

**WATER RESILIENCY FUND
CALL FOR PROJECTS
WATER CONSERVATION INVESTMENTS IN THE LOWER RIO GRANDE VALLEY, TEXAS**

The North American Development Bank (NADBank) is pleased to announce the launch of its Water Resiliency Fund (WRF) and an initial **Call for Projects** to support urgent water conservation investments in the Lower Rio Grande Valley (LRGV) of Texas, specifically within Cameron, Hidalgo, Starr and Willacy counties, where prolonged drought conditions have significantly reduced river flows, impacting both agriculture and municipal water deliveries.

A general description of the WRF along with further details on eligible project sponsors and project types, financing options, and the application process are presented below.

WRF Objectives

The objective of the WRF is to address critical financing gaps for infrastructure projects that strengthen the resilience of water resources throughout the U.S./Mexico border region and enhance the capacity of the municipalities and agricultural users to better withstand droughts and other extreme climatic events. To address the technical, financial and institutional barriers that hinder the implementation of critical water projects, WRF has been designed to provide innovative financing tools that enhance water security while ensuring affordability for beneficiaries. Eligible projects under the WRF will receive a financing proposal from NADBank that may include a combination of grants and loans, depending on the characteristics of the project and the sponsor.

Irrigation districts responsible for delivering surface water for agricultural, and potentially municipal use, in the Lower Rio Grande Valley of Texas, will be targeted for the first wave of available concessional financing. In the future, based on funding availability, NADBank will announce future application cycles to support additional investments in agriculture and municipal water conservation and diversification throughout the U.S.-Mexico border region.

Please visit NADBank's website – www.nadbank.org – for the WRF guidelines and information on other NADBank programs to meet your infrastructure investment needs under the Solutions / Services tab or use the contact form to speak to one of NADBank's infrastructure investment experts.

1. Application Submittal Process and Important Dates:

Beginning on November 3, 2025, eligible project sponsors, as defined below, may begin submitting their applications for the WRF under the current funding opportunity for ***Water Conservation Investments in the Lower Rio Grande Valley, Texas***. A copy of this announcement,

which includes the application questions and a Documentation Checklist, as well as a link to initiate the application process, are available from the Water Resiliency Fund page on NADBank's website: NADBank.org/solutions-and-services/water-resiliency-fund.

Click on the **Start the LRGV-WRF Application Process** button found on the page to complete your contact information and receive additional instructions to access a fillable application format and data room for document upload. Project sponsors are responsible for submitting the completed application form by **January 8, 2026, 11:59 PM CST**. Thereafter, applicants will have an additional five (5) working days to complete the Documentation Checklist and upload project documents to their designated, applicant-specific data room.

Any applications received after the January 8th deadline will not be evaluated in the current WRF application cycle but may be considered for other NADBank financing options or can be resubmitted for future funding opportunities. Applications accepted to the process will be competitively evaluated, and awards will be made subject to the availability of funds and alignment with program priorities.

To support applicants and other interested parties in the process, a short video is available on the WRF page to provide a step-by-step description for accessing and submitting the application and related documents. For any questions or to request assistance from NADBank staff, please send an email to: LRGV-WRFapplication@NADBank.org.

NADBank anticipates an application review period of about 60 days, resulting in an initial list of projects selected to advance financial structuring activities. Applications not included in this group may be considered for technical assistance or other NADBank funding products. For those applications continuing in the WRF financing track, a process to design an affordable funding package and complete the necessary due diligence evaluation for project approval is expected to conclude on or about June 2026. Thereafter, the projects approved by the NADBank Board of Directors for funding from the WRF will be announced. Additional information on each of these steps is provided below.

In summary, important anticipated dates include:

- Application submittal period: November 3, 2025 through January 8, 2026
- Application review period: January – February 2026
- Notification of project ranking results: March 2026
- Financial structuring and due-diligence: March – May 2026
- Approval process: June – August 2026

While changes are not expected, NADBank reserves the right to postpone, modify, or cancel the scheduled dates or activities at its discretion and as circumstances require.

