

North American Development Bank SUMMARY OF PROJECT IMPLEMENTATION ACTIVITIES

ACTIVE PROJECTS

June 30, 2024

The North American Development Bank (NADBank) provides financing and other support for infrastructure projects that enhance the environmental condition of the U.S.-Mexico border region. NADBank works closely with border communities, state agencies and other entities to develop and finance affordable, self-sustaining projects with broad community support. Each project must pass through a public participation and certification process to be eligible for financing from NADBank.

During the second quarter of 2024, NADBank had **42** active projects in various stages of project implementation.¹ A total of **US\$735.3 million** in loans and grants has been contracted to help finance those projects, and approximately 76% of those funds have already been disbursed to project sponsors. Two project completed construction and/or financing activity during the period, leaving **40** active projects at the end of the quarter. A breakdown of NADBank financing by program for the active projects is shown in the table below.

NADBank Funding by Program for Active Projects
(U.S. Dollars)

| Funding Programs | Active Projects per Program* | Financing Contracted for Active Projects | Pending Disbursement |
|--|------------------------------|--|-----------------------|
| Loan Program | 21 | \$ 660,305,825 | \$ 141,215,370 |
| Community Assistance Program (CAP)** | 4 | 1,500,000 | 1,300,881 |
| Border Environment Infrastructure Fund (BEIF)*** | 17 | 73,495,038 | 33,170,370 |
| TOTAL | | \$ 735,300,863 | \$ 175,686,621 |

* Some projects have both a loan and a grant. Likewise, a loan or grant may cover more than one project.

** This program offers grant financing for the implementation of environmental infrastructure projects in the water and solid waste sectors for economically distressed communities.

*** This program funded by EPA and administered by NADBank offers grant financing for the implementation of municipal drinking water and wastewater infrastructure projects.

To date, NADBank has contracted a cumulative total of almost US\$3.95 billion in loans and grants to help finance 310 certified projects estimated to cost a total of US\$11.8 billion to implement. Of the financing contracted, 95% has been disbursed to project sponsors for the implementation of 306 projects. Of the 310 projects financed by the Bank, 269 have completed construction and financing activity (except for the amortization of loans) and/or have otherwise been closed.

The implementation status of NADBank-funded active projects is presented in the following pages.

¹ Active projects are defined as those projects with NADBank funding contracted that are in the process of being implemented and/or for which NADBank financing is pending disbursement.

PROJECT**Anthony, New Mexico, USA****Water Distribution System Improvements**

Type: Water
Total Cost: US \$5,000,000
Total NADBank Funding: US \$4,800,000
Certification Date: 4 / 11 / 23
Residents to Benefit: 1,795

DESCRIPTION

Rehabilitation of the water distribution system in the Kaylar and Timbers subdivisions.

Community Benefits

Improved drinking water service for 546 existing residential connections by reducing the risk of leaks and line breaks, thus preventing excessive water losses, service disruptions and potential cross-contamination problems that increase the risk of waterborne diseases.

NADBANK PARTICIPATION

The Bank is a source of grant funds through the BEIF to complement funding from the Anthony Water and Sanitation District (AWSD). On March 8, 2023, EPA approved the Bank's recommendation to provide US\$4.80 million in BEIF construction assistance for the project. The corresponding grant agreement was signed on July 19, 2023. The initial disbursement was made in May 2024.

IMPLEMENTATION STATUS

Rehabilitation of the water system in both subdivisions began in March 2024 and is approximately 50% complete.

Calipatria, California, USA**Delta Street Sewer Pump Station Failure**

Type: Wastewater
Total Cost: US \$370,000
Total NADBank Funding: US \$250,000
Certification Date: 1 / 22 / 24
Residents to Benefit: 3,200

Rehabilitation of the lift station, including replacing three pumps.

Community Benefits

Reduction of human health risks by eliminating the possibility of wastewater backing up into homes or overflowing onto streets. Specifically, the project will ensure that approximately 1.73 million gallons per day (mgd) of wastewater is safely conveyed from the sewer system to the treatment plant.

The Bank is a source of emergency grant funds through the CAP to complement equity investments by the City. On January 22, 2024, the Bank approved an emergency CAP grant for up to US\$250,000 for project implementation. The corresponding grant agreement was signed on February 8, 2024.

In March 2024, the City awarded a contract for construction of the project and began the process of ordering the equipment and other materials for project implementation.

Cameron County, Texas, USA**Laguna Madre Water District – Long Island Village Water and Wastewater Project**

Type: Water and wastewater
Total Cost: US \$20,800,000
Total NADBank Funding: US \$20,800,000
Certification Date: 4 / 11 / 23
Residents to Benefit: 2,939

Replacement of water distribution and wastewater collection systems for Long Island Village.

Community Benefits

Improved water and wastewater services for 1,024 existing residential connections. The new water distribution system will reduce the risk of leaks and line breaks, preventing excessive water losses, service disruptions and potential cross-contamination problems that increase the risk of waterborne diseases. Rehabilitated wastewater collection infrastructure will prevent leaks and system failures that could create health risks and impact local water sources due to seepage of untreated wastewater.

The Bank is a direct lender to Laguna Madre Water District (LMWD). On April 11, 2023, the Bank approved a market-rate loan for up to US\$20.80 million to finance the project. The loan was made in the form of unlimited tax bonds, which were executed on April 27, 2023.

A contract for planning, design and construction management services was executed in November 2022. The final designs have been completed, and bidding for construction began in April 2024. The District rejected the bids received and will rebid work in multiple contracts.

PROJECT

Cameron County, Texas, USA

Arroyo Energy Storage Portfolio

Type: Energy storage
Total Cost: Reserved
Total NADBank Funding: US \$85,000,000
Certification Date: 5 / 8 / 24
Residents to Benefit: 116,142

DESCRIPTION

Design and construction of a portfolio of seven standalone battery energy storage systems (BESS), with a total capacity of 180 megawatts of alternating current (MW_{AC}), located approximately seven miles northeast of the city of Harlingen.

Community Benefits

Increase the efficiency and reliability of grid management, as well as support the transition to a greener, more sustainable grid by helping integrate electricity generated by intermittent renewable energy sources, such as solar and wind. The project is expected to store up to 69,367 MWh of energy a year, which is equivalent to serving up to 36,754 households and will displace the emission of an estimated 28,154 metric tons/year of CO₂, 16 metric tons/year of NO_x and 22 metric tons/year of SO₂.

NADBANK PARTICIPATION

The Bank is participating as a co-lender to Goshe Energy Storage, LLC. On May 8, 2024, the Bank approved a market-rate loan for up to US\$85.0 million. On May 16, 2024, the Bank signed a participant agreement for up to US\$73.3 million with the lead bank, Pathward, National Association, providing part of the financing for the construction of the portfolio. The initial disbursement was made in June 2024.

IMPLEMENTATION STATUS

Construction of the BESS is expected to begin in July 2024.

PROJECT**Chihuahua, Chihuahua, Mexico****Rehabilitation and Upgrade of the North and South Wastewater Treatment Plants**

| | |
|-------------------------------|-----------------|
| Type: | Wastewater |
| Total Cost: | US \$14,693,467 |
| Total NADBank Funding: | US \$11,080,700 |
| Certification Date: | 11 / 14 / 19 |
| Residents to Benefit: | 809,232 |

DESCRIPTION

Rehabilitation and upgrade of the North and South Wastewater Treatment Plants (WWTPs), as well as designing, installing and operating a cogeneration facility in the South WWTP.

Community Benefits

Improvements to the treatment processes will help ensure that the WWTPs continue to comply with federal standards, as well as produce 33% less sludge, reducing the volume from approximately 85,932 yds³/year to approximately 57,288 yds³/year. The quality of the effluent produced by the plants will also be more consistent and reliable, which will support increased demand for treated water for reuse for irrigation and industrial purposes. By using the biogas from the sludge to generate electricity, the utility expects to supply close to 71% of the electricity required to operate the South WWTP, which will offset energy consumed from the public grid and thus help prevent the emission of 9,583 metric tons/year of carbon dioxide (CO₂), among other pollutants. Additionally, replacing the disinfection systems in both plants will eliminate the risk associated with handling chlorine gas.

NADBANK PARTICIPATION

The Bank is a direct lender to complement equity contributions from *Aguas de Reúso y Energía Renovable, S.A. de C.V. (ARERSA)*, the private concessionaire under a build-operate-transfer (BOT) agreement. On November 14, 2019, the Bank approved a peso-denominated, market-rate loan for US\$11.26 million to cover approximately 76% of the project costs. The corresponding loan agreement was signed with ARERSA on December 16, 2019. Loan disbursements began in November 2020. The final loan disbursement occurred on November 1, 2021, leaving an unused balance of US\$145,431, thus reducing the Bank's participation in the project to US\$11.08 million. The loan is in amortization.

