



## **KENNER RECEIVES ANOTHER LOW INTEREST LOAN FROM LOUISIANA DEQ**

*August 10, 2012*

*For Immediate Release*

### **Kenner receives another low interest loan from Louisiana DEQ \$21 million loan brings total loan to Kenner of \$43 million**

Kenner Mayor Michael S. Yenni announced today that the City of Kenner's application for an additional \$21,000,000 of Louisiana Department of Environmental Quality (LDEQ) Clean Water State Revolving Fund (CWSRF) Loan Program has been tentatively approved. The means of financing the aggressive action plan to address wastewater infrastructure improvements will be in the form of a low interest loan at a fixed rate of 0.95 percent with a twenty year pay back term.

In October of 2009, Kenner was the recipient of an initial \$22,000,000 loan with the same terms. The additional \$21,000,000 will bring the total loan from the (LDEQ) Clean Water State Revolving Fund (CWSRF) Loan Program to \$43,000,000 which will result in a significant overall savings and allow the city to do more projects to address the long standing issues with our wastewater system.

Mayor Yenni wants to express his continued appreciation of the efforts of Secretary Peggy Hatch as well as Deputy Secretary Alex Appealing in obtaining these special loans to assist the City in making the needed wastewater infrastructure improvements. I want to reiterate that the City of Kenner recognizes that the CWSRF is an appreciated and vital part of our efforts to provide funding to address the Sanitary Sewer System Overflow Corrective Action Plan.

Late last year, the city borrowed an additional \$16 million through the issuance of sewer revenue bonds to finance the second group of projects in our long-range capital improvement program. It was planned in November 2013 to borrow another \$16 million through the issuance of additional sewer revenue bonds. The opportunity to borrow \$21 million through the (CWSRF) Loan Program in lieu of borrowing using bonds with higher interest rates will allow the city to do more projects.

On August 26, 2009, the City received a Consolidated Compliance Order and Notice of Potential Penalty Enforcement for noncompliance activities from February 1, 2004 through May 31, 2009. The City's failure or refusal to comply with the Compliance Order could have resulted in the assessment of a civil penalty in an amount of not more than \$50,000 for each day of continued violation or noncompliance resulting in possible millions of dollars of potential fines. In response to the Compliance Order, related to the reported overflows, the City was required to prepare a Sanitary Sewer System Overflow Corrective Action Plan that was estimated to cost \$62,137,196 in capital improvements to reduce and prevent future overflows. The Purpose of the Corrective Action Plan is to mitigate, reduce, and prevent Overflows in the City and comply with LPDES discharge permit requirements, related Louisiana Laws, and the Federal Clean Water Act.

The addition of this tentative allocation of \$21,000,000 will provide the last phase of funding required for our Sanitary Sewer System Overflow Corrective Action Plan. Mayor Yenni is confident this funding will contribute significantly toward getting the Louisiana Department of Environmental Quality to amend the current Compliance Order and Notice of Potential Penalty ("CONOPP").