

**DUBLIN
SAN RAMON
SERVICES
DISTRICT**



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March 13, 2014

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



Via electronic mail: 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:

Dublin San Ramon Services District (DSRSD) is pleased to provide comments on the proposed resolution to provide very low-interest financing through the Clean Water State Revolving Fund (CWSRF) for recycled water projects. DSRSD is developing several recycled water projects that would benefit from the proposed terms. Two projects that could be completed this year if funding was available would enable three large complexes of multi-family and county facilities, some of our largest water users, to irrigate with recycled water. These projects would permanently reduce potable water demands by 240 acre feet annually.

We support adoption of the proposed resolution because it will allow recycled water projects to move forward more quickly and provide much needed water supply benefits to California. In addition to addressing financing terms, we ask the Board to remove barriers to project applicants by making these other terms and conditions more flexible:

- Regarding senior lien debt, consider the overall credit-worthiness of a given agency rather than apply a strict standard that new CWSRF loans be senior to other agency debt.
- Regarding 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 annual debt service payments are the same in each year.

- Regarding refinancing, allow agencies to refund current 20-year CWSRF loans with the longer term loans and allow agencies to obtain open market bridge loans to initiate a needed project while awaiting approval of a CWSRF loan.

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

Sincerely,

A handwritten signature in blue ink, reading "Rhodora Biagtan". The signature is fluid and cursive, with a long horizontal line extending to the right from the end of the name.

RHODORA BIAGTAN
District Engineer