IMPLEMENTATION STATUS

The project was constructed under a BOT agreement. Construction began in March 2020 but was suspended due to the COVID-19 pandemic. Work was reinitiated in September 2020. Rehabilitation of both WWTPs was completed at the end of October 2021, and operations began in November 2021. The cogeneration facility was completed in March 2022, thus completing the entire certified project.

PROJECT**City of Imperial, California, USA****Innecare Medical Complex Project**

Type: Sustainable building
Total Cost: Reserved
Total NADBank Funding: US \$36,400,000
Certification Date: 10 / 6 / 23
Residents to Benefit: 21,233

DESCRIPTION

Construction and operation of outpatient medical facilities consisting of a healthcare clinic, a Program of All-Inclusive Care for the Elderly (PACE) facility and a pharmacy, which will be built using energy- and water-efficient equipment and will incorporate sustainable construction techniques and thermally efficient construction materials.

Community Benefits

Increased access to healthcare services for a socioeconomically disadvantaged population vulnerable to health issues related to extreme heat and other related environmental hazards. In comparison with international standards for a conventional building with similar operational characteristics, the facilities are expected to use about 43% less water, equivalent to 286,399 gallons/year, and about 25% less electricity, which represents a savings of 262,235 kilowatt-hours/year. The energy savings will help displace approximately 59,951 kg/year of CO₂ and 101.8 kg/year of NO_x.

NADBANK PARTICIPATION

The Bank is a direct lender to Clínicas de Salud del Pueblo, Inc., doing business as Innercare, a California-based, non-profit corporation. On October 6, 2023, the Bank approved a market-rate loan for up to US\$36.40 million. A loan agreement for \$35.96 million was signed on November 9, 2023, and disbursements began the same month.

IMPLEMENTATION STATUS

Construction began in December 2023 and is approximately 9% complete.

Ciudad Juarez, Chihuahua, Mexico**Wastewater Collection System Improvements**

Type: Wastewater
Total Cost: US \$26,900,000
Total NADBank Funding: US \$26,900,000
Certification Date: 06 / 06 / 22
Residents to Benefit: 246,860

Rehabilitation of four major sewer mains: Las Viboras, El Mimbres, Nadadores and Norzagaray.

Community Benefits

Reduction of human health risks associated with waterborne diseases caused by exposure to untreated wastewater and elimination of potential surface and groundwater contamination. Specifically, the project will prevent the potential discharge of up to 22.8 mgd of untreated wastewater that could impact the Rio Grande River

The Bank is a source of grant funds through the BEIF, as well as a potential direct lender, to complement federal, state and municipal funding. On April 14, 2022, EPA approved the Bank's recommendation to provide US\$11.5 million in BEIF funding for the construction of the project. On June 6, 2022, the Bank approved a market-rate loan for up to US\$15.4 million, sufficient to cover the rest of the cost of the project, if necessary. The BEIF grant agreement was signed on July 29, 2022. The first BEIF disbursement occurred in December 2023.

A contract for the purchase of the pipe for Phase 1 of the Norzagaray sewer main was awarded in December 2023, and the pipes were fully delivered by March 2024. A contract for the purchase of the pipe for Phase 2 of the Norzagaray sewer main was awarded in May 2024, and the pipes were delivered the same month. Three contracts for construction of Phase 1 of the Norzagaray sewer main were awarded in June 2024 and work is expected to begin July.

PROJECT

Doña Ana County, New Mexico, USA

Wastewater Collection System Extension and Improvements

Type: Wastewater
Total Cost: US \$4,470,000
Total NADBank Funding: US \$2,150,000
Certification Date: 5 / 13 / 21
Residents to Benefit: 330

DESCRIPTION

Construction of a wastewater collection system for the community of Sleepy Farms and upgrades to Lift Station No. 7.

Community Benefits

Reduced risk of groundwater contamination and waterborne diseases by providing first-time wastewater services for 30 homes in the Sleepy Farms area to eliminate substandard and failing septic systems. The new system will collect an estimated 9,400 gallons per day (gpd) of wastewater. Improvements to the lift station will increase efficiency and service reliability for an additional 2,050 connections, as well as prevent the risk of up to approximately 400,000 gpd of wastewater spills.

NADBANK PARTICIPATION

The Bank is a source of grant funds through the BEIF to complement funding from the New Mexico Environment Department. On May 7, 2021, EPA approved the Bank's recommendation to provide US\$2.15 million in BEIF construction assistance for the project. The corresponding grant agreement was signed on November 17, 2021. The first disbursement occurred in December 2022.

IMPLEMENTATION STATUS

A contract for construction of the wastewater collection system and lift station upgrades was awarded in April 2022. Construction start-up was delayed due to supply chain issues. Construction of the Sleepy Farms wastewater collection system began in September 2022 and was completed in July 2023. Construction of the sewer connections and decommissioning of the on-site systems was completed by the end of the first quarter of 2024.

Supply chain issues and conflicts with work at the South Central Wastewater Treatment Plant significantly delayed the rehabilitation of Lift Station No. 7. Work began in November 2023 and was substantially complete in April 2024.

El Paso County, Texas, USA

Drinking Water Distribution System for the Hillcrest Subdivision

Type: Water
Total Cost: US \$3,280,000
Total NADBank Funding: US \$1,600,000
Certification Date: 5 / 13 / 21
Residents to Benefit: 330

Construction of a water distribution system for the Hillcrest subdivision, including 107 service connections.

Community Benefits

First-time access to safe and reliable water service for 107 homes, thus eliminating the risks of contamination and waterborne diseases associated with hauling water and the use of on-site storage tanks. Additionally, residents in the area will receive curbside solid waste collection services, which will be billed with the water service.

The Bank is a source of grant funds through the BEIF to complement funding from the U.S. Department of Agriculture Rural Development. On May 7, 2021, EPA approved the Bank's recommendation to provide US\$1.6 million in BEIF construction assistance for the project. The corresponding grant agreement was signed on October 15, 2021. The first disbursement occurred in September 2023.

A contract for construction of the water system was signed in December 2022. All materials required to start work on the distribution system were delivered by the end of March 2023. Construction of the waterlines began in May 2023 and was completed in February 2024, including the installation of service connections.

PROJECT

El Paso County, Texas, USA

Lower Valley Water District Water and Wastewater Project

Type: Water and wastewater
Total Cost: US \$23,045,000
Total NADBank Funding: US \$23,045,000
Certification Date: 6 / 29 / 21
Residents to Benefit: 9,000

DESCRIPTION

Expanding and improving the water distribution system, replacing and expanding the wastewater collection system and increasing wastewater treatment capacity for several unincorporated communities in El Paso County, TX.

Community Benefits

Provision of first-time access to wastewater collection and treatment services for 810 homes, thereby eliminating approximately 0.17 mgd of untreated wastewater. Improvements to the water distribution system will increase service reliability and sustainability for approximately 3,000 existing residential connections, as well as provide first-time access to 175 homes. The project will also help improve water resource management and conservation by protecting surface and groundwater from inadequately treated sewage discharges.

NADBANK PARTICIPATION

The Bank is a direct lender to the Lower Valley Water District (LVWD). On June 29, 2019, the Bank approved a market-rate loan for up to US\$23.05 million to support the project. The loan was made in the form of unlimited tax bonds, which were executed on August 4, 2021.

IMPLEMENTATION STATUS

Construction work on the water distribution system for Panorama Village was completed in September 2022. Construction work on the wastewater collection systems for the Lourdes Estates and El Conquistador subdivisions was completed in February 2022; however, LVWD decided to incorporate a lift station and force main for these systems, which were completed in March 2024. Construction work on the water project in Ormsby Road was also completed in March 2024.

Construction work on the water project in Varela Road began in October 2022 and is approximately 97% complete. Construction work on the water project along the North Loop (Phase I) began in February 2023 and is approximately 77% complete. Construction work on the wastewater project in Bejar Estate began in December 2023 and is approximately 35% complete.

Gustavo Diaz Ordaz, Tamaulipas, Mexico

Wastewater Collection and Treatment Project

Type: Wastewater
Total Cost: US \$8,550,000
Total NADBank Funding: US \$4,510,000
Certification Date: 5 / 30 / 19
Residents to Benefit: 12,354

Expansion and rehabilitation of the wastewater collection and treatment system, including construction of a wastewater treatment plant (WWTP) and decommissioning of the existing lagoon treatment system and residential on-site wastewater disposal systems.

Community Benefits

System improvements and provision of first-time wastewater collection services to 2,644 homes will reduce the potential for groundwater contamination and the risk of waterborne diseases. Specifically, the project will eliminate an estimated 570,672 gallons per day of wastewater.

The Bank is a source of grant funds through the BEIF, to complement federal, state and local funding. On May 29, 2019, EPA approved the Bank's recommendation to provide up to US\$4.51 million in BEIF funding for construction and construction management services. The corresponding grant agreement was signed on December 12, 2019. BEIF disbursements began in May 2020.

