



# Delaware County Commissioners

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## **Delaware County Regional Sewer District Bond Ratings Rise**

DELAWARE, Ohio — The Delaware County Regional Sewer District joins less than 2 percent of utilities in the U.S. that have been awarded the highest possible credit rating of AAA by Standard & Poor's Rating Services. The news was delivered today by County Auditor George Kaitza at a meeting of the Delaware County Board of Commissioners, who also reported that Delaware County appears to be the only county in Ohio that has a current AAA credit rating for its sewer district bonds.

The DCRSD also has seen its rating from Moody's Investors Services upgraded from Aa2 to Aa1, which is one level below its highest AAA rating: Only 9 percent of the U.S. sewer districts rated by Moody's have received the Aa1 rating, and 1.5 percent have received the AAA rating. Only two other sewer districts in Ohio have received the Aa1 rating from Moody's.

The ratings are considered an indicator of how the financial-services industry views the fiscal health and stability of Delaware County, said Kaitza. Both Standard & Poor's and Moody's are leaders in the financial-services industry, performing research and issuing the credit ratings that help determine the interest rates that public and private borrowers pay when they sell bonds to finance construction projects.

"As a county, we are thrilled with the upgrades for our sewer district bonds and the savings in terms of interest costs," Kaitza said. "Both rating agencies noted that Delaware County has completed a 10-year master plan for the sewer district, has enacted affordable rate increases, and maintains substantial cash balances for sewer district operations. In addition, the rating agencies noted that the County has adopted robust cash reserve and debt management policies, reflecting the strong financial and operational management of the County."

Kaitza added that he anticipates the upgraded ratings will save the County \$2,450,000 over the life of DCRSD bonds that will be refinanced at lower interest rates.

The distinction is unusual, not just for its rarity in the public-utility realm, said DCRSD Director Mike Frommer, but because a top rating like a AAA is usually reserved for fully developed and mature utilities that have been in operation for more than 75 years. The DCRSD has been in existence for 46 years, since 1971, and currently serves 103,000 residents. The recently completed master plan for the district projects this number will grow to 159,000 by 2035.

"We have achieved this rating during rapid development of our system," Frommer said. "We have received solid ratings in the past because of our affordable rates, good asset condition and extremely strong debt-service coverage. But completing a comprehensive master plan that took a parcel by parcel approach to analyzing growth really enhanced our financial portfolio and helped us achieve the AAA distinction."

The DCRSD's rates average \$32 a month per household, which is 60 percent of the average rate paid across the state of Ohio. They also equate to 0.4 percent of the median customer-household's income, which is well below the U.S. Environmental Protection Agency's affordability threshold of 1.5 percent.

DCRSD's rating upgrades affirm the positive direction that Delaware County is headed, said Jeff Benton, president of the Delaware County Board of Commissioners. Last April, the County's government as a whole achieved the unique distinction of receiving dual top credit ratings from Standard & Poor's and Moody's, making it one of only two counties in Ohio to do so and one of 80 in the U.S., out of 3,143 counties nationwide.

Benton said, "The carefully crafted plan and this upgrade show the importance of thoughtfully charting the County's future growth. Also, significant interest savings will occur because this upgrade will allow the planned refinancing of the system's debt to be done at a lower interest rate."

For more information about the DCRSD, please visit their website at: <http://www.co.delaware.oh.us/sanitary/newweb/index.asp>.

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