



**PROJECT PROPOSAL
THROUGH THE WATER INVESTMENT PROGRAM**

**WASTEWATER COLLECTION SYSTEM
IMPROVEMENTS IN ANTHONY, NEW MEXICO**

*Presented to the Funding Committee:
September 24, 2025*



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EXECUTIVE SUMMARY

WASTEWATER COLLECTION SYSTEM IMPROVEMENTS IN ANTHONY, NEW MEXICO

Wastewater collection services are still unavailable in many rural and marginalized communities throughout the border region. Homes in these areas tend to be older structures built on lots that do not meet minimum size requirements for on-site sanitary systems. In addition, many septic systems are failing or have reached the end of their service life, and some residents use cesspools. The existing conditions increase the risk of human contact with untreated wastewater due to surface pooling, and/or of contamination of the local aquifer from infiltration of wastewater. Contact with untreated wastewater is a common pathway for transmission of diseases, such as hepatitis A, gastroenteritis, dysentery and cholera.

While nearly three-quarters of the residents in Anthony, New Mexico, have access to drinking water and wastewater services offered by the local water utility, Anthony Water and Sanitation District (AWS D), conditions in unserved areas have prompted residents to request that the utility extend wastewater collection infrastructure to their homes, allowing them to connect to the centralized wastewater treatment system. In response, AWS D continuously evaluates the feasibility of meeting those needs and pursues funding to alleviate the financial hardship of those investments on the local economically distressed community.

The proposed project will provide first-time wastewater service to areas that previously did not have access to the wastewater collection system, including the residential areas along Lipps Road and the side streets east of Anthony Drive and north of O'Hara Road, along with conveyance system improvements (the "Project"). The new trunkline to be constructed under this Project will allow three lift stations to be bypassed, rerouting their wastewater flows to the primary lift station known as the Super Sonic Lift Station ("Super Sonic LS"). Additionally, as part of this Project, a backup pump, hoist and bar screens will be installed in the Super Sonic LS, improving its long-term operational performance and facilitating its maintenance.

The utility has made the Project a priority because it provides operational benefits in addition to addressing health and environmental issues in the Project area. Benefits include elimination of approximately 34,000 gallons per day of untreated or inadequately treated wastewater and providing first-time service to 140 new connections. Due to the existing conditions in the unserved area, the Project was selected to receive technical assistance through the Project Development Assistance Program (PDAP) and a construction assistance grant from the Border Environmental Infrastructure Fund (BEIF), both funded by the U.S. Environmental Protection Agency (EPA) and managed by NADBank.

Table 1 highlights key facts regarding the eligibility, objective and outcomes of the Project, as well as the financing proposed by NADBank.

Table 1
PROJECT PROFILE

Project Eligibility

Type (Sector):	Wastewater
Location:	Anthony, New Mexico, located approximately 15 miles north of the U.S.-Mexico border
Sponsor:	Anthony Water and Sanitation District (AWSD) ¹

Project Summary

Objective:	Improve access to the AWSD wastewater collection system (WWCS) and protect groundwater from contamination risks caused by inadequate on-site sanitary systems, including cesspools and failing septic tanks.
Expected Outcomes:	▪ Extend the WWCS to previously unserved areas through the installation of 140 new connections, which will benefit approximately 425 residents. ▪ Protect the local aquifer by decommissioning failing on-site systems to eliminate approximately 34,000 gallons per day of untreated or inadequately treated wastewater discharges. ▪ Simplify existing AWSD operations and maintenance (O&M) by eliminating three lift stations and the associated O&M costs, as well as optimizing operations and redundancy at the Super Sonic Lift Station.
Population to Benefit:	7,020. ²
NADBank Additionality:	The BEIF grant will improve the affordability of both the capital investment and O&M costs for the system, as well as address the financial burden on local residents to connect to the new wastewater service. Additionally, PDAP funding through the and NADBank technical support assured the completion of the environmental clearance process and final design.
Project Cost:	US\$5,650,000

¹ AWSD is a public utility granted the right to provide water and wastewater services under Chapter 3, Article 23 Public Utilities, § 3-23-1 through § 3-23-10, of the New Mexico Statutes. Its service area includes Anthony, New Mexico, and surrounding areas in Doña Ana County.

² Based on an estimated 2,200 existing connections that send flows to the Super Sonic LS, plus the 140 new connections, and an average of 3 people per household.