Work to expand the wastewater system with Mexican funds began in 2017 and is approximately 50% complete. Construction of the Bank-funded components, including the WWTP, a force main and lift station began in July 2020 and was completed in July 2023. Work to install 500 sewer connections and decommission residential on-site wastewater disposal systems began in January 2024 and is 65% complete.

PROJECT

DESCRIPTION

NADBANK PARTICIPATION

IMPLEMENTATION STATUS

Hidalgo County, Texas, USA

Anemoi Energy Storage Project

Type: Energy storage
Total Cost: Reserved
Total NADBank Funding: US \$40,000,000
Certification Date: 9 / 29 / 23
Residents to Benefit: 97,230

Design, construction and operation of a battery energy storage system (BESS) with a capacity of 200 megawatts of alternating current (MW_{AC}), located approximately 24 miles northwest of the city of McAllen.

Community Benefits

Increase the efficiency and reliability of grid management, as well as support the transition to a greener, more sustainable grid by helping integrate electricity generated by intermittent renewable energy sources, such as solar and wind. The project is expected to store up to 118,377 MWh of energy a year, which is equivalent to serving up to 28,597 households and will displace the emission of an estimated 50,571 metric tons/year of CO₂, 38 metric tons/year of NO_x and 38 metric tons/year of SO₂.

The Bank is a direct lender to Anemoi Energy Storage, LLC. On September 29, 2023, the Bank approved a market-rate loan for up to US\$40.0 million. A loan assignment agreement for that amount was signed on October 12, 2023, and disbursements began the same month.

Construction of the project began in May 2023 and was completed in June 2024. The BESS initiated commercial operations on June 21, 2024.

Hidalgo County, Texas, USA

Drinking Water System Improvements

Type: Water
Total Cost: US \$556,000
Total NADBank Funding: US \$500,000
Certification Date: 2 / 5 / 24
Residents to Benefit: 8,082

Removal and replacement of a 150,000-gallon ground storage tank at both the Santa Ana and Moore Road Booster Stations located south of Alamo City.

Community Benefits

Improved access to sustainable and reliable drinking water service for 2,377 existing residential connections by reducing the risk of water outages, incidents of low pressure and potential cross-contamination problems that increase the risk of waterborne diseases.

The Bank is a source of grant funds through the CAP to complement funding from Military Highway Water Supply Corporation (MHWSC). On February 5, 2024, the Bank approved a CAP grant for up to US\$500,000 for project implementation, and the corresponding grant agreement was signed on April 9, 2024.

A contract for construction of the new water tanks was awarded in June 2024, and work is expected to begin August 2024.

PROJECT**Ímuris, Sonora, Mexico****Wastewater Collection System Improvements**

| | |
|-------------------------------|--------------|
| Type: | Wastewater |
| Total Cost: | US \$952,000 |
| Total NADBank Funding: | US \$500,000 |
| Certification Date: | 11 / 7 / 23 |
| Residents to Benefit: | 8,750 |

DESCRIPTION

Installation of a force main and lift station, replacement of the El Centro Collector and sewer lines and acquisition of equipment.

Community Benefits

Reduced risk of pipeline failures preventing up to 14.5 lps (330,890 gpd) of wastewater discharges onto local streets and into the Babasac River, which flows into the Magdalena River. Additionally, first-time wastewater service will be provided to 50 homes, and the utility will be better able to operate and maintain the wastewater system with a new backhoe.

NADBANK PARTICIPATION

The Bank is a source of grant funds through the CAP to complement funding from the Sonora state water agency (CEA) and the local water utility (OOMAPAS). On November 7, 2023, the Bank approved a CAP grant for up to US\$500,000 for project implementation, and the corresponding grant agreement was signed with OOMAPAS on December 13, 2023. In February 2024, the Municipality centralized its water services, dissolving the water utility and creating a municipal water and wastewater department. The Bank and Municipality are in the process of signing an amended grant agreement.

IMPLEMENTATION STATUS

The lift station improvements and force main construction were completed by the state water agency (CEA) in 2021.

Bidding for construction of the El Centro Collector and rehabilitation of sewer lines to be funded by the Bank began in April 2024, but contract award has been delayed until a new grant agreement is signed.

Jim Hogg County, Texas, USA**Water Treatment Plant Replacement and Water Meter Upgrades**

| | |
|-------------------------------|----------------|
| Type: | Water |
| Total Cost: | US \$4,260,000 |
| Total NADBank Funding: | US \$4,045,000 |
| Certification Date: | 11 / 12 / 20 |
| Residents to Benefit: | 4,558 |

Construction of a reverse osmosis water plant with the capacity to treat up to 1 mgd and replacement of 1,813 water meters.

Community Benefits

Increased water treatment capacity, from 0.73 to 1.73 mgd, thus providing the necessary flows to meet peak demand and comply with state requirements regarding minimum capacity and redundancy, as well as ensuring adequate water quality and reducing human health risks associated with waterborne diseases, especially those related to excess arsenic and total dissolved solids. Better operational efficiency by providing a more energy efficient treatment process and better water supply control through improved metering. Improved metering will also ensure proper water billing while reducing unaccounted water losses.

The Bank is a direct lender to Jim Hogg County Water Control Improvement District No. 2 (JHCWCID2). On November 12, 2020, the Bank approved a market-rate loan for up to US\$4.26 million to be made in the form of municipal revenue bonds. On December 17, 2020, the Bank purchased an initial US\$4.05 million in revenue bonds. With project construction almost complete, the Bank cancelled the unsigned portion of its loan commitment for this project, which totaled US\$215,000, reducing its participation in the project to US\$4.05 million.

The replacement of the water meters began in April 2021 and was completed in November 2021.

Construction of the water treatment plant began in November 2021 and was completed in March 2024. During the testing phase, the main well pump failed, and the County is considering whether to change the entire extraction system or just replace the pump.

PROJECT

Kinney County, Texas, USA

Zier Solar and Energy Storage Project

Type: Solar energy / energy storage
Total Cost: Reserved
Total NADBank Funding: US \$61,186,238
Certification Date: 06 / 08 / 22
Residents to Benefit: 86,315

DESCRIPTION

Construction of 160- megawatt alternating current (MW_{AC}) solar park using bifacial monocrystalline photovoltaic modules mounted on single-axis tracking arrays and a 40-MW_{AC} battery energy storage system (BESS) on private land located about 6 miles west of Brackettville.

Community Benefits

Reduced demand for traditional fossil-fuel based energy generation resulting in less greenhouse gas emissions, thus improving air quality, while providing a safe and reliable energy alternative. Specifically, the project is expected to generate sufficient electricity to supply the annual consumption of 30,286 households and help prevent the emission of an estimated 186,398 metric tons/year of carbon dioxide (CO₂). The BESS will also support a more reliable power grid by minimizing power disruptions and reducing energy losses resulting from mismatches in supply and demand.

NADBANK PARTICIPATION

The Bank is a direct lender to the project company, Zier Solar, LLC, which will sell the energy to a private company under an energy hedge agreement and/or on the wholesale electricity market. On June 8, 2022, the Bank approved a market-rate loan for up to US\$65.70 million for construction of the project. A loan agreement for up to US\$46.87 million was executed on August 12, 2022, and the initial disbursement occurred in April 2023. The loan agreement was subsequently amended increasing the contracted amount to US\$61.19 million. The final loan disbursement occurred on April 30, 2024. The loan is in amortization.

IMPLEMENTATION STATUS

Construction began in September 2022, and commercial operations began on February 29, 2024. The project was completed in March 2024.

PROJECT**DESCRIPTION****NADBANK PARTICIPATION****IMPLEMENTATION STATUS****Mexicali, Baja California, Mexico****Wastewater Collection System (Phase I) and Lift Station Improvements**

| | |
|-------------------------------|----------------|
| Type: | Wastewater |
| Total Cost: | US \$7,756,540 |
| Total NADBank Funding: | US \$4,367,467 |
| Certification Date: | 5 / 21 / 20 |
| Residents to Benefit: | 557,000 |

Replacement of approximately 7.3 miles of pipeline in the wastewater collection system and rehabilitation of Lift Stations No. 2, 4 and 5.

Community Benefits

Reduced risk of pipeline failures that can cause sewage overflows onto local streets and into the New River, which flows northward into the United States. Specifically, the project will help protect public health and the environment by preventing approximately 33.1 mgd of wastewater discharges.

The Bank is a source of grant funds through the BEIF to complement Mexican federal, state and municipal funding. On May 19, 2020, EPA approved the Bank's recommendation to provide US\$3.39 million in BEIF construction assistance for the project. The corresponding grant agreement was signed on October 8, 2020. Disbursements began in May 2021. On August 12, 2021, EPA approved an additional US\$680,000 in BEIF funds to cover increased construction costs, bringing total BEIF participation in this project to US\$4.07 million. The grant agreement was amended to include the additional funding and was signed on August 25, 2021. On March 6, 2023, EPA approved an additional US\$300,000 in BEIF funds to cover increased construction costs, bringing total BEIF participation in this project to US\$4.37 million. The grant agreement was amended to include the additional funding and was signed on May 11, 2023.

