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Pipeline charge letters sent to property owners

By Adobe Staff

Nipomo Community Services District is submitting a preapplication for a low-interest federal loan to finance Woodlands Mutual Water Co.'s share of the supplemental water pipeline construction costs.

NCSD directors last week unanimously authorized the staff to file the preapplication with the U.S. Department of Agriculture.

Although the loan is only for Woodlands' more than \$4.1 million share of the \$29.8 million project cost, NCSD was required to submit the preapplication as the lead agency on the project.

NCSD is spearheading the proposal to bring supplemental water from Santa Maria to the Nipomo Mesa.

Construction cost would be financed with bonds, which would then be repaid using property assessments.

But because of the large amount of undeveloped land within the Woodlands boundary, the area is considered a high risk in the bond market, said NCSD General Manager Michael LeBrun.

If granted, the loan would have an interest rate of about 3.75 percent.

"That would be a real boon to folks at Woodlands," LeBrun said, noting that with all the undeveloped land, the company's customers would be paying nearly 8-percent interest on bonds.

"This rate is capped at 4 percent," he said. "That can make a meaningful difference for those folks."

LeBrun said that of the four water purveyors participating in the proposed pipeline, only Woodlands could qualify for the USDA loan.