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## **Fitch: U.S. Water & Sewer Utilities Outlook Neutral in 2022**

Fitch Ratings-New York-08 December 2021: U.S. water and sewer utilities remain favorably positioned heading into next year despite the challenges posed by the pandemic, according to Fitch Ratings in its 2022 outlook report.

“Revenue growth is expected to improve from enacted rate increases which will help to offset expense escalation,” said Director Audra Dickinson. “Some increase in sector leverage is expected, but by and large balance sheets remain robust and there is more than sufficient headroom to absorb the additional leverage without the sector facing widespread downward rating pressure.”

Capital spending is expected to continue to increase as utilities look to address deferred maintenance, growth and inflation pressures. Capital programs are also being influenced by new and expected regulatory requirements to address lead pipe removal and other drinking water contaminants. “Federal infrastructure and stimulus legislation will help to meet some of these needs although most funding will continue to be borne by local users,” said Director Allison Clark. “Consequently, affordability will continue to be a topic of focus for industry stakeholders.”

“Fitch Ratings 2022 Outlook: U.S. Water and Sewer Sector” is available at [www.fitchratings.com](http://www.fitchratings.com).

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