Financing Summary

Grant Amount:	\$3,650,000 from the Border Environment Infrastructure Fund (BEIF)
Grant Recipient:	AWSD

PROJECT PROPOSAL THROUGH THE WATER INVESTMENT PROGRAM

WASTEWATER COLLECTION SYSTEM IMPROVEMENTS IN ANTHONY, NEW MEXICO

1. CERTIFICATION CRITERIA

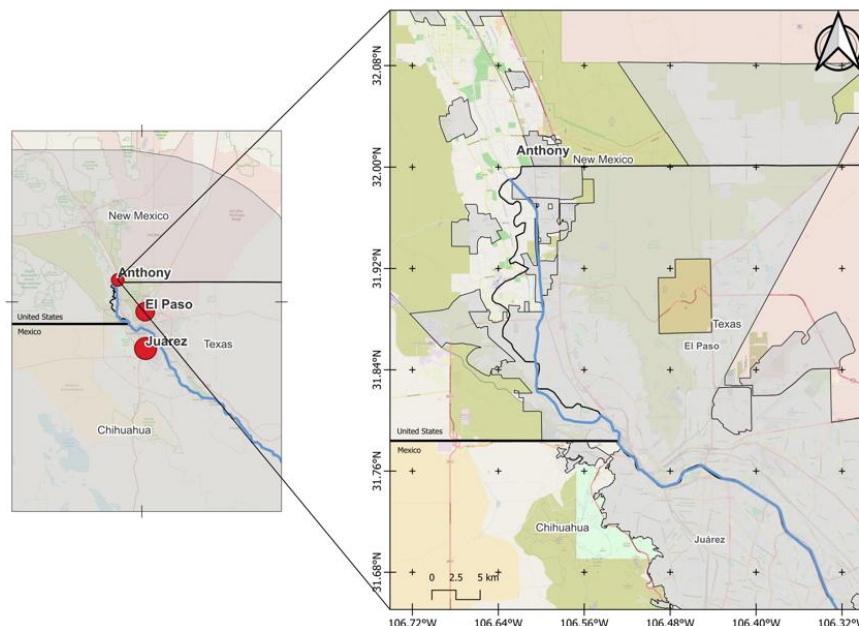
1.1. Technical Criteria

1.1.1. Project Description

Project Location

The Project will be implemented in the City of Anthony, New Mexico, which is located on the New Mexico-Texas state line adjacent to Anthony, Texas. The twin communities are approximately 20 miles north of downtown El Paso, Texas, and 15 miles from the U.S.-Mexico border. Figure 1 shows the Project area relative to the U.S.-Mexico border.

**Figure 1
PROJECT LOCATION MAP**



The 2020 Census reported that Anthony, New Mexico, had a population of 8,693. Its population has been declining since 2010, when it peaked at 9,360 residents. The community is economically distressed and has been designated a *colonia*, with 38.1% of its population

living below poverty level compared to a statewide average of 18.4%. The median household income (MHI) is US\$26,558, compared to the statewide MHI of US\$54,020.

The Project area is characterized by low-density development with a mixture of single-family residences, mobile home parks, commercial establishments, and light industries. The area has developed in a piecemeal fashion as large parcels were subdivided, leading to the mixed nature of development. This informal development pattern has led to issues with basic infrastructure, such as unpaved roads, poorly defined right of ways, lack of access to wastewater collection services, and substandard housing.

AWSD operates the water and wastewater systems in the city of Anthony and surrounding areas in Doña Ana County. The following table summarizes the status of public services and infrastructure in its primary service area, which includes Anthony.

Table 2
BASIC PUBLIC SERVICES AND INFRASTRUCTURE IN AWSD

Water System			
Coverage	80%		
Supply source	Four active wells in the Mesilla Bolson Aquifer		
Number of connections	2,879		
Wastewater Collection			
Coverage	71%		
Number of connections	2,584		
Wastewater Treatment			
Coverage	100% of collected wastewater		
Treatment facilities	Plant	Type	Capacity
	Anthony	Concentric sequencing reactor	1.0 mgd

Source: AWSD, February 2024.
mgd = millions of gallons a day

AWSD has steadily expanded its service area to include many county areas surrounding the city. The AWSD water system includes a distribution system, wells, a reverse osmosis treatment system for arsenic removal and a one-million-gallon water storage tank. Its wastewater system currently consists of a wastewater treatment plant, nine lift stations (three of which will be eliminated by this Project) and several miles of gravity lines and force mains.

In addition to new service needs, much of the WWCS is obsolete, with infrastructure constructed in the 1950s, which has reached the end of its service life and is inadequate to meet current demand. The utility has an active pipeline of projects to extend, improve and rehabilitate wastewater infrastructure in order to continue providing high-quality services to the community.

