



NEWS RELEASE

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LPFA helps increase drinking water supply for Cottonport residents

Interest-free loan helps Avoyelles Parish community construct new well

BATON ROUGE — A new waterworks improvement project will increase the amount of drinking water available to residents in and near the Avoyelles Parish community of Cottonport. A new production well is being constructed, thanks in part to an interest-free loan provided by the Louisiana Public Facilities Authority.

The new production well will pump 600 gallons per minute and provide water to approximately 5,000 residents in the towns of Cottonport and Mansura and to the Avoyelles Correctional Center.

Brendon Gaspard of Pan American Engineers - Alexandria, Inc. said the well will significantly increase the amount of water being delivered to residents in these areas.

“The new well will enhance the area’s water supply and is expected to provide 30 to 35 percent of the entire waterworks system’s demand,” said Gaspard.

The project is expected to be completed by February 2011.

The Town borrowed \$500,000 to complete the purchase. Cottonport Bank provided the bulk of the financing, with the LPFA contributing \$75,000, 15 percent of the total, at zero percent interest. This saves the Town \$6,099.

The loan was provided under the LPFA's Local Government Bond Bank Program, which allows municipalities and other governmental bodies needing to finance equipment purchases or construction projects to reduce overall interest rates.

Through the program, governmental entities work with local banks to obtain the most favorable loan rates before going to the LPFA for further help in lowering rates. The LPFA typically provides up to 15 percent of the total principal at zero percent interest, which creates substantial cost savings for borrowers by lowering the overall interest rate.

"This is an excellent example of how our Bond Bank program helps Louisiana communities of all sizes build new utility systems," said Martin Walke, Vice President of Economic Development for the LPFA. "The LPFA is proud to be part of this effort that will bring an improved waterworks system to Avoyelles Parish residents."

The Louisiana Public Facilities Authority is a self-supporting public trust and public corporation that issues both taxable and tax-exempt bonds to finance public and private projects throughout the state. The LPFA finances industrial and economic development projects, provides low-cost funding for hospitals and hospital equipment, universities and other educational facilities, student loans and essential programs for state and local governmental units. The LPFA does not receive any funds from the state for its operations.

For more information about the LPFA, call 800-228-4755 or visit the LPFA website at www.lpfa.com.

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