Construction began in December 2019 with Mexican funds. At the end of 2020, rehabilitation of Lift Station No. 2 (phase 2) and of 0.4 miles of wastewater lines in three subdivisions had been completed. Construction of 2.6 miles of wastewater lines in the San Marcos, Centro Civico and Santa Clara subdivisions financed with Mexican funds was completed in October 2021. Construction of 4.8 miles of wastewater lines financed with Bank and Mexican funds in the Las Fuentes, Los Pinos, Residencias, Alamos, Justo Sierra BC, Pueblo Nuevo, Industrial, Las Flores, Libertad, Wisteria, Primera Sección and Colonia Nueva subdivisions was completed in March 2022. The rehabilitation of Lift Station 5 (phase 2) was completed in August 2023. Improvements to Lift Station 4 were completed in April 2024.

Rehabilitation of Lift Station 2 (phase 3) is approximately 75% complete. Rehabilitation of the south wet well in Lift Station 4 began in November 2023 and is approximately 65% complete.

Mexicali, Baja California, Mexico**Rehabilitation of Small Lift Stations**

| | |
|-------------------------------|----------------|
| Type: | Wastewater |
| Total Cost: | US \$4,762,272 |
| Total NADBank Funding: | US \$2,705,770 |
| Certification Date: | 8 / 21 / 20 |
| Residents to Benefit: | 146,000 |

Rehabilitation of 12 small lift stations: Aurora, Calle G, Campestre, Centro Civico, Cipresito, Esperanza Agrícola, Hidalgo, Jardines del Lago, Nueva Esperanza, Zacatecas, San Marcos and Coronado.

Community Benefits

Provision of adequate infrastructure to safely convey wastewater flows to the existing treatment plants. Reduced risk of pump failures, preventing sewage overflows onto local streets and into the New River, which flows northward into the United States. Specifically, the project will help protect public health and the environment by preventing approximately 8.7 mgd of wastewater discharges.

The Bank is a source of grant funds through the BEIF to complement Mexican federal, state and municipal funding. On August 21, 2020, EPA approved the Bank's recommendation to provide US\$2.06 million in BEIF construction assistance to support rehabilitation of five of the lift stations. The corresponding grant agreement was signed on December 18, 2020. The initial disbursement occurred in July 2021. On March 17, 2022, EPA approved an additional US\$650,000 in BEIF funds to cover increased construction costs, bringing total BEIF participation in this project to US\$2.71 million. The grant agreement was amended to include the additional funding and was signed on May 13, 2022.

Rehabilitation of the Centro Civico Lift Station financed with Mexican funds was completed in March 2022. Rehabilitation of the Calle G Lift Station financed with Mexican funds began in February 2021 and was completed in June 2022. Rehabilitation of the Esperanza Agrícola, Zacatecas and Cipresito Lift Stations was completed in the third quarter of 2023. Rehabilitation of the Aurora, Hidalgo and Jardines del Lago Lift Stations was completed in November 2023. Rehabilitation of the Campestre Lift Station was completed in February 2024. Rehabilitation of the Coronado Lift Station was completed in June 2024.

Rehabilitation of the Nueva Esperanza Lift Station is substantially complete. Rehabilitation of the San Marcos Lift Station is approximately 87% complete.

PROJECT

DESCRIPTION

NADBANK PARTICIPATION

IMPLEMENTATION STATUS

Mexicali, Baja California, Mexico

Wastewater Collection System Improvements (Phase II)

Type: Wastewater
Total Cost: US \$4,962,186
Total NADBank Funding: US \$2,420,628
Certification Date: 11 / 30 / 22
Residents to Benefit: 37,000

Replacement of approximately 8.2 miles of deteriorated sewer lines in 20 subdivisions within the Mexicali I and II service areas.

Community Benefits

Reduced risk of pipeline failures that can cause sewage overflows onto local streets and into the New River, which flows northward into the United States. Specifically, the project will help protect public health and the environment by preventing approximately 2.2 mgd of wastewater discharges.

The Bank is a source of grant funds through the BEIF to complement Mexican federal, state and municipal funding. On October 12, 2022, EPA approved the Bank's recommendation to provide US\$2.42 million in BEIF construction assistance for the project. The corresponding grant agreement was signed on March 6, 2023, and disbursements began in August of the same year.

Construction began in August 2022 with Mexican funds. To date, 4.80 miles of wastewater lines have been completed with Mexican funding.

Work to rehabilitate 3.2 miles of wastewater lines funded by the Bank began in August 2023 and is approximately 98% complete.

Mexicali, Baja California, Mexico

Force Main Rehabilitation Project

Type: Wastewater
Total Cost: US \$6,800,000
Total NADBank Funding: US \$3,400,000
Certification Date: 9 / 19 / 23
Residents to Benefit: 753,000

Rehabilitation of gate, automatic air relief and water hammer valves on five force mains, as well as installation of concrete valve boxes and a Supervisory Control and Data Acquisition (SCADA) system.

Community Benefits

Improved system reliability by reducing the risk of pipeline failures and preventing sewage overflows onto local streets and into the New River, which flows northward into the United States. Specifically, the project will prevent up to 44.8 mgd of wastewater discharges.

The Bank is a source of grant funds through the BEIF to complement Mexican federal funding. On July 15, 2023, EPA approved the Bank's recommendation to provide US\$3.40 million in BEIF construction assistance for the project. The corresponding grant agreement was signed on September 27, 2023. The initial disbursement occurred in March 2024.

Rehabilitation of force mains #4, #6 and #7 with Mexican funds began in November 2022. Work on force mains #4 and #7 was completed in the first quarter of 2024. The contract for force main #6 will be cancelled and rebid.

Rehabilitation of force mains #1 and #3 funded by the Bank began in March 2024 and is approximately 22% and 36% complete, respectively.

PROJECT**Mexican Border Region****Border-wide Public Transportation Improvement Program in Mexico (Pilot)**

Type: Public transportation
Total Cost: US \$13,546,264
Total NADBank Funding: US \$8,936,151
Certification Date: 6 / 24 / 14

DESCRIPTION

Financing program to support the purchase or lease of low-emission buses manufactured by DINA Camiones, S.A. de C.V. (Dina) within the 300-km border region in Mexico, in which the Bank operates.

Community Benefits

Use of new diesel buses that at a minimum comply with EPA 2004 standards will lower nitrogen oxides (NOx) and hydrocarbons (HC) emissions by approx. 50% and will achieve nearly 24% lower carbon dioxide (CO₂) emissions. The reduction in criteria pollutant emissions is even higher for compressed natural gas-fueled vehicles that comply with EPA 2013 emission standards.

NADBANK PARTICIPATION

The Bank is participating as a direct lender to Mercader Financiam, S.A., SOFOM, E.R., a captive finance company and affiliate of Dina. On June 24, 2014, the Bank approved a market-rate loan in the form of a revolving line of credit for up to \$120 million pesos to cover approximately 80% of the financing costs. The corresponding loan agreement was signed on September 30, 2014, and the first disbursement occurred in October 2015. The initial \$120.0 million pesos were fully disbursed as of April 2016. However, due to the revolving nature of the line of credit, Mercader can make monthly payments and have those funds available for draw down again when certain conditions are met during the disbursement period, which ends in October 2025. To date, a total of US\$10.91 million has been disbursed through the credit line.

IMPLEMENTATION STATUS

During the last quarter of 2015, a total of 33 buses were financed through the program by two public transportation companies. A company in Hermosillo, Sonora obtained 30 diesel buses to replace part of its existing fleet, while another company in Tijuana, Baja California, purchased three diesel buses to expand its fleet. In April 2016, a company in Ciudad Juarez, Chihuahua obtained 25 buses fueled by compressed natural gas (CNG) to replace part of its existing fleet. In November 2017, two companies in Guadalupe, Nuevo Leon obtained 10 CNG buses and 8 diesel buses. In August 2018, a total of 21 diesel buses were financed by a public transportation company in Guadalupe, N.L. In March 2019, a total of 10 diesel buses were financed by two public transportation companies in two municipalities in the metropolitan area of Monterrey, N.L. To date, a total of 107 buses have been financed through the program.

Mexican Border Region**Border-wide Program for the Purchase of Low-Emission Vehicles in Mexico**

Type: Public transportation
Total Cost: US \$76,017,161
Total NADBank Funding: US \$44,274,476
Certification Date: 9 / 13 / 16

Financing program to support the purchase or lease of low-emission buses manufactured by DINA Camiones, S.A. de C.V. within the 300-km border region in Mexico, in which the Bank operates.

Community Benefits

Improved air quality as the new vehicles produce less greenhouse gases than older models. Under the amended loan agreement, diesel vehicles shall comply with the emission limits established under Mexican Standard NOM-044-SEMARNAT-2017, specifically those identified as 1AA (equivalent to EPA 2007 standards) for buses financed through the end of 2019 and 1B (equivalent to EPA 2010 standards) for buses financed beginning in January 2020; and CNG-fueled vehicles shall comply with emission limits equivalent to EPA 2016 standards. Diesel vehicles that comply with the EPA 2007 emission limits can reduce nitrogen oxides (NOx) by 70%, hydrocarbons (HC) by 70% and particulate matter (PM_{2.5}) by 77%, compared to EPA-1998 diesel technologies.

