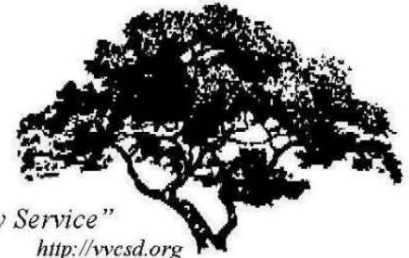


VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

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"Pride in Community Service"

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FOR IMMEDIATE RELEASE:

Vandenberg Village CSD to Pay Off Bonds

Vandenberg Village, CA, September 19, 2005. Vandenberg Village Community Services District (CSD) will soon be debt free. The district has placed \$1.1 million on deposit with a lending institution and revenue bonds will be paid off November 1, 2005.

In 1988 the district borrowed \$5.4 million to purchase water and wastewater facilities – largely consisting of wells, tanks, pumps, and pipelines – from Park Water Company. These bonds were refinanced in 1996 and were not scheduled to be paid off until 2008.

“The district has been conservative with ratepayer funds and we’ve accumulated enough money in our reserves to redeem our bonds three years early,” said Director Don Rowland, finance officer on the CSD board. According to Rowland, the district will pay a one-percent redemption premium of \$10,900 but will save three years of interest payments totaling \$115,905.

Director Bob Wyckoff, president of the CSD board, said that the bond payoff was the main financial issue discussed in developing the District’s annual budget this year.

“The directors have considered it in some fashion at about half of our recent meetings. We’ve done our best to inform people and I believe most of them support this course of action.”

In November, village residents will see bond charges disappear from their utility bills. However, the amounts of those charges, \$11.36 for water and \$3.69 for wastewater, will be incorporated into service charges where funds will be used to replenish reserves and pay for upgrades to the Lompoc Regional Wastewater Reclamation Plant.

This reallocation of charges requires the district to conduct a public hearing, which will be held at the next regular monthly board meeting at 7 p.m. on Tuesday, October 4. The meeting is at the CSD office, 3757 Constellation Road, Vandenberg Village, and is open to the public. Wyckoff emphasized that customers will not see any change in the total amount of their bills as a result of this action.

Vandenberg Village CSD is an independent special district that provides water and wastewater services to a community of 6,000 people in northern Santa Barbara County. It is governed by a five-member, elected board of directors.

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