



**PROJECT PROPOSAL
THROUGH THE WATER INVESTMENT PROGRAM**

**BEJAR ESTATES RESIDENTIAL WASTEWATER
CONNECTIONS PROJECT IN EL PASO COUNTY TEXAS**

*Presented to the Funding Committee:
September 25, 2025*

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EXECUTIVE SUMMARY

BEJAR ESTATES RESIDENTIAL WASTEWATER CONNECTIONS **PROJECT IN EL PASO COUNTY TEXAS**

Many communities across El Paso County were developed in economically distressed areas without access to essential services—such as water, wastewater, electricity and paved roads—and were classified as *colonias*. In 1997, El Paso County adopted model subdivision rules to ensure that new communities had access to basic services and to end the proliferation of *colonias*. The County and local utilities have been working continuously to bring basic services to *colonias* that were established prior to 1997.

Bejar Estates is an unincorporated residential development near the community of Socorro and within the service area of the Lower Valley Water District (LVWD or the “Sponsor”). The subdivision was designated as a *colonia* because it is in an economically disadvantaged area and was built without access to essential services. Through the efforts of the County and LVWD, many basic amenities, including drinking water, paved roads and solid waste collection, are now available in Bejar Estates; however, the subdivision still does not have access to a wastewater collection system (WWCS).

Using a variety of programs to develop water and wastewater projects in economically distressed communities, LVWD has completed several sanitary sewer projects in nearby *colonias*, which have made it feasible to extend wastewater services to Bejar Estates. In 2024, LVWD began constructing the Bejar Estates WWCS using part of the proceeds of the municipal bond executed with NADBank in 2021. Work to expand the wastewater collection infrastructure has been completed. The final component is to support residents in connecting to the new system and decommissioning their on-site sanitary systems (the “Project”)—an essential step to achieve the environmental objective of the WWCS, which is to prevent potential groundwater contamination and reduce human health risks caused by surface pooling of untreated or inadequately treated wastewater from existing substandard on-site disposal systems.

The Project will provide service connections for 65 homes and is a priority for LVWD since many of the septic systems in Bejar Estates are more than 30 years old and have reached the end of their useful life, increasing the risk of system failures and wastewater discharges. Through this Project, approximately 17,700 gallons per day (gpd) of wastewater will be collected and conveyed to the Roberto R. Bustamante Wastewater Treatment Plant (Bustamante WWTP).

Installing the residential connection to the WWCS and decommissioning the on-site septic system is generally the responsibility of the homeowner; however, the construction costs would be a significant financial burden for Bejar Estates residents, leading to slow uptake of services. LVWD applied for a grant from the Community Assistance Program (CAP) to complete the wastewater connections and decommission the septic tanks in Bejar Estates.

Table 1 provides a summary of the eligibility of the proposed Project and key aspects of the proposed financing.

Table 1
PROJECT PROFILE

Project Eligibility

Type (Sector):	Residential wastewater connections
Location:	Bejar Estates Colonia, El Paso County, Texas, located approximately 2.5 miles north of the U.S.-Mexico border.
Sponsor:	Lower Valley Water District (LVWD), which has legal authority under Chapters 49 and 54 of the Texas Water Code to provide water and wastewater services in eastern El Paso County, including the communities of Socorro, Clint and Bejar Estates, as defined in Certificate of Convenience and Necessity (CCN) P0948.

Project Summary

Objective:	Reduce the potential for groundwater contamination and human health risks associated with waterborne diseases transmitted through exposure to untreated wastewater by providing access to wastewater collection services and eliminating aging on-site disposal systems.
Expected Outcomes:	<ul style="list-style-type: none"> ▪ Provide first-time access to wastewater collection and treatment services for the 65 existing residences in Bejar Estates Colonia. ▪ Eliminate approximately 17,700 gpd of untreated or inadequately treated wastewater.¹
Population to Benefit:	221 residents. ²
NADBank Additionality:	The CAP grant will reduce the financial burden on local residents associated with installing the infrastructure necessary to access the new wastewater service. Completing the connections not only helps to achieve the environmental objective, but also accelerates the start-up of new accounts to support the technical and financial feasibility of the overall investment in the wastewater collection system.
Project Cost:	US\$571,500. ³

¹ Estimate based on 65 household connections, 3.4 habitants per household and an average consumption of 80 gal/capita/day.

