BORDER ENVIRONMENT COOPERATION COMMISSION

STEP II FORM

(Full Proposal)

Date Submitted to BECC: April 18, 1997 Date Received by BECC: April 18, 1997

Project Type:

Water	Closure	Public Sector [X]
Wastewater [X]	Rehabilitation	Private Sector
Municipal Solid Waste	Expansion	Public/Private Partnership
Other	New [X]	

Project Title: City of Alton Wastewater Improvements Project

Primary Applicant:

Israel Sagredo, City Administrator

City of Alton

P.O. Box 9004

Mission, Texas 78572 USA

Tel. (210) 581-2733

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Co-Applicant(s): N/A

Contractor(s): Construction bids were opened on December 17, 1996. Contractor holding bids pending resolution of applicant funding. Low bidder will be officially notified after applicant funding is secure and a construction agreement then executed. Expedient resolvement of owner funding is critical to avoid rebidding process and increase in project costs.

High Sustainability: Recognition Requested? No

Project Status:

Date Step I submitted to BECC March 11, 1997

Date BECC approval of Step I March 12 , 1997

Technical Assistance requested? No

Technical Assistance received? No

EXECUTIVE SUMMARY

Description of the Project

The City of Alton is a small residential community of about 1,300 homes adjacent to the City of McAllen in Hidalgo County. Currently all 45 colonia subdivisions that make up the City use onsite septic tanks, privies and cesspools for wastewater disposal which do not meet state or county standards primarily due to unsuitable soil conditions, small lot size, and density of development. Utilizing the TWDB's Economically Distressed Areas Program and EPA's Colonia Wastewater Assistance Program, the City has completed appropriate engineering and environmental planning studies as well as the design and bid phase to construct a gravity wastewater collection system and transfer line to McAllen's North Wastewater Treatment Plant. The Planning Studies found that utilizing McAllen as the regional provider for treatment of wastewater flows was the most cost effective and feasible method of processing Alton's wastewater contributions. This system will serve approximately 85% of the existing colonia subdivisions and it is the City's intent to serve the remaining subdivisions through a second application for EDAP/CWTAP funding. An application for Facility Planning has been submitted to the TWDB for this second phase. USDA Rural Development is providing funding assistance to make house connections to the public sewer system.

The collection system construction within the Alton planning area will consist of 142,546 feet of 8-inch gravity sewer 5,280 feet of 15-inch gravity sewer, 11,560 feet of 18-inch gravity sewer, 2,640 feet of 6-inch force main, and 2 lift stations. Included will be 453 manholes and 2,000 service connections. Under the terms of an Interlocal Governmental Agreement, Alton's new collection system will convey wastewater to the City of McAllen's wastewater treatment plant (WWTP) #3 for treatment via 8,700 feet of 21-inch interceptor pipeline and 10,000 feet of 36-inch interceptor.

Bids have been opened on the initial phase of providing sewer service to the Alton colonia subdivisions. Insufficient funds have caused the City to make application to the TWDB for additional construction funds and to NADBank's Transition Fund for 7-year debt service payments. Consideration and approval of these funds by the respective agencies are needed to allow the project to move forward and quick action is needed to insure that the opened bids do not expire.

Compliance with BECC Criteria

General. The Alton project is located in Hidalgo County and is within 62 miles of the U.S./Mexican Border. Residents have access to a community water system, electricity, partially paved roads, solid waste collection, and gas utilities; however, no residence in the proposed project area is connected to a public wastewater system. A variety of alternatives were studied to alleviate the problems of malfunctioning septic tanks and health risks. The selected alternative utilizes a regional and cost effective approach by constructing a gravity sewer collection system for Alton and transmission of wastewater to an existing wastewater treatment owned and operated by the City of McAllen. The project does not remedy or affect transboundary health or environmental problems.

Human Health and Environment. The City of Alton's population is served by on-site wastewater systems which do not meet state or county design standards due to small lot size and density of development.Some residents also use private water wells. The county health officer has noted a threat to public health because of the lack of adequate sanitation facilities, including privies and cesspools. Surfacing of raw sewage compounds the poor drainage situation and causes a potential for transmission of diseases. Provision of centralized wastewater collection and treatment to the residents of Alton will reduce the likelihood of disease transmission through contact with raw wastewater. It will also allow discharge of a more suitable wastewater effluent into area water courses than is presently possible.

Technical Feasibility. Appropriate technology involving a gravity collection system and minimum pressure lift stations is planned and designed for the small community of Alton. Wastewater flows will be transmitted to the City of McAllen North Wastewater Treatment Plant and treated to levels that meet state and federal permit limits and standards. The City of McAllen will also operate and maintain the Alton facilities pursuant to an Interlocal Agreement. A planning study, environment information document, and design layout (plans and specifications) have already been reviewed and approved in accordance with state and federal requirements.

Financial Feasibility and Project Management. Construction funds will be provided by the Texas Water Development Board through its "EDAP" program and additional funding for connections will be provided by the USDA Rural Development grants program. The community is requesting minimal credit support from the NADBank; principally interest rate support for the start-up period and thus the project is financially feasible. Operations and maintenance expenses are adequately covered and continuing operations are covered by an Interlocal Agreement with the City of McAllen. The applicant has adequately addressed the three financial certification criteria; rate/fee structure, financial feasibility and organizational capacity.

Community Participation. The City of Alton has complied with each of the community participation criteria including the development and implementation of a Comprehensive Community Participation Plan, and a report on the success of the Plan. The Plan included five components: 1) a report detailing the public outreach efforts conducted through the Texas Water Development Board's (TWDB) Economically Distressed Areas Program (EDAP) which included two 30-day publicly-noticed public meetings, meetings with local organizations that resulted the signing of Interlocal Agreements with the City of McAllen and Sharyland Water Supply Corporation, and 53 separate City Council meetings during which the project was discussed; 2) creation of a local steering committee whose members learned about the project and then went door-to-door to educated residents about it and ask for their opinion through an informal survey; 3) meetings with local organizations were held by the City Manager and members of the steering committee; 4) project information was made available 30 days before the final public meeting and during the meeting itself; 5) finally, the third public meeting was held, with thirty day notice, during which meeting participants voted unanimously in favor of the project. Throughout the entire public process, no opposition to the project was raised, a fact which is detailed in the report submitted to the BECC.

Sustainable Development. The project integrates positive environment, economic and social aspects by alleviating individual sewage disposal problems and health concerns with the proposed construction of a sewer collection system that meets the needs of 85% of the population. The project conforms with local and regional plans and standards. An Interlocal Agreement between Alton and McAllen provides for the collected wastewater from Alton to be transmitted to a major treatment facility owned and operated by McAllen. McAllen will also provide operation and maintenance of the Alton collection system. Regional authorities including Hidalgo County Health Department and the Lower Rio Grande Development Council are both supportive of the proposed projects as shown by attached letters. Three public hearings have been held for endorsement of the project. There are newly completed schools which also have need for a public sewer system. Valley Interfaith has been instrumental in lending support to the community and encouraging government agencies to provide financial support. Alton has developed a water conservation plan in association with a regional water provider which in part contains a water savings education program. Biosolids conservation will be indirectly achieved through McAllen's treatment facility which provide for sludge treatment and land disposal.

Project Tasks and Cost

Work Task	Cost ($)	Timeframe	Task Executor
	$53,913/	Done 10/13/94	

Planning/Environmental Review	21,900		Alton, Salinas & Assoc., Hicks & Co.
Design of Alton Collection System/Transfer Line	$439,945/ $240,144	Done 11/07/96	L.L. Rodriguez & Associates, Salinas & Associates, Alton, Approval by TWDB
Construction of Collection System/Transfer Line-One Contract	$8,150,072	Notice to Proceed can be given to contractor upon funding approvals by TWDB and NADBank	Contractor, Alton

Estimated Applicant Contribution		$1,470,000
Estimated TWDB EDAP Loan Share	$300,000	
Estimated TWDB SRF Loan Share	$1,170,000	
Estimated EPA CWTAP Grant Share		$5,576,432.50
Estimated TWDB EDAP Grant Share		$5,576.432.50
Subtotal		$12,622,865
Estimated USDA RD grant for hookups		$1,842,000
Subtotal		$14,464,865
Estimated transition fund contribution from NADBank		$302,586
Total Cost		$14,769,451

List of Materials Provided to the BECC (with the Step II Form)

1. McAllen/Alton Interlocal Governmental Agreement
2. Facility Engineering Loan (Facilities Plan)
3. Environmental Information Document, Finding of No Significant Impact, and Amendment to the Finding of No Significant Impact
4. City of Alton Wastewater Cost of Service & Rate Design
5. McAllen Wastewater Treatment Discharge Permit
6. Hidalgo County Health Department letter noting health problems
7. Lower Rio Grande Valley COG letter noting need for the project
8. Design Plans and extraction of contract specifications
9. TWDB Financial Application
10. Bid documents

1. GENERAL

1. **a. Project Type**

Wastewater

b. Project Location

The project is located within 62 miles (100 km) of the U.S./Mexican border in Hidalgo County, Texas. See Location (page 2) and site (Figure II-1, page 10) maps included in Environmental Information Document.

c. Project Description and Work Tasks

1) Project Description. Provide a description of the project including 1) the human health and environmental issues to be resolved, 2) the proposed technology, 3) the scope of the project (i.e. closure, rehabilitation, expansion, new facility, or combination), and information on the infrastructure (i.e. collection system, lift station, wastewater treatment plant, outfalls, reuse systems, etc.).

Human Health/Environmental Issue. Residences currently served by inadequate septic tank systems, cess pools and privies inadequate to protect public health. See Finding of No Significant Impact (FNSI) dated May 18, 1994.

Proposed Technology. Conventional gravity sewer system and pressure lift station systems transporting flows to an existing, permitted wastewater treatment plant.

