



CRESCENT CITY / DEL NORTE CHAMBER OF COMMERCE

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 Crescent City Del Norte County Chamber of Commerce

November 11, 2014

Chair Marcus and Board
State Water Resources Control Board
P.O. Box 10
Sacramento, CA 95812-0100



Re: Consideration of a proposed Resolution to modify the terms of the Clean Water State Revolving Fund (CWSRF) Program financing for Crescent City; Crescent City Wastewater Treatment Plant Upgrade Project; CWSRF Program Project No. C-06-4699-110; Financing Agreement No. 07-812-550

Chair Marcus and Board,

I am writing this letter in support of Crescent City's request to the State Water Resources Control Board to modify the existing CWSRF loan agreement. Modification of the current loan is not only desirable, it is the only remaining option to ensure a sustainable utility rate for the economically disadvantaged community of Crescent City and the surrounding area.

Currently, approximately 3,715 Crescent City user accounts are paying principle and interest on a \$44 million dollar loan from the State Revolving Fund. Without approval of the loan modification, users will face a 252% user rate increase over the next six years in order to meet the loan repayment obligations while maintaining operating and maintenances expenses at the Waste Water Treatment Plant. The expected \$245 per month utility bill would consume 8% of median household income for the area, driving this already poverty-stricken area into dire financial hardship.

Alternatively, the proposed modification allows a practical compromise that still demands repayment of the City's financial obligation to the loan, while reducing the burden on ratepayers to a more palatable 5% increase per year over the next five years. By reducing the interest rate to 0% and allowing graduated repayments for six years, a sustainable balance is reached that benefits both the local community and the State. Without this compromise, default of the loan is nearly certain, which would consequently destroy the City's credit rating and disallow the financial flexibility that is needed to maintain its infrastructure needs.

On behalf of the Crescent City/Del Norte County Chamber of Commerce, I strongly urge your approval of the proposed loan modification to ensure that the future of the Crescent City community is one that can be prosperous and that will allow its citizens the ability to thrive as well.

Sincerely,

A handwritten signature in black ink, appearing to read 'Linda Ging'.

Linda Ging
President

Crescent City/Del Norte County Chamber of Commerce