The Bank is participating as a direct lender to Mercader Financiam, S.A., SOFOM, E.R., a captive finance company and affiliate of Dina. On September 13, 2016, the Bank approved a market-rate loan in the form of a revolving line of credit for up to \$500 million pesos to cover approximately 80% of the cost of new vehicles. The corresponding loan agreement was signed on September 22, 2016, and the first disbursement occurred the same month. The initial \$500.0 million pesos were fully disbursed as of November 2016. On November 5, 2018, the Bank approved a loan increase for \$380 million pesos (estimated at US\$20.13 million). An amended loan agreement was signed on November 15, 2018. Due to the revolving nature of the line of credit, Mercader can make monthly payments and have those funds available for draw down again when certain conditions are met during the disbursement period, which ends in November 2028. To date, a total of US\$58.78 million has been disbursed through the credit line.

In 2016, a total of 285 buses (178 diesel and 107 compressed natural gas (CNG) were financed by 12 public transportation companies to replace or expand their existing fleets in Ciudad Juarez, CHIH; Hermosillo, SON; Tijuana, B.C.; and five municipalities in the metropolitan area of Monterrey, N.L. In 2017, a total of 41 buses (39 diesel and 2 CNG) were financed by four public transportation companies in Ciudad Juarez, CHIH and four municipalities in the metropolitan area of Monterrey, N.L. In 2018, a total of 142 buses (59 diesel and 83 CNG) were financed by six public transportation companies in five municipalities in the metropolitan area of Monterrey, N.L. In 2019, a total of 147 buses (77 diesel and 70 CNG) were financed by five public transportation companies in four municipalities in the metropolitan area of Monterrey, N.L. To date, a total of 615 buses have been financed through the program.

PROJECT**DESCRIPTION****NADBANK PARTICIPATION****IMPLEMENTATION STATUS****Mexican Border Region****Value Arrendadora Border-wide Vehicle Program for Public Transportation in Mexico**

Type: Public transportation
Total Cost: US \$28,624,235
Total NADBank Funding: US \$24,330,367
Certification Date: 6 / 26 / 20
Residents to Benefit: 76,700

Program to lease or finance up to 223 vehicles with cleaner technologies for public and private personnel transportation services within the Mexican border region.

Community Benefits

Improved public transportation systems by providing access to new vehicles that offer a comfortable, safe and rapid transportation option. Improved air quality as the new vehicles produce less greenhouse gases than older models. Specifically, the use of 223 new vehicles is expected to lower NOx emissions by approximately 48 metric tons/year; carbon dioxide (CO₂) emissions by 1,756 metric tons/year; and particulate matter with a diameter of 2.5 micrometers or less (PM_{2.5}) by 0.6 metric tons/year.

The Bank is participating as a direct lender to Value Arrendadora, S.A. de C.V., SOFOM, E.R., Value Grupo Financiero, a Mexican multipurpose financial institution. On June 26, 2020, the Bank approved a market-rate loan for up to \$521.3 million pesos to cover approximately 85% of the cost of the new vehicles. A loan agreement for \$155.4 million pesos (US\$6.95 million) was signed on July 16, 2020, for the first phase of the program, and the loan proceeds were fully disbursed the same month.

The program will offer vehicles in two phases. The first phase was implemented in July 2020, with Value leasing 63 natural gas vehicles to the State Government of Nuevo Leon to be used for public transportation in the metropolitan area of Monterrey.

Mexican Border Region**Green Loan for Liquidez Corporativa**

Type: Sustainable food value chains
Total Cost: Reserved
Total NADBank Funding: US \$20,000,000
Approval Date: 12 / 8 / 22

A line of credit under the NADBank Green Loan Program to fund Liquidez Corporativa's lending operations to micro-, small- and medium-size enterprises for eligible green projects located within the 300-kilometer border region in Mexico.

Community Benefits

Reduction in annual water consumption from sustainable food value chain activities, including energy efficient equipment and greenhouse facilities for the agricultural sector. Displacement of annual CO₂ emissions from investments in efficient water pumps for agribusiness; distributed renewable energy and efficient lighting and heating, ventilation and cooling (HVAC) systems; investments in efficient operations for green manufacturing and the manufacturing of green products; and investments in high fuel-efficiency and electric vehicles.

The Bank is participating as a direct lender through its Green Loan Program. On December 8, 2022, the Bank approved a market-rate loan for up to US\$20.0 million for Liquidez Corporativa, S.A.P.I. de C.V. SOFOM, E.N.R., a Mexican financial institution. A loan agreement for \$200 million Mexican pesos (US\$10.21 million) was signed on December 9, 2022, and the proceeds were fully disbursed on December 15, 2022.

The sponsor is in the process of allocating the loan proceeds to eligible green projects.

PROJECT**Mexican Border Region****Green Loan for Active Leasing**

Type: Green manufacturing
Total Cost: Reserved
Total NADBank Funding: US \$15,000,000
Approval Date: 11 / 2 / 23

DESCRIPTION

Financing provided through the NADBank Green Loan Program to Active Leasing, S.A. de C.V. to fund its leasing operations with small- and medium-size enterprises for the implementation of eligible green projects located within the 300-kilometer border region in Mexico.

Community Benefits

Displacement of greenhouse gas emissions through investments in energy efficient and low-emission transportation equipment, such as hybrid vehicles and electric charging stations, as well as in energy-efficient equipment for green manufacturing, sustainable food value chain activities and sustainable buildings. Water savings deriving from resource-efficient design and equipment installed in sustainable buildings, as well as an increase in the volume of recycled waste materials from investments in industrial recycling equipment.

NADBANK PARTICIPATION

The Bank is participating as a direct lender to Active Leasing, S.A. de C.V., a financial corporation specializing in leasing equipment to small- and medium-size enterprises. On November 2, 2023, the Bank approved a market-rate loan for up to US\$15.0 million through its Green Loan Program for Active Leasing. The corresponding loan agreement was signed on December 15, 2023. The first disbursement occurred in February 2024, followed by a second and final disbursement on March 8, 2024.

IMPLEMENTATION STATUS

The sponsor is in the process of allocating the loan proceeds to eligible green projects.

Mission, Texas, USA**Anzalduas Land Port of Entry Expansion Project**

Type: Air quality - border crossing
Total Cost: US \$81,861,365
Total NADBank Funding: US \$63,000,000
Certification Date: 06 / 08 / 22
Residents to Benefit: 999,260

Construction of commercial inspection facilities on the U.S. side of the Anzalduas land port of entry to support the processing of loaded southbound and northbound commercial vehicles.

Community Benefits

Diverting part of the commercial traffic from another bridge in the region will reduce net crossing times at both bridges, resulting in a net reduction in the emission of greenhouse gases and criteria pollutants, including an estimated 19,563 metric tons of carbon dioxide (CO₂) in its first year of operation.

The Bank is a direct lender to complement state and federal funding. On June 8, 2022, the Bank approved a market-rate loan for up to US\$63.0 million for construction of the project. On August 22, 2022, the Bank executed a US\$63.0 million loan in the form of junior lien international toll bridge system revenue bonds with the project sponsor, the City of McAllen, Texas. The loan was fully disbursed on September 22, 2022.

Construction began in March 2023. Work on inbound and outbound infrastructure is approximately 49% and 59% complete, respectively.

PROJECT**DESCRIPTION****NADBANK PARTICIPATION****IMPLEMENTATION STATUS****Nogales, Sonora, Mexico****Expansion of the Water and Wastewater Systems to the Southwest Area of Nogales, Sonora**

Type: Water / wastewater
Total Cost: US \$10,483,888
Total NADBank Funding: US \$5,259,444
Certification Date: 11 / 17 / 16
Residents to Benefit: 16,701

Expansion of the water distribution and wastewater collection systems to unserved areas of the Flores Magón, Las Torres, Luis D. Colosio, El Rastro, Las Primavera, and Jardines de la Montaña subdivisions, including installation of residential connections.

Community Benefits

Provision of first-time wastewater collection and treatment services, reducing the potential for groundwater and surface water contamination by eliminating the use of cesspools and direct discharges of untreated sewage into yards and streets, thus providing a cleaner, healthier environment for local residents. Specifically, an estimated 0.93 million gallons a day of wastewater will be collected and treated. Provision of drinking water service for households currently not connected to the distribution system.

The Bank is a source of grant funds through the BEIF to complement federal, state and municipal funding. On November 9, 2016, EPA approved the Bank's recommendation to provide US\$5.26 million in BEIF funds for the construction of the project, and the corresponding grant agreement was signed on July 10, 2017. The initial disbursement was made in February 2018.