Scope of Project. New collection system and transmission system, main trunk line, service laterals, lift stations, force mains, individual house service connections and various appurtenances. System for Alton will connect to existing City of McAllen wastewater collection and treatment system. City of McAllen will be responsible for treatment of all wastewater generated within City of Alton and McAllen will be responsible for all wastewater discharge permits. All existing residences served by the project will be provided separate house service connections for disconnection from existing septic tanks, cess pools and privies and connection to new gravity collection system.

2) Program of Project Work Tasks

Task	Description	Cost ($)	Executor	% Completion
Interlocal Agreement: Alton and McAllen	Design, construction and operation, and funding requirements mutually agreed upon	None	Cities of Alton and McAllen, TWDB	2/18/94
Planning Studies	Facilities Plan	$53,913	City of Alton contracted to Salinas & Assoc. & Hicks and Company	10/13/94 approved by TWDB
	Environmental Information Document	$21,900		
	Alton Collection System (1)	$439,945	L.L. Rodriguez	

Design Collection System			& Assoc. (1) Salinas & Assoc. (2)	11/7/96 approved by TWDB
	Transfer Line to McAllen (2)	$240,144		
Design Household Hookups	Connections from street to houses	$110,386	Carter & Burgess, USDA RD	6/96 USDA RD in review
Advertise & open bids	Bids have been extended to May 31, 1997	8,150,072	Alton & McAllen concurrence	1/97
TWDB Fund Increase Request	Bids came in above original estimates		Alton	5/15/97
NADBank Transitional Fund Request	Funding for debt interest while sewer revenues are accumulated	$300,000	Alton & NADBank	6/16/97
Construction Start	Issue Notice to Proceed to contractor	N/A	Alton	6/16/97
Construction Ends	Complete all construction & tie into McAllen WWTP	N/A	Alton & Contractor	6/16/98

3) Description of the Community

- **Demographic Information**. Provide demographic information, including current population to be affected by the proposed project and population projections for the useful life time of the project, based on the most recent census, population growth rate, and demographic information.

Current population to be affected by project 6,535
Source: Facilities Plan, Task (a),(1), (B) and FNSI
Population anticipated to be affected by project 12,987
Source: Facilities Plan, Task (a), (1), (B) and FNSI

Population growth rate

Population projections and growth rate are based on and are consistent with projections prepared by the Texas Water Development Board and approved by the Texas Natural Resource Conservation Commission (TNRCC).

- **Local Environmental Services**. Provide information on the current availability and supply of environmental services.

Environmental Service	% population receiving service	# hours per day service provided
Water	100%	24 hours/day
Wastewater	0%	0%
Solid Waste	85%	6 days/week

Lack of public wastewater collection and treatment system creates a continuous community health/safety problem. Construction of a public wastewater collection system is the No.1 priority of community.

4) Project Alternatives. Describe the alternatives considered to address the human health and environmental issues.

A variety of alternatives were considered in development of the final selected alternative for this project. Reconstructed septic tank systems, cluster systems and a variety of separate wastewater treatment plant systems for the City of Alton were considered. Alternate systems to the selected system were rejected because of excessive cost, lack of suitable land, mutual communities' desire for a regional system, and a lack of experienced maintenance system personnel for Alton (See Facility Plan and FNSI).

No Project Alternative

Site Suitability. Existing residents are served by ineffective septic tanks, cess pools and pit privies constructed on lots and tracts of inadequate size and in soil of unsuitable characteristics. (Task (a)(1)(A) Facilities Plan)

Human Health and Environmental Aspects. The inadequate existing wastewater treatment systems result in surface overflows and declining health standards in the community and surrounding areas. (Task (a)(1)(A) Facilities Plan)

Technical Aspects. The existing treatment systems are not constructed in accordance with any state or local approved design standards nor can they be modified to be constructed in accordance with such standards. (Facilities Plan)

Financial Aspects. The declining health standards of the community caused by the existing failing residential treatment systems results in an increasing cost to the community for health care and thereby lowers the financial capability of the residents for other needed family and household improvements. (Facilities Plan)

Social Aspects. The existing systems utilized for wastewater treatment service do not provide service for needed community improvements for business and education enhancements and are known to be detrimental to existing health standards. (Facilities Plan)

Sustainable Development Aspects. No sustainable benefits are known in support of the existing treatment systems. (Facilities Plan)

Other Aspects. The lack an acceptable public wastewater collection and treatment system is a continuing detriment to acceptable health standards of the community and the surrounding area and is a detriment to improvements in the local standard of living.

Alternative 1 (alternative selected)

Description of the Alternative. The selected alternative consists of a separate gravity collection system serving the City of Alton which connects to the existing collection system and treatment system owned by the City of McAllen, Texas. The City of McAllen is a party to the construction plan by construction of a gravity extension of its existing system to serve Alton and other areas of the McAllen's jurisdiction and by expanding its existing wastewater treatment plant. The City of McAllen is financing its planned improvements by a State Revolving Fund loan from the Texas Water Development Board and by a capacity buy-in charge to Alton based on Alton's prorated share of the cost of the plant expansion.

Site Suitability. The selected alternative utilizes the existing wastewater treatment plant with its respective existing site owned and operated by the City of McAllen. The existing site has previously been environmentally approved and has permits issued by the TNRCC and the EPA.

Human Health and Environmental Aspects. The selected alternative will provide a means for the abandonment of unacceptable existing means of community wastewater service which are considered a health hazard to the residents of the City of Alton and the surrounding communities.

Technical Aspects. The selected alternative is a conventional designed gravity and pressure collection and transportation system designed in accordance with state design criteria (30 TAC 317). The treatment plant improvements designed by the City of McAllen to treat the collected flows from Alton are designed in accordance with the state design criteria. (30TAC 317)

Financial Aspects. The current As Bid costs and remaining engineering and administrative costs associated with the project are within the estimated monthly rate charges which have been reviewed by public hearings and Alton City Council meetings. (See Facility Plan and FNSI)

Social Aspects. The selected alternative has been reviewed by the public through a variety of public meetings conducted by the Valley Interfaith, the City Council of the City of Alton and mandatory public meetings required by the TWDB. (See FNSI)

Sustainable Development Aspects. The selected alternative meets the social and environmental acceptance of the residents of the Cities of Alton and McAllen. The selected alternative has sufficient capacity to serve the existing residents of the Alton and the estimated growth of the Alton community to the year 2010. By elimination of current unacceptable means of wastewater treatment this project will improve the overall health and well being of the existing and future populations.

The selected alternative will require the City of Alton to create a wastewater utility operation and maintenance activity as a part of its city budget. The establishment this activity within the city budget will necessitate the hiring and training of additional city staff and utility self sufficiency through the establishment of user charges for the system service.

The selected alternative is approved by the Texas Natural Resource Conservation Commission (TNRCC) as conforming with state and local water quality 208/201 planning as confirmed by Alicia Reinmund, Planner, Watershed Assessment Team, by letter dated February 17, 1995. The selected alternative also required approval by the TWDB of a Water Conservation and Emergency Demand Management Plan as a condition for funding by the TWDB.

The selected alternative provides adequate capacity for future population growth within the community and, as such, provides a means for development of new business activities and expansion of the school system which otherwise could not develop in Alton. The expansion of these activities enhances the quality of education and job opportunities within the community and, thereby, the long range quality of life for the community residents.

Other Aspects. The selected alternative has been approved by the City of McAllen as a superior regional method of wastewater collection and treatment over other alternatives which, if pursued, would have continued ineffective septic tank operations and/or expanded the number of wastewater discharges in the combined communities areas of jurisdiction.

It is important to note that this project has been approved by the Texas Water Development Board (EDAP) as an approved Economically Distressed Area Program (EDAP) project pursuant to the rules of the TWDB as contained in 31 TAC 363 as established by the Texas Water Code, Chapter 16, Subchapter J and Chapter 17, Subchapter K. As an EDAP project and located within 100 kilometers of the border it is also a project approved for funding pursuant to the Federal Colonia Wastewater Treatment Assistance Program (CWTAP) pursuant to P.L. 102-389, as amended, and as administered by the Environmental Protection Agency (EPA) through its Agreement with the TWDB. As a part of the conditions of the Agreement with EPA and the TWDB rules the project must comply with the National Environmental Protection Act (NEPA) and other laws and authorities respecting the environment including the environmental review process described by 40 CFR 35.3140(b) and other economic and social cross-cutter legislation impacting the use of Federal and State funds. The selected alternative has been subject to:

A) A TWDB EDAP Planning Phase which insured that through a contract with the TWDB and the approved project sponsor that within the project planning area:

1) A definitive need for a twenty (20) year design project exists based on a documented public health threat.

2) The public health threat is caused by inadequate or non-existent public water supplies and/or wastewater collection and treatment.

3) The economic and employment conditions of residents within the planning area is distressed by higher than average unemployment and lower than average income based on State established criteria contained in the Economic Distressed Areas legislation. Documentation of study area residents' economic, demographic and population per dwelling is established for current conditions and for the projects design year. (Note: It is a common practice for many EDAP projects that the project sponsor is assisted by a community committee which assists in public participation activities for data generation, information dissemination and alternative solution reviews and comments.)

4) Alternative means of providing needed water and/or wastewater collection and treatment have been considered and evaluated including regional solutions.

5) A best selected alternative with its estimated scope of work to make it a legal and operating reality and its estimated costs have been identified through an evaluation process of all reasonable alternatives.

6) A responsible public entity or entities have been identified for responsibility of system(s) ownership and maintenance. Where applicable, Interlocal Agreements and contracts have been executed. Where applicable, creation of Ownership entity is completed including State requirements for utility operations.

7) The necessary fiscal requirements for construction, operations and maintenance have been identified.