2. Eligible Project Sponsors (applicants):

Project sponsors must demonstrate clear authority and required authorizations to fund or jointly-fund, finance, construct, modify, or improve infrastructure—specifically the water diversion, storage, and delivery systems owned and operated by the irrigation districts of the LRGV, Texas. Applications may be submitted by:

- Irrigation districts or similar public or quasi-public authorities responsible for surface-water deliveries to municipalities, industry, and/or the agricultural sector of the LRGV, Texas.
- Municipal or county governments, water utilities, and special districts or authorities defined by legislation or statute, non-profit or community-based organizations, submitted in coordination with, or co-sponsored by, an eligible irrigation district.

Project sponsors not eligible under this current WRF application cycle are encouraged to contact NADBank to discuss other potential financing mechanisms by calling the Bank's offices or visiting our website.

3. Eligible projects

Eligible project types under this call for applications must be able to demonstrate clear water resiliency outcomes in the LRGV, Texas, such as water conservation, increased efficiency, or development of “new” sources. The following list illustrates the types of projects that are anticipated.

- Rehabilitation of infrastructure and other improvements aimed at reducing water losses and promoting more efficient water use, including the replacement of aged and deteriorated infrastructure, lining of canals, converting canals to pipelines, land grading, drainage infrastructure, facilities to reuse or recirculate water, stormwater capture, and storage facilities to reduce losses.
- Infrastructure and equipment that promote more water-efficient agricultural practices, such as enhanced irrigation systems (e.g., replacing flood irrigation with drip irrigation).
- Equipment to control water use and facilitate conservation, such as efficient pumping systems, automated gates, and telemetry.

Projects or technologies that provide similar benefits may be considered.

4. Financing options

Eligible projects may be financed through a combination of grants and loans. WRF grants and/or low-interest rate loans may be awarded for up to 50% of total project cost. The remaining funds must come from other sources, such as local equity contributions, federal and state grants, and/or debt financing from NADBank's traditional loan program or any other readily available source of funding. Before offering its financing package, NADBank will consider the financial capacity of the sponsor and the anticipated benefits of the projects. Funding awarded under the WRF will incorporate a performance-based mechanism to assure results of the concessional financing are achieved.

5. Project Ranking and Funding Proposal

NADBank will rank and prioritize project applications using a set of criteria aligned with the approved program guidelines. Based on the scoring results and available funding, the highest-ranking projects will advance to the next stage of the process, where they will undergo a detailed financial evaluation to define an appropriate financing package and structure, including grants, low-interest loans, and/or market-rate loans.

The application form and available support documentation are expected to provide sufficient information to conduct the ranking process. However, after an initial review of applications, additional information or clarifications may be requested to ensure an effective evaluation of the proposed investments for ranking and funding consideration.

To assist applicants to complete the application form and identify documents for upload to support the evaluation process, a blank application, for review purposes only, is attached at the end of this announcement.

5.1 Project Ranking

Eligible WRF applications will be evaluated based on a methodology to determine the ranked order of projects. The priority criteria and maximum points available for each one are listed below.

Max. Points	Ranking Criteria	Indicative Indicators
25	Water conserved or developed Project results in increased availability of water for delivery through water conservation measures and/or diversification of sources.	■ Amount of water conserved ■ Amount of "new or supplemental" water available for delivery (e.g. reuse, stormwater capture, etc.)

20	Community benefits Many communities within the region depend on infrastructure owned by irrigation districts for their water supply. In addition to increasing water resiliency for the district, the ideal project will provide benefits to neighboring communities.	■ Population benefited ■ Volume of conserved water directly benefiting a community
15	Other environmental benefits Projects that provide additional benefits, such as runoff control and water quality improvements, habitat protection or restoration, or stormwater capture will be promoted.	■ Improved water quality (e.g. amount of pollutant load eliminated, area with improved erosion control) ■ Restored habitat/ecosystem (e.g. area of improved habitat, water amount released for environmental flows) ■ Stormwater captured, stored or used ■ Reduced risk of flood
15	Cost-effectiveness Cost-effectiveness is an important consideration to obtain the greatest benefit from the investment.	■ Cost per acre-foot per year of water conserved or “new” water developed
25	Project Readiness Seeks to identify projects that exhibit readiness for construction based on completed design, necessary land, easements, and permitting, and secured financial resources to supplement WRF.	■ Time required to initiate construction based on technical development, status of construction authorization tasks, and committed financial resources (e.g. design, permitting, match funding secured).

