

State Water Resources Control Board

September 2, 2015

Mr. Thomas Esqueda, Public Utilities Director
City of Fresno
2600 Fresno Street, Fourth Floor
Fresno, CA 93721

FINANCING AGREEMENT FOR CITY OF FRESNO'S SOUTHEAST SURFACE WATER TREATMENT FACILITY, DWSRF PROJECT NO. 1010007-028C

Dear Mr. Esqueda:

The State Water Resources Control Board-Division of Financial Assistance (DFA) received the City of Fresno's (Fresno) Drinking Water State Revolving Fund (DWSRF) application on June 23, 2014. Fresno has requested funding to construct a new 80 MGD Southeast Surface Water Treatment Facility (Project). DFA has now completed its evaluation of the Project and is finalizing a DWSRF financing agreement for such Project in the amount of \$195,489,000. A draft of the financing agreement has also been forwarded to Fresno for its consideration before formal issuance by DFA. When executed, the financing agreement will afford Fresno the following financial terms:

Loan Amount: \$195,489,000

Interest Rate: 1.663%

Loan Repayment Term: 30 Years

Debt Service Ratio Covenant: 1.25x

Loan Repayment Reserve Requirement: 2 semi-annual payments accumulated over a 10-year period

If you have any additional questions regarding Fresno's forthcoming DWSRF financing agreement please contact Marques Pitts at 916-449-5645 or via email at Marques.Pitts@waterboards.ca.gov.

Sincerely,



Jim Maughan, Assistant Deputy Director
Division of Financial Assistance

Mr. Esqueda
City of Fresno

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cc: Glenn Knapp, P.E.
City of Fresno
Department of Public Utilities-Water Division
2101 G Street, Building A
Fresno, CA 93706

Mr. Esqueda
City of Fresno

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bcc: Marques Pitts

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