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FOR IMMEDIATE RELEASE

August 25, 2014

Water Agency Considers Proposal to Save Hundreds of Thousands Annually Savings to Help Fund New Water Storage

Watsonville, CA – Ever watchful for cost saving opportunities, the Pajaro Valley Water Management Agency (PVWMA) Board of Directors is looking to refinance debt to save Valley rate-payers money.

In order to qualify for this refinancing and to qualify for very low-interest state loans, the PVWMA Board will consider eliminating the sunset clause on current rates which was adopted by the Board in September 2010 after voter approval of the current rate structure. At that time the PVWMA Board supported a 5 year time limit to ensure that the Agency garnered public support of a Basin Management Plan (BMP) to bring the over-drafted groundwater basin into balance. The updated BMP adopted by the PVWMA Board this year is expected to almost completely bring the basin into balance by 2025, while halting seawater intrusion.

PVWMA's Board of Directors reviewed Ordinance 2014-01 rescinding the sunset provision at its meeting on August 20, 2014 and will consider adoption on September 17, 2014. The Board welcomes public input on the proposal. There was also discussion on implementing new rates by July of 2015 in response to the need for immediate action in the face of the severe drought affecting California.

In addition, during its August 20th meeting, the Board of Directors discussed construction of a new recycled water storage tank at the City's Recycled Water Facility to increase supplies and help farmers reduce groundwater pumping in the coastal zone experiencing seawater intrusion.

This estimated tank project cost is \$6,200,000 which can be financed with new State drought related bonds at an extremely favorable rate of 1% instead of the typical municipal funds rate of 3%. This translates into a savings of \$124,000 per year based on a 20 year bond. The Committee also recommended refinancing some of the Agency's existing construction debt for existing water supply projects for a similar savings.

Additional information may be found on the Agency's website, pvwater.org, and comments on the elimination of the sunset provision may be sent to information@pvwater.org.

The PVWMA is a public agency whose mission is to protect and preserve the water resources within the agency's jurisdiction, generally the greater coastal Pajaro Valley.

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