

# **The Senate Interim Committee on Natural Resources**



## **Interim Report to the 78th Legislature**

### ***Implementation of Colonia Self-Help Grant Program from SB 312***

**August 2002**

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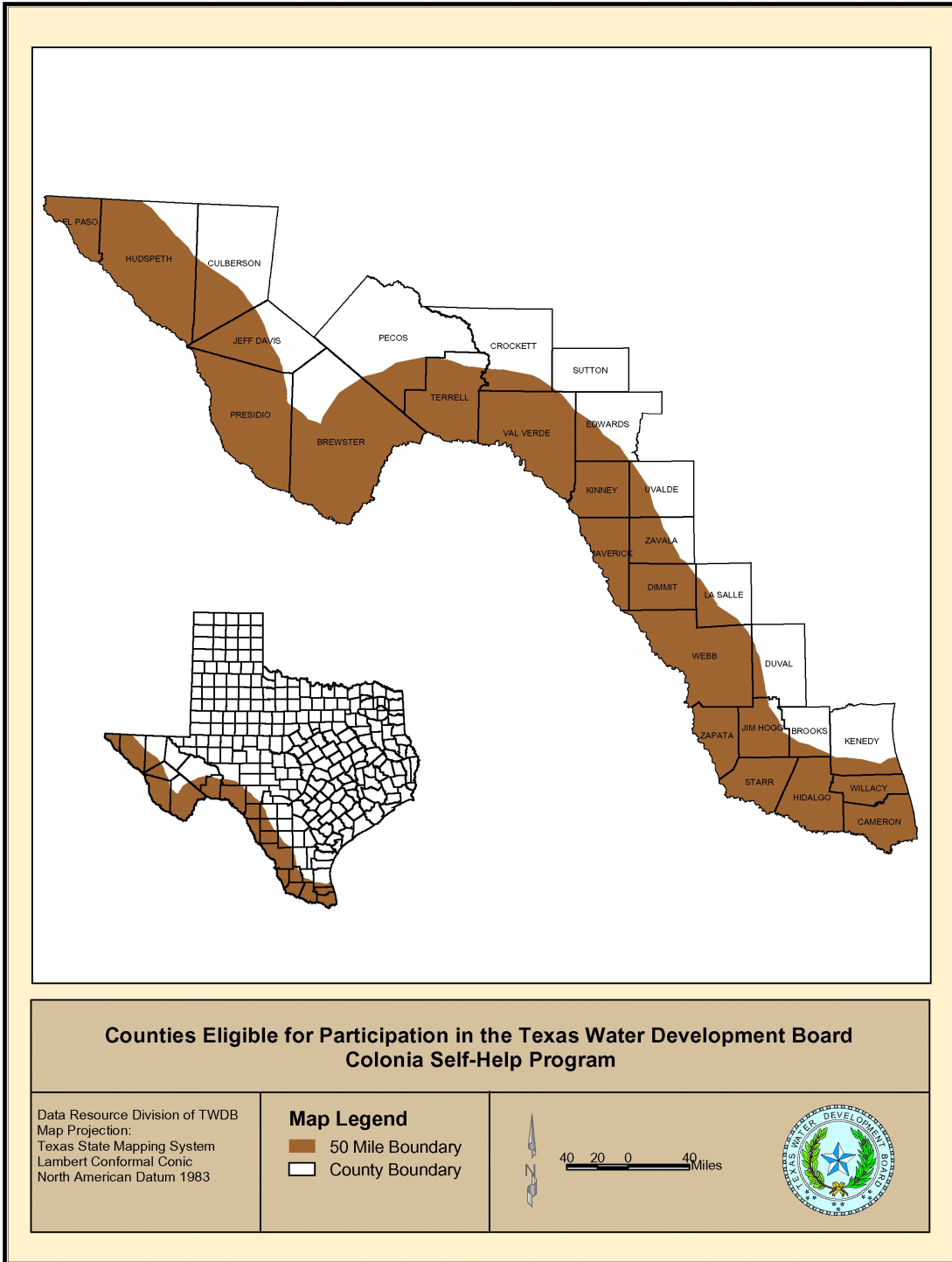
**“It’s not a handout,  
it’s a hand up”**

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**ACRONYMS**

BWW	Border WaterWorks
CSHP	Colonia Self-Help Program
EDAP	Economically Distressed Areas Program
EPA	U.S. Environmental Protection Agency
GRC	Galleria Rotary Club
NAWSC	North Alamo Water Supply Corporation
SOS	Texas Secretary of State
STEP	Small Towns Environment Partnership
TNRCC	Texas Natural Resource Conservation Commission
TPWD	Texas Parks & Wildlife Commission
TRI	The Rensselaerville Institute
TWDB	Texas Water Development Board

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**INTRODUCTION**

The 77th Texas Legislature enacted Senate Bill(SB) 312 which addressed many state water issues including the establishment of a colonia water and wastewater self-help program (CSHP). SB 312 was the Texas Water Development Board's (TWDB) sunset legislation that was a result of the Sunset Advisory Commission review process that all state agencies must undergo.

With the explosive population growth that the border region of Texas has and will continue to experience, it is vital that the State of Texas persist in finding and developing innovative solutions to improve the infrastructure that is being established, particularly in the colonia areas. The CSHP was created by the Texas Legislature to increase the involvement of non-profit organizations and colonia residents themselves in the development of the infrastructure that exists in colonias.

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**INTERIM CHARGE**

The Senate Interim Committee on Natural Resources (Committee) was charged by Lieutenant Governor Bill Ratliff to monitor the implementation of the colonia water and wastewater self-help grant program established in SB 312. The Committee held public hearings in Austin, Houston, Dallas, Amarillo, and Brownsville to receive testimony from witnesses interested in this charge. Specific testimony covering the parameters of this charge was received at Austin and Brownsville.

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**BACKGROUND**

The State of Texas shares a border with Mexico that spans 1,248 miles and extends over 20 counties. There have been many developments in Texas' border region over the last 50 years including expanded trade opportunities and an increasing stress on the environment, but no emerging issue has presented the leaders of Texas with as many complex challenges as the border's exploding population growth. One of the significant results of the surge in population has been the rise of housing developments called colonias.

In general terms, "colonia" is a Spanish expression for neighborhood or community and, in Texas, the word has been used to describe residential areas that may lack basic water and sewer systems, electricity, paved roads, and sanitary housing. Colonias have proliferated along the Texas-Mexico border in recent years and an estimated 400,000 Texans live in colonias. (See Table - Page 9).

With a limited number of affordable housing options in the border region combined with an increased need for housing, new colonias have been created and existing colonias have been expanded. The characteristics of colonias, such as a minimal property tax base and being located in isolated rural areas or outside city limits, have caused many municipalities to decline to annex the colonia areas. Residents of municipalities are reluctant to take on the financial responsibility of providing an infrastructure to colonia residents because of the high cost of such services. For example, Hidalgo County does not have a large enough local tax base to provide



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**Table - Estimated Numbers of Colonias and Colonias Residents in Texas Border**

Counties Eligible to Participate in Colonia Self-Help Program

<b>County</b>	<b>Number of Colonias</b>	<b>Population</b>
<b>Brooks</b>	<b>7</b>	<b>612</b>
<b>Cameron</b>	<b>112</b>	<b>38,839</b>
<b>Dimmit</b>	<b>6</b>	<b>4,139</b>
<b>Edwards</b>	<b>1</b>	<b>1,321</b>
<b>El Paso</b>	<b>157</b>	<b>72,754</b>
<b>Hidalgo</b>	<b>868</b>	<b>124,010</b>
<b>Hudspeth</b>	<b>3</b>	<b>1,018</b>
<b>Jeff Davis</b>	<b>1</b>	<b>200</b>
<b>Jim Hogg</b>	<b>3</b>	<b>130</b>
<b>Kinney</b>	<b>2</b>	<b>331</b>
<b>La Salle</b>	<b>6</b>	<b>505</b>
<b>Maverick</b>	<b>44</b>	<b>13,969</b>
<b>Pecos</b>	<b>5</b>	<b>1,450</b>
<b>Presidio</b>	<b>7</b>	<b>756</b>
<b>Starr</b>	<b>128</b>	<b>33,844</b>
<b>Terrell</b>	<b>1</b>	<b>1,000</b>
<b>Uvalde</b>	<b>9</b>	<b>2,246</b>
<b>Val Verde</b>	<b>11</b>	<b>3,467</b>
<b>Webb</b>	<b>43</b>	<b>16,353</b>
<b>Willacy</b>	<b>8</b>	<b>3,542</b>
<b>Zapata</b>	<b>7</b>	<b>3,734</b>
<b>Zavala</b>	<b>14</b>	<b>6,036</b>
<b>Total</b>	<b>1,524</b>	<b>367,609</b>

