



**FOR IMMEDIATE RELEASE**

Date: May 10, 2013  
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### **BOARD APPROVES SUPPLEMENTAL WATER PROJECT ALTERNATIVE FINANCING PLAN**

On May 10, 2013, Nipomo Community Services District held a Special Meeting and considered an alternative plan for financing the \$17.5M pipeline project that would connect the District's water system with the City of Santa Maria and deliver supplemental water to the Nipomo Mesa.

The approved alternative financing plan will rely on an additional \$4M in borrowing to replace reserve funds which were designated for use in the prior financing plan.

The use of reserve funds for the project has been challenged in a lawsuit filed by a local group of citizens. While the District remains confident that using reserve funds to build the project is allowable and appropriate, addressing the lawsuit in the courts will take weeks or months – time the District does not have if the long awaited project is to be built this year.

By addressing the lawsuit's main alleged issue, the District hopes the litigants will drop the case or the Court will strike the group's request to stop the entire project so financing can be secured and contracts awarded.

If the District is unable to award construction contracts by June 26, the project will need to be delayed until next year. A year delay would incur ~\$100,000 additional engineering cost to rebid the project and legal fees to address the lawsuit. Depending on what the labor and lending markets look like next year, substantially more cost may be added.

Board President Jim Harrison remarked; "We need to get this project done so we can supplement our groundwater-only supply. Groundwater is recharged by rain, and in case no one has noticed, this is the worst rain year on record for our area. We need supplemental water!"

Next Scheduled Regular Board Meeting: Wednesday, May 22, 2013, 9AM, District Board Room 148 South Wilson, Nipomo

For more information, please contact the Nipomo Community Services District at 929-1133 or visit [www.ncsd.ca.gov](http://www.ncsd.ca.gov).

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Established in 1965 to meet the health and sanitation needs of the local community, Nipomo Community Services is pleased to provide a wide variety of services throughout its district including the provision of water, sewer, and waste management services as well as lighting and drainage in limited areas. The mission of Nipomo Community Services District is to provide its customers with reliable, quality, and cost-effective services now and in the future.