Johanns lauds loan program

By Josh Knaub Staff writer

Officials in Chadron and Crawford credited a year-old state loan program with helping them provide clean water in their cities.

In a press conference Wednesday, Gov. Mike Johanns said the loan program, unlike state grants for such projects, would reuse funds to better water systems across the state.

The two rural western Nebraska towns are among 24 municipalities that have qualified for low-interest loans through the state Department of Environmental Quality.

Towns that qualify for the program receive loans at 3 to 4 percent

"As communities pay off these loans, those proceeds are then loaned to other communities for their projects," Johanns said. "The money we're investing today will be used over and over again to help communities improve their drinking water sys-

The money to fund the loans was raised through a sale of \$2 million worth of bonds to Commercial Federal Bank of Omaha.

Janet Johnson, a zoning and building official in Chadron, said her city was using the loan it received to buy new water treatment equipment.

She said Chadron would have had to charge consumers substantially more for water without the state assistance.

"Our (water treatment) building is fine, but the technology and equipment are out of date and need to be replaced," Johnson said. "Without the loan, this probably wouldn't have gotten done for a few more years."

Johnson said Chadron raised water rates two years ago and that another rate hike was imminent.

But there is only so much the consumer can bear," she said. "(The rate increases) don't come anywhere near covering the cost of the equipment."

Rick Bay, a water quality official in the Nebraska Department of Environmental Quality, said cities were chosen for the program based on.

The money we're investing today will be used over and over again to help communities improve their drinking water systems."

MAYOR MIKE JOHANNS

need. He said the state Department of Health and Human Services determined which communities would receive the loans.

Bay said communities were using the funds for projects such as building new water towers, improving water treatment facilities and developing water storage facilities.

For residents of Crawford, the state loan program means the city will avoid paying high rates to an outside lender while completing work on a new water control center.

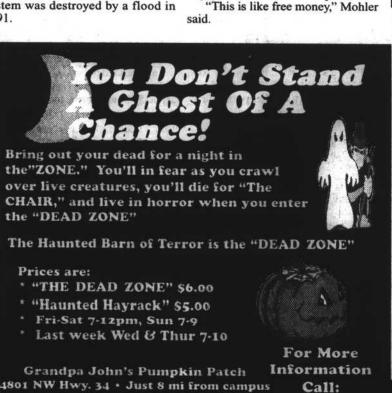
The water control center, which will house the city's water quality testing and system maintenance facilities, is the final stage in rebuilding the city's water system. The water system was destroyed by a flood in

Marlene Mohler, Crawford city treasurer, said the city has qualified for a federal grant to complete the facility but will receive the money only after completing the control cen-

Mohler said the city has received money to develop its water systems from the federal Department of Housing and Urban Development and federal rural economic development programs.

A final grant - a federal community development grant - will cover the cost of the water treatment center.

She said without the state loan program, the city would have had to get a higher-interest loan from a bank to pay for the construction process.





Northwest on Hwy. 34 (10th St.)