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water and wastewater services to the 129,880 people living in its 868 colonias.<sup>1</sup>

The need for water and wastewater services in the border colonia areas is immense. Surveys of colonias in El Paso and the Rio Grande Valley show that 50.7 percent of the households use septic tanks, 36.4 percent use cesspools, 7.4 percent use outhouses and 5.5 percent use some other means to dispose of wastewater.<sup>2</sup> Septic tank systems can create health hazards when they are too small, are improperly installed or overflow. When colonias experience heavy rains, water can collect because of inadequate storm water drainage systems and, combined with inadequate septic tanks, result in sewage pooling on the exposed ground. The United States Environmental Protection Agency (EPA) has also studied how colonias disposed of their wastewater and found in the Nuevo Laredo/Laredo area alone, 27 million gallons of untreated wastewater are discharged directly into the Rio Grande each day while other colonias discharge wastewater into canals and arroyos.<sup>3</sup>

To confront the problem of providing adequate water and wastewater systems for colonias, the Texas Small Towns Environment Partnership (STEP) was formed in 1996. The Texas STEP is comprised of the TWDB, Texas Natural Resource Conservation Commission (TNRCC), the Texas Department of Health, the General Land Office, the Office of Rural Community Affairs (formerly the Texas Department

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<sup>1</sup> Water and Wastewater Needs of Texas Colonias: 1995 Update, Texas Water Development Board.

<sup>2</sup> The Colonias Factbook, Texas Department of Human Services, June 1988

<sup>3</sup> Summary: Environmental Plan for the Mexican-U.S. Border Area, EPA, Feb. 1992.

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of Housing & Community Affairs was involved) as well as two nonprofit organizations, the Border WaterWorks (BWW) and The Rensselaerville Institute (TRI). The Texas STEP was assembled to implement a state program to fund water and wastewater self-help projects. In the context of the CSHP and the Texas STEP, a self-help project is a project in which the colonia residents furnish “sweat equity” to ensure a project is constructed in their residential areas for which a cost savings is generated as compared to conventional installation of water and/or sewer services.

While the TWDB’s Environmentally Distressed Areas Program (EDAP) was able to address the most accessible and conventional water and wastewater problems in the colonia areas, smaller self-help programs were needed to create more flexible funding programs that can target relatively small amounts of money to the areas in most need. The TWDB and the Legislature confronted this challenge during the 77th Legislature when the TWDB was given the statutory authority through SB 312 and the CSHP to award funding and grants for water and wastewater projects directly to non-profit organizations. The TWDB now administers two separate self-help programs: one program for political subdivisions and the other program for nonprofit organizations (CSHP).

The following table found on page 12 illustrates the differences between the two programs:

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	<b>Community Self Help Program</b>	<b>Colonia Self Help Program (SB 312)</b>
<b>Eligible Applicants</b>	Political Subdivisions	Non-Profit Organizations with tax exempt status under section 501(c)(3) of the IRS Code
<b>Rules</b>	31 TAC §363.506(d) Adopted April 19, 2000	31 TAC §363.521-363.524 Adopted October 17, 2000
<b>Available Funding</b>	\$202,989 <sup>4</sup>	500,000. <sup>5</sup>
<b>Eligible Expenses</b>	Construction related expenses related to the acquisition of constructed facilities, water and wastewater treatment plants, and individual connections to the system.	Reimbursement for incurred expenses related for construction, planning, platting, surveying, engineering, equipment, and other necessary self-help project related expenses.
<b>Other Requirements</b>	<ul style="list-style-type: none"> <li>• Estimated project costs reduced by 40% through resident labor or participation in the project.</li> <li>• Residents will bear at least 10% of the actual costs of the project through a loan.</li> <li>• Facility plan must meet 18 required EDAP tasks.</li> </ul>	<ul style="list-style-type: none"> <li>• Organization demonstrates record of completing a water related self-help project in coordination with a retail public utility as of January 1, 2001.</li> <li>• Conventional project costs are significantly reduced through self-help efforts.</li> <li>• A political subdivision will monitor and inspect the construction of the project, and become owner/operator of the project/system and provide service to residents upon completion.</li> </ul>

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<sup>4</sup> The amount of funding expected to be awarded to North Alamo WSC in November 2001 was subtracted from the funding amount available for the Community Self-Help Program.

<sup>5</sup> The funding available for the Colonia Self-Help Program is shared with the Research & Planning Program for the development of facility planning documents under the Economically Distressed Areas Program.

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**KEY PROVISIONS OF THE CSHP IN SB 312**

SB 312 created the CSHP by adding Subchapter P to the Texas Water Code, Chapter 15. Some key sections of the CSHP are as follows:

SB 312 established several definitions pertinent to the CSHP:

- “colonia” is defined as meaning a geographic area that is located in an economically distressed area; and is located in a county which has some part that is located within 50 miles of an international border.
- “economically distressed area” means an area in which water supply or sewer services are inadequate to meet minimal needs of residential users as defined by board rules; financial resources are inadequate to provide water supply or sewer services that will satisfy those needs; and an established residential subdivision was located on June 1, 1989, as determined by the board.
- “retail public utility” is any person, corporation, public utility, water supply or sewer service corporation, municipality, political subdivision or agency operating, maintaining, or controlling in this state facilities for providing potable water service or sewer service, or both, for compensation.
- “self-help project” is a project in which the people who will benefit from the project actively participate.

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SB 312 established an account for the CSHP in the general revenue fund that is comprised of money appropriated by the Texas Legislature directly to the CSHP account; funds transferred at the TWDB's discretion from the Texas Rural Water Assistance Fund; gifts, grants, and donations to the CSHP account and interest earned on money credited toward the account.

The statutory language of SB 312 also established the specific expenses for which the TWDB may reimburse nonprofit organizations and include:

- construction expenses;
- facility planning expenses;
- platting expenses;
- surveying expenses;
- engineering expenses;
- equipment expenses; and
- any other expense that are necessary to provide water or wastewater services to the colonia that are appropriate as determined by the TWDB.

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The eligibility requirements for nonprofit organizations under SB 312 are as follows:

- apply for a CSHP grant
- qualify for an federal income tax exemption under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended; and
- have a demonstrated record of completing construction of self-help projects in coordination with a retail public utility as of January 1, 2001.

Significantly, section 15.955 of the Water Code details that eligible nonprofit organizations must apply to the TWDB before it incurs any expense associated with a CSHP project and the organization's application must include:

- the name of the nonprofit organization, the names of the organization's principal officers, and verification of the organization's 501(c)(3) status;
- a description of the project area, the anticipated number of water and wastewater connections to be made, and the anticipated number of colonia residents to be served;
- a description of the existing water and wastewater facilities in the colonia;
- a description of the project and the aspect of the project for which the grant will be used;

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- a description of the anticipated participation in the project by residents of the colonia;
- the estimated total cost of both the project and the aspect of the project for which the grant will be used;
- the amount of the grant that is requested from the account and the sources of funding for the entire project;
- from a retail public utility authorized to provide water or wastewater services to the colonia, a resolution in which the retail public utility:
  - (A) agrees to inspect the project during and after construction to ensure the adequacy of the project; and
  - (B) commits to provide the water or wastewater 31-17 services that the project intends to use; and 31-18 (9) any other information required by the board.

After the TWDB evaluates any CSHP grant application, the TWDB must issue a written resolution within 60 days of the application completion approving or disapproving the application. The TWDB, as part of its evaluation process, must consider the number, quality, and character of projects previously completed by the applicant; and the capability of the retail public utility to provide water or wastewater services to the colonia on completion of the project.



