

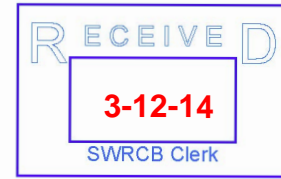
THE CITY OF



PLEASANTON

March 11, 2014

Felicia Marcus, Chair and Members  
State Water Resources Control Board  
1001 I Street  
Sacramento, CA 95814



Via electronic mail: [commentletters@waterboards.ca.gov](mailto:commentletters@waterboards.ca.gov)

**SUBJECT: Resolution to Provide Financial Incentives in Response to the Governor's Drought Proclamation for Near-Term Recycled Water Projects—Agenda item #3, Board Meeting of March 18, 2014**

Chair Marcus and Members:

The City of Pleasanton (Pleasanton) is pleased to provide comments on the proposed resolution to provide funding incentives for the Clean Water State Revolving Fund (CWSRF) program directed to incentivize near term recycled water projects. Pleasanton is developing a recycled water project that would benefit from the proposed terms. This year, Pleasanton plans on applying for assistance through the CWSRF program to develop an estimated 1,720 acre feet per year recycled water project, which includes both treatment and distribution system development. The recycled water supplied through this project will directly replace potable water currently being used; which will directly benefit the Delta ecosystem since the majority of Pleasanton's typical water supply comes through the State Water Project.

We support adoption of the proposed resolution, which will assist in moving recycled water projects forward more quickly to provide much needed water supply benefits. In addition to the financing terms, we ask the Board to exercise flexibility to address other loan terms and conditions that may constitute barriers to project applicants. These include:

- **Senior Lien Debt:** Consider the overall credit-worthiness of a given agency rather than a strict standard that new CWSRF loans be senior to other agency debt.
- **Repayment Schedules:** Allow agencies to request and justify "customized" schedules based on their unique circumstances rather than amortize the loan over the repayment period so that annual debt service payments are the same in each year.
- **Refinancing:** Allow agencies with current 20-year CWSRF loans to be refunded with the longer term loans and allow open market "bridge loans" to initiate a needed project while awaiting approval of a CWSRF loan.

**OPERATIONS SERVICES DEPARTMENT**

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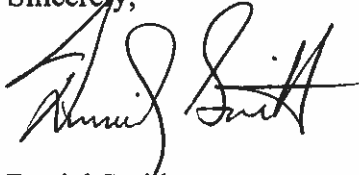
**P.O. Box 520, Pleasanton, CA 94566-0802**

Administration  
Streets  
Sewer/Storm

Support Services  
Parks  
Water

We appreciate the State Water Board moving forward to incentivize new recycled water projects that will provide reliable, sustainable and drought proof water supplies for our community.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel Smith". The signature is fluid and cursive, with the first name "Daniel" written in a larger, more prominent script than the last name "Smith".

Daniel Smith  
Director of Operations  
City of Pleasanton