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FOR IMMEDIATE RELEASE

September 22, 2014

**PV Water Approves Proposal to Take Advantage of Special Financing
Savings to Help Fund New Water Storage**

Watsonville, CA – Taking advantage of new low rate finance opportunities, the Pajaro Valley Water Management Agency (PV Water) Board of Directors can now look at refinancing debt to save Pajaro Valley rate-payers money.

In order to move forward with refinancing and to qualify for very low-interest state loans, the PV Water Board eliminated a sunset clause adopted in September 2010 following voter approval of the current rate structure. At that time the PV Water Board supported a five year time limit to ensure that the Agency garnered public support of a Basin Management Plan (BMP) update to bring the over-drafted groundwater basin into balance. The updated BMP, adopted by the board this spring, provides a roadmap to balance the groundwater while halting seawater intrusion.

PV Water's Board of Directors had a first reading of Ordinance 2014-01 rescinding the sunset provision at its meeting on August 20, 2014 and voted to delay adopting the ordinance until September in order to provide additional time for public outreach and input. During the September 17, 2014 meeting the ordinance was adopted.

During the earlier August 20th meeting, the Board of Directors also received an update on the construction of a new recycled water storage tank at the agency's Recycled Water Facility. Extra storage will help to increase supplemental water deliveries and reduce groundwater production, a key part of the BMP. The estimated project cost of \$6,200,000 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 to obtain a similar savings.

PV Water 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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