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The final significant section of the CSHP language found in SB 312 charges the TWDB and the SOS to co-administer the CSHP until the second anniversary of the date on which the program began operation which is the effective date of SB 312 - September 1, 2001.

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**IMPLEMENTATION OF THE CSHP**

**STATE AGENCIES**

The TWDB was charged by the Texas Legislature in SB 312 to implement and supervise the CSHP. The TWDB and its Border Project Management Division Director, Ignacio Madera, Jr., have worked from the time of creation of the CSHP to facilitate efforts by nonprofit organizations to take advantage of the program. Although no state funding was specifically appropriated for the CSHP, the TWDB identified a potential source of funds from money in the Rural Water Assistance Fund that had been previously earmarked for facility planning as part of the Economically Distressed Areas Program (EDAP). For the 2002 fiscal year, \$500,000 is available for the CSHP with the caveat that CSHP applications must compete with applications for facility planning and money is awarded on a first-come, first-serve basis.

The TWDB began the rulemaking process for the CSHP in July, 2001 and completed the process by adopting the rules for implementation of the CSHP on October 17, 2001. The complete rulemaking process for the TWDB is discussed in a later section of this report.

As of June, 2002, no projects have been funded through the CSHP to date but three applications are expected to be presented to the TWDB Finance Committee later

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this month. The estimated cost of the projects is \$50,000 and encompasses 27 connections. The three projects will impact 121 colonia residents. A fourth project which should connect 147 colonia residents also be considered by the TWDB Finance Committee in July, 2002. The TWDB staff is also currently reviewing the environmental assessments for four additional projects which will provide 147 connections and will benefit 590 residents. An overall total of 858 colonia residents should receive water and/or wastewater through the eight projects navigating the CSHP process.

The other state entity that has been closely involved with the CSHP is the Texas Secretary of State's (SOS) Office. The SOS is mandated by SB 312 to co-administer the CSHP until the second anniversary of the date on which the CSHP began operations which was September 1, 2001 - the effective date of SB 312. The SOS's participation in the CSHP has centered on the assistance provided by seven border colonia ombudsmen that are under the supervision of an Austin-based director of colonia initiatives, which is currently Yvette Sanchez. The border colonia ombudsmen are located in the border counties with the highest colonia populations: Hidalgo, El Paso, Starr, Webb, Cameron and Maverick Counties and are given the responsibility to coordinate meetings between local colonia residents, state agencies, elected officials, local governments, utility companies, and nonprofit organizations to expedite the process of connecting colonia residents to water and wastewater services. The Colonia Ombudsmen Program was developed by the SOS as part of SB 1421 which was authored by Senator Eddie Lucio, Jr. during the 76th Legislative Session.

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Specifically, the border colonia ombudsmen become involved with the CSHP after a need has been established and a nonprofit organization expresses an interest in applying for a grant. As part of the research and planning phases emphasized by the TWDB, a nonprofit organization must hold a community meeting to compile a list of beneficiaries' names and phone numbers. The nonprofit organization also gathers information on the colonia residents' ability to contribute to the project either through cash contributions or providing the "sweat equity" of their own labor as well as other relevant information such as plans, surveys, and residents' property deeds. The SOS's ombudsmen assist in the coordination of the community outreach meeting and data collection which often means going house-to-house to drop off residential surveys, providing explanations on how the documents should be completed and, eventually, the collection of the surveys.

After the TWDB has accepted the nonprofit organization's application and construction has begun, the SOS ombudsman monitor the progress of the project and serve as a facilitator between the nonprofit organizations, engineers, state agencies, contractors and residents. When problems and delays occur, the ombudsmen can act as advocates for the residents to expedite the ultimate delivery of water and wastewater services.

The SOS colonia ombudsmen have witnessed a strengthening of both the physical and social infrastructure of each colonia that has participated in the CSHP and the SOS office is committed to assisting in any project that generates long-term cost savings for the state, such as the CSHP.

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**NONPROFIT ORGANIZATIONS**

One of the nonprofit organizations that was instrumental during the 77th Legislature in the creation of the CSHP is BWW. BWW was founded in 1996 by Dr. Charles Clements with a mission to improve public health on the Texas border by assisting colonia residents in building their own water and wastewater infrastructure through self-help. BWW's website can be found at the following address: [www.borderwaterworks.org](http://www.borderwaterworks.org). Since its founding, BWW has completed 23 projects in Texas border counties and served over 12,000 residents while providing an average self-help cost savings of 50% below the conventional cost of projects. According to BWW, the need for improved water and wastewater facilities in colonias is demonstrated in figures that the Texas Department of Health has provided that show that episodes of Hepatitis A and other water-borne diseases are 200-300% higher in colonias than in other parts of Texas due to inadequate water systems.

BWW currently has two CSHP projects that have made a significant amount of progress, the Wisconsin Road and Mile 17 1/2 colonias. Both projects have passed engineering and environmental reviews and are awaiting the June, 2002 meeting of the TWDB Financing Committee for further guidance. Both projects will receive funds from a partnership of TWDB, the GRC, and the colonia residents themselves. The colonia residents have been organized into work crews and have already begun contributing money towards a down payment of \$250 per family on the projects.

Typically, BWW has found with self-help projects that when residents are required to pay cash out of their own pockets in addition to providing labor, the residents have

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a greater sense of ownership in the project and the facilities that are created both during work on and after the completion of the projects. BWW has also found that local initiatives and innovations are often discovered to ultimately lower the project costs when residents have the incentive to save money. To enable all colonia residents to financially participate, BWW offers a 2% interest loan program through utility providers to assist colonia residents with their cash contribution towards self-help projects.

Some of the value that the BWW sees in the CSHP is that it is reimbursement-based which focuses the accountability on results. There is also no facility plan required when the scope of the project does not justify it, thereby reducing red tape. BWW also believes that the CSHP has helped streamline and make more practical the environmental review process, which is a result of using state and not federal funds. BWW has identified 13 colonias that it could assist in the next two years that would benefit 1,475 colonia residents at a cost savings of \$1 million.

Another nonprofit organizations that is involved with the CSHP is TRI which started in upstate New York in 1973 and has a website that can be found at: [www.tricampus.org](http://www.tricampus.org). TRI assisted in the creation of the Texas STEP and helped the Texas STEP to be the highest performing STEP region in the country with over 40 completed projects that have benefitted 20,000 Texans while saving more than \$13 million. TRI is also heavily involved with the Hidalgo County STEP which replicates the collaboration of the statewide Texas STEP on the county level and has 15 projects completed or underway and five in development.

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In its efforts with the CSHP, TRI has found the TWDB employees to be responsive. One particular example of the positive working relationship is the TWDB's decision to allow TRI to invest its own money in projects and break ground as soon as the supervising engineer declares the application "complete" which has compressed the self-help project time frame which is a necessity for maintaining volunteer interest until completion. The CSHP and its reimbursement structure also enables non-profit organizations to turn cash contributions, such as the City of McAllen's \$8,000 contribution for materials for the Proyecto Vecinos Unidos colonia project, into a revolving fund to help other colonias elsewhere.

According to TRI, the major impediment that it has faced in its efforts is the protracted response time from the Texas Parks & Wildlife Commission (TPWD) which is one of the five state and federal agencies that are required to prepare comments for the mandatory environmental assessment. TRI has stated that while the United States Fish and Wildlife Department normally provides a comment within one week from the time of request, TPWD takes four to six weeks to respond to a similar request for endangered species clearance. In TRI's experience, no actual site visit is made by TPWD, and the letter that is issued by TPWD does not give an indication of approval or disapproval but merely includes a list of possible species that require watching. TRI stresses that rapid turn-around time for environmental assessments is important in maintaining project enthusiasm.

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**RETAIL UTILITIES**

Retail utilities are another vital part of the CSHP. The retail utilities involvement includes inspecting the work performed on the self-help water and wastewater projects and, ultimately, assuming ownership of the facilities that are installed. Some of the retail utilities that participate in CSHP projects are Hidalgo County, the North Alamo Water Supply Corporation (NAWSC) and the cities of McAllen and Sharyland. As part of their review process, the TWDB requires that nonprofit organizations submit a form to the TWDB that states that the retail utility has been contacted and that the utility has inspected and plans to assume ownership of the project at the time of completion.