² Estimate based on 65 household connections and 3.4 habitants per household.

³ Project cost only reflects the costs related to the connections and decommissioning of septic tanks.

Financing Summary

Grant Amount:	US\$514,350 from the Community Assistance Program (CAP)
Grant Recipient:	LVWD
Percentage of Project Financed by NADBank:	90%

PROJECT PROPOSAL THROUGH THE WATER INVESTMENT PROGRAM

BEJAR ESTATES RESIDENTIAL WASTEWATER CONNECTIONS PROJECT IN EL PASO COUNTY, TEXAS

1. CERTIFICATION CRITERIA

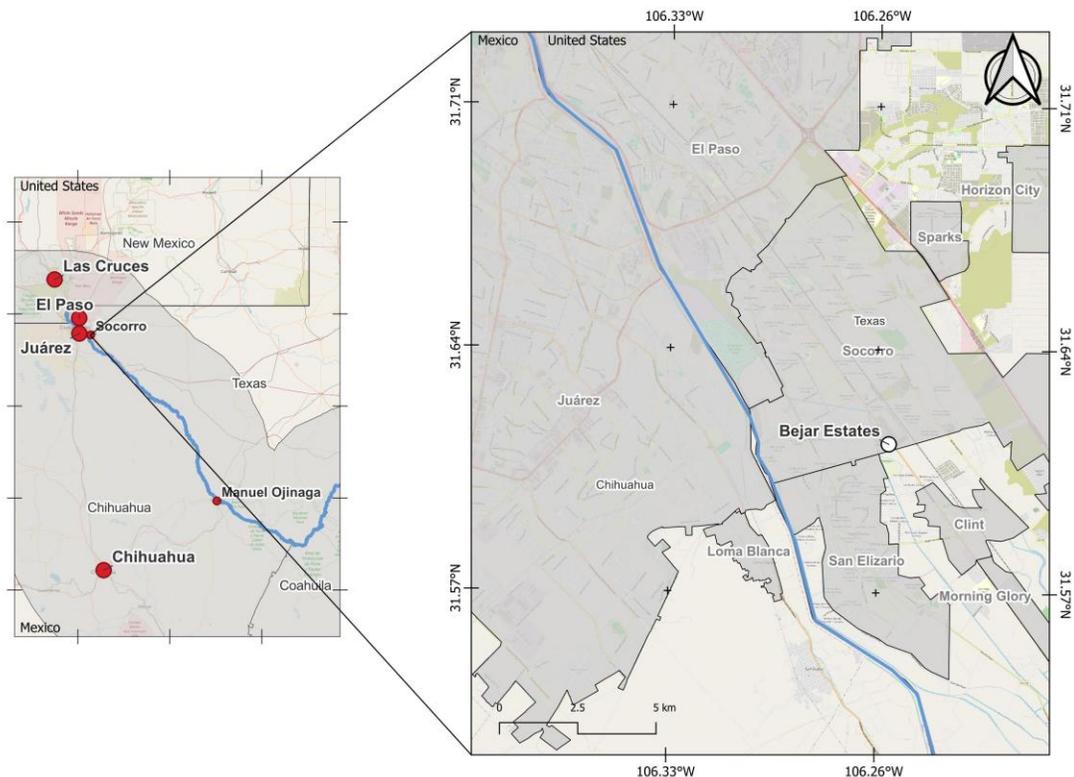
1.1. Technical Criteria

1.1.1. Project Description

Project Location

Bejar Estates is located 3.5 miles outside the community of Socorro in El Paso County, Texas. It is approximately 2.5 miles from the U.S.-Mexico border and approximately 17 miles southeast from downtown El Paso. Figure 1 shows the location of Bejar Estates.

