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RAINBOW: Water District receives grant to cover reservoirs

By MORGAN COOK - mcook@nctimes.com | Posted: Sunday, October 25, 2009 4:45 pm

The Rainbow Municipal Water District was awarded $6.7 million in federal stimulus money for reservoir covers, officials said last week.

The funds will allow the district to move forward with construction of state-required covers for its four, open-air drinking-water reservoirs. Rainbow officials have said it will cost $45 million to cover the district's four open-air reservoirs.

The district has saved $20 million for the project and will have to borrow the rest, officials said. The stimulus money will help cover the shortfall, reducing the amount of money the district will have to borrow for the project.

The district will be required to repay half of the $6.7 million in stimulus funds over 20 years at a 2.5 percent interest rate, district officials said. The other half does not have to be paid back.

The stimulus money will reduce the district's annual cash flow demands by about $2 million over the next three years, lessening any future rate increases to help finance the reservoir covers, district general manager Dave Seymour said.

"There may be increases, but they will be a lot lower than they would have been if we hadn't received funding," said district board president Rua Petty.

Rainbow Municipal serves 7,200 meters and provides 3,629 sewer service connections, officials said.

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