The City Engineer for the City of Weslaco, Randy Winston, testified that he has had a good working relationship with BWW and that the projects undertaken by BWW have met all of the requirements that all water and wastewater projects must meet. Stephen Sanchez of the NAWSC has also been pleased with the results of the self-help projects that have become a part of NAWSC's system. In addition, Sanchez has found that the projects have come in at or below cost.

Retail utilities have also contributed to the CSHP by providing local funding, in-kind donations of machinery and manpower, political support, and information on connecting to the utilities' infrastructure. Nonprofit organizations have also benefitted from the use of the retail utilities' billing services which list the down payment or cash contribution that colonia residents owe nonprofit organizations to be listed as a line-item on the residents' monthly water bill until the debt is paid off.



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**TWDB RULEMAKING FOR IMPLEMENTATION OF CSHP**

The TWDB is responsible for adopting rules for the implementation of the CSHP and began the rulemaking process by holding a meeting with a number of stakeholders on July 24, 2001 to review the draft rules and receive comments. Comments were received and incorporated into the draft rules which were published in the August 31, 2001 issue of the *Texas Register* (26 *TexReg* 6614). After no comments were received during the subsequent comment period, the TWDB adopted amendments to 31 TAC §§363.1, 363.2, 363.501, and 363.503 and new §§363.521-363.524 concerning the EDAP, at its October 17, 2001 meeting in Edinburg without any changes to the proposed amendments as published in the August 31, 2001 issue of the *Texas Register* (26 *TexReg* 6614). The amendments facilitated the implementation of the provisions of SB 312 related to water supply and wastewater projects that are to be completed through the self-help efforts and initiatives of the residents who will receive water or wastewater service from the completed project. The amendments and new sections are intended to provide the application requirements and parameters for financial assistance to be provided by the board for such projects.

Amendments were adopted to §363.1, Scope of Subchapter, and to §363.2, Definitions of Terms, to add the Colonia Self-Help Program authorized by the new Water Code provisions to those programs to which Subchapter A of Chapter 363 is applicable. Section 363.501, Scope of Subchapter, was amended to add the new program to those applicable under the provisions of Subchapter E of Chapter 363. Section 363.503, Determination of Economically Distressed Area, was also

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amended to make it consistent with the new §363.524, clarifying the board's discretion to consider all relevant information in making this determination.

Chapter 363, Subchapter E, Economically Distressed Areas, will be restructured into two divisions. The existing §§363.501-363.509 will comprise Division 1, Economically Distressed Areas Program. The adopted new §§363.521-363.524 will comprise Division 2, Colonia Self-Help Program. Division 2 will contain the provisions under which the board will consider providing grant assistance to a qualified tax exempt nonprofit organization that incurs reimbursable expenses. The expenses must be related to a water supply or wastewater project completed through the self-help efforts and initiatives of the residents receiving service from the project.

New §§363.521-363.524 provides the requirements for an application for financial assistance under the Colonia Self-Help Program. The application must be submitted by a qualified tax exempt nonprofit organization and must include organization information, documentation which demonstrates that the project area is economically distressed, project description and estimated cost information, and documentation which demonstrates that the conventional costs of the proposed project will be significantly reduced through the efforts of the residents that will benefit from the completed project. The application must further demonstrate that the design and construction of the project will be reviewed and inspected by the political subdivision that will provide the utility services.

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The amendments are adopted under the authority of the Texas Water Code, §6.101 which provides the Texas Water Development Board with the authority to adopt rules necessary to carry out the powers and duties in the Water Code and other laws of the State including, specifically, §15.958 of the Water Code related to the Colonia Self-Help Program.

Features of the rules adopted include the following:

- Sections 363.1-363.503 add the Colonia Self-Help Program.
- Section 363.521 provides definitions for “Applicant”, “Colonia”, “Eligible nonprofit organization”, and “Self-help project”.
- Section 363.522 provides for a direct financial commitment to a nonprofit organization.
- Section 363.523 explains what information is needed in a grant application.
- Section 363.524 provides that the board will evaluate colonias according to their lack of financial resources, lack of adequate service and if the area was an established residential subdivision as of June 1, 1989.

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**PUBLIC / PRIVATE PARTNERSHIPS THROUGH CSHP**

One of the encouraging developments that has occurred since the creation of the CSHP has been the public/private partnerships that have originated. Specifically, several of the Rotary Clubs that exist in Texas have created partnerships with the nonprofit organizations that participate in the CSHP to enable the state dollars provided by the TWDB to reach many more colonia residents.

The Galleria Rotary Club (GRC) of Houston has become involved with several CSHP projects through its relationship with BWW. In 2001, BWW and its work along the Texas border came to the attention of the GRC through GRC member Allan James. After several months of correspondence and meetings, GRC committed funds towards the Wisconsin Road and Mile 17 ½ self-help projects. The GRC envisions its partnership with the BWW and CSHP to include a three to five year project and is asking BWW to provide a business plan that explains its mission statement, goals, aspirations, current resources and its funding needs over the next five years. The GRC is also interested in getting other rotary clubs and charity organizations involved which is shown through GRC's effort to include the rotary clubs in northern Mexico, McAllen, Harlingen, and Weslaco as well as the Houston Endowment, Lions clubs, and Kiwanis. The GRC is holding a golf tournament fundraiser in the Houston area with a goal of raising \$20,000 which can be used as seed money by BWW.

The Weslaco Rotary Club has also contributed time and money towards projects that are part of the CSHP. Weslaco Rotarians, such as Hidalgo County Commissioner Sylvia Handy and Randy Winston have helped the nonprofit organizations in their

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area make a difference in the lives of colonia residents. To demonstrate his commitment to the self-help projects he has been involved in, Winston donated \$1,000 in surveying services through his engineering firm.

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**RESULTS OF THE COMMITTEE HEARINGS**

This interim charge, while available for public comment at each Committee hearing, was a focus for the Committee at the following meetings:

Austin, Texas                      October 29, 2001

Brownsville, Texas                May 23, 2001

The submitted written testimony is incorporated into this report. Oral testimony is available on the Senate's archived audio of the committee's hearings at [www.senate.state.tx.us](http://www.senate.state.tx.us).

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**RECOMMENDATIONS**

The Committee received testimony during its interim hearings from TWDB staff, SOS staff, nonprofit organization representatives, retail utility representatives, county commissioners, and Rotary Club members. After reviewing the testimony submitted to the Committee, both written and oral, as well as staff research, the Committee has formulated some recommendations to improve and expand the CSHP.

Based on its findings, the Committee has the following recommendations:

1. Dedicate funds directly to the CSHP from the Legislature. The program has proven successful in its initial two years and would continue to benefit the state with cost savings and reduced health problems in the Texas/Mexico border region.
2. Create a separate and distinct source of funding for the CSHP at the TWDB. The CSHP currently has to compete with applications from the EDAP facility and planning program.
3. Increase the public awareness of the CSHP, especially among nonprofit organizations such as Habitat for Humanity.
  - A. After making appropriate statutory and rule changes, TWDB and SOS should actively pursue and contact nonprofit organizations to increase participation in the CSHP.
  - B. One possibility is to use the county self-help centers that currently exist along the Texas border to spread information regarding the CSHP.

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4. Continue the involvement of the SOS's Office after the two year mandatory co-administration period expires on September 1, 2003. The SOS's Office should continue to assist the non-profit organizations in organizing colonia residents as well as in identifying and acquiring local services from elected officials, engineers or other private partners.
5. Encourage more public / private partnerships through the CSHP with incentives and increased public awareness throughout the state of Texas.
6. Provide more technical assistance to nonprofit organizations with increased funding for engineering services and other skilled professional work that is necessary to complete an adequate water or wastewater project.
7. Reduce the response time for paperwork, particularly environmental assessments, by limiting the time to answer for state agencies from 60 days to 30 days and allowing the TWDB to act after notice has been given and no action has been taken by those state agencies.
8. Properly plat roads both within the colonias as well as the colonia entrance roads. Public access and easements should be legally established before projects can be completed and retail utilities take ownership of the facilities.



