



Nipomo CSD approves pipeline funding plan

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A funding plan to construct a supplemental water pipeline from the city of Santa Maria to the Nipomo Mesa was approved last week by Nipomo Community Services District directors.

Directors also approved a revised wholesale water purchase contract with Santa Maria. The Santa Maria City Council is tentatively scheduled to consider the agreement at its meeting on Tuesday, May 7.

Board members OK'd the funding plan April 24 after reviewing the district's third-quarter financial report and adopting a resolution to use water fund reserves pay for a portion of the project.

The total cost, including preliminary work already done, is expected to hit \$17.5 million.

However, customer rates will not rise to pay for the project, noted Michael LeBrun, district general manager.

NCSD is counting on a \$2.2 million grant from the state Department of Water Resources to pay for part of the project.

An additional \$10.3 million would come from the water fund, water capacity fund, property tax fund, supplemental water fund and water system replacement fund.

The board is also scheduled to consider issuing

\$5 million in certificates of participation to provide the balance of the funding at its meeting set for 9 a.m. Wednesday, May 8, in the district board room at 148 S. Wilson St., Nipomo.

If directors approve issuing COPs, which are essentially bonds, they will then consider awarding first-phase construction contracts at their May 22 meeting.

LeBrun said if the project stays on schedule, supplemental water would begin by late fall 2014.

He said a water purchase agreement approved around 2009 had to be revised after the district downsized the pipeline project.

Last year, property owners rejected an assessment to build a pipeline capable of delivering 3,000 acre-feet of water a year from Santa Maria to the Nipomo Mesa.

NCSD is now planning a pipeline that will initially carry only 650 acre-feet a year, although that capacity could be expanded in the future.

An acre-foot is about 326,000 gallons, or the amount of water necessary to supply the annual needs of four to 10 people.

LeBrun said although the district will initially buy less water from the city, the price per unit will not increase.

NCSD will still pay the same base rate as Santa Maria residential customers.

The updated agreement simply reflects a more gradual delivery schedule that coincides with phased construction of the pipeline, LeBrun said.

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