NADBank may award up to 10 bonus points to projects that demonstrate additional benefits or characteristics that align with the Bank’s mandate and the objectives of the WRF. Such considerations may include:

- The project is supported by and will provide regional benefits to more than one irrigation district or community.
- Direct water savings from the project are complemented by on-farm water efficiency improvements, such as improved irrigation systems, transition to more water-efficient crops, etc.
- Investment results in energy savings

Once the application ranking process is complete, applicants will be notified of the results. Projects initially identified for funding under the WRF will advance for financial evaluation.

To maximize the effectiveness of available resources, projects that rank high based on their anticipated benefits, but that require more than one year to initiate construction, may be considered for technical assistance to support further project development and

consideration in future funding rounds. In such cases, the complete financial analysis may be deferred until a later date.

5.2 Financial evaluation

NADBank will conduct a comprehensive financial analysis of the highest-ranking projects to determine the proposed financial structure (i.e. combination of grants and loans) based on the sponsor's debt capacity, investment program, and cash flow potential. Financial statements and other supporting data will be required to assess the applicant's ability to service debt, determine the need for grant funding, and establish overall financial readiness, leading to a proposed financial package for the successful implementation of the project.

For the financial analysis, the sponsor will be required to submit documentation including but not limited to:

- Three years of financial statements (audited if available)
- Current water rates by client type and an explanation of any planned changes in water rates and/or tax rates in the next three years
- A description of any significant financial changes expected (revenue and expense), e.g. sale of water rights
- Reports/data to describe water received and water delivered, including pricing
- Current reservoir water balance
- Water allocations and water audits from last five years
- Documentation to demonstrate the status of other funding sources for the project
- District's governing structure and members of the Board of Directors

The proposed financial package will be presented to the project sponsor for review and concurrence upon completion of the financial evaluation.

6. Key Performance Indicators

Once the amount and terms of concessional financing are established, NADBank, in coordination with the applicant, will define KPIs that must be met by the project sponsor to access the full benefits of the concessional financing. These KPIs will be included as performance covenants in the contractual agreements. In addition, all projects will include explicit covenants regarding adequate operation and maintenance budgets and appropriate reserve accounts to ensure the long-term sustainability of the infrastructure. Performance will be monitored semi-annually or annually. Potential KPIs are presented in the following table.

Key Performance Indicators	
a. Verified implementation of conservation measures with quantifiable volumes of water conserved. b. Documented beneficial use of conserved water aligned with project objectives—for example, reliable availability for municipal supply, aquifer preservation, reservoir stabilization, or ecological flow support— sustained over a specified period. c. Institutional strengthening measures, such as: • Implementation of improved water metering, monitoring, and control technologies (e.g., telemetry, automated gates) • Adoption of rate structures or projected rate increases sufficient to generate revenues that ensure both financial sustainability and proper operation and maintenance • Establishment and maintenance of adequate reserves for O&M, repair, and replacement	

7. *Project Approval*

All projects proposed for financing under the WRF will be evaluated by NADBank in accordance with existing due-diligence standards. Project proposals will be presented to the Board of Directors as part of the certification and funding approval process and will include a justification for the use of concessional or low-interest financing. NADBank may elect to present the projects for approval as a group or individually, based on the readiness conditions of the project. Prior to submitting a project or group of projects to the Board, the proposal will go through an internal committee approval process. In parallel to this, the projects will be published for a public comment period.

The period from Board approval to financial closing shall not exceed six (6) months. The period from financial closing to the initiation of project construction shall not exceed six (6) months. Projects that do not comply with these deadlines will be subject to cancellation.

