



PV Water

Contact: Mary Bannister
Direct Line 831 254-2015
PVWMA Office 831-722-9292
bannister@pvwater.org

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PV Water Refinances Debt and Saves Ratepayers \$3.5 million

Watsonville, CA – Earlier this week The Pajaro Valley Water Management Agency (PV Water) successfully locked in historically low interest rates on the refinancing of a portion of the Agency’s outstanding obligations by issuing \$19,970,000 in revenue bonds with an all-inclusive cost of 2.67%. Without extending the payment terms, the Agency expects to save over \$250,000 per year in principal and interest payments totaling approximately \$3,500,000 through March 2029.

The low interest cost is a product of a rating upgrade from Standard&Poor's Ratings Services from “BBB+” to “A-” and the purchase of bond insurance to increase the rating to “AA”. PV Water was able to achieve these rating upgrades based on board leadership, strong management and the removal of the sunset restriction on the ground water augmentation charge. The adoption and implementation of the Basin Management Plan and the Agency’s active grant and subsidized loan applications added to the improved outlook.

PV Water has wanted to refinance these debts for years, but was unable to access the capital markets given its outstanding litigation and rate structure limitations. The successful conclusions of these impediments allowed the Agency to access the tax-exempt bond market at the optimal time and save the rate payers over three million dollars in interest.

Additional information may be found on the Agency’s website – pvwater.org.

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.