Phase 1 wastewater lines were completed with Mexican funding in December 2016. Construction of the Collector Tecnológico funded by the Bank was completed in August 2018. Phase 2 and 3 wastewater lines were completed in April 2020. Installation of remaining Phase 2 & 3 residential connections began in June 2020 and was completed in February 2021; however, the contract was extended to connect four laterals to the new Collector Tecnológico, which was completed in August 2021. Construction of Phase 4 wastewater lines and residential connections began in July 2020 and was also completed in August 2021.

Construction of the civil works and grit removal system to improve the Estadio Lift Station began in February 2022 and was completed in August 2023. Installation of the electrical and control components of the lift station began in October 2022 and was completed in September 2023. Work to update the wiring of the five pumps and connect them to the new control system, as well as other improvements to increase the operational efficiency of the station, are expected to begin next quarter.

Nueva Ciudad Guerrero, Tamaulipas, Mexico**Wastewater Collection and Treatment System Improvements**

Type: Wastewater
Total Cost: US \$4,332,000
Total NADBank Funding: US \$2,056,000
Certification Date: 3 / 20 / 20
Residents to Benefit: 5,209

Expansion and rehabilitation of the wastewater collection and treatment system, including construction of a wastewater treatment plant (WWTP) with capacity of 270,000 gallons a day.

Community Benefits

First-time access to wastewater services for 244 homes in unserved areas of the city, as well as improved service for the rest of the community. Wastewater treatment coverage for 100% of the community and higher quality effluent, which will reduce water pollution and the risk of waterborne diseases. The new plant will also have a methane capture and conversion system to reduce the effects of greenhouse gas emissions.

The Bank is a source of grant funds through the BEIF to complement federal, state and municipal funding. On January 27, 2020, EPA approved the Bank's recommendation to provide US\$2.06 million in BEIF funds for the construction of the project, and the corresponding grant agreement was signed on September 15, 2020. The initial disbursement was made in September 2021.

The gravity sewer main connecting the sewer system to the site of the WWTP was installed in 2017 with Mexican funds. Installation of approximately 10.2 miles of sewer lines in the eastern and western zones of the city was completed in September 2023 with Mexican funding.

Construction of the Bank-funded components, including construction of the WWTP, the West sewer main and wastewater collection lines in the Maquiladora area of the city, began in December 2021 and is approximately 95% complete. Work to install approximately 9.5 miles of sewer lines with Mexican funding in the eastern and western zones of the city, is expected to begin in July 2024.

PROJECT**Ojinaga, Chihuahua, Mexico****Wastewater Collection System Improvements**

Type: Wastewater
Total Cost: US \$3,994,756
Total NADBank Funding: US \$2,090,400
Certification Date: 11 / 12 / 20
Residents to Benefit: 6,240

DESCRIPTION

Replacement of sewer lines and rehabilitation of the service connections to 1,700 residences.

Community Benefits

Improved wastewater collection services for 1,700 residential connections and reduced risk of pipeline failures and sewage spills, which will help prevent contamination of the West Texas Bolson Aquifer that supplies drinking water to Ojinaga and to Presidio, Texas. Specifically, the project will prevent approximately 281,000 gallons per day of wastewater discharges.

NADBANK PARTICIPATION

The Bank is a source of grant funds through the BEIF to complement Mexican federal, state and municipal funding. On November 12, 2020, EPA approved the Bank's recommendation to provide US\$1.02 million in BEIF funds for project construction and supervision. The corresponding grant agreement was signed on August 2, 2021. On June 2, 2022, EPA approved an additional US\$770,950 in BEIF funds to cover increased construction costs, bringing total BEIF participation in this project to US\$1.79 million. The grant agreement was amended to include the additional funding and signed on August 1, 2022, and disbursements began in December 2022. On June 25, 2024, EPA approved an additional US\$300,000 in BEIF funds to cover increased construction costs, bringing total BEIF participation in this project to US\$2.09 million.

IMPLEMENTATION STATUS

Project construction was initiated with Mexican funding in 2020 with contracts completed in March 2021 and March 2022, representing approximately 43% of the total investment.

Construction of the project components funded by the Bank began in December 2022 and is approximately 57% complete.

Palmview, Texas, USA**Agua SUD Wastewater Collection and Treatment (East) Project**

Type: Wastewater
Total Cost: US \$48,200,000
Total NADBank Funding: US \$6,000,000
Certification Date: 5 / 8 / 14
Residents to Benefit: 8,183

Construction of wastewater collection and conveyance infrastructure for the City of Palmview and adjoining areas, including installation of sewer hookups and decommissioning of septic tanks.

Community Benefits

Provision of first-time wastewater collection and treatment services to the community of Palmview and the surrounding area, reducing environmental and health hazards associated with the inadequate disposal of wastewater, thus providing a cleaner and healthier environment for local residents. Specifically, an estimated 900,000 gallons per day of wastewater will be collected and treated.

The Bank is a source of grant funds through the BEIF to complement a state loan and grant. On March 18, 2020, EPA approved the Bank's recommendation to provide US\$6.0 million in BEIF funds for the installation of sewer hookups and decommissioning of septic tanks. The corresponding grant agreement was signed on May 18, 2020. The initial BEIF disbursement occurred in September 2020.

The wastewater collection system, five lift stations and the pressure main to connect the system to the Mission Wastewater Treatment Plant have been completed with state funds. Construction to install 1,847 residential hookups and decommission septic tanks funded by the Bank began in July 2020. Since a portion of the wastewater collection system was pending completion, the number of connections was reduced to 1,572, and work was completed in December 2023.

Construction of sewer lines and connections in an additional subdivision funded by the Bank began in April 2024 and is approximately 30% complete.

PROJECT**DESCRIPTION****NADBANK PARTICIPATION****IMPLEMENTATION STATUS****Riverside and Imperial Counties,
California, USA****Wildcat Energy Storage Project**

Type: Energy storage
Total Cost: Reserved
Total NADBank Funding: US \$4,410,889
Certification Date: 5 / 13 / 21
Residents to Benefit: 283

Design, construction and operation of the first phase of a 3.0-megawatt alternating current (MW_{AC}) energy storage system on vacant and undeveloped land in Palm Springs, CA.

Community Benefits

Increased energy storage will reduce the use of ramp-up/ramp-down fossil-fuel power plants to meet electricity demand, as well as facilitate the integration of intermittent renewable energy sources, such as solar and wind. With the capacity to store and deliver up to 1,796 megawatt-hours (MWh) of energy a year, the project will displace approximately 819 metric tons/year of CO₂. Increased operational efficiency and reliability of power grid by minimizing power disruptions and reducing energy losses resulting from mismatches in supply and demand.

The Bank is a direct lender to esFaraday, LLC, a subsidiary of the project sponsor esVolta, LP. The Wildcat project is part of a portfolio of storage facilities being developed by esVolta. On May 13, 2021, the Bank certified the Wildcat project and approved a loan for up to US\$4.73 million to finance construction of the first phase of the project. Upon project completion in December 2021, the loan was reduced to US\$4.41 million. December 2021, the loan was reduced to US\$4.41 million. On September 26, 2023, the loan agreement was amended reducing the amount contracted to US\$3.87 million. The loan is in disbursement.

The first phase of the Wildcat facility, financed by the Bank, achieved substantial completion and began commercial operations on November 21, 2021. The last of the construction work was completed in December 2021.

San Diego, California, USA**EnerSmart Energy Storage Portfolio**

Type: Energy storage
Total Cost: Reserved
Total NADBank Funding: US \$70,000,000
Certification Date: 11 / 3 / 21
Residents to Benefit: 250,000

Design, construction, and operation of a portfolio of 55 battery energy storage systems (BESS) with a combined capacity of 165 megawatts of alternating current (MW_{AC}) at nine different project sites in San Diego County, CA.

Community Benefits

Increased energy storage will reduce the use of ramp-up/ramp-down fossil-fuel power plants to meet electricity demand, as well as facilitate the integration of intermittent renewable energy sources, such as solar and wind. With the capacity to store and deliver up to 100,000 megawatt-hours (MWh) of energy a year, the project will displace approximately 35,480 metric tons/year of CO₂. Increased operational efficiency and reliability of power grid by minimizing power disruptions and reducing energy losses resulting from mismatches in supply and demand.

The Bank is a direct lender to EnerSmart Storage OPCO II, LLC, a special-purpose vehicle that will sell energy and other services through the wholesale markets of the California Independent System Operator (CAISO) and possibly resource adequacy agreements. On November 3, 2021, the Bank approved a market-rate loan for up to US\$70 million for project implementation, and a US\$39.1 million loan agreement was signed on May 10, 2022. Disbursements began the same month. On March 25, 2024, the loan agreement was amended, de-obligating the unused funds. The total amount disbursed was US\$3.39 million.

Construction on the Chula Vista facilities (6 MW_{AC}) began in May 2022 and is expected to be completed in July 2024.