8) Applicability of the project for CWTAP federal funding has been determined.

9) Applicable Federal/State grants/loans have been determined.

10) A project budget by detailed line items has been prepared.

11) A draft Facilities Plan has been prepared for public review.

12) User charges and monthly rates have been determined.

13) Applicable Federal/State social/environmental reviews of the selected alternative have been accomplished, documented, advertised for public review, a transcribed public hearing held and a final environmental approval (FNSI) issued by the TWDB.

14) A final approved Facilities Plan documenting the planning process has been prepared and issued.

15) A Project Management Conference has been conducted with Owner describing the procedures and forms required for TWDB funding assistance, design, construction and final audit of the proposed project.

B) A TWDB approved Design Phase which assures that:

1) An Agreement has been executed between the TWDB and the project owner describing the TWDB funding provided and conditions for design, bidding and construction of the project for compliance with Federal/State laws, regulations and rules of the TWDB.

2) Procurement by the system owner of professional services (engineering, fiscal, legal, etc.) is accomplished pursuant to applicable Federal and State laws and regulations.

3) Preparation of Plans and Specifications is accomplished in accordance with State design criteria, permit requirements and recognized good engineering practice.

4) (Specifications include acceptable bonding requirements, wage rates, Federal/State specification inserts, minority participation requirements and applicable provisions for Federal/State project funding.

5) All applicable Federal/State, utility and local permits have been acquired.

6) TWDB approved Final Plans and Specifications are in conformance with TWDB issued FNSI.

C) A TWDB approved Bidding Phase which assures that:

1) Appropriate public advertisement for construction bids for the project has been accomplished and documented.

2) A Public Bid Opening has been accomplished in conformance with Federal/State laws, regulations and the rules of the TWDB.

D) After owner financing has been assured the TWDB will assure that:

1) The bid documents package prepared by the Owner and the selected low bid Contractor has been approved for:

2) Compliance by the Owner and the Contractor with conditions specified by the Advertisement for Bids and Instructions to Bidders.

3) Proper execution of Performance and Payment Bonds and Insurance requirements including evidence of approved State authorization.

4) Evidence of compliance with applicable minority participation program(s).

5) Acceptable executed conditional construction agreement.

6) Evidence by Owner of adequate funding for completion of required work.

7) Evidence of applicable land acquisition.

8) Evidence of issuance of applicable permits.

9) Evidence of Contractor's Assurance for construction of project in accordance with plans and specifications and approval of Contractor for Federal construction work.

E) A TWDB approval of the project Construction Phase that assures:

1. Issuance of a Notice to Proceed to the Owner which allows construction to begin only after all above items have been confirmed and approved by the TWDB.

2) Periodic inspection of project by TWDB's Inspection and Field Support Section (IFSS) for assurance of construction in accordance with plans and specifications.

3) Funding distribution for reimbursement of project costs is controlled by TWDB.

4) Project change orders are reviewed and approved by the TWDB.

5) A Final Inspection and Project Acceptance is coordinated and subject to TWDB approval.

6) Final Project Audits are conducted by the TWDB.

F) A TWDB Performance Phase review assures that:

1) Periodic assistance visits are conducted by TWDB audit and IFSS project operations personnel following final acceptance date to provide oversight and recommendations for improvements in system administration and system operations and maintenance.

2) A formal Performance Evaluation is conducted 12 months following date of final acceptance to determine whether system is operating as designed. Corrections or system modifications are required where defects are encountered.

Projects approved by the TWDB for EDAP funding are subjected to a comprehensive program of extensive planning, environmental review and public participation prior to approval for design and construction funding. Projects approved by the TWDB for design and construction are reviewed in a comprehensive manner to ensure that when constructed the final product will be in conformance with all applicable design criteria and environmental approvals. As noted above, the TWDB continues its participation and service to EDAP entities following construction of its service projects by assistance visits by qualified personnel.

5) Project Justification. Describe why the project is necessary, including the urgency of the project and the consequences of not implementing the project. Discuss human health and environmental hazards, as well as the needs of the community. Explain why the proposed project is the best alternative to solve the problem. Describe transboundary aspects and the net environmental benefit to be achieved by the project onsite and overall.

Project Need. The need for the project is described in the Facilities Plan and the FNSI. The City of Alton is experiencing a documented continuing health threat to its residents and to those in adjacent areas caused by non-functioning septic tanks, cesspools and private privies. The project area is economically distressed and the continuing health threat is preventing improvements to the local economy by discouraging the attraction of meaningful and beneficial business and education enterprises.

Consequences of Not Implementing the Project. Not implementing the project will assure a continuation of declining health standards in the Alton and surrounding communities resulting in further declines in community economic conditions.

Analysis of Alternatives. A variety of alternatives including alternate types of septic tank and cluster systems, conventional gravity and pressure collection systems connected to separate wastewater treatment plants of various types and conventional gravity and pressure systems connected to a regional system have been considered and individually evaluated. Alternatives other than the selected best alternative were not selected because of inadequate lot sizes, unsuitable on-site soils, excessive costs, lack of available trained system operational personnel, and a cooperative community desire for a regional solution as an alternative to a proliferation of additional wastewater treatment plants in the local combined communities.

Best Alternative. The selected best alternative is a regional solution for the portion of Alton contained in the project study area whereby the populations within that study area are served by a conventional gravity and pressure collection system which connects to an extension of the collection and treatment system owned and operated by the City of McAllen. The agreement arrangements are contained in an executed Interlocal Agreement between Alton and McAllen. Pursuant to that agreement McAllen agrees to reserve a portion of its capacity in its regional wastewater treatment plant for the service of flows from the Alton system. Grant funding from the TWDB is committed to both cities to compensate for the flows from EDAP eligible populations and State Revolving Fund (SRF) Loans are provided for non-EDAP eligible populations. McAllen will be responsible for the operation and maintenance of its wastewater treatment plant and for compliance with all applicable State and Federal permits for operation of the plant. McAllen will also provide maintenance operations for Alton's system thus ensuring reliable quality of service for the system users of Alton. Alton will maintain ownership of its collection system and will establish a retail service operation including an administration system for enforcement and administration of a new subdivision platting ordinance, plumbing code and water conservation plan. The best alternative provides a new, modern sewage collection system for the Alton community, eliminates an existing public health hazard, provides capacity for added community growth and economic expansion, provides a regional solution which avoids the construction of a new wastewater treatment plant and provides the necessity for the City of Alton to mature as a governmental entity by requiring contractual relations with an adjacent established city government and the creation of a utility administrative staff with an important community mission of code and policy administration and enforcement.

Transboundary Aspects of the Best Alternative. This project has no transboundary aspects.

Net Environmental Benefit Onsite and Overall. Only positive environmental benefits result from this project.

Health statistics, environmental monitoring results, or other materials documenting the justification attached to the Step II Form?

- Resolution dated May 21, 1996 of Commissioners Court of Hidalgo County supporting project.
- Letter dated January 10, 1996 from Dr. Omar Garza, M.D., Medical Director, Hidalgo County Health Department, citing existing public health hazard caused by malfunctioning on-site sewerage facilities.
- Letter dated June 9, 1994 from Kenneth N. Jones, Executive Director, Lower Rio Grande Valley Development Council endorsing project.
- Facilities Plan

d. Conformance with International Treaties and Agreements

This project will not impact any existing international treaties or agreements.

2. Human Health and Environment

a. Human Health and Environmental Need

1a) Describe in detail the human health and environmental issues addressed by the project.

All of the City of Alton's population is served by on-site wastewater systems, most of which are septic systems. The septic systems do not meet state or county design standards due to small lot size and density of development. Some residents also use private water wells. The county health officer has noted a threat to public health because of the lack of adequate sanitation facilities, with surfacing of raw sewage compounded by the poor drainage situation which causes a potential for transmission of diseases.

1b) Discuss how the project will provide a high level of environmental protection.

Provision of centralized wastewater collection and treatment to the residents of the City of Alton will reduce the likelihood of disease transmission through contact with raw wastewater. It will also allow discharge of a wastewater effluent into area water courses that has been treated to a higher degree than with on-site systems.

2) Provide any health statistics, baseline data, or information compiled on human health or environmental issues in the affected area.

- 80% of on-site systems are septic systems or cesspools, the remainder are pit privies. (EDAP/CWTAP Facility Plan Application by Salinas and Associates)
- Some residents lack all plumbing facilities, including running water and septic systems. (1993 EDAP/CWTAP Facility Plan Application by Salinas and Associates)
- Of the 131 residences surveyed prior to the 1993 EDAP/CWTAP Facility Planning Application, 54 indicated some problems with their existing on-site systems.
- The County Health Department has indicated that there are existing nuisance and safety hazards associated with poor sanitation practices, including malfunctioning septic systems. The areas also have a lack of paving, poor drainage.

b. Environmental Assessment

Is an environmental assessment required under domestic law? Yes

Is the project likely to have significant transboundary impacts? No, the project will have no water quality impacts to the Rio Grande as discharge will be to the North Floodway and the Laguna Madre estuary (Segment 2491).

Has an environmental assessment been requested, or is anticipated to be requested, by an entity that will likely provide grant funding for advanced design work on or construction of the project? Yes

1) Projects required to prepare an environmental assessment under domestic law of the place where the project will be located or executed, or for projects to be eligible for grant funding under 4), must provide to the BECC a copy of the environmental assessment as submitted to the appropriate authority.

Assessment Title: Finding of No Significant Impact and Environmental Assessment, City of Alton Colonia Wastewater Treatment Assistance Program Project, Hidalgo County, Texas. Texas Water Development Board, Austin, Texas. Dated 5/18/94. 4/23/97 Amendment updates project costs and funding sources.