**Figure 1
PROJECT LOCATION MAP**



The Project sponsor is LVWD, which has legal authority pursuant to Chapters 49 and 54 of the Texas Water Code to provide water and wastewater services in eastern El Paso County, including the communities of Socorro, Clint and San Elizario. The limits of the LVWD service area are defined in CCN P0948, which includes Bejar Estates. The utility began operations in 1985 and has steadily grown to its current capacity over the past 40 years.

As an unincorporated community, census data specific to Bejar Estates is limited; however, available information provides evidence that it is an economically distressed community. Its designation as a *colonia* indicates that when it was established, it lacked access to basic services. Moreover, *colonia* residents typically have lower incomes, higher levels of unemployment, higher poverty rates and substandard housing. According to a 2015 Dallas Federal Reserve Bank study, Texas *colonias* had a median household income of US\$28,928 compared to the statewide average of US\$50,920.⁴ The median household income in the state of Texas, in 2022, was about US\$75,800, highlighting the disparity in wealth between *colonia* residents and the rest of the state. Through the efforts of El Paso County and LVWD, many basic amenities, such as paved roads, drinking water services and solid waste collection, are now available in Bejar Estates. Wastewater collection is one of the last basic services that is still not available in the community.

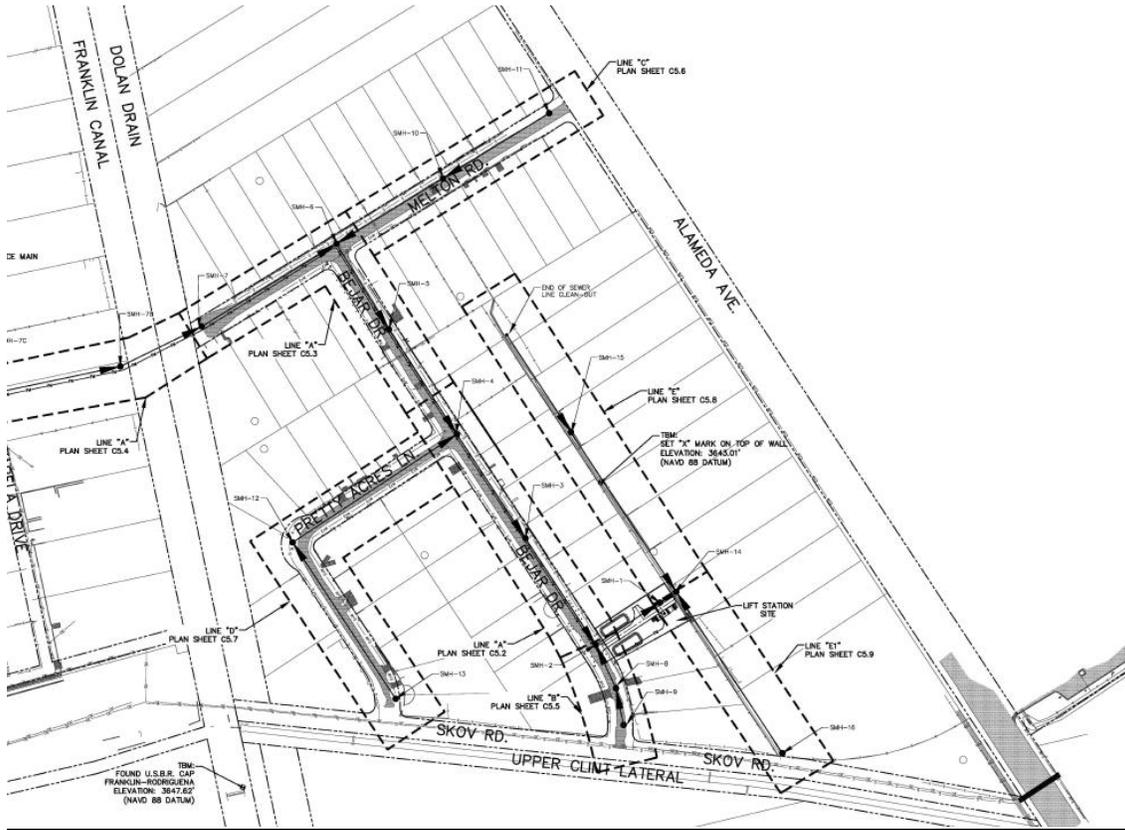
Project Scope

The Project consists of installing 65 residential wastewater connections and the decommissioning of the existing on-site septic systems. Each connection will entail the construction of a lateral line from the WWCS to the property line and a yard line from the property line to the residence, using 4-inch polyvinyl chloride pipe (PVC) and typically extending between 50 and 125 feet. Septic systems will be decommissioned by pumping out the tank, breaking up its base and backfilling it with sand.