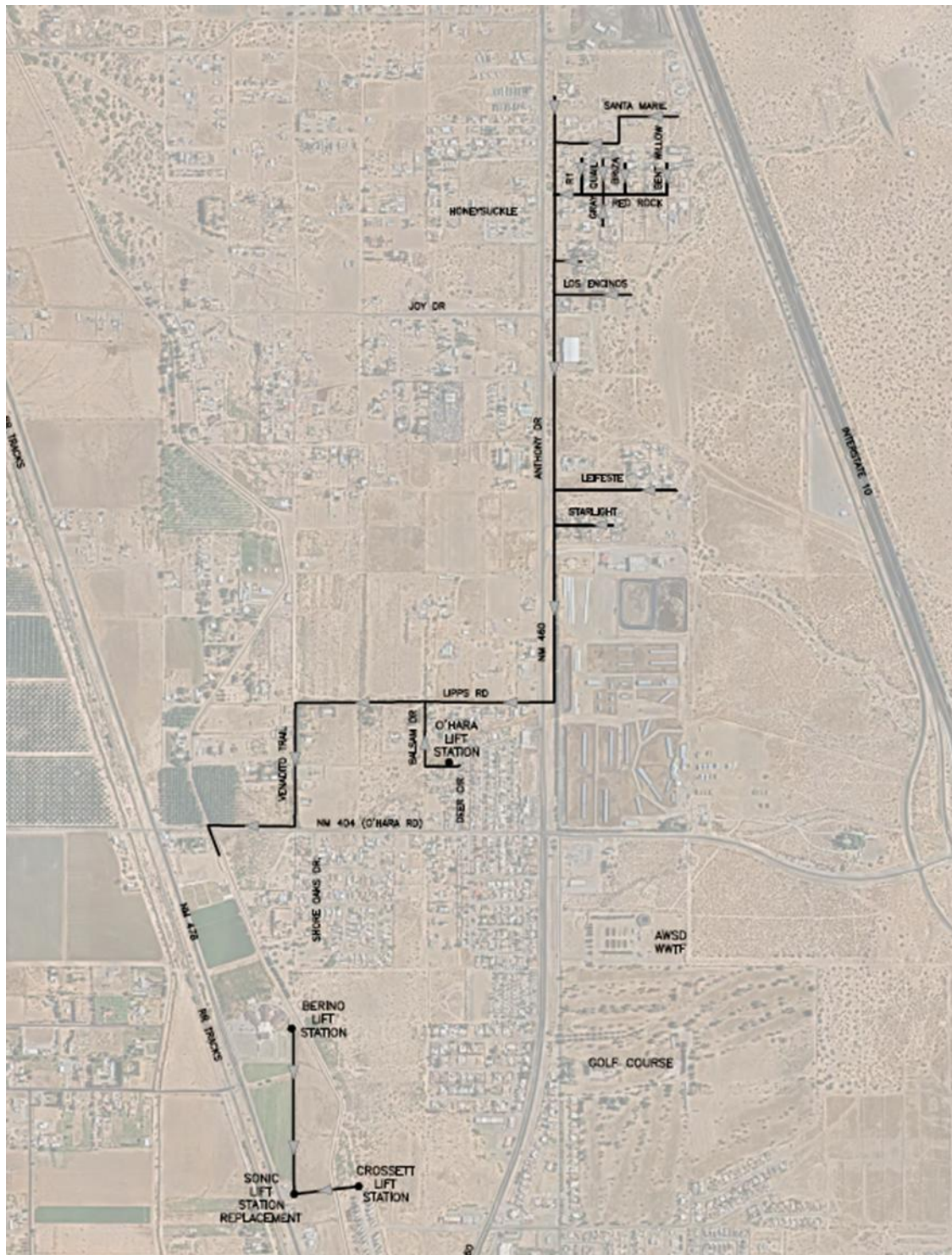
Project Scope

The Project consists of the following components:

- Main trunkline: Installation of 10,745 linear feet of 8-inch polyvinyl chloride (PVC) pipe, which will run along state highway NM460, Lipps Road, Venadito Road, and O'Hara Road before discharging to AWS D's existing WWCS south of O'Hara Road.
- Lateral lines: Installation of 7,600 linear feet of 8-inch PVC pipeline to provide residential services on side streets east of NM460 from Santa Maria to Starlight Lane.
- Service connections: Installation of 140 new service connections, and on-site systems will be decommissioned.
- Interceptors: Installation of 2,300 linear feet of 8-inch PVC pipe from the O'Hara and Berino Lift Stations and 650 linear feet of 12-inch PVC pipe from the Crossett Lift Station, allowing three lift stations to be decommissioned.
- Lift station improvements: Installation of a lift station screen, monorail and hoist and additional pump for redundancy in the SL Super Sonic.