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# **APPENDICES**

28-15 SUBCHAPTER P. COLONIA SELF-HELP PROGRAM  
 28-16 Sec. 15.951. DEFINITIONS. In this subchapter:  
 28-17 (1) "Account" means the colonia self-help account.  
 28-18 (2) "Colonia" means a geographic area that:  
 28-19 (A) is an economically distressed area as  
 28-20 defined by Section 17.921; and  
 28-21 (B) is located in a county any part of which is  
 28-22 within 50 miles of an international border.  
 28-23 (3) "Program" means the colonia self-help program  
 28-24 established under this subchapter.  
 28-25 (4) "Retail public utility" has the meaning assigned  
 28-26 by Section 13.002.  
 29-1 (5) "Self-help project" means a project in which the  
 29-2 people who will benefit from the project actively participate.  
 29-3 Sec. 15.952. CREATION OF ACCOUNT. (a) The colonia  
 29-4 self-help account is an account in the general revenue fund that  
 29-5 may be appropriated only for the purposes of this subchapter.  
 29-6 (b) The account consists of:  
 29-7 (1) money transferred by the legislature directly to  
 29-8 the account;  
 29-9 (2) money transferred at the board's discretion from  
 29-10 the fund;  
 29-11 (3) gifts, grants, or donations to the account; and  
 29-12 (4) interest earned on money credited to the account.  
 29-13 (c) Sections 403.095 and 404.071, Government Code, do not  
 29-14 apply to the account.  
 29-15 Sec. 15.953. USE OF ACCOUNT. (a) The board may use funds  
 29-16 in the account only to reimburse nonprofit organizations eligible  
 29-17 under Section 15.954 for expenses incurred in a self-help project  
 29-18 that results in the provision of adequate water or wastewater  
 29-19 services to a colonia. Expenses that may be reimbursed include:  
 29-20 (1) construction expenses;  
 29-21 (2) facility planning expenses;  
 29-22 (3) platting expenses;  
 29-23 (4) surveying expenses;  
 29-24 (5) engineering expenses;  
 29-25 (6) equipment expenses; and  
 29-26 (7) other expenses necessary to provide water or  
 30-1 wastewater services to the colonia, as determined appropriate by  
 30-2 the board.  
 30-3 (b) The board may award a grant under the program directly  
 30-4 to a nonprofit organization to reimburse the organization for  
 30-5 expenses incurred in a self-help project described by Subsection  
 30-6 (a).  
 30-7 Sec. 15.954. ELIGIBLE NONPROFIT ORGANIZATIONS. To be  
 30-8 eligible to receive a grant under the program, an organization  
 30-9 must:  
 30-10 (1) apply for the grant;  
 30-11 (2) qualify for an exemption from federal income taxes  
 30-12 under Section 501(c)(3), Internal Revenue Code of 1986, as amended;  
 30-13 and  
 30-14 (3) as of January 1, 2001, have a demonstrated record  
 30-15 of completing in coordination with a retail public utility  
 30-16 construction of self-help projects described by Section 15.953(a).  
 30-17 Sec. 15.955. GRANT APPLICATION. An eligible nonprofit  
 30-18 organization must apply to the board for a grant under the program  
 30-19 before incurring any expense associated with a self-help project  
 30-20 described by Section 15.953(a). The application must include:  
 30-21 (1) the name of the nonprofit organization, the names  
 30-22 of the organization's principal officers, and verification of the  
 30-23 organization's 501(c)(3) status;  
 30-24 (2) a description of the project area, the anticipated  
 30-25 number of water and wastewater connections to be made, and the  
 30-26 anticipated number of colonia residents to be served;  
 31-1 (3) a description of the existing water and wastewater

31-2 facilities in the colonia;  
 31-3 (4) a description of the project and the aspect of the  
 31-4 project for which the grant will be used;  
 31-5 (5) a description of the anticipated participation in  
 31-6 the project by residents of the colonia;  
 31-7 (6) the estimated total cost of both the project and  
 31-8 the aspect of the project for which the grant will be used;  
 31-9 (7) the amount of the grant that is requested from the  
 31-10 account and the sources of funding for the entire project;  
 31-11 (8) from a retail public utility authorized to provide  
 31-12 water or wastewater services to the colonia, a resolution in which  
 31-13 the retail public utility:  
 31-14 (A) agrees to inspect the project during and  
 31-15 after construction to ensure the adequacy of the project; and  
 31-16 (B) commits to provide the water or wastewater  
 31-17 services that the project intends to use; and  
 31-18 (9) any other information required by the board.  
 31-19 Sec. 15.956. BOARD CONSIDERATIONS IN EVALUATING GRANT  
 31-20 APPLICATION. In evaluating an application for a grant under the  
 31-21 program, the board shall consider:  
 31-22 (1) the number, quality, and character of projects  
 31-23 previously completed by the applicant; and  
 31-24 (2) the capability of the retail public utility to  
 31-25 provide water or wastewater services to the colonia on completion  
 31-26 of the project.  
 32-1 Sec. 15.957. ACTION ON GRANT APPLICATION. (a) Not later  
 32-2 than the 60th day after the date the board receives a complete  
 32-3 application for a grant under the program, the board by written  
 32-4 resolution shall:  
 32-5 (1) approve the application; or  
 32-6 (2) disapprove the application.  
 32-7 (b) On approval of an application, the board shall authorize  
 32-8 the executive administrator of the board to execute a contract with  
 32-9 the applicant for a grant to reimburse eligible expenses. The  
 32-10 contract may provide a budget, schedule, terms for payment of  
 32-11 funds, and any other terms the board or its executive administrator  
 32-12 considers appropriate.  
 32-13 Sec. 15.958. RULES. The board shall adopt rules necessary  
 32-14 to administer the program established under this subchapter.  
 32-15 Sec. 15.959. CO-ADMINISTRATION. The program shall be  
 32-16 co-administered by the office of the secretary of state until the  
 32-17 second anniversary of the date on which the program begins  
 32-18 operations under this subchapter.  
 32-19 SECTION 24. Subchapter B, Chapter 16, Water Code, is amended  
 32-20 by amending Section 16.021 and adding Section 16.022 to read as  
 32-21 follows:  
 32-22 Sec. 16.021. TEXAS NATURAL RESOURCES INFORMATION SYSTEM.  
 32-23 (a) The executive administrator shall establish the Texas Natural  
 32-24 Resources Information System (TNRIS) to serve Texas agencies and  
 32-25 citizens as a centralized clearinghouse and referral center for  
 32-26 natural resource, census, and other socioeconomic data;  
 33-1 (b) The executive administrator may, on behalf of TNRIS,  
 33-2 enter into partnerships with private entities to provide additional  
 33-3 funding for improved access to TNRIS information. The board shall  
 33-4 adopt administrative rules to describe the process of establishing  
 33-5 partnerships, define the types of partnerships that may be formed,  
 33-6 establish the fee collection process, and define the  
 33-7 nondiscriminatory methods used to determine which private entities  
 33-8 may enter into partnerships. Any process developed by the board  
 33-9 must comply with all applicable laws regarding ethics, purchasing,  
 33-10 and contracts.  
 33-11 (c) The Texas Geographic Information Council (TGIC) is  
 33-12 created to provide strategic planning and coordination in the  
 33-13 acquisition and use of geo-spatial data and related technologies in  
 33-14 the State of Texas. The executive administrator and the executive