The WWCS project to extend the infrastructure to Bejar Estates includes the construction of 9,800 linear feet of pipeline and a small lift station and was funded separately. Figure 2 shows the Project area.

⁴ Source: Federal Reserve Bank of Dallas
<https://www.dallasfed.org/~media/microsites/cd/colonias/index.html>, accessed 8.2.2024.

Figure 2
BEJAR ESTATES COLONIA



Project Milestones

All project development tasks have been completed, and the WWCS is substantially complete and ready for connections. The construction contract already includes wastewater connections and the decommissioning of on-site systems; therefore, procurement for this work is not required. Table 2 summarizes the Project milestones and their respective status.

Table 2
PROJECT MILESTONES

Key Milestone	Timetable
Preliminary engineering report	Completed (June 2018)
Design	Completed (Feb. 2023)
Construction procurement	Completed (Aug. 2023)
Bejar Estates WWCS	Completed (June 2025)
Begin connections and decommissioning	Third quarter 2025
Complete connections and decommissioning	Fourth quarter 2025

1.1.2. Technical Feasibility

A Preliminary Engineering Report completed in June 2018, made recommendations for providing first-time wastewater collection services in Bejar Estates and the neighboring colonia Melton Place. The report provided information relevant to the community, the existing conditions, an analysis of alternatives, conceptual layouts and estimated construction costs. The final design identified 65 residential connections out of 70 lots, indicating that 93% of the lots are occupied. The final designs were completed in February 2023.

The report identified Bejar Estates as a priority due to the age of the existing on-site systems, many of which have been in service for around 30 years. Inspections of the systems indicate that some are failing and, if not replaced, will pose a serious risk for groundwater contamination and human health. Two trunk lines within a half mile of Bejar Estates provide relatively easy connection points to the existing LVWD wastewater infrastructure. Part of the WWCS infrastructure built for Bejar Estates will also facilitate extending services to Melton Place and potentially other developments.

The wastewater collected will be conveyed to the Bustamante WWTP, which is owned and operated by El Paso Water (EPW). The plant has an overall treatment capacity of 39 million gallons per day (mgd). LVWD has an agreement with EPW to treat up to 20 mgd of wastewater from its system, but it has been reported that only 3 mgd of wastewater from LVWD is being treated at the plant. Additional flows of approximately 17,700 gpd of wastewater from Bejar Estates will have minimal impact on the available treatment capacity.

The process of completing wastewater connections and decommissioning on-site systems is overseen by El Paso County Health Department inspectors. The inspectors verify that yard lines meet standards for pipe materials, pipe diameters and grades. They will also verify that septic systems are decommissioned properly. In cases where the septic system cannot be decommissioned (for example, if it is under a structure or there are auxiliary structures connected to the septic system that cannot be disconnected), then the inspector will not allow the sewer connection to be made until the issues with the on-site system are resolved.

The report considered several potential projects and alternatives for layouts. The no-action alternative is not considered a viable option, since it will not address the root problem of a high concentration of on-site systems reaching the end of their service life. If the on-site systems are left in service, they will jeopardize human health and the environment when they fail and discharge inadequately treated wastewater.

1.1.3. Land Acquisition and Right-of-Way Requirements

All rights of way and easements for the construction of the Bejar Estate WWCS have been obtained. LVWD will be responsible for obtaining individual agreements from homeowners for access to install the yard piping for residential connections to the WWCS and to decommission on-site systems.

