

JARED HUFFMAN
2ND DISTRICT, CALIFORNIA

COMMITTEE ON
NATURAL RESOURCES
COMMITTEE ON THE BUDGET

Congress of the United States
House of Representatives
Washington, DC 20515-0502

WASHINGTON OFFICE
1630 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515



November 14, 2014

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

Re: CWSRF Program Project No. C-06-4699-110; Financing Agreement No. 07-812-550

Dear Chairwoman Marcus:

I am writing in support of Crescent City's request to modify its existing Clean Water State Revolving Fund (CWSRF) loan agreement. Modification of the current loan is the only way 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 principal 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 Wastewater Treatment Plant. The expected \$245 monthly utility bill would consume 8% of median household income for the area, causing significant financial hardship.

The proposed modification 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 percent 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 undermine the goals of the Clean Water State Revolving Fund, damage the city's credit rating, and disallow the financial flexibility needed to maintain the region's water infrastructure needs.

Thank you for your full and fair consideration of the proposed loan modification to protect Crescent City and the surrounding community.

Sincerely,

JARED HUFFMAN
Member of Congress

SAN RAFAEL
999 FIFTH AVENUE, SUITE 290
SAN RAFAEL, CA 94901
PHONE: (415) 258-9657
FAX: (415) 258-9913

PETALUMA
206 G STREET, #3
PETALUMA, CA 94952
PHONE: (707) 981-8967
FAX: (415) 258-9913

UKIAH
559 LOW GAP ROAD
UKIAH, CA 95482
PHONE & FAX: (707) 671-7449

FORT BRAGG
430 NORTH FRANKLIN STREET
P.O. BOX 2208
FORT BRAGG, CA 95437
PHONE: (707) 962-0933
FAX: (707) 962-0905

EUREKA
317 THIRD STREET, SUITE 1
EUREKA, CA 95501
PHONE: (707) 407-3585
FAX: (707) 407-3559