HOW KIDS HURT KIDS ANTIVIOLENCE PROGRAMS THAT WORK

# LIFE

Exclusive

**Steven Spielberg and his dad: Healing a 5-year rift**



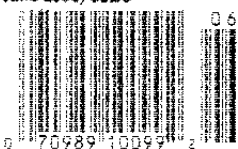
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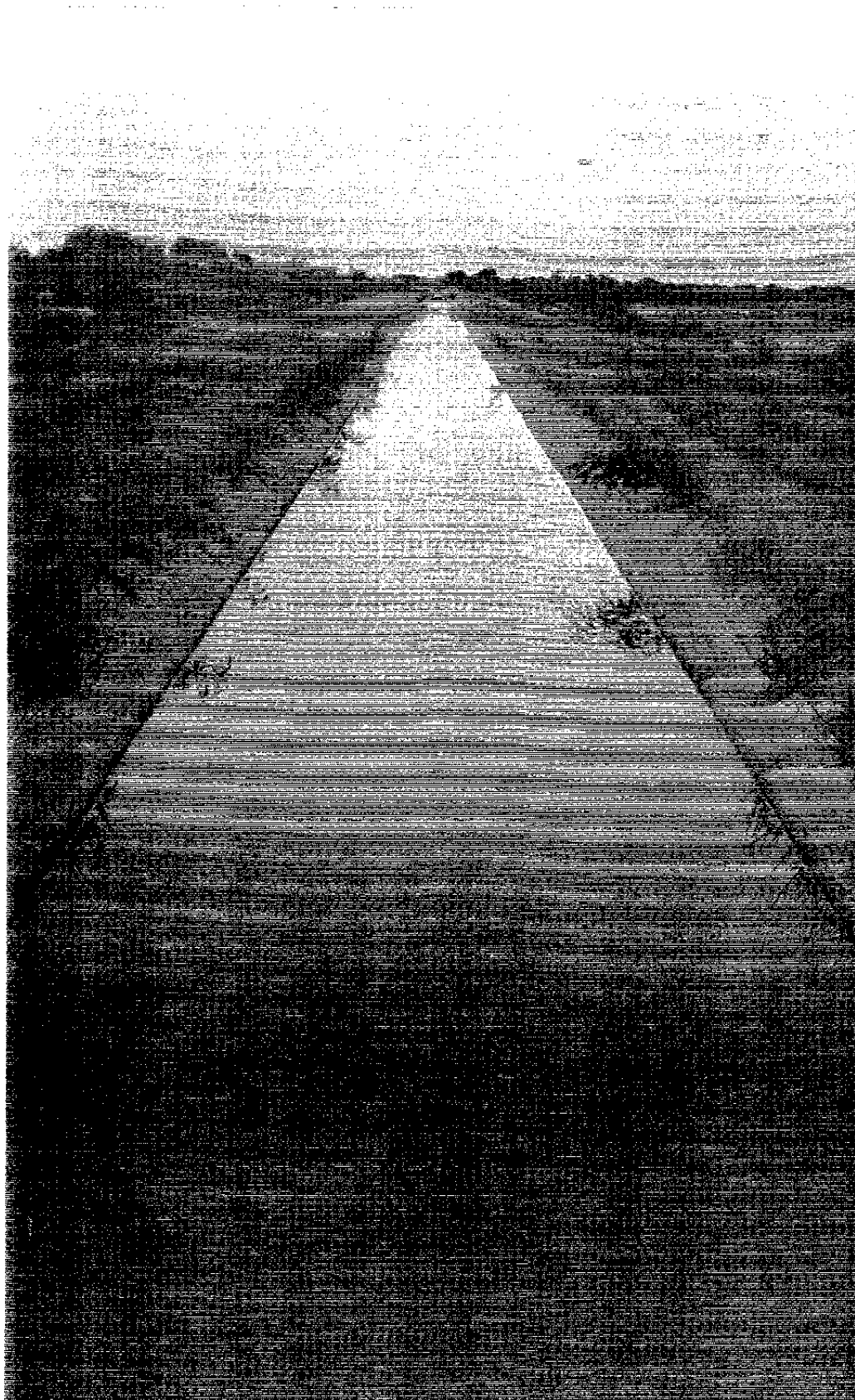
SOCIETY

# Pipe Dreams

The folks in a tiny Texas border town were plumb determined to get something most Americans take for granted: running water.

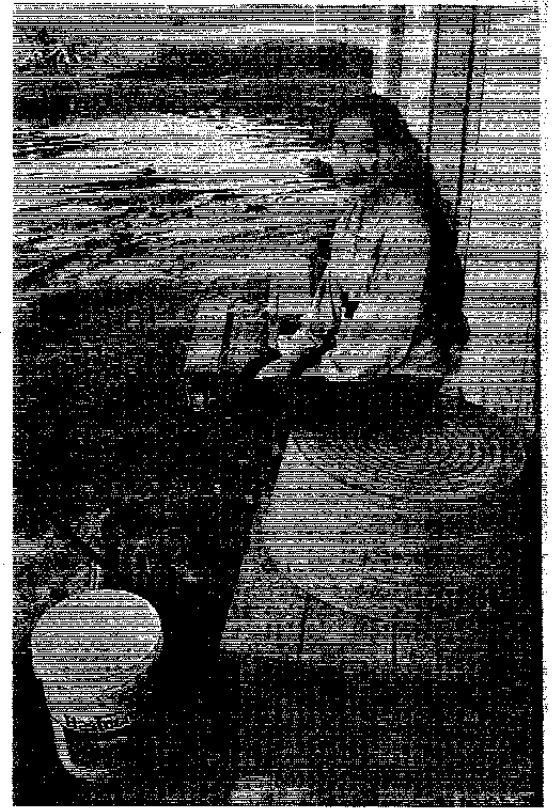
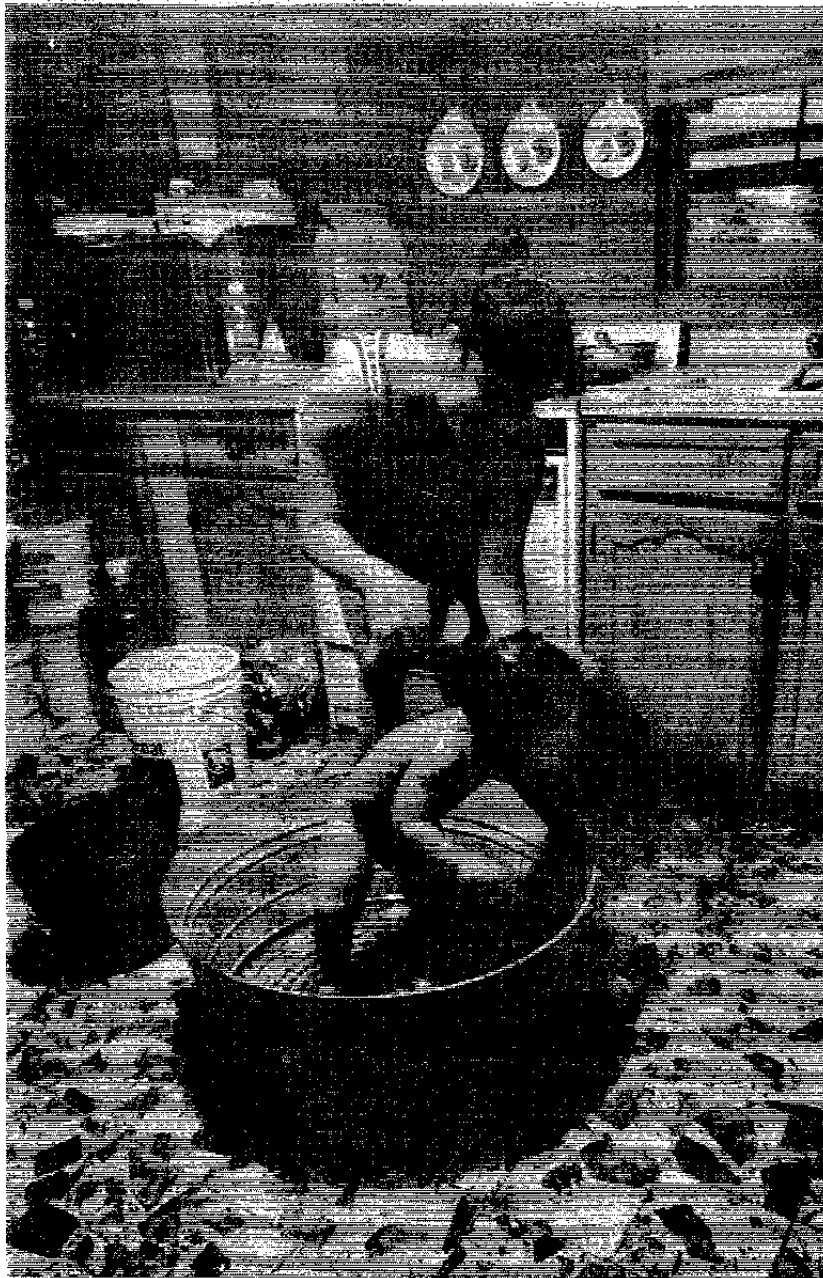
By **Claudia Glenn Dowling** • Photography by **Tony O'Brien**

SOCIETY **105**



**H<sub>2</sub>O WOES** The average American uses 110 gallons of water a day, but not the residents of Johnny Subdivision before they had modern plumbing. Left: Water had to be trucked in or tapped from this nearby irrigation canal. Ingredients? Pesticides, industrial effluvia, sewage. Above: Juanita Diaz used the dirty water to do laundry.





