COLONIAS FACTS*

COLONIAS BACKGROUND AND HISTORY

Colonias is a designation applied to low income, unincorporated subdivisions in Texas and New Mexico along the U.S.-Mexico international boundary. The colonias began developing in the late 1950's, although some sources put their age much older. They are characterized by substandard housing, inadequate plumbing and sewage disposal systems, and inadequate access to clean water. There are no adequate solid waste disposal facilities available. The common thread is the potential and immediate health threat due to inadequate or lack of safe, potable water and sewage disposal. Sanitation and health conditions in these areas compare to those in Third World countries. Hepatitis, gastrointestinal and other water borne diseases are very common.

There are more than 1,300 colonias in Texas and New Mexico along the border with an estimated population of more than 300,000. A few colonias may exist in Arizona and some possibly in California. However, most colonias are concentrated in the Las Cruces, New Mexico, El Paso, Texas, and the lower Rio Grande Valley area, and west surrounding Brownsville, Texas. Colonias developed in the border area (especially in Texas) as land developers sold small plots of land in unincorporated subdivisions to low income families. These land purchases are generally financed with a low amount down and low monthly payments. A deed of ownership is rarely transferred. At the time this activity took place, State law only required road access and drainage.

Providing solutions to public health problems in the colonias is a unique situation in that they are not political subdivisions. Financial programs are normally designed to deal with an identified political entity.

Basic Facilities and Services

The typical colonia does not have any basic community infrastructure such as safe drinking water, sewage disposal or garbage collection and disposal.

Until 1989, Texas counties did not have the authority to require water and sewer in new developments. In November 1989, Texas passed a State Law authorizing the Texas Water Development Board to promulgate rules requiring developers to provide water and sewer infrastructure. As a condition for financial assistance, the counties must adopt these rules. In New Mexico, the county governments require developers to provide water and sewer. Compliance with these requirements has been improving and enforcement has been reinforced due to the efforts of the State Attorney General's Office. Also, comprehensive legislation addressing land use practices in Texas colonias was passed by the State Legislature in 1995 and is having a positive impact as communities become familiar with its provisions.

EPA's Appropriations Acts for FY 01 and FY02 stipulate that no funds provided for

colonias shall be made available after June 1, 2001 unless the receiving governmental entity has established an enforceable ordinance or rule which prevents the development or construction of any additional colonia areas, or the development within an existing colonia of any new home, business, or other structure which lacks water, wastewater or other necessary structure.

Human and Ecological Health Problems

Human health threats from inadequate wastewater collection and treatment and the lack of safe drinking water make such diseases such as cholera, hepatitis A and giardiasis a continuing problem in the colonias. Diseases transmitted by mosquitos, flies, and rats are ever present due to poor garbage disposal practices.

WATER-RELATED INFRASTRUCTURE NEEDS ASSESSMENTS

The Texas Water Development Board conducted a needs survey in October 1992 to determine preliminary cost estimates for water and wastewater services in the colonias. The total estimated cost to provide water and wastewater services to Texas colonias was calculated to be approximately \$696 million (1992 dollars). Of this total, approximately \$147.9 million was needed for water service and \$467.3 million for wastewater service. The estimate also included \$80.8 million for connection fees and indoor plumbing improvements needed by existing colonia residents. Since that time, updated estimates by Texas have raised the needs by about \$123 million.

In New Mexico, the New Mexico Environment Department (NMED) in 1992 identified their needs in the order of \$23 million for wastewater and \$2 million for water.

ASSISTANCE PROGRAMS

There are several programs that provide financing for colonias sanitation infrastructure.

Environmental Protection Agency

EPA continues to provide annual capitalization grants to the four U.S. Border States under the Clean Water and Drinking Water State Revolving Funds.

Since 1993, EPA has \$315 M on available in grants to Texas and \$20 M for New Mexico to provide for wastewater and some water facilities. Texas provided a match in the amount of \$122.56 M and New Mexico provided a match of \$2.53 M. As indicated below, significant progress is being made in providing colonias residents adequate water and wastewater service, thereby protecting their public health and the environment.

