



We question this language:

*The State Water Board also provides principal forgiveness for projects in California's three nationally designated estuaries. The non-profit organizations sponsoring these projects often do not have a revenue stream to support repayment of a loan, and have limited funds for their local contribution.*

You do not identify the estuaries or the non-profit corporations. We question if all estuaries are managed by non-profit corporations. One, in California, is managed by a State legislated commission.

A foundation has extraordinary influence over this commission, but without the contractual agreements and oversight. You need to take into consideration all aspects in California.

You have no language for a test to substantial forgiveness.

You also state:

### *Reduced Interest Rates*

*If the total amount of CWSRF financing to be repaid by a non-point source or estuary management project is less than \$10 million and the project has at least one sustainability point (see Section IV.A.3 of the CWSRF Policy), the Division may approve a reduced interest rate (not less than zero percent) if the applicant is unable to afford all or a portion of the interest payments.*

and

### *Types of Assistance and Financing Terms*

*The State Water Board will provide funding for all eligible categories of projects using loans, installment sale agreements, and purchase of debt for the construction of treatment works or implementation of non-point source or estuary projects. The State Water Board will also provide optional separate planning and design financing during FFY 2014 to applicants that can legally accept such financing. Principal forgiveness, if available, will be provided to those applicants that meet the conditions specified in Table 4 and Section III.C above.*

We ask that you take precautionary measures to protect the Public from fraud and abuse.

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