



## **OMWD Board to Save Property Owners \$2.8 million with Bond Refinancing**

**Encinitas, Calif.**— At its July 24 board meeting, OMWD’s board of directors authorized the refinancing of its Reassessment District 96-1 bonds. The deal closed on July 29 and will reduce repayment costs to property owners within OMWD by approximately \$2.8 million.

“Refinancing these bonds at lower interest rates is consistent with OMWD’s established reputation of financial excellence,” commented board president Ed Sprague who sits on OMWD’s Finance Committee. “As much as possible, efforts are made to save ratepayers millions by leveraging our favorable financial standing.”

In 1997, OMWD issued Assessment District 96-1 bonds to finance the Olivenhain Water Storage Project, which included storage in a concrete dam and open reservoir, raw water pipelines, and other related projects. In 2007, Reassessment District 96-1 bonds were issued to refund and refinance the original bonds. The bonds were to be repaid through special assessments on properties within Reassessment District 96-1 which contains 23,299 parcels. Savings will total nearly \$353,000 per year until the bonds mature in late 2027.

“The difference between current yields and outstanding coupons on our existing bonds provided significant savings from reduced interest rates by refunding and refinancing the bonds,” explained Larry Watt, OMWD’s treasurer and Finance Committee member. “We are happy to be able to lower financial costs on property tax bills for our residents.”

Property owners within OMWD’s service area should see the reduction on their next property tax bills.

OMWD distributed a bid request in June to refinance the bonds. Seven bids were received, and JP Morgan was selected with the lowest offered interest rate of 2.09 percent.

OMWD has a history of bond refinancing to save ratepayers money. In 2016, OMWD’s board took advantage of historically low interest rates and approved refinancing its existing Financing Authority Water Revenue Bonds Series 2009. The bond refinancing resulted in savings to OMWD ratepayers of an estimated \$3.68 million over the 22-year life of the bond.

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*Olivenhain Municipal Water District is a public agency providing water, wastewater services, recycled water, hydroelectricity, and operation of Elfin Forest Recreational Reserve. Organized in 1959, OMWD currently serves approximately 86,000 customers over 48 square miles in northern San Diego County.*

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