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Rating Action: Moody's affirms Monroeville Municipal Authority, PA Water Enterprise's A2 revenue bonds

14 Dec 2018

New York, December 14, 2018 -- Moody's Investors Service affirms the A2 rating on Monroeville Municipal Authority, PA's outstanding \$4.5 million water revenue bonds.

RATINGS RATIONALE

The affirmation of the A2 rating reflects the water system's solid financial position with strong liquidity. The rating captures the enterprise's average debt burden with narrow debt coverage.

RATING OUTLOOK

Outlooks are usually not assigned to local government credits with this amount of debt outstanding.

FACTORS THAT COULD LEAD TO AN UPGRADE

- Trend of improved debt service coverage
- Growth and strengthening of service base

FACTORS THAT COULD LEAD TO A DOWNGRADE

- Continued narrowing or failure to achieve adequate debt service coverage
- Material increase in debt burden

LEGAL SECURITY

The Authority's water revenue bonds are secured by a first lien on net water revenues.

USE OF PROCEEDS

N/A

PROFILE

Monroeville Water Enterprise provides water service solely to Municipality of Monroeville, which has an approximate population of 27,500 and services roughly 9,500 customers. The water utility purchases water from Westmoreland, and distributes to customers. The Authority reached a 40 year agreement with Westmoreland County in 2016 with 5 cents sale increases every 5 years.

METHODOLOGY

The principal methodology used in this rating was US Municipal Utility Revenue Debt published in October 2017. Please see the Rating Methodologies page on www.moody.com for a copy of this methodology.

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