



NEWS RELEASE

United States Department of Agriculture – Rural Development

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Release No. 9.08

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USDA RURAL DEVELOPMENT COMMITS FUNDS FOR SANTA MARGARITA WATER UPGRADES

\$1 million grant, \$2 million loan dependent on community approval

SANTA MARGARITA, Calif., March 27, 2008 – USDA Rural Development State Director Ben Higgins today announced a commitment of \$1 million in grant and \$2 million in long-term low-interest loan to the community of Santa Margarita for critical fire protection, water storage and drought preparedness infrastructure upgrades.

“With these funds, we’re providing Santa Margarita the opportunity to deal with serious challenges, including the need for adequate water supplies and infrastructure to protect homes, businesses, and jobs in times of emergency,” said Higgins. “This is a significant investment by USDA Rural Development in the future viability of this community.”

Santa Margarita’s existing water system falls far short of meeting the community’s current needs for water storage and fire protection. USDA Rural Development funds will be used to construct a new 487,750 gallon steel water storage tank, replace water and fire flow pipelines, install 22 new fire hydrants, and connect the community’s water system to the nearby state water pipeline for use as an auxiliary source of potable water in the event of a severe drought or other emergency.

Two separate Proposition 218 proceedings will be held within the community later this year for final approval of these projects. One proceeding will approve the infrastructure improvements, while the other will authorize the state water connection.

“These projects are identified in the community’s Water Master Plan as priority projects, and with USDA Rural Development offering favorable financing terms and a very large grant, it makes sense to implement the projects,” said Paavo Ogren, San Luis Obispo County Public Works Director. “Hopefully the community recognizes the value of this opportunity and approves the funding.”

“Like Santa Margarita, many of California’s small towns and rural communities have difficulty affording critical water and wastewater infrastructure,” said Higgins. Throughout the state, our agency is investing over \$50 million annually to provide clean drinking water, safe sanitation, and improved water service. We’re working everyday to give rural residents the same amenities and safeguards their urban counterparts have long taken for granted.”

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USDA Rural Development's mission is to deliver programs in a way that will support increasing economic opportunity and improve the quality of life of rural residents. As a venture capital entity, Rural Development has invested over \$91 billion since the beginning of the Bush Administration to provide equity and technical assistance to finance and foster growth in homeownership, business development, and critical community and technology infrastructure. As a result, over 1.7 million jobs have been created or saved through these investments. Further information on rural programs is available at one of California's 18 local USDA Rural Development offices or by visiting <http://www.rurdev.usda.gov/ca>.

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