**HELL OR HIGH WATER** Above: Janette Díaz, 17, waited as her family built an extension for a bathroom. "I've never felt ashamed of being poor, but I have felt ashamed not to have water," she says. At times, the family had too much water—an unpaved road by their house was impassable during heavy rain

**T**he dry season is beginning, and water is getting low in the irrigation ditches flowing from the Rio Grande. But this summer, for the first time, the nine families who live in a rural neighborhood 15 miles north of the border near Brownsville, Tex., won't have to haul and hoard 55-gallon drums of the stuff of life for bathing and drinking.

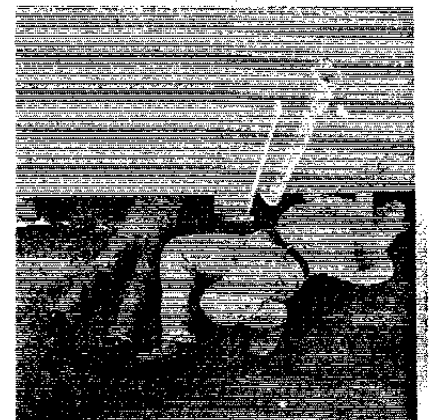
Johnny Subdivision is one of 1,300 tiny, mostly Mexican American settlements in Texas categorized as *colonias*, low-income neighborhoods that, amazingly, still lack such basic infrastructure as water, sewers, electricity, pavement or storm drainage. When Rosy Díaz, 36, and ➔

**MAKING DO** Right: When the irrigation canal was full in the winter, water flowed to an outlet in Juanita Díaz's yard. Mothers boiled it, but children still got ear infections and upset stomachs. Above: A few weeks before her plumbing was installed, mother Juana Paz heated water on the stove for a bath for her nephew Juan Mario, one.





**WORK BEGINS** Everybody pitched in. The project was budgeted at about \$20,000, but the residents came home from long factory shifts to dig ditches or lay pipe, and the costs came down by half. In addition, the county, the water company, the health department and various charities supplied free services or grants. Bottom right: Civil engineer Andrew Ramirez Robertson of Border WaterWorks provided know-how, tools and materials.



**"WE'VE GOT WATER!"** The neighborhood kids ran home when Salvador Díaz turned the water on for the first time to flush out the line. Teenagers showered. Men washed cars. The first thing the women wanted to do? "Wash the dishes *inside* the house," said Rosy Díaz and her aunt Juanita Díaz.

her family bought half-acre lots for \$3,200 in 1968 the developer provided only electricity. Two years ago, Rosy, a supervisor at a clothing factory went once again to a county office to complain. There, the leader of another colonia said, "You need water? This kid can help you out." And she was introduced to Andrew Ramirez Robertson, 27, a bilingual environmental engineer employed by Border WaterWorks, a nonprofit organization in El Paso that helps people in colonias with paperwork (easements, plan approvals) and procedures (surveying, funding, \$11,000 in cash and two months of hard labor) but it worked. "We give thanks to God, to Andrew and to everyone that helped us," says Rosy. "We waited 15 years. Now, we have water." ➔





**SPLISH SPLASH** Above: With the project done, Rosy Díaz ceremonially turned on the taps in the kitchen as the family toasted the occasion with glasses of chlorinated public water—not the tastiest, but healthy. Outhouses got dismantled, as did outdoor shower sheds. Rosy teased her husband, Mayolo, that he now had to take a bath more than once a week. “I never thought I’d have a bathroom in my own home,” he says. “The dream always seemed so far away. Now it’s a reality.” Left: On the first day of running water, Alicia Villapando heard splashing. Fearing a leak, she ran into the bathroom. It turned out that Juan Malias, four, had turned on the taps by himself.

THE  
JUN  
2001

# ROTARIAN

**The gift of sight**  
Rotarians battle blindness

**Meeting in Manila**  
The Asia-Pacific

**Rotary in**  
cyberspace



# The Rotary Foundation

## Border crossings help the poor in USA, Mexico

**R**otary clubs across the United States have established "sister clubs," typically located in far-flung locales. Through e-mail and phone calls—and if, they're fortunate, a rare visit—the members forge life-long friendships as they work together on humanitarian projects. Few, however, experience the unique bond that comes with a shared border, as do those in Mexico and Texas, USA, host state for this month's RI Convention in San Antonio.

Like many Rotarians who live near the U.S.-Mexican border, members of the Rotary clubs of Weslaco, Texas, and Rio Bravo, Mexico, have long recognized their geographic, ethnic and economic interdependence. The two clubs joined forces to launch a major health care project for impoverished families in Rio Bravo, obtaining a U.S. \$300,000 Health, Hunger and Humanity Grant from The Rotary Foundation to staff and equip a medical clinic for three years. The Mexican government agreed to support the project once the start-up period ends.

**"Here in our own backyard, we have people living in Third World conditions."**

— Sylvia Handy,  
Weslaco Rotary Club

Rio Bravo, the center of a large farming region, lies just 15 miles (24 kilometers) from the border. In recent years, several *maquiladoras*, or foreign-owned factories, opened in the city of 130,000. New residents arrive every day from Mexico's interior, seeking jobs in the plants. All too often, there are none. Unable or unwilling to return home, the newcomers remain and settle in slums that have no water, power or sanitation.

The club members arranged for the Arapahoe United Methodist Church of Plano, Texas, to provide the materials and volunteer labor to build the new clinic, which opened in January 2000. Andean Rural Health Care, a nonprofit organization, agreed to manage the clinic, staffed by a full-time doctor, registered nurse, assistant, administrator and *promotore*, a community health worker who visits local families to tell them about the new service.

The Rotarians' current effort builds on a 1998 project, when the clubs, along with the Rotary Club of Cameron, Texas, obtained a Matching Grant to buy and install two water purification units, serving about 400 families near Rio Bravo who lacked access to clean water.



Andrew Ramirez Robertson, a former Rotary Scholar, digs in to provide water lines to U.S. *colonias*.

### A 'Third World' in Texas

The Weslaco Rotary Club also worked closely with a former Rotary Foundation Ambassadorial Scholar, Andrew Ramirez Robertson, to provide clean water to residents of one of the estimated 1,500 impoverished U.S. *colonias* that line the border with Mexico. These villages, inhabited primarily by Mexicans and Mexican-Americans, lack basic infrastructure such as water, sewers, paved streets and flood drainage.

Sylvia Handy, a member of the Weslaco club and Hidalgo County commissioner, recalls, "When I first came into office, I was shocked. Here, in our own backyard, we have people living in Third World conditions."

For the past 15 years, residents of the Zapata *colonia* near Mercedes, Texas, have been forced to use contaminated water from a nearby irrigation ditch. And during the summer irrigation season, even that dismal source is off-limits to the neighborhood. "Sometimes, we'd have to leave town for a month because we had no water," says resident Laura Zapata.

The Rotarians, community residents, the North Alamo Water Supply Corporation and WaterWorks, a non-profit organization founded by Robertson, teamed up to install more than 5,000 feet (1,524 meters) of water line, and then connected all the houses to water and septic services. WaterWorks is devoted to building water and sewer systems in *colonias* along the border of Mexico and Texas.