1.1.4. Project Operations

LVWD currently operates and maintains various complex water distribution and wastewater collection systems, which include nearly 380 miles of waterlines, booster stations, chlorination systems, approximately 215 miles of wastewater lines, and 16 lift stations. Due to the scale of LVWD operations, the utility has a team of over 100 employees with expertise in a variety of fields, such as civil engineers, Geographic Information System (GIS) specialists, accounting staff, and business managers, who are required to maintain and improve a highly complex system. Its staff includes five licensed water distribution system operators and three licensed wastewater collection system operators. The Bejar Estates collection system will add approximately one mile of gravity lines, 0.7 miles of force main, a lift station and 65 connections to the LVWD system. It is not expected to create operational challenges for LVWD.

1.2. Environmental Criteria

1.2.1. Environmental and Health Effects/Impacts

A. Existing Conditions

Residents of Bejar Estates do not currently have access to a centralized WWCS and use on-site systems such as septic tanks to manage their wastewater. Although there is no nuisance order for the area, due to the age of the colonia, it is highly probable that many septic systems in the area have reached the end of their useful life and some failing systems have been identified. As septic systems fail, inadequately treated wastewater creates risks to human health and the environment. Many diseases such as hepatitis, cholera, diarrhea, and cryptosporidiosis, are associated with exposure to untreated wastewater. Groundwater can become contaminated with nitrates, bacteria and viruses, especially in areas with a high concentration of septic tanks, as is the case in Bejar Estates, since drain fields may become saturated and will lose their capacity to adequately filter discharge from septic tanks.

B. Expected Environmental/Human Health Outcomes

The Project is expected to generate environmental and human health benefits related to the following Project outcomes:

- Provide first-time access to wastewater collection and treatment services for 65 existing residences in Bejar Estates Colonia.
- Eliminate approximately 17,700 gpd of untreated or inadequately treated wastewater.⁵

⁵ Estimate based on 65 household connections, 3.4 residents per household and an average consumption of 80 gal/capita/day.

C. Other Project Benefits

The Bejar Estates Project is part of the LVWD Capital Improvements Plan), which includes several projects to continue extending its wastewater collection system to other unserved areas. Part of the infrastructure built under this Project will be utilized for future projects.

D. Transboundary Impacts

No negative transboundary impacts are anticipated due to the implementation of the Project. Any project component that could have a negative transboundary impact will not be eligible for financing.

1.2.2. Compliance with Applicable Environmental Laws and Regulations

The Project will correct the existing non-compliant conditions of the on-site wastewater disposal systems regulated by Title 30, Chapter 285, of the Texas Administrative Code. The installation and decommissioning tasks will require a permit and inspection by the local authority. In this case, the El Paso County Department of Public Health oversees permitting, inspections, enforcement, and decommissioning activities, including the proper disposal of liquid waste by a licensed septage hauler. Construction of the wastewater connection will be performed within the temporary access easement provided by each property owner.

Wastewater collected at Bejar Estates will be treated at the EPW Bustamante WWTP, which is operated under a permit issued by TCEQ. Compliance with permit requirements is verified by regular reporting to TCEQ. Permit requirements comply with official U.S. standards and regulations established under:

- The Clean Water Act (CWA) – the primary law in the United States for regulating discharges from public wastewater systems; and
- The National Pollution Discharge Elimination System (NPDES) – established by the U.S. Environmental Protection Agency (EPA) to enforce minimum permit requirements for the discharge of treated wastewater.

TCEQ is responsible for issuing enforcement actions related to discharge permits. Its standards are at least as strict as the requirements set under the EPA NPDES and may be more stringent.

The El Paso County Department of Public Health inspects new wastewater connections and the decommissioning of on-site systems to verify that they have been completed in accordance with TCEQ requirements.

A. Environmental Studies or Consultations

The Bejar Estates WWCS was constructed using the proceeds of a LVWD bond, which do not require a National Environmental Policy Act (NEPA) review. Since only bond funds were used, no consultations with agencies or stakeholders were required.

B. Environmental Clearance and Permitting

Given the scope and location of the Project in a previously developed area, no environmental clearance process is required, and no adverse environmental impacts are anticipated.

