MOODY'S
RATINGS

Rating Action: Moody's Ratings assigns Aa2 rating to Hartford County MD, CT's GO Bonds; outlook is stable

18 Sep 2026

New York, September 18, 2026 -- Moody's Ratings (Moody's) has assigned a Aa2 rating to the Hartford County Metropolitan District's (CT) (MDC) General Obligation Bonds, Issue of 2026. The bonds have an expected value of $80 million. We have also affirmed the Aa2 rating on MDC's existing GO bonds and we maintain Aa2 rating on the outstanding revenue bonds. After the current sale, MDC's total debt will be approximately $1.6 billion. The outlook is stable.

RATINGS RATIONALE

The assignment and affirmation of the Aa2 GO bonds rating reflects the size and composition of the tax base, which consists of member municipalities located in and around the greater Hartford area. The group consists of eight member cities that, collectively, have a sizeable population with above average resident income and large underlying tax base, led by the City of Hartford, the largest city in the service area. None of the member cities has ever failed to make its property tax payment to the MDC.

The rating also reflects the solid financial quality of the MDC's sewer and water funds. In fiscal 2025, the sewer system (general fund) generated an audited $4 million reduction to reserves. However, the resultant $40.6 million fund balance is still a healthy 42% of revenues and compares favorably to the five-year average general fund balance of $38.5 million. The fund is currently projecting a $5.6 million surplus for fiscal 2026 (budget basis), that will keep it consistent with current credit quality.

The water fund's audited fiscal 2025 operating income was $25.6 million, which was the lowest of the last five years but still solid. The current budget projection for fiscal 2026 indicates a $4.8 million deficit based on somewhat conservative assumptions. However, we anticipate that actual results will be closer to balanced driven substantially by savings in actual headcount versus budgeted positions.

The MDC's leverage position will remain manageable despite having a substantial amount of debt outstanding and additional borrowing to come. In addition, MDC cannot issue debt that exceeds 5% of the tax base, which is a limitor to over leverage.

The MDC's credit quality is also boosted by provisions of Public Act 17-1, which stipulates that in the event of non-payment by a member entity, the district can establish an emergency budget increasing the levy on other members to cover the short-fall. Public Act 17-1 also allows the state to redirect a member municipality's PILOT payments to the MDC if the city fails to pay its ad valorem taxes.

RATING OUTLOOK

The stable outlook reflects our expectation that there will be no material credit deterioration among the member cities, water and sewer operating performance will remain consistent and the clean water project fund will continue to produce strong coverage of the revenue bonds.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Improved credit quality of member cities

- Service area resident income above approximately 125%

- Further improvement in sewer and water funds' financial position, including increased liquidity and unrestricted reserves

- Substantially decreased debt burden

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Ineffective implementation of capital improvement plans

- Significant deterioration of member city credit quality

- Weakening of resident income below 100%

- Material reduction of MDC's cash reserves and financial flexibility

- Weakened liquidity resulting in need for cash flow borrowing

PROFILE

The district provides water supply, sewer collection, treatment and disposal services to its eight member communities including Bloomfield, East Hartford, Hartford, Newington, Rocky Hill, West Hartford, Wethersfield, and Windsor. The district also has special agreements for water supply and sewage disposal facilities with 10 non-member towns and various state facilities.

METHODOLOGY

The principal methodology used in these ratings was US Public Finance General Obligation Debt published in May 2026 and available at https://ratings.moodys.com/rmc-documents/466158. Alternatively, please see the Rating Methodologies page on https://ratings.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on https://ratings.moodys.com/rating-definitions.

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