COLONIAS INFRASTRUCTURE PROJECT STATUS

| State | Project Phase | Number of Projects | Construction Commitment (\$M) | Number of Colonias | Population Benefitting |
|---------------|-----------------------|-----------------------|-------------------------------------|-----------------------|---------------------------|
| Texas | Completed | 44 | 168 | 243 | 104,400 |
| | Under Construction | 14 | 158 | 202 | 67,000 |
| | Design | 22 | 205 | 362 | 76,000 |
| | Planning | 16 | 27 | 56 | 15,000 |
| | Total | 96 | 559 | 863 | 247,000 |
| | | | | | |
| New Mexico | Completed | 6 | 7.84 | 8 | 5,670 |
| | Under Construction | 3 | 7.84 | 3 | 6,150 |
| | Design | 4 | 4.88 | 3 | 6,680 |
| | Total | 13 | 20.56 | 14 | 18,500 |

Note: These appropiations include funds from EPA, NADBk and TWDB.

Community general technical assistance, preparation of project proposals, overall management of infrastructure projects, technical review of project designs, and project construction management are provided by the Texas Water Development Board and New Mexico Environment Department, who are responsible for day-to-day program management.

EPA's funding commitment to water and wastewater infrastructure for the colonias was completed with the appropriations received in FY 98; no further Colonia specific funding was requested after 1998. However, Colonias water/wastewater projects are eligible to receive additional funding through the ongoing Border Environment Infrastructure Funds (BEIF) funded by EPA and administered by the North American Development Bank (NADBank). In Texas, 8 projects were certified by the BECC in FY 99 in the amount of \$37.80 million. In New Mexico, only 2 projects were certified in FY 98 and FY 01 in the amount of \$4.85 million. There are 16 projects to be certified for FY 03 in the amount of \$231 million.

U.S. Department of Agriculture

Within the Department of Agriculture, the Rural Utilities Service (RUS) is active in funding water supply and wastewater systems. The Agency has been assisting Colonias since 1969, and is presently providing about \$25 million a year for drinking water and wastewater systems in Colonias in the four border States.

Eligible applicants are public entities such as municipalities, counties, special purpose districts, Indian tribes, and not-for-profit corporations. Eligible activities under this program are to construct, enlarge, extend or otherwise improve community water and/or waste disposal systems; make loans and grants to individuals for extending service lines and/or connecting residences to the applicant's system; and, make improvements to an individual residence when needed to allow use of the water and/or waste disposal system.

U.S. Department of Housing and Urban Development

The Department of Housing and Urban Development, through the appropriate State agency provides a wide variety of funding assistance to Colonias ranging from preliminary planning through construction of a broad range of infrastructure. Through set-asides of the border States' share of HUD funds from the community development block grant program, about \$10 million has been made available annually to Colonias for the last several years.

Texas

The Texas Water Development Board (TWDB) administers three programs to assist the Colonias: The Colonias Plumbing Loan Program (CPLP), the Economically Distressed Areas Program (EDAP) and the Colonias Wastewater Treatment Assistance Program. These programs provide for loans and grants to sponsoring local governments for sewers and wastewater treatment facilities and low interest loans to Colonias residents for basic plumbing facilities.

New Mexico

The New Mexico Environment Department (NMED) administers a program to assist the Colonias. Funded by \$20 million in grants from EPA discussed above, the program provides low interest loans and grants to sponsoring local governments for sewers and wastewater treatment facilities.

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USEFUL WEB SITES:

- Texas Water Development Board, Economically Distressed Areas Program (EDAP): http://www.twdb.state.tx.us
- <u>C</u> Texas Office of the Attorney General, Colonias Database: http://www.oag.state.tx.us
- Center for Housing and Urban Development, Texas A&M University: http://chud.tamu.edu
- Status Report on the Water-Wastewater Infrastructure Program for the U.S.-Mexico Borderlands

http://www.epa.gov/owm/mab/mexican/index.htm

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