In addition to establishing a regular KPI monitoring schedule during project implementation and throughout the loan term, a project close-out review will be conducted for WRF projects at one-year post-construction, which will require participation of the project sponsor and the availability of documentation related to project performance.



NORTH AMERICAN DEVELOPMENT BANK WATER RESILIENCY FUND



WATER CONSERVATION INVESTMENTS IN THE LOWER RIO GRANDE VALLEY, TEXAS

APPLICANT INFORMATION

1	Name of Organization:			
2	Name of Contact Person:			
3	Position:			
4	Address:			
5	City:	6 State:	7 Zip:	
8	Phone No.:			
9	E-mail Address:			
10	Engineering Consultant Organization (if applicable):			
11	Name of Contact Person:			
12	Consultant Phone No.:			
13	Consultant E-mail Address:			
14	NADBank is authorized to contact the consultant directly with questions regarding this application?*	☐	Yes	☐ No

PROJECT DESCRIPTION

15	Proposed project name:			
16	Describe the project location or site and the status of the existing infrastructure to be modified/improved/replaced with the proposed investment (maps and photos should be uploaded to the project data room):			
17	Describe the infrastructure to be constructed/installed with the proposed investment, including the relationship and/or criticality of the infrastructure for the overall operational performance of the district:			
18	Describe the anticipated water resiliency benefit(s) to be achieved by the proposed investment:			
19	Provide the current overall estimated water efficiency of your district:			
20	Based on this efficiency, estimate the equivalent volume of water losses (acre-feet/year):			
21	Provide the projected volume of water savings anticipated from the project (acre-feet/year):			
22	Describe the source and method for calculating the estimated current water losses and potential water savings, resulting from the proposed investment:			
23	Provide the contact information (name, phone, and email) of the person/entity responsible for the calculations related to estimated losses and savings:			
24	Is NADBank authorized to contact the expert directly with any questions regarding the calculation?	☐	Yes	☐ No
25	Describe the intended use of the saved/conserved water (e.g. serving neighboring community, aquifer/storage preservation, habitat, etc):			

26	Confirm other project benefits applicable to your project (check all that apply):*
	☐ Enhances the water reliability of neighboring municipalities or water utilities that rely on irrigation district infrastructure. Describe the benefit, list the beneficiary communities/utilities and provide the related population of each.
	☐ Improves water quality (e.g. amount of pollutant load eliminated, area with improved erosion control).
	☐ Restores habitat/ecosystem (e.g. area of improved habitat, water amount released for environmental flows).
	☐ Stormwater captured, stored or used and/or reduces flood risks.
	☐ The project is supported by and will provide regional benefits to more than one irrigation district or community.
	☐ Direct water savings from the project are complemented by on-farm water efficiency improvements, such as improved irrigation systems, transition to more water-efficient crops, etc.
	☐ Investment results in energy savings
	☐ Project is included as part of a regional planning process
27	Provide a brief explanation of any additional benefits, selected above.
28	Describe the estimated useful life of the proposed infrastructure investment (# of years). Provide an explanation if the infrastructure is intended to be retired prior to completing this period:*

PROJECT READINESS STATUS

29	Project development status (check all that apply):
	☐ No project development ☐ Preliminary design complete (30%) ☐ Land/ROW acquisition complete
	☐ Final design complete ☐ Environmental clearance/permits acquired ☐ Procurement documents complete
	☐ Procurement complete ☐ Construction initiated ☐ Other (explain below)
30	Are there any land and/or rights of way acquisition activities pending for the project? ☐ Yes ☐ No
31	Are there any pending legal/regulatory tasks required for the project to be implemented? ☐ Yes ☐ No
32	Are there any pending technical or environmental tasks required for the project? ☐ Yes ☐ No
33	If the response is "yes" to any of questions 31-33, please explain the pending matter, how it will be resolved, and how much time is required to complete the pending task.