C. Mitigation Measures

Although the Project implementation will have no significant adverse impacts on the environment, during the construction phase, dust from earthwork and the operation of heavy machinery could temporarily impair air quality, stormwater runoff could affect water quality. To mitigate environmental impacts during construction, the Project is required to follow best management practices, such as:

- Minimizing fugitive dust by wetting disturbed soils and stockpiles and suspending work during periods of high winds;
- Reducing vehicle emissions by keeping construction equipment well maintained, using emission control devices and shutting off equipment when it is not in use; and
- Using stormwater controls to prevent runoff from carrying dirt and debris into streams and/or local stormwater systems.

D. Pending Environmental Tasks and Authorizations

No environmental authorizations or tasks are pending.

1.2.3. Environmental and Social (E&S) Due-diligence Results

A. Project E&S Category

Based on the NADBank Environmental, Social and Governance (ESG) Policy for evaluating and classifying potential ESG risks in its financial operations, NADBank determined that the proposed Project and its investments fall within category C.⁶ This category is assigned to projects with minimal or no adverse environmental or social risks or impacts.

B. E&S Due Diligence Conclusions

NADBank reviewed the Project documentation to determine the environmental and social risks associated with project implementation and concluded that the project will not negatively impact a marginalized community, have negative environmental impacts as it will be constructed in a previously developed area and not have any gender-specific impacts.

C. Summary of Proposed Mitigation Measures

No additional mitigation measures are needed since the Sponsor provided documentation to support compliance with its E&S obligations.

⁶ Source: NADBank Environmental, Social and Governance (ESG) Policy, ([nadbank_esg_policy_eng.pdf](#)).

1.3. Financial Criteria

Based on the existing construction contract, the total cost for construction of the connections, decommissioning of the on-site systems and contingencies is US\$571,500. Table 3 presents a breakdown of the estimated Project costs and proposed sources of funding.

Table 3
PROJECT FINANCING PLAN
 (US\$)

Uses		Amount	%
Construction of service connections, decommissions of septic systems and, contingencies		\$ 571,500	100
Total		\$ 571,500	100
Sources		Amount	%
NADBank CAP	Grant	\$ 514,350	90
LVWD Funds	Bond proceeds	57,150	10
Total		\$ 571,500	100

The proposed Project complies with all CAP criteria. It is located within the U.S.-Mexico border region served by NADBank and is in an environmental sector eligible for CAP financing. Moreover, the Project will provide access to first-time wastewater services in an unserved area, which is considered a priority under the CAP and the Water Infrastructure Program (WIP). As shown in the previous table, the Sponsor will cover 10% of the Project costs, as required under the CAP program. CAP funds will be used for construction only. Construction management services will be covered using LVWD funds.

2. PUBLIC ACCESS TO INFORMATION

2.1. Public Consultation

On January 14, 2025, the Board of Directors of the North American Development Bank approved Resolution 2025-1 establishing the WIP, which provides programmatic certification of projects that meet the eligibility criteria and requirements defined under the program, for subsequent financing with CAP. Therefore, a public consultation process was not required for the Project.

2.2. Outreach Activities

The outreach activities of the Sponsor have primarily focused on informing residents about disturbances related to construction of the Project, and providing information related to completing connections once the WWCS is complete. The Sponsor will manage the process of

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signing up homeowners for wastewater services and obtaining access to properties to complete connections and to decommission on-site systems.

NADBank conducted a media search to identify potential public opinion about the Project. The following news article was found:

- *CBS 4 News*. (January 24, 2024) *"Socorro's groundbreaking wastewater project to service 70 households by Spring 2025"* Reporting related to a groundbreaking ceremony for construction on the Bejar Estates WWCS project, with Congressional representatives Veronica Escobar and Tony Gonzales, as well as staff from NADBank. <https://cbs4local.com/newsletter-daily/socorro-texas-groundbreaking-wastewater-project-to-service-70-households-by-spring-2025-melton-road-tony-gonzales-veronica-escobar-bejar-gerald-grijalva-utep-sewage-septic-tanks>

The activities carried out by the Project Sponsor demonstrate that the public has received periodic information regarding Project implementation. The Project Sponsor informed NADBank that no comments expressing concern about the Project have been received, and there has been no public opposition to the Project.