

# MOODY'S

## RATINGS

### Rating Action: Moody's Ratings assigns Aaa to Louisville Water Works Board's (KY) 2025 Rev. Bonds; outlook stable

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04 Aug 2025

New York, August 04, 2025 -- Moody's Ratings (Moody's) has assigned a Aaa rating to Louisville Water Works Board, KY's (Louisville Water) Water System Revenue Bonds, Series 2025. We have also affirmed the company's Aaa rating on outstanding revenue debt. Following the current issuance, Louisville Water will have approximately \$500 million in debt outstanding. The outlook is stable.

#### RATINGS RATIONALE

The Aaa rating reflects Louisville Water's healthy financial position, including coverage of over 4x, that is supported by strong rate management and long-term planning. The system's service area benefits from its role as a regional economic center, leading to steady customer growth, though median family income levels are slightly below average at 90% of the US. Debt is manageable at around 2x operating revenues and the system does not have additional debt plans until 2028.

#### RATING OUTLOOK

The stable outlook reflects the likelihood that Louisville Water's coverage and liquidity will remain healthy given timely rate increases and a stable customer base.

#### FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- N/A

#### FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Significant increase in debt, increasing to more than 5x operating revenue
- Narrowed debt service coverage to below 1.5x

#### PROFILE

Louisville Water Works Board provides water treatment and distribution to a service area population of over 1 million in Jefferson County and surrounding areas through a combination of retail sales and wholesale agreements.

#### METHODOLOGY

The principal methodology used in these ratings was US Municipal Utility Revenue Debt published in March 2024 and available at <https://ratings.moodys.com/rmc-documents/416489>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology

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