Is a complete copy of the assessment attached to the Step II Form? Yes

Provide additional information for each assessment as required under c. Compliance with Applicable Environmental and Cultural Resource Laws and Regulations

2) Projects with no requirement to prepare an environmental assessment under domestic law, or for projects to be eligible for grant funding under 4), must prepare an assessment that, as a minimum, contains the components listed below. The document need not be extensive.

A. Discussion of direct, indirect, cumulative, and short and long-term positive and negative effects of the project on the environmental components of the affected area (e.g. ecosystem integrity, biological diversity, sensitive environmental habitats, and human health).

1) Long-Term Positive Impacts

Direct Impacts. Reference TWDB Environmental Assessment supporting FNSI, p. 5-7.

Indirect Impacts. Reference TWDB Environmental Assessment supporting FNSI, p. 5-7.

Cumulative Impacts. Reference TWDB Environmental Assessment supporting FNSI, p.5-7

2) Short-Term Positive Impacts

Direct Impacts. Reference TWDB Environmental Assessment supporting FNSI, p. 5-7.

Indirect Impacts. Reference TWDB Environmental Assessment supporting FNSI, p. 5-7.

Cumulative Impacts. Reference TWDB Environmental Assessment supporting FNSI, p.5-7

3) Long-Term Negative Impacts

Direct Impacts. Reference TWDB Environmental Assessment supporting FNSI, p. 5-7.

Indirect Impacts. Reference TWDB Environmental Assessment supporting FNSI, p. 5-7.

Cumulative Impacts. Reference TWDB Environmental Assessment supporting FNSI, p.5-7

Mitigation Impacts. Reference TWDB Environmental Assessment supporting FNSI, p. 5-7.

Unavoidable Impacts. Reference TWDB Environmental Assessment supporting FNSI,p.5-7

4) Short-Term Negative Impacts.

Direct Impacts. Reference TWDB Environmental Assessment supporting FNSI, p. 5-7.

Indirect Impacts. Reference TWDB Environmental Assessment supporting FNSI, p. 5-7.

Cumulative Impacts. Reference TWDB Environmental Assessment supporting FNSI, p.5-7

B. Discussion of the environmental benefits, risks, and costs of the proposed project as well as the environmental standards and objectives of the affected area.

1-3) Environmental Benefits, Risks, and Costs. The environmental benefits, risks, and costs of the proposed projects were considered in p. 5-7 of the TWDB Environmental Assessment supporting the project Finding of No Significant Impact, dated 5/18/94. Costs updated in 4/23/97 Amendment.

4) Environmental Standards and Objectives of the Affected Area. The project complies with both state laws and cross-cutting Federal laws and regulations required by the TWDB Operating Agreement with the U.S. Environmental Protection Agency for the Colonias Wastewater Treatment Assistance Program. Mitigative measures to insure that the project meets the Environmental Standards and Objectives of the Affected Area are contained in the project's Environmental Assessment, p. 5-7.

3) Projects with significant transboundary impacts**,** or for projects to be eligible for grant funding under 4), must provide the following information to the BECC:

a) Information as required under item 1) for projects required to prepare an environmental assessment under domestic law of the place where the project will be located or executed;

b) Information as required under item 2) for projects no requirement to prepare an environmental assessment under domestic law (do not repeat information if provided under item 1) above); and

c) The following information unless already submitted under item 1) or 2) above.

Description of the Environmental Components of the Affected Area. Reference TWDB Environmental Assessment Supporting FNSI, p. 3-5.

Possible Effects in United States. Reference TWDB Environmental Assessment Supporting FNSI, p. 5-7.

Possible Effects in Mexico. N/A

Environmental Benefits. Reference TWDB Environmental Assessment Supporting FNSI, p. 1-3.

Environmental Risks Reference TWDB Environmental Assessment Supporting FNSI, p. 5-7.

Environmental Costs. Reference TWDB Environmental Assessment Supporting FNSI, p. 5-7.

Discussion of Environmental Effects of Each Project Alternative. Reference TWDB Environmental Assessment Supporting FNSI, p. 3.

Justification of Alternative Selected. Reference TWDB Environmental Assessment Supporting FNSI, p. 3.

Environmental Standards and Objectives of the Affected Area Reference Item 2 above.

Achievement of a High Level of Environmental Protection for the Affected Area. Reference Item 2 above.

4) For projects that been requested to provide an environmental assessment by an entity that will likely provide grant funding for advanced design work on or construction of the project, either directly or indirectly, through an international organization must provide to the BECC:

1) Information as required under item 1) for projects required to prepare an environmental assessment required under domestic law of the place where the project will be located or executed;

2) Information as required under item 2) for projects with no requirement to prepare an environmental assessment required under domestic law (do not repeat information if provided under item 1) above);

3) Information as required under item 3) for projects with significant transboundary environmental effects.

Information as required under item 1) above provided? Yes

Information as required under item 2) above provided? Yes

Information as required under item 3) above provided? Yes

d. Compliance with Applicable Environmental and Cultural Resource Laws and Regulations

Have all environmental and regulatory authorizations (i.e. permits, assessments, licenses, certificates, etc.) required for completion of the project been identified? Yes

Has a description of the required authorization, including the environmental standards to be met, been provided for each authorization? Yes

Has a description of potential impact to the environmental or cultural resource been provided for each authorization? Yes

Has a contact person, title, organization, telephone, and e-mail been provided for each authorization? Yes

Has each authorization been approved? Yes

Has proof of each authorization and the date approved been attached to this form? Yes

For authorization not approved, has the status of the authorization including 1) a description of the steps needed to obtain the authorization, 2) description of how those steps will be taken, and 3) the anticipated date of authorization been provided for each authorization and attached to this form? Yes

Are all documents related to the determination and conditions of approval, including documents submitted to the authorizing agency and agency responses, attached to the Step II Form? Yes

Are all conditions of approval established by the appropriate authorities included in project design? Yes

If all conditions of approval were not included in project design, was a description of how the approval conditions will be included in project design and provide a time schedule for each condition attached to this form? Yes

Was a description of how the conditions of approval will be implemented during construction for each authorization attached to this form? Yes

2. c. Compliance with Applicable Environmental and Cultural Resource Laws and Regulations

	Potential Impact to	Standards to be Met	Contact	Date Application Submitted	Date Approved	Status/ Remarks	Proof of Authorization or Steps Needed

Required Authorization	Env./Cultural Resources						for Authorization Attached?
ESA Section 7 Endangered Species Consultation, Biological Opinion	Endangered species and critical habitat	Attached.	Thomas E. Grahl, Acting Field Supervisor Ecological Services (USFWS) c/o TAMU-CC, Campus Box 338, 6300 Ocean Dr., Corpus Christi, TX. 78412, 512-994-9005	4/13/95	5/18/94	Completed.	Yes.
Texas Parks and Wildlife Code Chapter 88, Endangered Species Consultation	Endangered species and critical habitat	Attached	Jack Bauer, Project Coordinator, Environmental Assessment Branch, Texas Parks and Wildlife Dept., 4200 Smith School Rd., Austin, TX 78744, 512-389-4579	4/13/94	5/10/94	Completed	Yes
Wetlands Protection(Executive Order 11990) and Section 404 certification (Nationwide Permit 12)	Waters of the U.S.	Attached	Fred Anthamatten, Chief, Enforcement Section, U.S. Army Corps of Engineers, P.O. Box 1229, Galveston, TX 77553-1229, (primary contact about project is Paul Lazarine in Corpus Christi office at (512) 880-8135)	4/1 3/94	6/1/94 (Determination No. D-4236-1)	Completed	Yes
Floodplain Management (Executive Order 11988) and National Flood Insurance Program (Flood Disaster Protection Act)	Floodplains	Attached	Charles D. Ellison, Natural Hazards Program Specialist, Federal Emergency Management Agency (Region VI), Federal Regional Center, 800 North Loop 288, Denton TX 76201-3698, (817)898-9178; Israel Sagredo, City Floodplain Administrator, City of Alton, P.O. Drawer 9004, Mission, TX 78572, tel. (210) 581-2733, fax (210) 581-2253	4/13/94	5/17/94	Completed (1994 FNSI adopted Condition #__ from 1982 U.S. EPA Construction Grant FNSI for construction of McAllen WWTP #3)	Yes
National Historic Preservation Act (Section 106), 36CFR Part 800, Executive Order 11593, and Texas Antiquities Code	Cultural Resources	Attached	Dr. James E. Bruseth, Deputy State Historic Preservation Officer, Texas Historical Commission, P.O. Box 12276, Austin, TX 78711, (512) 463-6096	5/4/94	6/3/94	Completed	Yes
Air Quality (Dust Control and Air Quality Standards)	Air Quality	Attached	Larry Butts, Data Management and Analysis Section, Office of Air Quality, Texas Natural Resource Conservation Commission, P.O. Box 13087, Austin, TX 78711, (512) 239-1623	2/94	3/16/94	Completed	Yes
Clean Water Act (Section 208) Water Quality Planning (Population Projections)	Water Quality Management Plan	Attached	Alicia Reinmund, Planner, Watershed Assessment Team, Texas Natural Resource Conservation Commission, P.O. Box 13087, Austin, TX 78711, (512) 239-4615	3/21/93	2/17/95	Completed	Yes
Executive Order 12372 "A-95" Consultation with Regional Council of Governments	Coordination of Federal Action with Regional Planning	Attached	Kenneth N. Jones, Executive Director, Lower Rio Grande Valley Development Council, 4900 North 23rd St., McAllen, TX, (512) 682-3481	4/13/94	6/9/94	Completed	Yes

3. Technical Feasibility

a. Appropriate Technology

1) Project Specifications

Facility needs report available? Yes

Title: Facilities Engineering Loan, February 24, 1993 (Facilities Plan or FP)

Master plan completed? No

Alton is a small community and has not developed a comprehensive Master Plan. However, the City is in the planning stages of developing Drainage and Parks Master Plans.

