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## **Peace River Manasota Regional Water Supply Authority (FL): Fitch New Issue Report**

The 'AA' rating on the revenue bonds and 'AA' Issuer Default Rating (IDR) reflect Peace River Manasota Regional Water Supply Authority's 'Very Strong' financial profile in the context of its 'Very Strong' revenue defensibility and operating risk profile, as well as the very strong credit quality of the authority's two largest wholesale customers — Sarasota County, FL (utility system rated 'AA+') and Charlotte County, FL. The authority's revenue defensibility is supported by strong contract provisions with the ability to reallocate costs, limiting bondholder exposure to individual members. The purchasers' obligation to make payments to the authority is unconditional and payable as an operating and maintenance expense of their respective utilities based on proportional water use. The authority's operating risk assessment reflects a very low operating cost burden and moderate life cycle investment needs. The revision of the outlook to Negative from Stable reflects the authority's projected increases in leverage, measured as net adjusted debt to adjusted funds available for debt service (FADS), as it works through a capital-intensive period driven by surface water expansion projects to meet growing demand. Leverage registered 6.1x in fiscal 2023 and is expected to grow substantially to 17.8x in fiscal 2025 in Fitch's rating case scenario.

[Access Report](#)

Thu 22 Aug, 2024 - 2:30 PM ET

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