



Our Region's Trusted Water Leader
San Diego County Water Authority

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News Release

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Ratepayers Save \$48 Million in Water Authority Bond Refundings

"Green Bonds" promote environmental and fiscal sustainability

April 29, 2021 – The San Diego County Water Authority this month completed a series of bond refundings that will save ratepayers \$48 million – the latest in a long series of debt refinancing moves that help reduce the cost of critical water infrastructure investments.

The savings from the refinancing of Series 2021S-1 (Green Bonds) and Series 2021B (Green Bonds) were supported by continued strong credit ratings issued in March. Green bonds are designated to encourage sustainability and to support clean water, sustainable water management and other environmental projects.

"The Water Authority continues to navigate complex challenges, including the pandemic, to benefit the San Diego region's ratepayers with lower borrowing costs," said Water Authority Board Chair Gary Croucher. "Our experienced management team is saving money for water users while also promoting environmental sustainability and generational equity – a credit to our prudent fiscal policies and practices."

Besides refinancing debt, the Water Authority continues working on several fronts to save money for ratepayers and reduce upward pressure on rates from forces outside the agency's control. Water Authority court victories recently generated \$44.4 million in refunds for member agencies and prevented tens of millions of dollars in additional charges. In addition, the Water Authority has rescheduled capital projects, deferred equipment replacement, and left several staff positions vacant to reduce overhead while maintaining supply reliability. Those efforts allowed the agency to identify \$44.5 million in budget savings this fiscal year, while evaluating similar opportunities for next year.

The Water Authority has saved ratepayers more than \$278 million with bond refundings over the past decade, lowering the cost of borrowing for major capital projects that help to ensure water supply reliability, particularly during dry years like 2021. Despite the economic recession and challenges from the global pandemic, during the last two years the Water Authority has saved a total of \$130 million.

The Series 2021S-1 and 2021B refundings included:

- Refinancing 2021S-1 bonds at a lower yield (1.07% vs. 0.76%) resulting in annual interest savings of more than \$550,000 for a total savings of \$3.8 million.
- Refinancing 2021B bonds resulting in annual savings of \$2.8 million for a total of \$44.5 million in present value savings. The Water Authority took advantage of a special call provision making it possible to execute this tax-exempt refinancing five years in advance of the standard call date.

In March, all three major rating agencies – S&P, Moody’s, and Fitch – affirmed the Water Authority’s strong credit ratings, which helps the agency optimize its debt portfolio and minimize the cost of financing important water reliability projects. The credit reports cited the Water Authority’s strategic management and its conservative approach to water sales projections.

For more information about the Water Authority’s finances, go to: www.sdcwa.org/about-us/budgets-financial-reports/.

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The San Diego County Water Authority sustains a \$245 billion regional economy and the quality of life for 3.3 million residents through a multi-decade water supply diversification plan, major infrastructure investments and forward-thinking policies that promote fiscal and environmental responsibility. A public agency created in 1944, the Water Authority delivers wholesale water supplies to 24 retail water providers, including cities, special districts and a military base.



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