Conceptual design completed? Yes

Facilities Plan developed a conceptual collection system layout including alternatives for transfer of wastewater to McAllen's collection system.

Preliminary design completed? Yes

Several preliminary plan designs were submitted to the TWDB for review and comment in anticipation of expediting final plans and specifications.

Percent of final design completed? 100% completed.

Plans and specifications were approved by the TWDB on November 7, 1996 in conformance with the State's Design Criteria (Texas Natural Resource Conservation Commission or TNRCC rule Chapter 317) and as authorized by Section 17.276d of the Texas Water Code.

Useful lifetime of the project? 20 years.

The Interlocal Agreement between McAllen and Alton addresses the transfer of flows from Alton to McAllen for a designed treatment period of 20 years. The collection system is similarly designed for future growth and by criteria standards will provide for a minimum structural life cycle of 50 years.

Include all technical aspects which justify the project and proposed system, including at a minimum a study of sensitivity analysis and a justification of the following factors for wastewater projects.

Quantity of Wastewater to be Treated. Wastewater will be collected and transferred to McAllen's North Sewage Treatment Plant in the amount of 0.852 million gallons per day. This amount will address Alton's existing needs. For future needs, Alton will utilize the Texas Water Development Board's State Revolving Fund Program to fund an additional 1.072 million gallons per day capacity at McAllen's North Sewage Treatment Plant. The application for this funding is scheduled for TWDB consideration on May 15, 1997.

Quality of Wastewater to be Treated. Wastewater will be piped to McAllen's North Wastewater Treatment Plant which operates under TNRCC discharge permit no. 10633-004 (corresponds to NPDES Permit No. TX00093106). Discharge is to an unnamed ditch; then to the North Floodway; then to the Laguna Madre in Segment No. 2491 of the Bays and Estuaries. Final effluent limits authorize a daily average flow of 8 million gallons per day with a Biochemical Oxygen Demand (5-day BOD) of 20 mg/l and Total Suspended Solids (TSS) of 20 mg/l. A minimum dissolved oxygen content of 5 mg/l and a chlorine residual of 1 mg/l are also required. Influent strength of wastewater at McAllen's north WWTP is 250 mg/l BOD and 200 mg/l TSS.

Industrial Wastewater Reduction and Pretreatment Program. Alton is a small community comprised of residential homes, commercial establishments, and schools. Industrial contributions are not present and thus, a federal or state mandated industrial pretreatment program is not in effect.

Projection of the Wastewater Volume for the Proposed Life of the Project. The TWDB EDAP/CWTAP funded project is providing wastewater improvements for a 0.852 million gallons per day capacity for existing needs. Future 20 year design needs will be provided in an amount of 1.07 million gallons per day via Alton's participation in the TWDB's SRF loan program.

Design of Collection System, including Pumping. The design consulting engineer for the Alton collection system was L.L. Rodriguez and Associates and Salinas and Associates for design of the transfer line to McAllen's North WWTP. The entire system was designed utilizing the State's Design Criteria, TNRCC Rules Chapter 317. TWDB staff reviewed and approved the contract documents pursuant to state statute.

Energy Efficiency. Layout of the collection system was scrutinized carefully to minimize the number of lift stations and pumping resulting in energy savings by fully utilizing a gravity collection system.

Analysis of Treated Wastewater Quality. The wastewater received by the McAllen North WWTP is essentially domestic in nature. A review of TNRCC's self reported discharge data for a 12-month period revealed strict compliance with permitted effluent limits. Biochemical Oxygen Demand averaged 2.5 mg/l and Total Suspended Solids 2.0 mg/l. Permitted limits are 20 mg/l for both parameters. Flows averaged around 2.0 million gallons per day or about 50% capacity.

Sludge Treatment System. As noted in the Environmental Information Document secondary wastewater treatment is provided at the receiving North McAllen WWTP prior to sludge or biosolids generation. Biosolids undergo anaerobic digestion and then dewatered using a belt filter press. Resultant biosolids are being hauled to McAllen's South WWTP for storage and eventual land disposal by commercial operators. McAllen is also in the development stage for a potential composting operation.

Analysis of Treated Sludge and Final Disposal System. Treated biosolids are collected and land disposed pursuant to requirements of TNRCC permit no. 10633-004. All sewage sludge must be treated to ensure that the sludge meets either the Class A or Class B pathogen requirements. Extensive testing and monitoring requirements are included in the permit.

Reduction of the Inflow and Infiltration of Groundwater or Rainwater that may be Generated, if applicable. Since a new collection system is being built by this project, infiltration/inflow should be minimal. The system has been designed to restrict infiltration/inflow to a maximum of 50 gallons per inch diameter per mile of pipe at a minimum test head of two feet above the crown of the pipe at the upstream manhole, or at least two feet above existing ground level, whichever is greater. Additional design requirements are noted in the States Design Criteria, TNRCC Chapter 317.

Water Conservation Program. The City of Alton submitted a Water Conservation Plan to the TWDB pursuant to state statutes and TWDB Rule 363.15. Since Sharyland Water Supply Corporation is the water provider for Alton, coordination and enforcement of the water conservation program involves both the City and Water Supply Corporation. The TWDB reviewed and approved the Plan and will be monitoring the program for a period of three years from the approval date.

Project Performance Certification. Pursuant to CWTAP program requirements, Alton must certify after one year of operation that the facilities as built are meeting the performance standards for which they were designed. TWDB field inspection staff will also inspect the facilities to insure the same performance standards are being met. The engineering consultant, L.L. Rodriguez and Associates, is required by his engineering contract with the City of Alton to provide project performance analysis during this one year period of time.

2) Technical Process. Use of appropriate technologies known to be effective is encouraged. Appropriate technology is defined as technology closely matching the level of technology used with the ability of the local user to operate and maintain the system without creating dependency on high levels of resource inputs from outside the community and without adding significant stress to the environment or the social fabric of the community; and which are designed to be constructed, operated, and maintained in a cost-effective manner to achieve the project's purpose.

Describe criteria for selection of the chosen technology and justify. Emphasis on appropriateness to the community and efficiency and ease of operation, including the availability of replacement parts should be considered.

Alton is a small community that has no trained staff to operate and maintain a sewer system and did not desire to expand their present staff. Sharyland Water Supply Corporation provides the Alton area with water utility service and has an ongoing billing service. McAllen is adjacent to Alton's territorial boundaries and was willing to enter into an Interlocal Agreement to provide wastewater treatment for Alton and also to operate and maintain the proposed Alton collection system. The ground slope was correct in Alton to allow the design and construction of a conventional gravity system. The Interlocal Agreement between Alton and McAllen describes in depth the responsibilities for operation and maintenance costs including equipment and parts replacement.

b. Operation and Maintenance Plan

1) Start-Up Operation Plan and Quality Assurance Plan

Prior to issuance of a certificate of completion for the Alton collection and transfer line McAllen, Alton will obtain McAllen's, TWDB's and if applicable, the USDA Rural Development's agreement on the acceptance of the project. Upon completion, Alton has agreed to assign any warranties on the facilities to McAllen and McAllen has agreed to enforce contractor obligations during this warranty period after acceptance of the project. These requirements as well as maintenance and replacement responsibilities are noted in detail in the Interlocal Agreement, pp. 3-4, 8, 12-18. Alton is also mandated by CWTAP requirements to certify after one year of operation that the facilities are achieving the performance standards for which they were designed. Alton's engineering consultant is required by contractual agreement to assist the City in this certification. These actions will mean that the constructed facilities will be inspected and evaluated carefully during this one year period. The TWDB will also conduct periodic inspections to ensure that the certification process is being done.

2) Contingency Plan and Safety Plan

The Interlocal Agreement between Alton and McAllen addresses start up problems and emergencies on pp. 8, 14 and 17-18. Again, it should be noted that McAllen has the staff and capability of operating the Alton facilities as evidenced by its proper operation of a large collection system and three major wastewater treatment facilities. McAllen is required by its TNRCC permits and 30 TAC Chapter 325 to properly staff, operate and maintain these facilities under certificates of competency.

3) Pollution Prevention Plan

The collection system was designed to minimize the number of lift stations which have the potential for generation of odors. The lift stations were also designed to take into account safety considerations such as ventilation, entrances, work areas and accessibility. The McAllen North WWTP was designed in accordance with the States Design Criteria which takes pollution prevention into account. Buffer areas are also required around the wastewater treatment facilities and it should be noted that the is located north of the City in an agriculture setting.

4. Financial Feasibility and Project Management

The project has a total cost of $14.8 million dollars. Grant funds will be provided by the Texas Water Development Board through its Economically Distressed Areas Program (EDAP) in the amount of $5.6 million dollars and the EPA's Colonia Wastewater Treatment Program (CWTAP) for another $5.6 million dollars. Additional funding for hookups will be provided by the USDA Rural Development grants program in the amount of $1.8 million dollars. Alton has requested a loan from TWDB through EDAP in the amount of $300,000 and through the State Revolving Fund (SRF) in the amount of $1.2 million dollars. Alton requires interest rate support for the construction and start-up period, and will request bridged-credit support in the amount of $302, 586 from the NADBank transition fund for this purpose.

Analyzing the financial projections, it is observed that grants constitute the major source of funds. Therefore, the financial costs of the project are minimal. Furthermore, the City of Alton developed a Rate Study in order to establish adequate sewage rates for the users. The estimated number of hook-ups range from 1,300 to 1,800. Until the hook-up program is finished, the final number cannot be assessed. The average water usage per connection per month is 8,245 gallons. Depending on the hook-up numbers, three different financial scenarios have been considered.

