



PROJECT PROPOSAL THROUGH THE WATER INVESTMENT PROGRAM

ANGELS PARK RESIDENTIAL WASTEWATER CONNECTIONS PROJECT IN EL PASO COUNTY, TEXAS

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EXECUTIVE SUMMARY

ANGELS PARK RESIDENTIAL WASTEWATER CONNECTIONS PROJECT IN EL PASO COUNTY, TEXAS

Angels Park, an unincorporated area designated as a *colonia* in El Paso County, is located within the water utility service area operated by the Lower Valley Water District (LVWD).¹ El Paso County (EPC or the “Project Sponsor”) and LVWD have already addressed most of the basic service needs in the community, including access to water, paved roads, solid waste collection and formal electrical services. To fulfill the last of the infrastructure needs in the area, EPC, in coordination with LVWD, spearheaded the development and construction of a wastewater collection system (WWCS) expansion project supported by funding from the American Rescue Plan Act (ARPA). Construction of the WWCS infrastructure has been completed. The final step involves connecting the homes in Angels Park to the system. Completing the connections is essential to meet the environmental objective of the WWCS, which is to prevent potential groundwater contamination and reduce risks to human health caused by surface pooling of untreated or inadequately treated wastewater from the existing, substandard on-site disposal systems.

The Angels Park Residential Wastewater Connection Project consists of connecting 322 homes to the WWCS and decommissioning the existing on-site septic systems for each property (the “Project”). Residential connections entail installing a 4-inch pipe from the house to a point of access to the WWCS at the property line. To decommission the on-site wastewater disposal system, the septic tank will be pumped out, broken up and backfilled with sand. An estimated 82,400 gallons per day (gpd) of wastewater will be collected and treated as a result of the Project.

EPC applied for a NADBANK Community Assistance Program (CAP) grant because available ARPA funds are insufficient to address this critical component. Wastewater connections are eligible for CAP grant funds, and the funding will address the financial burden on local residents who are generally responsible for 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.

EPC actively supports the development of water and wastewater projects for unserved communities throughout its territory. The County frequently executes interlocal agreements with nearby utilities to operate the systems once they are constructed or, in some cases, to transfer ownership of the infrastructure to the utilities. In the case of Angels Park, LVWD will become the owner and be responsible for operating and maintaining the system once it is in operation.

¹ A “*colonia*” is generally an economically distressed community characterized by substandard housing, the lack of basic infrastructure, such as water distribution and sewer systems, and informal development patterns.

WIP PROJECT PROPOSAL
ANGELS PARK, EL PASO COUNTY, TX

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:	Angels Park Colonia, El Paso County, Texas, located approximately five miles north of the U.S.-Mexico border.
Sponsor:	El Paso County, Texas

Project Summary

Objective:	Reduce the potential for groundwater contamination and human health risks associated with waterborne diseases caused by exposure to untreated wastewater by expanding the wastewater collection infrastructure and eliminating on-site disposal systems.
Expected Outcomes:	<ul style="list-style-type: none"> ▪ Provide first-time access to wastewater collection and treatment services for 322 existing residences in Angels Park Colonia. ▪ Eliminate approximately 82,400 gpd of untreated or inadequately treated wastewater.²
Population to Benefit:	1,030 residents ³
NADBank Additionality:	The CAP grant will reduce the financial burden on local residents associated with installing the wastewater connection. 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\$1,350,000

Financing Summary

Grant Amount:	US\$750,000 from the Community Assistance Program (CAP)
Grant Recipient:	El Paso County
Percentage of Project Financed by NADBank:	55.5%

² Estimated based on 322 household connections, 3.2 residents per household and a wastewater generation factor of 80 gallons per capita per day.

³ Estimated based on 322 household connections and 3.2 residents per household.