PROJECT IMPLEMENTATION SCHEDULE

34	Once funding is secured for the project, how much time is required to initiate construction (months):	
35	Anticipated construction period (months):	
36	Please explain any unique conditions that may influence the construction period (e.g. irrigation season, seasonal dewatering advantages, access and rights-of-way constraints, habitat vulnerability, etc):	

PROJECT COST AND FUNDING SOURCES

37	Estimated project cost (US\$):	
38	Estimated funding need from WRF (US\$):	

- | | |
|----|--|
| 39 | Describe any funding already secured for the project from equity or other sources. Provide the amount, source, and any specific requirements for the use of funds. |
| 40 | Describe any additional funding that has been identified but not yet secured. Provide the amount, source, any specific requirements for the use funds, and the process for securing those funds. |
| 41 | Describe the debt authorization process required for entering into a loan agreement with NADBank: |

ACKNOWLEDGEMENT AND SIGNAGTURE

I acknowledge that NADBank's Water Resiliency Fund (WRF) is intended to provide innovative financing tools, utilizing a dedicated source of loan and grant products, that enhance water security while ensuring affordability for beneficiaries.

I am aware that applications accepted to the process will be competitively evaluated, and awards will be made subject to the availability of funds and alignment with program priorities and that NADBank reserves the right to postpone, modify, or cancel the scheduled application process dates or activities at its discretion and as circumstances require.

Additionally, I have received authorization through the appropriate governing structure to submit this application, the required documentation, and to fully cooperate with NADBank during the application evaluation and financial structuring process.

I hereby certify that the information provided is true and correct. I agree that any false information or omission of information may subject the project to disqualification from further consideration in the NADBank process and eliminate opportunities for funding.

	(Project Sponsor Authorized Signatory)	Date

DOCUMENTATION CHECKLIST

The following documents, as applicable, shall be submitted electronically through the designated, applicant-specific data room created by NADBank. Select N/A, if the information is not applicable, not available or unknown. Include comments to explain.

Information/Document	Availability			Comments
	YES	NO	N/A	
1. Legal Authority:				
a. Documentation regarding the applicant's authority to receive funds, implement the project, and provide service	☐	☐	☐	Click here to enter text.
b. District's governing structure and members of the Board of Directors	☐	☐	☐	Click here to enter text.
2. District Operations				
a. Document(s) summarizing the District's customer base and related delivery obligations, including:				
i. Municipal or Government accounts with population	☐	☐	☐	Click here to enter text.
ii. Commercial and Industrial accounts				
iii. Irrigation accounts (active acres)				
iv. Other				
v. Flat rate acres				
b. Organizational structure including number of employees per job type	☐	☐	☐	Click here to enter text.
c. Adjudicated Water Rights with stipulated allocations for municipal, industrial and domestic uses (DMI)	☐	☐	☐	Click here to enter text.
d. Document summarizing water diversions, deliveries and efficiency for ≥ 5 years	☐	☐	☐	Click here to enter text.
3. Project location and site photos:				
a. Project map	☐	☐	☐	Click here to enter text.
b. Photos of existing infrastructure and other site conditions	☐	☐	☐	Click here to enter text.
4. Environmental benefit estimates and required authorizations:				
a. Support documentation for estimated water savings	☐	☐	☐	Click here to enter text.
b. Federal, state or local environmental findings/permits	☐	☐	☐	Click here to enter text.
5. Project scoping and technical studies:				
a. Feasibility Study or Preliminary Engineering and related cost estimate	☐	☐	☐	
b. Final Design plans/drawings and engineer's cost estimate	☐	☐	☐	Click here to enter text.
6. Documentation for Financial Evaluation:				
a. Documentation related to secured sources of funding for project construction. For funds requested but not secured, provide documentation/explanation regarding status.	☐	☐	☐	Click here to enter text.
b. Three years of financial statements (audited if available)	☐	☐	☐	Click here to enter text.
c. Current flat rate and water delivery rates including details such as rates in and out of district (i.e. flood, drip and metered, etc)	☐	☐	☐	Click here to enter text.