Based on the on-site visit and estimations of user characteristics, a return flow percentage of 80% has been incorporated into the financial model and the resulting rates. The McAllen treatment charge has been included in the projected costs, given the three financial scenarios.

Assuming the first operational year is 1998, when customers begin to be hooked up, the system will have a positive cash flow. In the year 2000, with a new debt issue ($1,000,000 at 5% for 20 years = annual payment of $85,000), the system will still be able to generate a positive cash flow. This is a conservative forecast in that it does not assume any future growth in the system. The cash flow assumes the minimum bill of $10.02 per month and $1.25 per 1,000 gallons for all wastewater generated by Alton residents, under the scenario assuming 1,300 connections.

Operations and maintenance expenses are adequately covered and continuing operations are covered by an inter-local agreement with the City of McAllen. Thus the project is financially feasible. The applicant has adequately addressed the three financial certification criteria; rate/fee structure, financial feasibility, and project management capacity.

I. **Financial Feasibility**

Is the revenue for project operations or from other sources sufficient to cover debt amortization and operation and maintenance costs, with an appropriate safety margin? Yes

I. **Financial Statements - Historical**

Have financial statements for the past 5 years been attached to this form, or for each year the project has been in operation, if less that 5 years old? Yes

Were the financial statements prepared in accordance with generally accepted accounted principles? Yes

Was a balance sheet, income statement, statement of sources and uses of funds, all accompanying footnotes, and an auditor's report attached to this form? Yes

I. Financial Statements - Pro Forma

Have pro forma financial statements with income statement projections extending throughout the life of the loan including a sources and uses statement for the project being financed using constant values been attached to this form? Yes

Are the annual revenue streams from the project, net of the costs of effective operations and maintenance at least 1.2 to 2.0 the project's annual debt service requirements? Yes

Are the source and amounts of additional funds required to complete the project and any conditions under which those funds indicated and attached to this form? Yes

I. Financial Structure of the Project

Is information relating to the capital amount to be contributed by the applicant or concessionaire including if applicable, a contributions timetable attached to this form? Yes

Is the total amount of grants to be obtained and each grant source indicated? Yes

Is the total amount of loans to be obtained and each loan source including the NADBank indicated? Yes

Is a security and collateral package attached to this form? Yes

Is additional information relating to the capital amount to be contributed by the applicant or concessionaire attached to this form? Yes

I. Capital Improvement Plan/Budget

Is a plan that shows fixed and variable costs and detailing investments, land, equipment, and other types of fixed assets attached to this form? Yes

Is an investment timetable that indicates expenditures for each major line item including projected replacement costs for major capital assets attached to this form? Yes

Is the amount of expected income generated by the project during the investment recovery period indicated? Yes

I. Operations and Maintenance Budget - Historical

Is a copy of the most recent 5-year historical operation and maintenance budget, or for each year the project has been in operation if less that 5 years old, attached to this form? Yes

I. Operations and Maintenance Budget - Pro Forma

Are pro forma operation and maintenance budgets in constant values to cover the term or the loan attached to this form? Yes

Does the budget include an allocation of funds for equipment replacement? Yes

I. Sensitivity Analysis

Is an analysis of the impact on the project of changes to critical variables (e.g. economic cycles, interest rates, population projections, exchange rates, fees) attached to this form? Yes

Have variables which are critically sensitive to the project been identified so that actions can be established to assure successful implementation of the project? Yes

I. Financial Break-Even Analysis

Is a determination of the level of revenues at which the project will just recover total costs attached to this form? Yes

I. Fee/Rate Model

Does the proposed fee/rate model produce the cash-flow to support debt service requirements as well as operation and maintenance costs? Yes

I. Fee/Rate Schedules - Historical

Are copies of the historical rate and fee schedules for the most current 5-year period or for each year the project has been in operation, if less that 5 years old, attached to this form? Yes

Is accounting information included that shows the efficiency of current user fee collection, comparing billing against collection? Yes

I. User Fee Structure

Is a pro forma fee/rate schedule in constant values that is the basis of its income statement's projections which provide for coverage of current and future operation and maintenance costs, and which allows the applicant to have sufficient cash flow to amortize the debt and cover equipment replacement costs attached to this form? Yes

I. Project Management

I. Organizational Structure

Is a complete organizational chart depicting the key management and functional department heads along with their resumes and job descriptions that include job functions attached to this form? Yes

I. Institutional Capacity and Legal Framework

Is an attorney's opinion on the status of the current operations regarding technical and administrative functions, as well as the legal framework attached to this form? Yes

Is legal empowerment to undertake long-term loan obligations and to use assets or cash-flow as financial guarantees demonstrated? Yes

Are legal issues that could impede the project's progress indicated? Yes

City Administration

The City operates as a general law city. State Law provides for a board of City Alderman form of government with all powers of the City and determination of policy vested in the board of City Alderman. The City Administrator is responsible for the administration of the affairs of the City. Below is a description of the City's elected and appointed official's names, positions, years of service and background.

Elected Officials

City Commission	Length of Service	Term Expires	Occupation
Salvador Vela, Mayor	16 Years	5/1/97	Texas Department of Transportation Utility Inspector
Mary Salmeron, Mayor Pro-Tem	2 Years	5/1/97	Bookeeper
Arturo Galvan, Jr., Alderman	2 Years	5/1/97	Medial Technician
Carla P. Garza, Alderwoman	4 Years	5/1/99	Administrative Technician
Jesus Oyuela, Alderman	3 Years	5/1/97	Self-Employed
Ricardo Garza, Alderman	4 Years	5/1/99	Physical Therapist

Selected Admistrative Staff

Name	Position	Length of Service to City
Israel Sagredo	City Administrator	4 Years
Eddie Ramirez	Code Enforcement Officer	4 ½ Years
Cristina Martinez	Finance Director	4 ½ Years
L.L. Rodriguez	Engineer	Appointed 6/93
Johnathan Wehrmeister	City Attorney	6 Months
Melinda Mendoza	City Secretary	5 Years
Fred Horner	Chief of Police	7 Years
Julian Jimenez	Fire Chief	1 Year

Israel Sagredo, City Administrator: graduated from Pan American University in 1976. Mr. Sagredo graduated with a Bachelor's Degree in Business Administration. **FINANCIAL INFORMATION**

GENERAL FUND REVENUE AND EXPENDITURE HISTORY

	Fiscal Years Ended September 30,				
	1996[1]	1995	1994	1993	1992
Operating Revenues					
Taxes	$ 104,636	$ 107,430	$ 109,229	$ 87,127	$ 64,983
Permits and Licenses	19,761	15,649	19,226	10,441	3,385
Other Taxes	29,768	25,233	24,483	28,307	24,399
Charges for Services	20,215	24,036	10,686	7,688	2,936
Fines and Forfeitures	163,025	88,042	152,544	99,598	48,255
Permits and Licenses	14,289	11,293	4,585	42,031	36,861
Grants - AAA	15,329	62,115	49,689	16,583	6,621
Grants - OJT	12,845	2,537	336	3,715	322
Franchise Taxes	59,333	44,523	58,437	32,403	27,450
Rural Fire Revenue	266,088	219,834	181,050	160,525	93,970
Miscellaneous	55,418	49,892	41,362	27,663	9,180
Urban County	83,926	107,652	60,738	43,366	22,051
County of Hidalgo		5,907	9,764	-	-
Criminal Justice	9,409	16,496	-	-	-
Total Revenues	**$ 854,042**	**$ 780,644**	**$ 722,129**	**$ 559,447**	**$ 340,413**
Expenditures					
General Government	$ 451,353	$ 366,028	$ 327,418	$ 256,494	$ 178,179
Public Safety	272,218	263,332	230,822	213,684	150,164
Street Maintenance	51,019	71,800	48,069	45,598	35,502
Sanitation	-	-	-	-	-
Building Maintenance	-	-	-	-	
Culture and Recreation	31,918	97,165	83,048	39,154	30,776
Non Departmental	-	-	-	-	-
Debt Service	-	-	-	-	-
Total Expenditures	**$ 806,508**	**$ 798,325**	**$ 689,357**	**$ 554,930**	**$ 394,621**
Excess (Deficiency) of Revenues Over Expenditures	$ 47,534	($ 17,681)	$ 32,772	$ 4,517	($ 54,208)
Other Financing Sources					
Operating Transfers	-	-	-	-	-
Others	-	$ 60,000	-	-	$ 22,062
Excess (Deficiency) of Revenues Over Expenditures and Other Sources	$ 47,534	$ 42,319	$32,772	$ 4,517	($ 32,146)
Fund Balance at Beginning Year	$ 23,152	($ 34,539)	($ 67,463)	($ 71,980)	($ 39,834)
Prior Period Adjustment	-	$ 15,372	$ 152	-	-
Fund Balance at End of Year	**$ 70,682**	**$ 23,152**	**($ 34,539)**	**($ 67,463)**	**($ 71,980)**

