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DEQ presents \$45 million loan to the city of Baton Rouge for sewage upgrades

BATON ROUGE – Today, the Louisiana Department of Environmental Quality presented a loan in the amount of \$45 million to the city of Baton Rouge, East Baton Rouge Parish, through funding under the Clean Water State Revolving Fund.

The funding will cover a proposed sewer upgrade project which entails the repair of leaking and broken sewer collection lines and the construction of the Choctaw Sewer Collection Maintenance Facility, which will consolidate several operational facilities within the sewer system. The project will also make improvements at the North Wastewater Treatment Plant by retrofitting the boiler system for the utilization of produced bio-gas in order to lower the consumption of purchased natural gas, which will decrease the amount of methane flared from the system, thereby reducing emissions.

“The Clean Water State Revolving Fund was established to support DEQ’s mission of improving wastewater treatment systems and green infrastructure projects across the state,” said DEQ Secretary Peggy Hatch. “This funding will greatly improve the quality of life for the residents and commercial property owners who are served through this sewage network in East Baton Rouge Parish.”

Funding was allocated on July 9, 2012, with 0.95 percent interest on a 20 year payback term, plus two years for construction time.

Mayor-President Kip Holden accepted the \$45-million check in a ceremony at City Hall.

“This low-cost loan is the result of our continuing efforts to find inexpensive financing to rehabilitate the sewer system,” Mayor Holden said.

Like the conventional bond issues that are being used for the sewer system revamp, the loan obtained through DEQ will be paid back with revenues from monthly sewer fees and the half-cent sales tax dedicated to sewer improvements.