PROJECT**San Luis Rio Colorado, Sonora, Mexico****OSME Medical Complex Project**

Type: Sustainable building
Total Cost: Reserved
Total NADBank Funding: US \$14,211,046
Certification Date: 11 / 22 / 21
Residents to Benefit: 33,800

DESCRIPTION

Design, construction and operation of a private hospital and medical specialties center that will incorporate sustainable construction techniques and thermally efficient building materials.

Community Benefits

Increased access to sustainable healthcare services for seasonal agricultural workers, as well as first-time access to critical medical services, including a trauma emergency room and intensive care units. The new facilities are expected to use 43% less water than a typical healthcare facility, saving an estimated 4.2 million gallons a year, similar to the annual consumption of 60 households. Likewise, they are expected to use 18% less electricity for ambient cooling purposes compared to a standard Mexican building, similar to the annual consumption of 34 households. This reduction in electricity demand is equivalent to the displacement of approximately 83 metric tons/year of CO₂ emissions, as well as of other criteria pollutants.

NADBANK PARTICIPATION

The Bank is a direct lender to *Nueve Uno Integradora S.A. de C.V.*, a special-purpose corporation created by the sponsor to implement the project. On November 22, 2021, the Bank approved a market-rate loan for up to US\$14.2 million for project implementation. The corresponding loan agreement was signed on January 24, 2023, and the initial disbursement occurred in September of the same year.

IMPLEMENTATION STATUS

Construction began in October 2023 and is approximately 40% complete.

Soto la Marina, Tamaulipas, Mexico**Drinking Water System for José Silva Sánchez**

Type: Water
Total Cost: US \$260,000
Total NADBank Funding: US \$250,000
Certification Date: 6 / 19 / 18
Residents to Benefit: 135

Construction of a drinking water system, including the installation of a water transmission line, storage tank and distribution system, as well as equipping an existing well with a new power connection, pumping equipment and disinfection system.

Community Benefits

Provision of first-time access to safe and reliable drinking water service for 33 homes, eliminating the health risks associated with hauling water for residential use.

The Bank is a source of grant funds through the CAP to complement funding provided by the local water utility and state water agency. On June 19, 2018, the Bank approved a CAP grant for up to US\$250,000 to cover up to 90% of the project costs, including possible fluctuations in the exchange rate and construction contingencies. The corresponding grant agreement was signed on March 7, 2019. Disbursements began in September 2020.

Construction of the water system began in September 2020. Construction was completed on the water transmission line, storage tank and distribution system in October 2021. Installation of the new pump equipment, power connection and disinfection system for the water well was completed in May 2022, and the water system began manual operations in June 2022. The final project component to automatize the system is expected to be completed in the fourth quarter of 2024.

PROJECT**State of Baja California, Mexico****Water Utilities Sustainability Financing**

| | |
|-------------------------------|----------------------|
| Type: | Water and wastewater |
| Total Cost: | US \$150,065,278 |
| Total NADBank Funding: | US \$150,065,278 |
| Certification Date: | 12 / 01 / 22 |
| Residents to Benefit: | 3,263,496 |

DESCRIPTION

Construction, improvement, rehabilitation and/or replacement of water and wastewater infrastructure, as well as the acquisition of equipment or other components required for the provision of efficient and reliable public water services in all seven municipalities of the state.

Community Benefits

Improved access to sustainable and reliable drinking water services by increasing water treatment capacity through the construction of new plants and the expansion of existing facilities, increasing groundwater supply capacity through the construction of new wells and replacing 45.3 km (28.1 miles) of water distribution lines, among other improvements. Eliminate the risk of untreated wastewater discharges and transboundary flows to the U.S. by increasing wastewater treatment capacity and rehabilitating existing treatment plants, as well as rehabilitating 94.9 km (59.0 miles) of wastewater collection infrastructure.

NADBANK PARTICIPATION

The Bank, through its Mexican subsidiary Corporación Financiera de América del Norte, S.A. de C.V. SOFOM E.N.R. (COFIDAN), is a direct lender to the State of Baja California. On December 1, 2022, the Bank approved a peso-denominated, market-rate loan for up to US\$150.07 million. In accordance with the Mexican Financial Discipline Law for States and Municipalities, on December 28, 2022, the state government requested proposals for two loans totaling \$3.0 billion pesos (~US\$150.06 million). The Bank, through COFIDAN, participated in the competitive bid process and won the bid for both loans on January 25, 2023. The corresponding loan agreements for \$1.0 billion pesos (~US\$50.02 million) and \$2.0 billion pesos (~100.04 million) were signed on January 31, 2023. On March 6, 2023, the first \$1.0 billion peso loan was fully disbursed for US\$55.54 million. The initial disbursement of the second loan occurred in April 2023.

IMPLEMENTATION STATUS

The first 13 projects to be funded were selected in June 2023. To date, 56 projects have been approved by the Technical Investment Committee for financing: 28 for water infrastructure, 15 for wastewater collection systems, 4 for wastewater treatment plants and 9 for equipment and/or development of water supply sources. Of those projects, eight are located in Tijuana, one in Tecate, 39 in Ensenada, and two in Mexicali. The remaining six projects are sponsored by the state water agency, CEABC.

Three projects in Ensenada completed construction in June 2024, including the rehabilitation of 800 meters of the waterline along Ryerson Avenue and the rehabilitation of the pumping systems in the Fondepot and Fidue Vehcsa Lift Stations.

Forty-eight projects are under construction and five projects are in the bidding process.

PROJECT

**Tijuana and Playas de Rosarito,
Baja California, Mexico**

Expansion of the Water and Wastewater Systems

| | |
|------------------------|--------------------|
| Type: | Water / wastewater |
| Total Cost: | US \$48,420,000 |
| Total NADBank Funding: | US \$29,457,459 |
| Certification Date: | 7 / 21 / 09 |
| Residents to Benefit: | 1,111,891 |

DESCRIPTION

Expansion of the water distribution and wastewater collection systems in Tijuana, expansion of the wastewater collection system in Playas de Rosarito, upgrades to the Rosarito I Wastewater Treatment Plant (WWTP) and completion of the La Morita WWTP and the Tecolote-La Gloria WWTP.

Community Benefits

Reduction of environmental and health hazards associated with inadequate sewage disposal, thus providing a cleaner, healthier environment for local residents. An estimated 3 mgd of wastewater will be collected and treated prior to being discharged into the Pacific Ocean. Provision of first-time water services to currently unserved areas.

NADBANK PARTICIPATION

The Bank is a direct lender to complement funding from the local water utility, CESPT. In addition, several components of this project are expected to receive BEIF grants, along with matching Mexican grants. On July 21, 2009, the Bank approved a market-rate loan for up to US\$27.96 million for the project. On July 17, 2009, EPA approved the Bank's recommendation to provide a total of US\$2.20 million in BEIF funds as follows: US\$1.36 million for the Rosarito I WWTP and US\$845,682 for the Aztlán, Independencia and Lomas de Rosarito sewer systems. The three sewer systems were completed with Mexican funds, so all of the BEIF funds will be used to fund the Rosarito I WWTP. On September 18, 2009, a US\$22.08-million loan agreement was signed for the first tranche of the loan and disbursements began in December of the same year. The utility determined that the remainder of the loan was unnecessary and decided not to contract the second tranche. As a result, on August 6, 2010, the unsigned portion of the loan was cancelled, reducing the Bank's participation in this project to US\$24.28 million. On February 1, 2011, two additional components were certified for funding under this loan: the La Morita WWTP and the Tecolote-La Gloria WWTP. On February 16, 2011, EPA approved the Bank's recommendation to provide a US\$1.50 million BEIF grant for expansion of the Ejido Plan Libertador sewer system in Playas de Rosarito and a US\$430,567 BEIF grant for expansion of the Alcatrazes sewer system in Tijuana. As a result, total Bank participation in this project comes to US\$26.21 million. On October 26, 2012, three additional components were certified for funding under this loan: the La Cuesta sewer system, the Farallon Collector and the SEDUE-SAAS force main. On December 3, 2014, additional sewer rehabilitation works in Tijuana were certified for partial funding under this loan, along with US\$3 million in BEIF funds, bringing Bank participation to US\$29.20 million. As of December 31, 2019, a total of US\$1.48 million in BEIF funds has been deobligated from four projects, reducing Bank participation to US\$29.46 million.

IMPLEMENTATION STATUS

Five water storage tanks totaling 11,000 m³, two pump stations, and waterlines in four subdivisions have been completed, as well as two wastewater force mains. Construction of the 9-km Matanuco collector was completed in July 2010. The La Morita plant has also been completed and began operations in August 2010. The La Cuesta sewer system in Tijuana was completed in January 2013. Rehabilitation of the SEDUE-SAAS force main was completed in April 2013. Expansion of the Rosarito I WWTP was completed in September 2013. Rehabilitation of the Farallón collector was completed in February 2014. The sewer lines in Ejido Plan Libertador in Playas de Rosarito and in Col. Alcatrazes in Tijuana, were completed in December 2013. Additional sewer connections related to these two projects were completed in September 2014. Rehabilitation of four wastewater collectors was completed in December 2015. Construction on the fourth phase of the Sanchez Taboada collector was completed in February 2016. Rehabilitation of two sections of the same collector funded by the Bank began in July 2015 and was completed in February 2016. Two contracts for residential hookups in Tijuana were completed in September 2016. The rehabilitation of three collectors began in September 2016, and the work was completed in May 2017. Rehabilitation of the wastewater collection system that discharges to the Las Américas Collector began in August 2017 and was completed in October 2018.

