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NEWS

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PVSC Closes On Substantial Refinancing Plan; More Than \$14 Million In Savings Realized

Newark, NJ – In step with its efforts to effectively manage its outstanding debt, the Passaic Valley Sewerage Commission (PVSC) closed on a substantial refinancing transaction on Wednesday. The agency refinanced more than \$86 million of its existing debt, which had been subject to interest rates of greater than 5%. The new, refinanced debt, with an average yield of only 1.52%, will save PVSC and its ratepayers more than \$14 million in debt service payments over the next four years.

According to Thomas Tucci, Chairman of PVSC's Board of Commissioners, the refinancing will result in greater budgetary flexibility, allowing for the overlay of new debt associated with a variety of future capital projects without creating additional debt service requirements. The new debt will finance significant repair work related to damage caused by Superstorm Sandy. The refinancing will also allow PVSC to maintain what are among the lowest user charges in the nation. This will directly benefit PVSC's 1.5 million ratepayers, who reside in 48 municipalities in parts of Bergen, Essex, Hudson, Passaic and Union Counties.

"PVSC's primary objective is to deliver the best service at the best rate possible to our 48 municipalities," said Vice Chairman Ken Lucianin. "To that end, we are constantly working to minimize the impact of our operating budget on our member municipalities."

Executive Director Gregory Tramontozzi noted, "This refinancing plan will result in substantial cost savings to PVSC. That will go a long way in helping us contain the user charges that are paid by our ratepayers, while also helping us move forward with necessary repairs and upgrades that are all designed to improve our operations, harden our infrastructure, reduce waste and increase efficiency."

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In order to protect and preserve local streams and rivers from water pollution, the Passaic Valley Sewerage Commission operates one of the country's oldest and largest treatment plants for the wastewaters of northern New Jersey, serving approximately 1.5 million residential users in parts of five counties.