Figure 2 Illustrates the Project area and the streets where the wastewater lines will be installed.

Figure 2
IMPROVEMENTS TO THE WASTEWATER COLLECTION SYSTEM IN ANTHONY, NM



Project Milestones

Planning, environmental clearance and final design activities have been completed for the Project. AWSD will execute a construction management contract and initiate the procurement process for construction upon approval of Project funding and the execution of the BEIF grant agreement. Table 3 provides a summary of key Project milestones and their respective status.

Table 3
PROJECT MILESTONES

Key Milestone	Status
Environmental clearance – U.S.	October 2023
Final design	October 2024
Construction procurement	Fourth quarter of 2025
Construction completion	Fourth quarter of 2026

1.1.2. Technical Feasibility

The final design of the WWCS meets or exceeds the design criteria established by the Ten State Standards for sanitary sewers, which are followed in the State of New Mexico.³ The standards provide design criteria for the construction of wastewater collection systems, including materials to be used, pipe diameters, minimum slope requirements in gravity systems, flow velocity requirements and manhole spacing. The criteria have been established to ensure that a wastewater system functions well, with minimal obstructions, continuous flow, minimal settling of solids and ease of maintenance. The design documents for the Project were reviewed by the New Mexico Environment Department (NMED) Construction Programs Bureau, EPA and NADBank.

The proposed WWCS extension will be constructed using 8-inch diameter PVC sewer pipe with slopes ranging from 0.4 to 2.85 percent to maintain a minimum flow velocity of 2.0 feet per second. The flows from the new service areas are anticipated to average 30 gallons per minute (gpm), with peak flows of near 75 gpm. The pipeline will have significant excess capacity, approximately 350 gpm, but 8-inch pipes are typically the smallest diameter used in collection systems to avoid issues with obstructions and to minimize maintenance requirements.

The alternatives considered for this Project included no action, as well as an analysis of different layouts for the proposed collection system. The no action alternative is not acceptable since the existing septic systems will continue to fail, increasing the risk for groundwater contamination and to human health. The final layout chosen for the new WWCS was based on existing rights of way (ROW), easement requirements, constructability, operational benefits and to maximize the number of new services provided.

³ The “Ten States Standards” is a common reference to the *Recommended Standards for Water Works, 2014 Edition, Policies for the Review and Approval of Plans and Specifications for Public Water Supplies*, a report of the Water Supply Committee of the Great Lakes--Upper Mississippi River Board of State and Provincial Public Health and Environmental Managers.

The discharges to the expanded WWCS will flow to the Super Sonic LS. The route of the trunkline was selected to intercept the Berino and O'Hara Lift Stations and remove them from service. An additional interceptor line will be constructed from the Crossett Lift Station, which will be decommissioned. The Super Sonic LS is a critical element in the AWSD WWCS since approximately 85% of the wastewater collected flows through it. At the time of its construction in 2020, some of the components included in the design were eliminated due to funding constraints, such as debris screens, grit removal, a back-up pump, and a hoist for heavy equipment. The current Project includes these components, which will greatly improve the reliability of the station by protecting its pumps and valves and adding redundancy for unexpected mechanical issues or required maintenance. The Super Sonic LS discharges directly into the WWTP, effectively making it the headworks to the treatment plant. Therefore, ensuring the proper operation of the lift station also protects the WWTP.

The elimination of the O'Hara, Berino, and Crossett Lift Stations was a priority for AWSD since they would require significant rehabilitation to remain in service. Their wet wells need to be recoated, the pumps are reaching the end of their useful life, and electrical controls need to be upgraded. Although the estimated cost of the interceptor lines is approximately 10% higher than the cost of rehabilitating the lift stations, the long-term savings related to the O&M costs of the old lift station makes the life-cycle costs of the chosen alternative the preferred alternative.

1.1.3. Land Acquisition and Right-of-Way Requirements

Land acquisitions are not required for the Project. It will be constructed within private easements, along private roads and within existing public rights of way (ROW). As part of this Project prescriptive easements covering Lipps, Leifeste, Venadito, and other private roads were developed to further document the existence of the ROW and easements along those corridors. AWSD's legal counsel has confirmed the validity of the prescriptive easements, and all easements required for the Project have been obtained.

