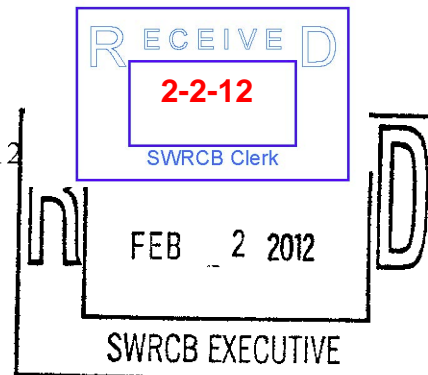




January 27, 2012



State Water Resources Control Board
P.O. Box 100
Sacramento, CA 95812-0100

Subject: Extended Term Financing for Regionalization Projects
February 7, 2012 State Water Resources Control Board Meeting

Dear Board Members:

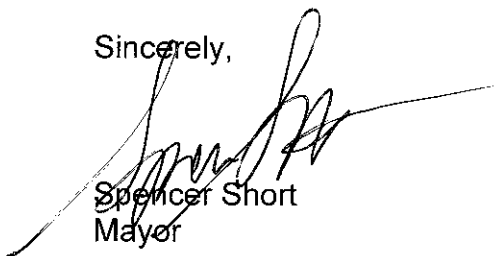
On February 7, 2012 your Board will be considering whether or not to apply to the USEPA to offer Extended Term Financing (ETF) to wastewater treatment regionalization projects. The City of Lincoln recognizes the huge benefits associated with regionalization of wastewater treatment and strongly supports allowing regionalization projects to use 30 year State Revolving Fund financing.

Regionalization benefits include lower long term costs for all participants due to economies of scale and lower risk of damage to the environment resulting from fewer treatment facilities and a generally higher level of expertise associated with larger facilities.

One of the biggest costs associated with regionalization is the pipeline to connect multiple sewage collection areas. Since pipelines typically have a life of over 70 years, the existing 20 year financing period forces existing rate payers over the first 20 years of pipeline life to pay for benefits that will be enjoyed by rate payers over a 70 plus year period. The 30 year financing period allows these costs to be spread over a 30 year period thereby reducing annual debt service costs by 25% making regionalization more affordable to current rate payers.

Your support for extended term financing for regionalization of wastewater treatment is essential and appreciated.

Sincerely,



Spencer Short
Mayor

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