

From: [REDACTED]
To: [Oriana Hart](#); [Torrin Korman](#); [Mary Gourley](#); [Sebastopol Public Works](#)
Subject: Public Comment #2 for Combined EFOC/Budget Committee Oct 5
Date: Saturday, October 3, 2026 4:44:47 PM
Attachments: [What if you dont need \\$5,000,000; what if rate payers want to pay less interest.pdf](#)

Attached are comments on the proposal to seek a \$5MM loan from WIFIA rather than DWSRF.

Key questions that should be discussed at the EFOC meeting:

Why were current interest rates and total loan costs + interest not presented in the comparisons between the two projects.

Interest cost for a \$5MM WIFIA loan (5.5% over 30 years) is \$5.32 million. Borrowing \$3.5million for well 4 alone from DWSRF costs \$1.25million interest. **This is costing \$4.07 million more than the original plan to borrow for well 4. Probably should show up in the Fiscal Impact section of the Staff report.**

Representatives should also note that by borrowing the costs of the projects at 5.5% interest the actual cost paid over the life of the loan for each project is nearly doubled.

DWSRF is identified as a 2 year wait.

This project has been planned since 2024. Rate payers paid more than \$4MM for city general administrative expenses. Why couldn't this project get planned and the loan application submitted?

CEQA identified as one reason the application process for DWSRF is longer. However, the staff report also says this project is CEQA exempt.

One rationale for not going with DWSRF was that “DWSRF does not have the funding capacity it once did.... Although the headline news is that DWSRF has only \$300 million in loan capacity and \$1.5billion requested. In FY26-27 only nine of the 46 applications were complete and every complete project subject to scoring made the fundable list.

Another was that DWSRF has a scoring system creating “great uncertainty for the City’s water project. Did the city actually score this project? The higher weighted categories favor Well 4.

The EFOC is unique in that it is composed of individuals who are also rate payers. You have the

opportunity to assess whether financing is necessary, higher interest costs are justified and the benefits to the city staff are costs the rate payers should be paying. Is there a proper balance between the interests of the rate payers and the interests of city staff?

