Bond Case Briefs

Municipal Finance Law Since 1971

Upper Occoquan Sewage Authority, Virginia: Fitch New Issue Report

The authority services four-member jurisdictions in northern Virginia. The largest members are the counties of Fairfax (sewer revenue bonds rated AAA/Stable) and Prince William (sewer revenues not rated by Fitch but assessed to be of extremely strong credit quality), at approximately 38% each of fiscal 2021 total revenue. The remaining member cities, Manassas and Manassas Park, account for approximately 24% of total revenues. Key Rating Drivers Revenue Defensibility: ‘aa’; Very Strong Purchaser Credit Quality, Limited Step-Up Provisions: The authority’s largest members are of very strong credit quality, resulting in a very strong ‘aa’ PCQ subassessment. Replenishment mechanisms for the DSRF and RMF in light of certain member defaults provide for full repayment of UOSA’s bonds. Operating Risk: ‘a’; Very Low Operating Cost Burden, Elevated Capital Needs: Depreciation has outpaced capital spending the past five fiscal years, leading to an elevated life cycle ratio. Positively, the authority’s five-year capital plan allocates the bulk of spending to asset-management projects. The operating cost burden is expected to remain very low for at least the next five years. Financial Profile: ‘aaa’; Exceptionally Strong Financial Profile Based on PCQ: The financial profile assessment is based principally on the very strong PCQ subassessment, supplemented by the operating risk assessment.

View the Fitch New Issue Report.

Wed 16 Nov, 2022

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com