



Directors:

Douglas A. York, *President*
Richard Friestad, *Vice-President*
Merritt W Wiseman, *Secretary/Treasurer*
Mike Duran, *Director*
William R. Teague, *Director*

General Manager:

Joseph Glowitz, *MBA, PE, PMP*



VIA EMAIL

commentletters@waterboards.ca.gov

March 13, 2014

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

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:

Valley Sanitary District 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. Valley Sanitary District is developing a recycled water project that would benefit from the proposed terms. The District is programming, with a high priority, a reclaimed water project to reuse water for beneficial use for our customers. The project entails a 10 to 15 million gallons per day reclaimed water project for indirect potable reuse as well as groundwater recharge. It is anticipated that this project may be fast tracked to take advantage of the proposed program.

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.

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.

Truly,

VALLEY SANITARY DISTRICT

A handwritten signature in black ink that reads "Joseph Glowitz". The signature is written in a cursive style with a large, looped 'J' and a long, sweeping underline.

Joseph Glowitz, MBA, PE, PMP
General Manager