

## **RATING AGENCIES AFFIRM MDC'S STABLE FINANCIAL POSITION**

*Ratings upgraded for second year in a row ahead of July 27 Bond Sale*

July 21, 2023

For Immediate Release

**(HARTFORD, CT)** – Chief Executive Officer Scott W. Jellison announced today that Moody's Investors Service and S&P Global Ratings have released their ratings on the District's upcoming and outstanding bonds. Moody's Investor Service affirmed its Aa2 rating on the MDC's outstanding clean water revenue bonds and upgraded its Aa3 rating on its outstanding and upcoming general obligation bonds to Aa2, while maintaining its stable outlook for all rated debt.

S&P Global Ratings affirmed its AA rating on the MDC's outstanding clean water revenue bonds and its outstanding and upcoming general obligation bonds, while maintaining its stable outlook for all rated debt.

The MDC sought these ratings in advance of an \$84.7 million bond sale planned for July 27, 2023. These bonds will finance \$37.7 million in water projects, \$32.3 million in sewer projects, and \$14.7 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 these ratings, 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. This is the second year in a row that we have received bond rating upgrades. In 2022, S&P upgraded its AA- rating to AA for our revenue bonds and this year Moody's has upgraded its Aa3 rating to Aa2 for our general obligation bonds. These upgrades demonstrate our prudent fiscal management of our member towns and rate payers' resources and ensure the lowest possible borrowing costs for our investments in our infrastructure," said CEO Jellison.

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 its debt service obligations benefit from management's ability to finance its operations from a "diverse revenue stream [which] helps distribute costs over a wide base of users and helps with affordability considerations."

Moody's reports that its rating reflects the "MDC's solid financial operations" and lists the MDC's credit strengths to include an ample water supply, treatment capacity and healthy financial operations.

***About MDC:*** *The MDC is a nonprofit municipal corporation chartered by the Connecticut General Assembly in 1929. The 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.*

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