



**NORTH AMERICAN DEVELOPMENT BANK
FACT SHEET
LA FERIA, TEXAS**

Project: Water and Wastewater Improvements Project

Cost: US\$18,639,359

- Phase I: US\$17,053,983
- Phase II: US\$ 1,585,376

Sponsor: City of La Feria

Location: The city of La Feria is located in Cameron County in the Rio Grande Valley in South Texas, between the cities of Harlingen and Weslaco. It is approximately eight miles north of the U.S.-Mexico border.

Background: The City of La Feria is responsible for providing water and wastewater services to its residents and eight *colonias* located to the north and west of the city. Six of the *colonias* already have access to water services, but none of them are connected to a centralized wastewater system.

The City obtains its water from the La Feria Irrigation District, which gets its water from the Rio Grande. Although the City has installed a 1.5 million-gallon-per-day (MGD) water well as a drought contingency measure, current water usage projections indicate the need for additional water rights in the near future to meet increasing demand.

The City's wastewater plant is currently operating in compliance with state regulations and discharges treated effluent into the Arroyo Colorado, which flows into the Gulf of Mexico. However, the plant has reached its capacity limits, and the wastewater collection system tends to overflow in times of heavy rains. Inadequate on-site wastewater disposal systems in the *colonias* are also contaminating local groundwater, making well water unsuitable for drinking.

Description: La Feria is proposing a two-phase water and wastewater project to improve service quality and to meet increasing demand through 2024.

Phase I

- Expansion of the water treatment plant from 2.0 to 3.45 (mgd).
- Installation of 25,680 ft of water transmission lines and 11,530 ft of distribution lines, including residential water hookups in two *colonias*.

- Construction of a new 1.25 mgd wastewater treatment plant and decommissioning of the existing plant.
- Installation of 25,500 ft of wastewater collection lines, 17,700 ft of force mains, and residential hookups to extend sewer services to the eight *colonias*.
- Purchase of additional 500 acre-feet of water rights.

Phase II (2009)

- Construction of a new 1.0 mgd water treatment plant.

BECC Certification: April 3, 2003

NADB Funding: Border Environment Infrastructure Fund (BEIF):
 Construction Grant Assistance: US\$4,959,624
 Transition Grant Assistance: US\$1,993,022
 Total US\$6,952,646

Applying the transition assistance towards servicing the project debt allows the utility to increase user fees in a gradual and affordable manner.

Loan & Guaranty Program:
 Low-interest rate loan US\$6,125,000

These funds will be applied towards Phase I construction costs.

Institutional Development Cooperation Program (IDP)
 NADB also financed a water and wastewater rate study.

Other Funding Sources: The Texas Water Development Board (TWDB) is providing a loan and grant to cover the remaining portion of the construction costs. The City also received a grant from the Border Environment Cooperation Commission's (BECC) Project Development Assistance Program (PDAP) for the design of the project.

Benefits: This project will help provide first-time wastewater services to residents in eight *colonias*, as well as water services in two of those *colonias*. Eliminating deficient on-site septic systems in the eight *colonias* will protect the environment and thus the health of local residents. The new wastewater treatment plant will enable the City to meet current and future state effluent requirements, as well as improve the quality of discharges into the Arroyo Colorado.

For more information, contact Juan Antonio Flores,
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