PROJECT PROPOSAL THROUGH THE WATER INVESTMENT PROGRAM

ANGELS PARK RESIDENTIAL WASTEWATER CONNECTIONS PROJECT IN EL PASO COUNTY, TEXAS

1. CERTIFICATION CRITERIA

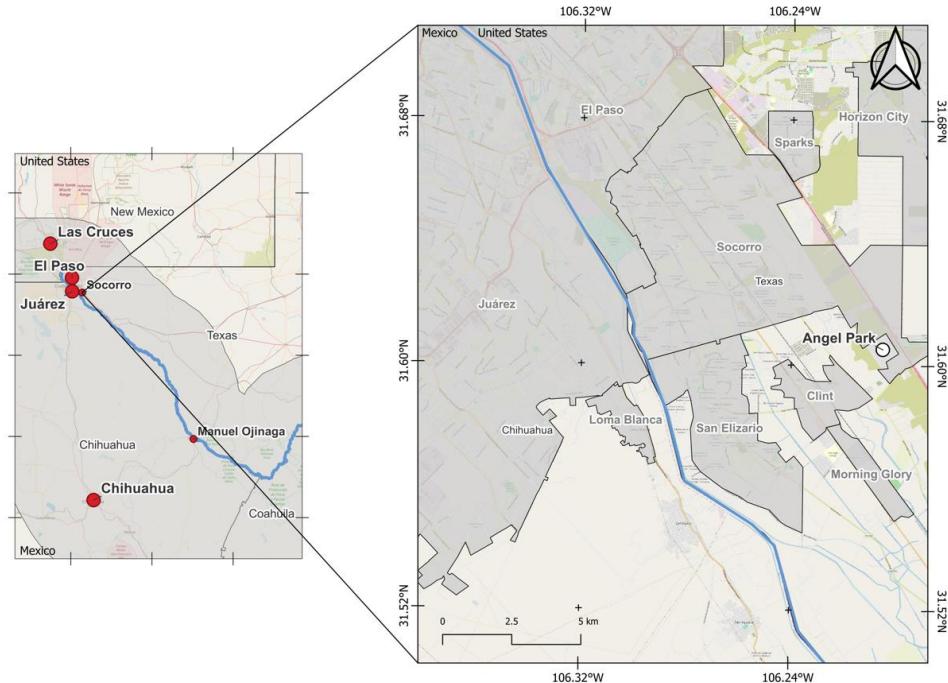
1.1. Technical Criteria

1.1.1. Project Description

Project Location

The Angels Park colonia is located in El Paso County, Texas. The community is about five miles from the U.S.-Mexico border, located near U.S. Interstate 10, and approximately 20 miles southeast of the city of El Paso. Figure 1 shows the location of Angels Park.

Figure 1
PROJECT LOCATION MAP



As an unincorporated community, official census data for Angels Park is limited. However, available information for census tracks within the area supports its identification as an economically distressed community. *Colonia* residents typically have low incomes, higher levels of unemployment, high poverty rates and live in substandard housing. According to a 2015 Dallas Federal Reserve Bank study, the median household income of Texas colonias was US\$28,928 compared to the national average of US\$52,762.⁴ The median household income in the state of Texas, in 2022, was about US\$75,800, highlighting the disparity in wealth for *colonia* residents.