1.1.4. Project Operations

Management and operation of the new infrastructure will be the responsibility of AWSD, which currently serves 2,879 water hookups and 2,584 wastewater connections. Additionally, AWSD has service agreements to operate and maintain water and wastewater infrastructure with two nearby Mutual Domestic Water Associations that serve the communities of La Union and Desert Aire.

AWSD employs six operators: one wastewater operator, two water operators and three operators with certifications in both water and wastewater, along with two operator apprentices. One of AWSD operators has a Level IV certification for wastewater systems, the highest level of operator certification. The current staffing and operator certification levels exceed the requirements necessary to operate the improvements to be constructed under this Project.

The utility has operations and maintenance procedures in place to ensure system reliability and sustainability. Its operations manual is updated annually and submitted to NMED for review and approval. Additionally, AWSD has an active training program and offers

promotional pay increases and bonuses as incentives for operators to continue their professional development and to obtain new certifications. AWSD has a good track record of recruiting and retaining operators.

AWSD maintains a capital improvements plan that includes both water and wastewater projects. It has a constant pipeline of projects advancing from development through construction. The utility also works diligently to secure funds from multiple sources for project development and maintains rates for self-sustaining operations. As stipulated in the grant agreement for the Project, AWSD will be required to maintain reserve funds to be used for maintenance and repairs over the life of the infrastructure. The utility has worked with NADBank previously to develop water and wastewater infrastructure projects and has successfully completed BEIF projects, including an arsenic removal treatment plant for drinking water, a water distribution rehabilitation project and construction of the Super Sonic LS.

1.2. Environmental Criteria

1.2.1. Environmental and Health Effects/Impacts

A. Existing Conditions

The new infrastructure will be extended into areas where residents currently lack access to centralized wastewater collection services. Many older homes in the Project area were built on lots that do not meet current NMED lot-size requirements for on-site septic systems. Moreover, most of these systems have reached the end of their useful life, and many have not been properly maintained, increasing the risk of failure. The costs related to maintaining and/or replacing on-site systems are significant; therefore, many residents who will benefit from this Project have actively requested that AWSD extend service to their area. AWSD has inspected conditions in the area and has found that some residents have cesspools and that some on-site systems are experiencing surface pooling, indicating that they have failed.

Two of the three lift stations to be taken out of service by this Project—O'Hara and Crossett—have been identified as priorities in AWSD's capital improvement plan. Although the third lift station is not a priority, it lies directly in the path of the new trunkline, allowing it to be eliminated at a minimal cost. The O'Hara lift station, constructed in 1990, and Crossett lift station, built in 1997, are obsolete and deteriorated. Without this Project, AWSD would need to repair the wet wells, replace pumps and upgrade their electronic controls. The current conditions of the lift stations constitute a risk of failure, which could lead to uncontrolled wastewater discharges.

B. Expected Environmental/Human Health Outcomes

The Project will improve the quality of life of area residents by eliminating risks for exposure to untreated or inadequately treated wastewater discharges and protecting their health. Specifically, the Project is expected to generate environmental and human health benefits related to the following Project outcomes:

- Extend the WWCS to previously unserved areas, through the installation of 140 new connections, which will benefit approximately 425 residents.
- Protect the local aquifer by decommissioning failing on-site systems to eliminate approximately 34,000 gpd of untreated or inadequately treated wastewater discharges.
- Simplify existing AWSO operations and maintenance (O&M) by eliminating three lift stations and the associated O&M costs, as well as optimizing operations and redundancy at the Super Sonic Lift Station.

C. Other Project Benefits

Access to basic water infrastructure typically improves property values and eliminates costly expenditures and limitations for home improvements related to the use and maintenance of on-site wastewater disposal systems. The Project has also prompted the City of Anthony and Doña Ana County to address the status and condition of the private roadways in the new service areas. The City and County are working to convert the private roads to public right of ways, which will lead to better maintenance in the future.

D. Transboundary Impacts

No 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 Clean Water Act (CWA) is the primary law regulating public wastewater systems. In accordance with the CWA, all discharges are regulated through the EPA's National Pollutant Discharge Elimination System (NPDES). NMED monitors and inspects all point discharges to verify compliance with the requirements established in the utility's permit.

