

Atlantic City Municipal Utilities Authority Receives Credit Rating Upgrade from Moody's Ratings

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Moody's Upgrades ACMUA Issuer Rating to Baa1, Citing Strong Liquidity, Coverage, and Financial Management

ATLANTIC CITY, NJ – The Atlantic City Municipal Utilities Authority (ACMUA) has received an issuer credit rating upgrade from Moody's Ratings, with the Authority's rating increased to **Baa1 from Baa2** as of January 7, 2026.

A Baa1 rating is considered investment grade and reflects Moody's assessment that ACMUA demonstrates solid financial fundamentals, strong operating performance, and a stable capacity to meet its financial obligations. The upgrade recognizes the Authority's conservative debt profile, strong financial reserves, and consistently high debt service coverage, supported by responsible and proactive rate management.

Moody's ratings are derived from a numeric scorecard framework that evaluates issuers on multiple quantitative and qualitative factors. Issuers achieving a Baa1 rating generally demonstrate:

- Debt service coverage ratios that support the Authority's ability to meet annual debt obligations, demonstrating financial stability.
- Liquidity reserves sufficient to manage unexpected revenue shortfalls or emergencies, helping sustain operations without raising rates sharply.
- Moderate debt relative to operating revenue, indicating the Authority can fund ongoing capital projects while keeping debt levels sustainable over the long term.
- Stable and predictable cash flows due to a combination of diversified customer base, regulated rate structures, and proactive rate management, which lowers volatility risk.
- Consistent reinvestment in infrastructure, such as PFAS removal and system modernization, ensuring regulatory compliance and long-term operational reliability—factors Moody's considers when evaluating long-term resilience.

The upgrade follows Moody's recent improvement of the City of Atlantic City's credit rating to Baa3, an important consideration given the historical credit linkages between the City and the Authority. Moody's indicated that the strengthened credit profile of the City lowers risk for the ACMUA.

For more information about ACMUA and its programs, visit acmua.org or follow the Authority on social media @atlanticcitymua.