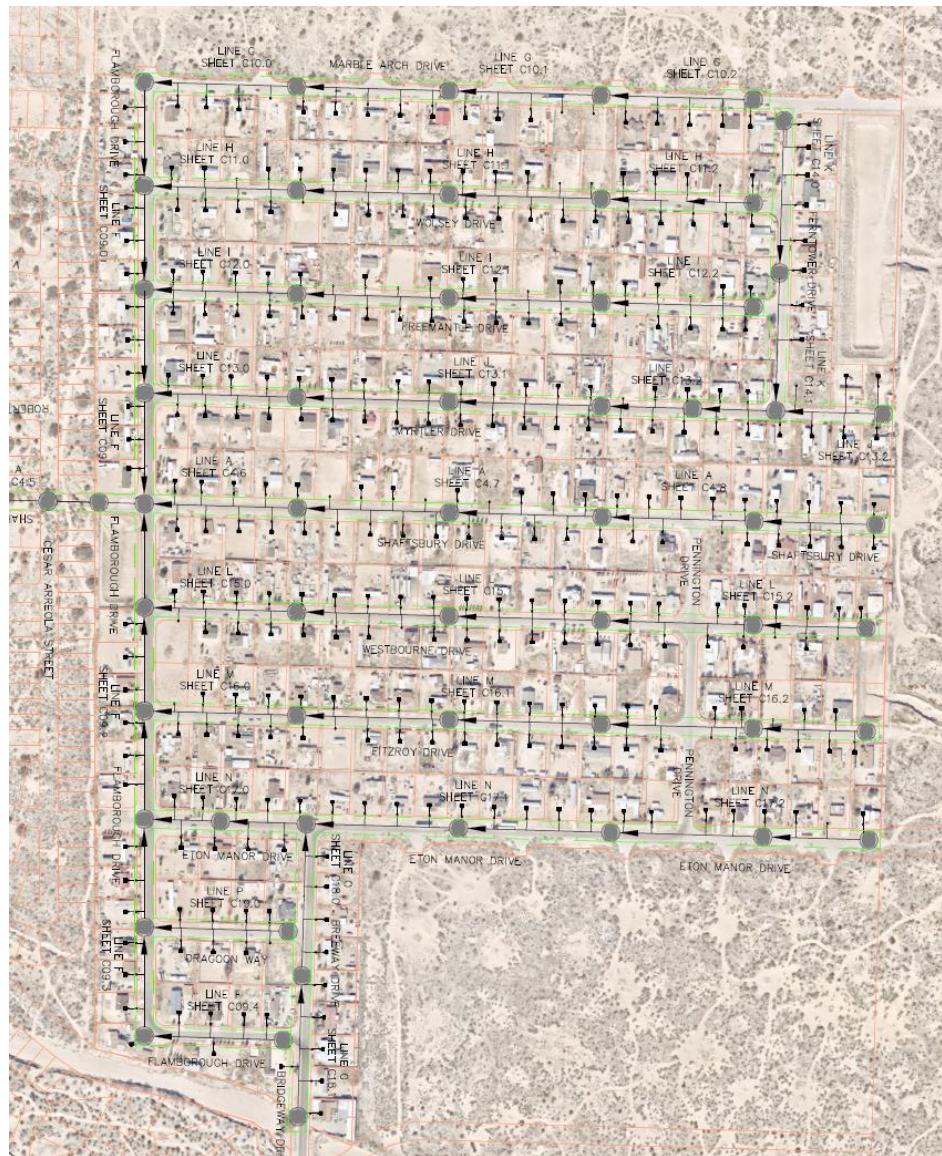
Many communities throughout the county were developed in economically distressed areas without access to essential services—such as water, wastewater, electricity and paved roads—and were classified as *colonias*. In 1997, EPC adopted model subdivision rules to prevent the proliferation of *colonias*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

Project Scope

The Project consists of installing 322 residential wastewater connections and decommissioning the existing on-site septic systems or cesspools for each property. Residential connections entail installing a 4-inch pipe, typically between 30 and 70 feet long, extending from the house to a point of access to the WWCS at the property line. The on-site septic systems will be decommissioned by pumping out the tank, breaking it up and backfilling it with sand. 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
ANGELS PARK COLONIA



Project Milestones

All project development tasks have been completed. EPC's project to extend the WWCS infrastructure to Angels Park was funded separately, and construction is nearly complete. The new WWCS will discharge wastewater to a small regional lift station, which was completed in the first quarter of 2025. The wastewater connections and decommissioning activities under the proposed Project are included in the current construction contract; therefore, no procurement process is required for this work. Table 2 summarizes the Project milestones and their respective status.

