

Bond Case Briefs

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Jefferson County, Alabama [Water, Sewer]: Fitch New Issue Report

The 'BBB(EXP)' warrant rating reflects anticipated improvement in the Jefferson County (the county) sanitary fund's (the system) credit quality and financial profile as a result of the plan of finance and updated rate resolution. The final rating is contingent upon receipt by Fitch Ratings of executed documents and legal opinions conforming to the information already received and reviewed. Revenue defensibility is assessed at 'a', which reflects an improvement from the prior review in light of enhanced rate flexibility. All of the system's revenue is derived from services or business lines exhibiting monopolistic characteristics in a service area with favorable demographic trends. The system's operating risk is assessed at 'bbb', which takes into consideration a very low operating cost burden of \$5,131 per million gallons (mg) of sewer flows in fiscal 2022. The system's life cycle ratio of 63% has been rising annually and indicates elevated capital needs. The financial profile is assessed at 'bbb', improved from prior reviews given the simultaneous strengthening of the revenue defensibility assessment and improved debt structure. Jefferson County is located in the north-central part of Alabama at the southern end of the Appalachian Mountains. With an estimated population of about 665,000, the county is the most populous in the state with 44 incorporated and unincorporated cities and towns, including Birmingham, the largest city in the state .

ACCESS REPORT

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