The Tecolote-La Gloria plant is approximately 55% complete; but construction is currently on hold due to a contractor dispute.

PROJECT**Tijuana, Baja California, Mexico****Construction of the Tecolote-La Gloria Wastewater Treatment Plant**

Type: Wastewater
Total Cost: US \$8,228,555
Total NADBank Funding: US \$4,129,079
Certification Date: 2 / 1 / 11
Residents to Benefit: 187,036

DESCRIPTION

Construction of the 8.7 mgd Tecolote-La Gloria Wastewater Treatment Plant.

Community Benefits

Reduction of environmental and health hazards associated with untreated sewage discharges that affect local residents, as well as other communities along the Pacific coast, including California.

NADBANK PARTICIPATION

The Bank is providing loan funds to complete the financing for this project, which also includes funding from the local water utility, CESPT, as well as Mexican federal grants and a loan from the Japan Bank of International Cooperation (JBIC). On September 18, 2009, NADBank and CESPT signed a US\$22.08 million loan agreement to finance several water and wastewater works. Approximately US\$4.13 million of that loan is allocated to the implementation of this project, but disbursement has been delayed since the project was put on hold.

IMPLEMENTATION STATUS

The Tecolote-La Gloria plant is approximately 55% complete with Mexican funding. Construction is currently on hold due to a contractor dispute.

Tijuana, Baja California, Mexico**Rehabilitation of Collector Oriente**

Type: Wastewater
Total Cost: US \$1,985,598
Total NADBank Funding: US \$995,129
Certification Date: 8 / 21 / 20
Residents to Benefit: 154,000

Rehabilitation of the Buena Vista section of the of the sewer main known as the Collector Oriente.

Community Benefits

Reduced risk of line breaks and leaks, thereby preventing the potential contamination of surface and groundwater sources. Specifically, the project will prevent the potential discharge of approximately 7.1 mgd of untreated wastewater that could affect the Tijuana River, a transboundary water body.

The Bank is a source of grant funds through the BEIF, to complement federal, state and local funding. On August 5, 2020, EPA approved the Bank's recommendation to provide US\$895,129 in BEIF funds for the construction of the project. The corresponding grant agreement was signed on April 8, 2021. The first disbursement was made in February 2022. On July, 19, 2022, EPA approved an additional US\$100,000 in BEIF funds to cover increased construction costs, bringing total BEIF participation in this project to US\$995,129. The grant agreement was amended to include the additional funding and signed on September 12, 2022.

Construction of 855 m of the sewer main financed with Mexican funds began in July 2020 and was completed in December 2020.

A contract for construction of the remaining 491 m to be funded by the Bank was awarded in August 2021 and signed in December 2021; however, due to pandemic-related increases in the cost of pipes, the construction cost was reviewed by the contractor and utility. As a result, the supply of the pipe was removed from the construction contract and purchased at a lower cost by the utility. An amended construction contract was signed in August 2022. Work began in September 2022 and is substantially complete.

PROJECT**Tijuana, Baja California, Mexico****Rehabilitation of the International Collector and Tijuana River Diversion infrastructure**

Type: Wastewater
Total Cost: US \$30,880,000
Total NADBank Funding: US \$13,440,000
Certification Date: 12 / 14 / 23
Residents to Benefit: 688,000

DESCRIPTION

Replacement of the International Collector, rehabilitation of the PB1A, PB1B and PBCILA lifts stations, including increasing the capacity of PBCILA from 23 million to 34 million gallons a day (mgd) and construction of a new intake from the Tijuana River channel to PBCILA.

Community Benefits

Reduced risk of pipeline failure by replacing the International Collector and rehabilitating the PB1B, which will prevent the potential discharge of up to 32 mgd of wastewater that could impact the Tijuana River. Rehabilitation of the PBCILA and PB1A lift stations will allow approximately 25.6 mgd of dry-weather flows to be diverted from the Tijuana River and discharged to the Pacific Ocean, thus eliminating transboundary flows of water through the Tijuana River.

NADBANK PARTICIPATION

The Bank is a source of grant funds through the BEIF, to complement federal, state and local funding. On November 10, 2023, EPA approved the Bank's recommendation to provide US\$13.44 million in BEIF funds for the construction of the project. The corresponding grant agreement was signed on March 22, 2024.

IMPLEMENTATION STATUS

Improvements to the PBCILA Lift Station financed with Mexican federal funds was completed in March 2021.

Construction of the new International Collector financed with Mexican federal funds began in August 2023 and is approximately 67% complete.

Bidding for improvements to the PB1A and PB1B lift stations, partially funded by the Bank, began in May 2024, with contract award expected in August 2024.

Uvalde County, Texas, USA**Sunray Solar Project**

Type: Renewable energy
Total Cost: Reserved
Total NADBank Funding: US \$65,000,000
Certification Date: 5 / 5 / 23
Residents to Benefit: 38,870

Construction of a 200-MW solar park, using bifacial monocrystalline photovoltaic modules mounted on single-axis tracking arrays on private land near the town of Knippa.

Community Benefits

Reduced demand for traditional fossil-fuel based energy generation resulting in less greenhouse gas emissions, thus improving air quality, while providing a safe and reliable energy alternative. Specifically, the project is expected to generate sufficient electricity to supply the annual consumption of 13,735 households and help prevent the emission of an estimated 220,085 metric tons/year of carbon dioxide (CO₂).

The Bank is a direct lender to the project company, which will sell the energy to private companies and/or in the wholesale electricity market. On May 5, 2023, the Bank approved a market-rate loan for up to US\$65.0 million for construction of the project. A loan agreement for US\$40.0 million was contracted on May 12, 2023, and disbursements began in the same month. On January 19, 2024, the loan agreement was amended increasing the amount contracted to US\$55.0 million.

Construction of the solar park began in early 2023 and is expected to be completed by the third quarter of 2024.

PROJECT**Vinton, Texas, USA****Wastewater Collection System**

Type: Wastewater
Total Cost: US \$ 19,731,500
Total NADBank Funding: US \$ 3,000,000
Certification Date: 11 / 14 / 19
Residents to Benefit: 2,043

DESCRIPTION

Construction of a wastewater collection system, including a lift station and 503 residential connections for the Village of Vinton, located about 25 miles north of downtown El Paso.

Community Benefits

First-time access to wastewater collection and treatment services for 90% of the community, reducing the human health risks associated with waterborne diseases. Specifically, an estimated 275,000 gallons per day of wastewater will be collected and treated.

NADBANK PARTICIPATION

The Bank is a source of grant funds through the BEIF, to complement a loan and grant from the Texas Water Development Board (TWDB). On November 7, 2019, EPA approved the Bank's recommendation to provide US\$3.00 million in BEIF funds for the construction of the project. The corresponding grant agreement was signed on January 8, 2021. The first disbursement occurred in February 2023.

IMPLEMENTATION STATUS

Construction of Phase 1 of the new wastewater collection system (south of Vinton Road and Vinton Lift Station) funded by TWDB began in September 2020 and was completed in May 2022.

Construction of Phase 2 of the system (north of Vinton Road), also funded by TWDB, began in February 2022 and was completed in October 2023. Work to install residential connections and decommission septic systems funded by the Bank began in October 2023 and is approximately 55% complete.

Vinton, Texas, USA**Drinking Water Distribution System**

Type: Water
Total Cost: US \$ 10,618,500
Total NADBank Funding: US \$ 3,500,000
Certification Date: 2 / 24 / 20
Residents to Benefit: 1,480

Construction of a new water distribution system for the Village of Vinton, located about 25 miles north of downtown El Paso.

Community Benefits

Access to safe and reliable drinking water services for 367 households, thus reducing the human health risks associated with waterborne diseases. In particular, the project will eliminate exposure to arsenic and pathogenic organisms present in the current water supply.

The Bank is a source of grant funds through the BEIF, to complement a loan and grant from the U.S. Department of Agriculture (USDA). On January 27, 2020, EPA approved the Bank's recommendation to provide US\$3.50 million in BEIF funds for the construction of the project. The corresponding grant agreement was signed on January 8, 2021. The first disbursement occurred in March 2022.

Construction of Phase 1 of the water distribution system (south of Vinton Road) funded by USDA began in April 2020 and was completed in August 2021. Construction of Phase 2 of the system (north of Vinton Road), funded by the Bank, including installation of 184 hookups, began in September 2022 and was completed in October 2023, thus completing the entire certified project.