Table 2
PROJECT MILESTONES

Key Milestone	Timetable
Preliminary engineering report	Completed (March 2022)
Final design	Completed (June 2023)
Construction procurement	Completed (Jan 2024)
WWCS and lift station construction	Completed (April 2025)
Notice to proceed - residential connections	Second quarter of 2025
Estimated construction completion	Fourth quarter of 2025

1.1.2. Technical Feasibility

A preliminary engineering report was developed in March 2022 that included recommendations for providing first-time wastewater collection services in six unserved areas, including the Angels Park Colonia. The report provided information about the existing conditions in the six *colonias*, the need for the proposed investment, an analysis of the alternatives, conceptual layouts and estimated costs.

The report also identified Angels Park as a priority due to the age and density of the existing on-site systems, as well as the high number of potential connections. Many of the septic tanks in the Angels Park Colonia are nearly 30 years old, have not been adequately maintained and have reached the end of their anticipated service lives. Aging septic systems are at higher risk of failure that could result in discharges of inadequately treated wastewater. Moreover, Angels Park lots are typically a third of an acre, which does not meet the minimum requirement of one-half acre set under the current standards of the Texas Commission on Environmental Quality (TCEQ). The combined factors of age, density and inadequate maintenance increase the risks to human health and groundwater contamination from failing systems.

The WWCS was designed in compliance with LVWD standards, which meet or exceed TCEQ standards. The Angels Park system will connect to an existing LVWD manhole approximately 4,800 linear feet away across open terrain. Angels Park is not close to other LVWD wastewater infrastructure; therefore, the selected tie-in point was identified as the most feasible alternative for the Project due to its proximity and natural grade. The selected layout will also provide benefits for future projects by providing new tie-in locations when those projects are developed.

The wastewater collected will be conveyed to the Roberto R. Bustamante Wastewater Treatment Plant (Bustamante WWTP), which is owned and operated by El Paso Water (EPW). The plant has a total 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 its system LVWD is being treated at the plant. Additional flows of approximately 82,400 gpd of wastewater from Angels Park 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 will verify that

yard lines meet standards for pipe materials, diameters and grades. They will also verify that on-site wastewater disposal systems are decommissioned properly. In cases where the septic tank cannot be decommissioned—for example, if it is under a structure or concrete pad—or there are multiple structures connected to the septic tank that cannot be disconnected, the inspector will not allow the sewer connection to be made until the on-site system issues are resolved.

During the final design stage, 322 residential connections were identified out of 351 platted lots in Angels Park, indicating that the subdivision is approximately 92% built out. The final design was completed in June 2023.

1.1.3. Land Acquisition and Right-of-Way Requirements

All rights of way and easement requirements for the construction of the Angels Park WWCS have been obtained. EPC will be responsible for obtaining individual agreements with the homeowners to allow work crews to have temporary access to install the yard piping between the residence and the WWCS and to decommission the on-site systems.

1.1.4. Project Operations

Management and operation of the Angels Park sanitary sewer will be the responsibility of LVWD under an interlocal agreement with El Paso County dated September 26, 2022. The interlocal agreement establishes the responsibilities of the county and the LVWD. The County was responsible for obtaining funding for Project planning, design and construction. When Project construction is complete, the infrastructure will be transferred to LVWD for long-term operation and maintenance.

LVWD has legal authority, under Chapters 49 and 54 of the Texas Water Code, to provide water and wastewater services in the eastern region of the county, including the communities of Socorro, Clint and San Elizario. The limits of the LVWD service area are defined in Certificate of Convenience and Necessity (CCN) P0948. The Angels Park colonia is included in the CCN.

LVWD is currently responsible for the operation and maintenance of 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 Angels Park collection system will add approximately 4.5 miles of gravity lines and 322 connections to the LVWD system, which is not expected to create any operational challenges for LVWD.

As the Project sponsor and CAP grant recipient, EPC will be responsible for compliance with financial and reporting requirements under the grant agreement. The County has worked

with NADBANK on several previous projects and has the technical and administrative capacity to successfully complete the Project.