1. Unaudited as of 3/1/97

Sewer System Debt Service Pro Forma

Fiscal Year Ended	Projected Net Revenues	EDAP Series 1999 (1)	S R F Series 2000 (2)(3)	Total Debt Service	Coverage Ratio	Annual Surplus	Series 1999 Interest Cost	Series 2000 Interest Cost	NADBank Transition Fund	NADBank Transition Fund	Total NadBank Participation
1998	$ 62,505	-	-	-	-	62,505					
1999	$140,712	-	-	-	-	140,712					
2000	$140,712	28,475	-	28,475	4.94	112,237	23,475		23,475		23,475
2001	$140,712	23,467	93,125	116,592	1.21	24,120	18,467	73,125	15,697	73,125	88,822
2002	$140,712	23,154	97,500	120,654	1.17	20,058	18,154	57,500	12,708	48,875	61,583
2003	$140,712	22,841	95,500	118,341	1.19	22,371	17,841	55,500	9,813	38,850	48,666
2004	$140,712	22,528	93,500	116,028	1.21	24,684	17,528	56,500	7,011	29,425	36,436
2005	$140,712	22,215	96,500	118,715	1.19	21,997	17,215	51,500	4,304	20,600	24,904
2006	$140,712	21,902	94,250	116,152	1.21	24,560	16,902	49,250	1,690	12,313	14,003
2007	$140,712	31,589	97,000	128,589	1.09	12,123		47,000		4,700	4,700
2008	$140,712	30,650	94,500	125,150	1.12	15,562					
2009	$140,712	29,711	97,000	126,711	1.11	14,001					
2010	$140,712	28,772	94,250	123,022	1.14	17,690					
2011	$140,712	32,833	96,500	129,333	1.09	11,379					
2012	$140,712	31,181	93,500	125,081	1.12	15,631					
2013	$140,712	30,329	95,500	125,829	1.12	14,883					
2014	$140,712	29,077	92,250	121,327	1.16	19,385					
2015	$140,712	27,825	94,000	121,825	1.16	18,887					
2016	$140,712	31,573	95,500	127,073	1.11	13,639					
2017	$140,712	30,008	96,750	126,758	1.11	13,954					
2018	$140,712	28,443	92,750	121,193	1.16	19,519					
2019	$140,712	31,878	93,750	125,628	1.12	15,084					
2020	$140,712		94,500	94,500	1.49	46,212					
		558,851	**1,898,125**						**74,697**	**227,888**	**302,585**

(1) Assumes an interest rate of 6.26%

(2) Assumes an interest rate of 5.00%

(3) Principal amount of loan $1,170,000

5. Community Participation

I. **Comprehensive Community Participation Plan**

Is a BECC-approved Comprehensive Community Participation Plan consisting of a local steering committee, meetings with local organizations, public access to project information, and at least two public meetings attached to this form? Yes

1) Local Steering Committee

Is the steering committee made up of representatives from diverse organizations? Yes

Does the steering committee invite representation from both countries if the proposed project is located in and/or impacts both the United States and Mexico? No, the project does not have an impact on Mexico.

I. **Meetings with Local Organizations**

Have meetings been held with local organizations affected by the project? Yes

I. **Public Access to Project Information**

Was the project proposal made available to the public at least 30 days prior to the first public meeting? Yes

Was the project proposal available in a publicly accessible location during and after work hours? Yes

Was the availability of the project information disclosed in the public meeting notices? Yes

Were other avenues used to distribute the project proposal? Yes

4) Public Meeting

Were the notices for both public meetings provided to the BECC for approval? Yes

If the project affects more than one community, were the two public meetings noticed to public officials/citizens in all affected? Yes

Did the notices for both public meetings include an accessible location where the public may obtain the applicant's project proposal? Yes

Was the notice posted at least 30 days prior to the meeting for at least one of the two meetings? Yes

Were at least two public meetings held? Yes.

During the public meeting, was a briefing on the proposed project provided? Yes

Where public comments heard on the proposed project? Yes

Were the impacts of user fees presented during at least one of the public meetings? Yes

Was a summary document containing the fundamental aspects of the project made available during the public meeting? Yes

Were the minutes of the public meetings recorded and include the names of the participants and comments made? Yes

City of Alton, Texas

Comprehensive Community Participation Plan

To ensure public support for the construction of a new wastewater collection system for the City of Alton, Texas, and to comply with the Border Environment Cooperation Commission (BECC) criteria for community participation, we have developed a Comprehensive Community Participation Plan. The Plan consists of the following tasks described below.

1. Gather information and prepare a report on the public outreach activities accomplished through the Texas Water Development Board application process over the last four years. The report will show that there has not been any historical opposition to the project. The report will include copies of newspaper articles, public meeting notices and results of public meetings held.

1. Develop a local steering committee made up of residents and leaders of Alton. The local steering committee will be responsible for educating citizens in Alton and the Extraterritorial Jurisdiction about the project. The steering committee will include the following people:

Sylvia Vela Anita Lugo

Josefa Aleman Garcia Celia Flores

Aida Valdez Maria Elena Mercado

Alberto Macias Stefana Robledo

The steering committee members will attend the public meeting hosted by the City of Alton on April 15th to learn about the project and its impacts on user fees. Steering committee members will also be asked to:

- Meet as necessary to organize a process for disseminating project information to the public.
- Help educate others about the project, by providing informational fact sheets to residents.
- Conduct an informal survey of community support for the project by telephone and in person. (Factsheet and Survey Form attached)

1. Make the application to the BECC available thirty days before the April 15th public meeting in the City Hall building. Also make the materials available during the public meeting.

1. Identify local groups that have been made aware of this project and/or support it and meet with any organizations that have not yet been made aware of project.

Through the Texas Water Development Board process, the City of Alton has met with and agreed to work with the City of McAllen, Texas, and the Sharyland Water Supply District. Both of these organizations are essential to the success of the project. Interlocal Agreements have already been signed with each of these institutions as a requirement of Texas Water Development Board funding. (Agreements attached.)

Additionally, the local steering committee will meet directly with the residents of the community to educate them about the project. The committee will meet with representatives of Valley Interfaith, local senior citizens day care center, irrigation district members and local church organizations.

V. Public Meeting

The City of Alton will hold a public meeting on April 15th, with proper 30 day notice in the local paper, to provide an overview of the project, including user fees, and solicit community input and support.

The meeting will provide citizens an opportunity to ask questions about the project and voice their concerns about and/or support for the project.

b. Report Documenting Public Support

Is a report demonstrating public support for the project attached to this form? Yes

Does the report convey that the community understands and supports the environmental, health, social, and financial benefits and costs of the project, as well as any changes in user fees? Yes

City of Alton, Texas

Report on the Success of the

Comprehensive Community Participation Plan

The City of Alton is pleased to report that it has successfully implemented its Comprehensive Community Participation Plan as required by the Border Environment Cooperation Commission (BECC) criteria for community participation, and has secured public support for the proposed wastewater collection project.

A report on each of the tasks outlined in the BECC-approved community participation plan is provided below, which details the implementation of the plan and community support for the project.

Task I: Gather information and prepare a report on the public outreach activities accomplished through the Texas Water Development Board application process over the last four years.

The City of Alton undertook extensive public participation during the development and implementation of the wastewater collection project as part of the Texas Water Development Board's (TWDB) Economically Distressed Areas Program (EDAP). The City held its first public hearing with regard to a request for financial assistance to the EDAP for a wastewater collection project in the City of Alton area on March 17, 1994. The meeting was noticed 30 days in advance in the McAllen Monitor, a newspaper of local/regional circulation.

A second public hearing was held on the project on May 17, 1994, to provide information and receive comments from Alton residents and general public on the Environmental Information Document for the wastewater collection project. The public hearing was advertised on April 15, 1994, 30 days prior to the meeting, in the McAllen Monitor.

As a key part of the project review process, copies of the Environmental Information Document, including a Floodplain Management Notice pursuant to Executive Order 11988, were available to the public prior to this public hearing and were provided to the Lower Rio Grande Development Council, Texas Natural Resource Conservation Commission, Bureau of Land Management, Bureau of Reclamation, Soil Conservation Service, Bureau of Mines, Department of Housing, National Park Service, U.S. Forest Service, National Marine Fisheries Service, U.S. Geological Survey, Texas Historical Commission, Texas Parks and Wildlife, U.S. Army Corps of Engineers, Federal Emergency Management Agency, Hidalgo County and City of Alton. All agencies reviewed the proposed project and supported the proposed action. No adverse comments were made at the public hearing which was not very well attended.

Furthermore, over the course of this project with the TWDB, the City Manager of Alton met with and/or discussed the project with the Alton City Council during 53 separate Council meetings between January 2, 1991 to April 7, 1997. The City Council has extensive knowledge of the project and is in full support.

See Appendix A: Copies of the public meeting notices, newspaper articles that were written in local papers at the time about the need for the project, and a list of City Council meetings during which the project was discussed.

Task II: Develop a local steering committee made up of residents and leaders of Alton.

The local steering committee was created and included the following residents of Alton:

Sylvia Vela Anita Lugo

Josefa Aleman Garcia Celia Flores

Aida Valdez Maria Elena Mercado

Alberto Macias Stefana Robledo

Each committee member was responsible for attending the public meeting hosted by the City of Alton on April 15, 1997, to learn about the project and its impacts on user fees.

Steering committee members were then asked to:

- Meet as necessary to organize a process for disseminating project information to the public. Steering committee members met once to discuss their role. They met a second time to review the process for implementing the survey.
- Help educate others about the project, by providing informational fact sheets to residents. Fact sheets were provided to residents with the survey.
- Conduct an informal survey of community support for the project by telephone and in person.

See Appendix B: Copies of the Factsheet and Survey Form and the results of the survey.

Task III: Make the application to the BECC available thirty days before the April 15th public meeting in the City Hall building.

Copies of the Application to the BECC for certification were made available in City Council chambers 30 days prior to the April 15th public meeting and were available to the public during the meeting.

Task IV: Identify local groups that have been made aware of this project and/or support it and meet with any organizations that have not yet been made aware of project.

Through the Texas Water Development Board process, the City of Alton met with and agreed to work with the City of McAllen, Texas, and the Sharyland Water Supply District. Both of these organizations are essential to the success of the project. Interlocal Agreements were signed with each of these institutions as a requirement of EDAP funding.

Additionally, the local steering committee met directly with the residents of the community to educate them about the project. The committee met with representatives of Valley Interfaith, local senior citizens day care center, irrigation district members and local church organizations. They asked representatives to complete a survey of community support on the project.

See Appendix C: Interlocal Agreements with the City of McAllen and Sharyland Water Supply District.