A. Environmental Studies or Consultations

Although an Environment Information Document (EID) was completed for the Project area and a Categorical Exclusion (CatEx) was issued by EPA in 2018, an update to the EID was required due to the time elapsed between date of the CatEx and Project readiness to proceed. The updated document acknowledged changes to the scope of the Project and required additional agency consultations because the new sewer line alignment crossed an agricultural area. Given these new conditions, EPA performed a full National Environmental Policy Act (NEPA) review to establish that the Project will not result in any significant negative impacts on the environment.

B. Environmental Clearance and Permitting

A Finding of No Significant Impacts (FONSI) was issued on October 31, 2023.

C. Mitigation Measures

Based on the results of the NEPA process, the Project will have no significant adverse impacts on the environment. However, Anthony is in an area with moderate non-attainment for particulate matter affecting air quality; therefore, the EID included some mitigation recommendations for the construction phase. Disturbed soils and stockpiles shall be dampened frequently, and earthwork will need to be suspended during periods of high wind to minimize fugitive dust. Construction equipment shall be well maintained, use emission control devices and be shut off when not in use to reduce vehicle emissions. Biological consultations are also recommended prior to initiating construction to avoid potential disruptions to wildlife.

D. Pending Environmental Tasks and Authorizations

No environmental authorizations or tasks are pending.

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

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 the B category.⁴ This category has mid-level risks associated with the project.

B. E&S Due Diligence Conclusions

NADBank staff reviewed the Project documentation to determine the environmental and social risks associated with project implementation and reached the following conclusions: the Project will not negatively impact a marginalized community, will be constructed in developed areas and will not have negative environmental impacts, nor will there be any gender-specific benefits or impacts associated with the Project.

C. Summary of Proposed Mitigation Measures

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

⁴ Source: NADBank Environmental, Social and Governance (ESG) Policy, ([https://www.nadb.org/uploads/content/files/Policies/NADBank%20ESG%20Policy%20\(Eng\).pdf](https://www.nadb.org/uploads/content/files/Policies/NADBank%20ESG%20Policy%20(Eng).pdf)).

1.3. Financial Criteria

The total cost of the Project, including construction management, contingencies, and applicable taxes, is estimated at US\$5.65 million. The Sponsor requested a BEIF grant to support the implementation of the Project and improve the affordability of the investment. Based on a thorough analysis of both the Project and the Sponsor, NADBank is recommending that EPA approve a BEIF grant for up to \$3.65 million for its construction. Table 4 presents a breakdown of the estimated Project costs and proposed sources of funding.

Table 4
PROJECT FINANCING PLAN
(US\$)

Uses		Amount	%
Construction (including NMGRT)		\$ 4,756,000	84.2
Supervision and contingencies (including NMGRT)		894,000	15.8
TOTAL		\$ 5,650,000	100.0
Source	Instrument	Amount	%
NADBank/EPA –BEIF	Grant	\$ 3,650,000	64.6
New Mexico Finance Authority (NMFA)	Grant	1,800,000	31.9
NMFA	Loan	200,000	3.5
		\$ 5,650,000	100.0

*New Mexico Gross Receipts Tax (NMGRT)

2. PUBLIC ACCESS TO INFORMATION

2.1. Public Consultation

On January 14, 2025, the NADBank Board of Directors approved Resolution BR 2025-1 establishing the Water Investment Program (WIP), which provides programmatic certification of projects that meet the eligibility criteria and requirements defined under the program. Since this Project complies with the provisions of the WIP, a separate public consultation process was not required.

2.2. Outreach Activities

Extensive outreach efforts were made by AWSO to assure access to Project information and measure the support of residents in the Project area. In accordance with the requirements of the BEIF program, outreach activities included the establishment of a local steering committee, public meetings, and access to appropriate project information, as described in the Public Participation Plan submitted on October 28, 2022.

The first public meeting for the Project was held on November 15, 2022. At that meeting, several community members from the Lipps Road and Venadito Trail area were in attendance

and asked that sewer lines be installed along their roads to provide them with first-time access to the WWCS. Although the original Project scope did not include service to those residents, based on their requests, AWSO evaluated the feasibility of modifying the scope to accommodate the request. After this review, the Project was modified to include these additional homes.

A second public meeting was held in support of the NEPA process on May 11, 2023. The discussion included the need for the Project, the areas to receive the new service, the benefits for residents and the anticipated construction costs and schedule. A survey to gauge public sentiment was also applied. There were ten attendees at the meeting, and the six survey responses submitted were all in favor of the Project.

A third public meeting was held on Jan 16, 2025, to facilitate the signing of pending easements.

The Project Sponsor also informed NADBank that to date no comments expressing concern about the Project have been received.