

Bond Case Briefs

Municipal Finance Law Since 1971

S&P: The Common Credit Characteristics of Highly Rated U.S. Municipal Water and Sewer Utilities.

The credit quality of U.S. municipal water and sewer utilities is generally strong, with almost half of the sector considered highly rated with debt ratings of 'AA-' or higher. In our analysis of the group according to our criteria, S&P Global Ratings found that highly rated utilities have in common certain credit characteristics.

Broadly, the sub-group stands out for having:

- A consistent financial performance;
- Assets that already functioning at high level, or a clear plan and funding to develop their assets;
and
- An overall alignment of strategic goals among management, elected officials, and customers.

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