From:	[redacted]
To:	City Council
Cc:	Mary Gourley
Subject:	PC: Well 4 - What if you don"t need $5,000,000; What if rate payers don"t want to pay 5% interest when they can get a loan for 2.1%
Date:	Saturday, August 29, 2026 5:09:12 PM
Attachments:	Well 4 financingt What if you dont need $5,000,000; what if rate payers want to pay less interest.pdf

Hi all,

Attached is my usual in depth analysis of the issue. I have to do all this work to understand and form an opinion - might as well share it with you....

Key point(s):

- Borrowing $5MM because that is the minimum loan amount available is a red flag!
- If you study the financial analysis attached, you will see that $4,000,000 would be the optimal amount to borrow.
- Not discussing the actual interest rate differences between DWSRF and WIFIA is a real concern!
- DWSRF 2.1% vs WIFIA 5%. This yields a $2.7MM additional cost to go with WIFIA. $3.3MM difference if you can borrow only $4,000,000 from DWSRF.
- The city identified a number of criteria that favor WIFIA - keep asking if they justify millions of dollars in additional costs.

I know it is not your money but that is even more reason to act responsibly.

PS - it is a problem that an issue like this was not discussed at an EFOC meeting.

Lee

[redacted] -