1.2. Environmental Criteria

1.2.1. Environmental and Health Effects/Impacts

A. Existing Conditions

Residents of Angels Park do not currently have access to a centralized WWCS and use on-site systems such as septic tanks to manage their wastewater. As identified in the preliminary engineering report, it is highly probable that many on-site systems in the subdivision have reached the end of their service life, are on lots that are too small and are starting to fail. As septic systems fail, inadequately treated wastewater will be discharged, creating 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 even viruses. In areas like Angels Park where septic tank density is high, the close proximity of the drain fields poses an increased risk of contamination, since they are more likely to become saturated, reducing their capacity to filter the wastewater effectively.

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 322 existing residences in Angels Park Colonia.
- Eliminate approximately 82,400 gpd of untreated or inadequately treated wastewater.⁵

C. Other Project Benefits

As part of the WWCS project, a new lift station and trunk line were constructed outside of the Angels Park subdivision, both of which increase the feasibility of other smaller projects that have been identified as priorities for the LVWD due to failing onsite systems and the number of potential connections.

D. Transboundary Impacts

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

⁵ Estimated based on 322 household connections, 3.2 residents per household, and a wastewater generation factor of 80 gallons per capita per day.

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, inspection, enforcement and decommissioning activities, including the proper disposal of liquid waste by a licensed septic hauler. Construction of the wastewater connection will be performed within the temporary access easement provided by each property owner.

Wastewater collected at Angels Park will be treated at the EPW Bustamante WWTP, which is operated under a discharge permit issued by TCEQ. Compliance with permit requirements is verified by regular reporting to the issuing agency and is governed by 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.

A. Environmental Studies or Consultations

Due to the nature of the proposed Project, no environmental studies are required. The construction of the WWCS project was completed using ARPA funds, which did not require environmental studies due to the scope and environmental setting of the investment. No consultations with agencies or stakeholders were required.

B. Environmental Clearance and Permitting

Due to the scope and location of the proposed Project in a previously developed area, no environmental clearances are required and no adverse environmental impacts are anticipated. The ARPA funds used for construction of the WWCS did not require environmental clearance.

C. Mitigation Measures

Although 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, while stormwater runoff could affect water quality.

To mitigate environmental impacts during the construction phase, 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 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 the lowest potential risks and that do not require environmental clearances and minimal reviews.

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 does 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.

1.3. Financial Criteria

Based on the existing construction contract, the cost of constructing the residential wastewater connections and decommissioning on-site wastewater disposal systems is estimated to be US\$1,350,000. EPC received ARPA funding to support construction of the wastewater collection system, but the remaining funds are insufficient to cover these final two components. Table 3 presents a breakdown of the estimated Project costs and proposed sources of funding.

⁶ Source: NADBank Environmental, Social and Governance (ESG) Policy, ([nadbank esg policy eng.pdf](#)).

Table 3
PROJECT FINANCING PLAN
(US\$)

Uses		Amount	%
Construction of residential yard lines, connections and decommissioning of on-site sanitary systems		\$ 1,350,000	100
Total		\$ 1,350,000	100
Sources		Amount	%
NADBank CAP	Grant	\$ 750,000	55
	ARPA funds	600,000	45
Total		\$ 1,350,000	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 Water Infrastructure Program (WIP). As shown in the above table, the sponsor will cover approximately 45% of the cost with a federal grant, which is more than the minimum 10% requirement established under the program. CAP funds will be used for construction only; construction management services will be covered using the ARPA funds under EPC's existing contract.

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

Outreach activities for the Project have focused on informing residents about disturbances related to the construction of the Project and providing information related to the process required to complete the residential wastewater connections. The Sponsor will manage the process of signing up residents for wastewater services and obtaining access to properties to complete connections and decommission on-site systems.

NADBank's review of publicly available information about the Project Sponsor did not detect any relevant concerns related to a potential investment in the proposed Project.