Task V: Public Meetings

The City of Alton conducted its third public meeting on the project on April 15, 1997, with proper 30 day notice in the local paper, to provide an overview of the project, including user fees, and solicit community input and support.

Fifteen residents from the City of Alton attended the meeting and expressed their support for the project. In fact, a few meeting participants expressed their concern with any further delays in the completion of the project, as they have waited for many years for conventional sewer to come to Alton.

The meeting participants unanimously voted in favor of the project after it was presented by the City Manager and discussed in some detail.

See Appendix D: Public notice, meeting minutes, and sign-in sheet.

6. Sustainable Development

1. Definition and Principles

Describe how the project adheres to the definition and each of the principles of sustainable development. Describe how a comprehensive approach to sustainable development (i.e. integration of environment, economic, social aspects) has been established for the project. Indicate how the project will improve the quality of life in the community as well as how the project will protect natural resources and meet the needs of present generations as well as future generations. The following questions are provided as a guide.

Has a comprehensive approach to development been taken? Yes

Does the project improve the quality of life in the community? Yes

Will the project improve human health and productivity while maintaining harmony with nature? Yes

Does the project meet the needs of the current population? Yes

Does the project meet the needs of the anticipated population? Yes

Does the project invoke growth? No

Will the growth cause negative social, economic, and/or environmental impacts? No

Does the project protect natural resources ? Yes

Are the people impacted by the project involved in project decision making? Yes

Have the appropriate institutions been brought together for better balanced development planning and better use of scarce resources? Yes

a) Definition: *Conservation oriented social and economic development that emphasizes the protection and sustainable use of resources, while addressing both current and future needs, and present and future impacts of human actions.*

This project has been endorsed and supported by the population within the community of the City of Alton, The Lower Rio Grande Valley Development Council, the Valley Interfaith organization and the representatives of the City of McAllen. This project will eliminated an existing health hazard caused by ineffective or non-existent private on-site sewerage facilities and replace those failed systems with a conventional public gravity and pressure collection system which is connected to an existing system owned and operated by the City of McAllen. As an effect of construction of the planned system additional capacity will be provided for future growth of the community thereby providing future service for new homes, businesses, schools and public buildings. These improvements will aid in the health, economic and social improvements to the community. (See Facilities Plan)

Principle 1. Human beings are at the center of concerns for sustainable development. They are entitled to a health and productive life in harmony with nature.

The current private on site sewerage facilities within the study area have failed. Failure of these facilities has directly led to a documented health hazard for the community and the surrounding area. The lack of a dependable, functional public sewerage system for the Alton community has diminished the quality of life for the populations within the study area by lowering their health standards and preventing expansion of schools, businesses and needed public facilities. This project will improve the quality of life for the populations in the study area and the surrounding area by correcting those deficiencies. (See Facilities Plan)

Principle 2. The right to development must be fulfilled so as to equitably meet developmental and environmental needs of present and future generations.

This project has added capacity for future populations in the study area to ensure a well organized, healthful approach to future growth. In addition, new codes for new development are designed to ensure provision of public water and sewer service to new developments. These measures are designed to prevent the proliferation of future developments capable of causing similar health threats in the future. This project also effects a water conservation and emergency demand management plan for the Alton community which is designed to improve the local management of water resources. (See Facilities Plan)

Principle 3. In order to achieve sustainable development, environmental protection shall constitute an integral part of the development process and cannot be considered in isolation from it.

This project has been reviewed in accordance with the procedures of the National Environmental Protection Act (NEPA). A complete description of the project, its location, costs and impact on monthly charges and rates has been prepared in an Environmental Information Document (EID), advertised as available for public review and comment and a transcripted public hearing held for public discussion. Copies of the EID were also circulated for review and comment by all public agencies required by NEPA and the TWDB rules. No adverse comments were received. The result was issuance of a Finding of No Significant Impact (FNSI) by the Texas Water Development Board (TWDB). (See FNSI)

Principle 4. The stakeholders, i.e. the groups and individuals impacted by, and having an impact on development projects, must be part of any related activity. Specifically, this means that: 1) Border residents experiencing the environmental problems first hand must be given the opportunity to participate in the decision-making process on ways to protect, manage, and employ environmental resources in their communities; and, 2) The efforts and expertise of the different institutions involved in environmental, social, and economic endeavors within all sectors of the society must be brought together for better balanced development planning and better use of scarce resources.

The populations within the project study area were individually surveyed for data collection on status of existing sewerage facilities, economic and demographic information. As a part of that survey community discussions on the known health hazards caused by the existing sewerage facilities and possible solutions were accomplished. Numerous discussions on the subject of a best solution were discussed by the City Council of the City of Alton, by the Valley Interfaith organization and the local Council of Governments. Further discussions were accomplished as part of the public hearings process for the Environmental Information Document and the discussions by City Council on the service charges and rates for use of the proposed best solution. This project is a product of community planning and development. (See Facilities Plan and FNSI)

b. Institutional and Human Capacity Building

Is ability to operate and support the project, including human resource and institutional capacity demonstrated? Yes, via Interlocal Agreements.

Provide information on the applicant's the ability to operate and maintain the project over the long term, including human resource and institutional capacity. If the applicant does not have existing ability describe the plan to strengthen capacity. Training and capacity building for administration, operation, and maintenance personnel associated with the project should be provided.

Pursuant to the Interlocal Agreement between the cities of Alton and McAllen the responsibilities for operation and maintenance of the wastewater collection system serving Alton will rest with the City of McAllen. This action was taken because of the regional concerns of the two cities for fully functional operations and maintenance force capabilities at the initial time of system of operation following final acceptance of the system or portions thereof. The City of McAllen has experienced, properly equipped, adequate staffed and trained operations and maintenance forces in place and capable of providing service on demand.

c. Conformance with Applicable Local and Regional Conservation and Development Plans

Have all applicable local and regional plans and regulations that affect the project been identified? Yes

Does the project conform with, or will conform with, all local and regional plans and regulations? Yes

List of Applicable Local and Regional Plans and Regulations.

A. 208/201Planning

B. Water Conservation Plan

Briefly Description of the Plan or Regulation.

A. Water Pollution and Abatement Planning - State/Regional/Local - This plan identifies sources of water pollution, quantification of sources, stream wasteload allocations, corrections necessary for compliance. Local Council of Governments (COGs) have regional oversight - Texas Natural Resource Commission (TNRCC) has state oversight responsibilities - EPA has national oversight responsibilities. Compliance by this project with 208/201 Planning is certified by TNRCC as part of TWDB approval process of Facilities Plan. (See Facilities Plan)

B. State legislation and rules of the TWDB require development of a Water Conservation and Emergency Demand Management Plan for projects which receive $500,000 or more in TWDB funding assistance. This project meets that requirement and development of such plans is a part of the Facility Plan development and approval process. The Water Conservation and Emergency Demand Management Plan for the City of Alton is included in the approved Facilities Plan. (See Facilities Plan)

Conformance with the Plan or Regulation. Conformance with and/or development of such plans described above are required in the Facilities Plan development and approval process. The Facilities Plan for this project was approved. (See Facilities Plan)

Date Conformance Determined and Proof of Conformance. (See Facilities Plan)

Status of Conformance, if not Determined. Project is confirmed as in conformance. (See Facilities Plan)

d. Natural Resource Conservation

Describe how the project achieves a reasonable degree of natural resource conservation.

Water Projects. Describe how the project conserves, utilizes more efficiently, and/or reuses water resources. Provide percentage savings, where possible.

See Item B above (this page)- development of Water Conservation and Emergency Demand Management Plan. This plan requires a review of community water consumption, comparison of water pumpage and determination of system leakage. The plan describes corrective actions to reduce system leakage. The plan also requires the City of Alton to institute plumbing code provisions to effect installation of water saving fixtures and the use of increasing volume of use rates as a water conservation measure. The plan also requires the City to evaluate its management policies during times of emergency water demands whether those demands are the result of drought conditions or emergencies in system facilities and to promulgate appropriate responses to those situations. See FACILITIES PLAN

e. Community Development

Does the project have a positive impact on the community? Yes

Describe how the project fosters community development.

Educational, Recreational, or other Community Services Provided or Encouraged as a Result of this Project. This project will have a significant positive impact on the educational, and community services of the community by elimination of the current health hazard caused by ineffective private on-site sewerage facilities. This project will allow the abandonment of the existing facilities and significantly improve the public health conditions of Alton and the surrounding area. The project will also allow connection of new schools and other educational facilities which can utilize the additional capacity being provided in the new regional wastewater collection and treatment system.

Analysis of Positive and Negative Social Impacts, Including Economic Effects of the Proposed Project on the Community. Negative effects of the project will be caused by disruption of traffic flow, noise and dust during the construction process. These negative effects will be minimized during construction by use of adequately signed detour routes, proper traffic control measures, public information activities, daylight construction and dust control measures. This project will eliminate the current public health hazard described above and will provide added capacity for development and connection to the new collection system of proper planned and constructed new residential dwellings, businesses, public buildings and educational facilities. The planned improvements will enhance the quality of social, economic, educational and quality of life for the residents of the community.

Discussion of Long-term Effects on Socioeconomic Development Strategies and the Quality of Life. The project will have long term positive improvements in the socioeconomic and quality of life attributes for the residents of the community. The current public health hazard is a direct cause of the lowering of the quality of life and the inability for development of new business, educational and social improvements for the community. This project is designed for the current and future populations of the community to the year 2010 and its effects will set the stage for permanent improvements for future years. The improvements in business, educational and social infrastructure which will have a regional public collection system for acceptable sewerage service will have a long range impact on improved quality of life for the residents of the Alton community and the populations of the surrounding area.

Information attached to the Step II Form, and thus not available in the electronic version of the document, may be requested from the Applicant, Texas Water Development Board, or the BECC.