent service area, along with strong historical financial performance" and supported its raised rating by reporting that "all of MDC's debt benefits from management's ability to finance its operations from [a] diverse revenue stream that includes ad valorem taxes" and "the relative stability of those revenues."

Moody's reports, "[The rating] reflects the MDC's large and stable service area with well above average income levels particularly in the suburban cities" and lists the MDC's credit strengths to include an ample water supply, treatment capacity and healthy financial operations.

About MDC: MDC provides water, wastewater treatment and other services to its member towns: Bloomfield, East Hartford, Hartford, Newington, Rocky Hill, West Hartford, Wethersfield and Windsor. In addition, the District supplies treated water to portions of Glastonbury, South Windsor, Farmington, East Granby and Portland.