



Kathy Kleibert
Secretary

NEWS RELEASE

February 5, 2014

Contact: Bureau of Media & Communications; 225-342-1532

DHH Awards \$1,000,000 to the Town of New Llano for Water System Improvements

Baton Rouge – The Department of Health and Hospitals – Office of Public Health has awarded a \$1,000,000 loan to the Town of New Llano. The loan will help the system improve the community’s drinking water. Through special provisions in the Drinking Water Revolving Loan Fund’s (DWRLF) FY 2012 Capitalization Grant from the Environmental Protection Agency, the DWRLF will provide additional subsidization in the form of principal forgiveness of the amount of \$300,000.

The loan was closed February 4, 2014. DWRLF funding will be used to construct new wells to provide its customers with safe drinking water. The overall proposed improvements will consist of developing two water production well, installing a transmission line which will connect the new wells to the Town’s existing distribution system, constructing two ground storage tanks, service pumps, and potentially treatment equipment.

Congress established State Drinking Water Revolving Loan Fund Programs in 1996 as part of the amendments to the Safe Drinking Water Act. The program is jointly funded by an annual grant from the U.S. Environmental Protection Agency (80 percent) and the individual participating states (20 percent). It is administered by DHH’s Office of Public Health. The FY 2012 Drinking Water Capitalization Grant allowed for additional subsidy in the form of principal forgiveness of up to 30% of the loan principal, with a cap of \$1,125,000 of principal forgiveness per project.

Loans made through this program are low interest and have a maximum 20-year repayment period. Both public and privately-owned community and nonprofit, non-community water systems are eligible to apply for loans.

Once a loan is approved, water systems can use the funds to make their improvements. As the systems pay back the loans, the principal and interest are used to make more money available for other communities that have drinking water needs. All loan projects are approved based upon a priority ranking system. Among other factors, projects that address the most serious risks to human health and those that ensure compliance with the Safe Drinking Water Act are given the highest priority.

“The purpose of the fund is to provide states with a financial mechanism to make below market rate loans to drinking water systems for infrastructure improvements. These improvements assist the systems in complying with the Safe Drinking Water Act and protecting public health,” said Jennifer Wilson, program manager for the Drinking Water Revolving Loan Fund.

For more information about the program, contact Jennifer Wilson at DHH’s Office of Public Health, 225-342-7499.

-end-