"I am so proud now that we have water," says community leader Rosie Diaz, who helped build the new water line. "I wanted water so my children would not have to suffer the way I did."

Robertson was named as one of nine

Robertson's group, WaterWorks, cuts costs by working closely with local residents.



young adults to receive the "Do Something BRICK Award" in November from *Rolling Stone* magazine and Do Something, a nonprofit organization founded by U.S. actor Andrew Shue to encourage young leaders. Robertson was recognized with a \$10,000 grant for his work as founder and deputy director of WaterWorks. The group's community-based, self-help approach has saved more than \$500,000 compared with conventional costs for water projects. His legislative advocacy helped make \$18 million available in state funding for environmental projects, and he also led delegations of residents to lobby for laws expanding access to basic infrastructure.

"I've worked with people with very little money and sometimes no education, but who have a vision of what their neighborhood can become," Robertson says. "I got my start in the path of community service as a Rotary Foundation Ambassadorial Scholar when I was 20 years old," he explains. "The Rotary fellowship was an experience that changed my life and helped me accomplish everything I've done today. As fate would have it, the majority of my work on our nations' border has been in partnership with local Rotarians."

### Equipping a free medical clinic

Rotarians in the Hill Country of Texas and the Highlands of Mexico have an ongoing cross-border partnership. Their latest joint effort is helping to provide much-needed health care to low-income residents in Kerrville, Texas:

The \$20,000 project, funded by the Rotary clubs of Toluca, Mexico, and Kerrville, and a Matching Grant from the Foundation, provided high-tech medical equipment, including blood-testing machines, a urinalysis system and fetal heart-rate monitors, for the Raphael Community Free Clinic. Robert Schmerbeck, past president of the Kerrville club, says the clinic was selected "because of its record of taking care of the ever-increasing demand for free medical care, especially among mothers and their children."

This was the third joint project for the clubs, which established a sister-club partnership in the mid-1980s.



U.S., Mexican Rotarians teamed up to buy equipment for a free medical clinic in Texas.

#### Foundation Facts

Paul Harris Fellows: 748,640  
 Foundation Benefactors: 52,140  
 Major Donors: 3,312  
 Bequest Society Members: 1,810

DATA AS OF 31 MARCH 2001



### Delivering care to young cancer patients

Leukemia patients travel for treatment on a Foundation-funded bus in Mexico.

The Rotary Club of Lake Conroe, Texas, and its sister club, the Rotary Club of Monterrey Metropolitan, Mexico, recently completed its third Matching Grant project. The first delivered an ambulance to Mina, Mexico, in 1997; the second provided a two-year supply of leukemia medications to the Monterrey University Hospital in 1998. Still, the young leukemia patients needed transportation to and from the hospital for treatment. The Rotarians learned from the ambulance project that it would be far more practical and expedient to purchase a van in Mexico, since they encountered many obstacles in transporting the earlier vehicle across the international border.

The Lake Conroe club raised \$5,000 by sponsoring two golf tournaments, a tennis tournament and a music festival—all in one year. The Monterrey club contributed \$4,000, and District 5910 (Texas) donated \$3,000 from SHARE funds. A \$12,000 Matching Grant brought the grand total to \$24,000.

Caritas de Monterrey, an affiliate of Catholic Charities in the United States, agreed to operate the 15-passenger van, which made its inaugural trip in mid-2000. The van now makes about 200 trips a month.

## COMMUNITY EFFORT BRINGS MUCH-NEEDED FRESH WATER TO COLONIA

Article by Melissa Sattley, THE MONITOR, McAllen, Texas • Photo by Brad Doherty, HOUSTON CHRONICLE

**MERCEDES-** After years of waiting for water, more than 50 residents of a colonia north of Mercedes will finally have their dreams realized this week when fresh drinking water flows from their faucets.

A good dose of sweat equity and tenacity on the part of colonia residents, plus a local grass-roots organization called Border Water Works, and a collaborative local government are finally bringing residents the water they thought might never come.

"It cost so much money, and we didn't know how to obtain the permits," said resident Hector Rodriguez. "We thought maybe it was just a dream."

For 15 years, since the colonia was first established, residents relied on irrigation water, which no one dared drink, especially when it turned brown and smelled like dirt. The canal water could only be used for cooking, bathing and doing the wash. And during the summer, when farmers needed the canal water for irrigation, the residents got no water at all.

"We'd have to stay with my in-laws sometimes for a month because we had no water," resident Laura Zapata said.

Eight years ago, residents decided they would try and get the water themselves, but the high cost of the project and the number of permits needed for construction made it a slow process. Then last March, Laura Zapata's husband Marcos came across local non-profit organization Border Water Works and enlisted their help, which finally paved the way.

Border Water Works, a community-based self-help program, was started in 1997 to provide water and sewer services to colonia residents. The McAllen-based organization helped residents reduce the estimated retail cost of \$60,000 down to \$24,700, by providing donated materials. Residents also provided the labor, which cut down costs considerably, said Abel Cisneros, program manager for Border Water Works.

And for the first time in a countywide effort to help colonia residents fund water and sewage projects Border Water Works joined forces with County Commissioner Sylvia Handy, County Judge Eloy Pulido and North Alamo Water Supply Corporation to form a project called Hidalgo County STEP. Border Water Works has three more projects with Hidalgo County STEP installing water or sewer services for other colonias in the county, Cisneros said. The projects should be finished by next spring, he said.

"Border Water Works really sped things up," Marcos Zapata said. "They paid for part of the construction with private donation money and they knew which inspectors to talk to and how to navigate permits."

Because of the project, Commissioner Handy provided \$5,600 in county money to buy water meters for the 15 households in the community. The residents paid almost \$8,000 toward the project, while Border Water Works provided some grant money and a low-interest loan program to residents to pay for the water main, which cost \$14,625.

"The only way to create sustainable change is to let the community own the project and train local leaders to continue work on their own," said Deputy Director Andrew Ramirez Robertson of Border Water Works' philosophy. "Self-help builds more than just pipelines; it builds pride and a sense of community."

A week ago Saturday men from each family in the community met to dig ditches and lay pipes for the water they have waited so long to receive. It was the final leg of construction for the project and residents felt the satisfaction that their long wait for water was finally over. For many, the project has been an opportunity to meet neighbors they never knew, and it has galvanized residents to make further improvements in their community such as paving roads and getting a sewage system installed.

"We've really started knowing each other in the past year," Marcos Zapata said of his colonia. "After all we've been through, we've gotten closer."





# Houston club helps finance effort to get running water to colonias

Soto Road is shown leading into a colonia in Edinburg. A Houston Rotary club contributed money for an effort to pave the road.



James Nedock/The Monitor

By ELIZABETH PIERSON  
The Monitor

WESLACO — A Houston-based Rotary club has promised to give \$8,000 to help bring water services to 20 families in two colonias.

Members from the Galleria Area Rotary Club visited the Rio Grande Valley recently to meet with residents of the colonias where their contribution, along with state money and other donations and advice, will help residents install their own water system.

The club said it would give \$4,000 each to the Wisconsin

Road colonia and the Mile 17 1/2 colonia in Hidalgo County, said Andrew Robertson, director of construction for Border Water Works.

"This is the first time that a Rotary club, and certainly a Rotary club from Houston, has taken an interest in sponsoring a water project in the Valley," Robertson said. "This is a pilot project, and if they work, they want to make it a long-term project for the next four or five years with other colonia residents."

Border Water Works is a non-profit group that helps colonia residents in Texas and New Mex-

ico find money and organize their own resources to bring water and sewer services to residents along the border.

The project means that about 100 residents in 20 homes will soon have running water.

"For us, it's been 17 years without water in our home," said Marla Carmen Mariscal, a resident of the Mile 17 1/2 colonia. "We want to thank the Rotary club and everyone else who has helped us to realize this dream."

Some residents in the colonias have trickles of water, but the

See COLONIAS page 8C

**"The situation is, unfortunately, all too common. But, like in these colonias, we've seen a lot of projects where people are willing to contribute their own time and money."**

— Andrew Robertson,  
director of construction for Border Water Works

are willing to contribute their own time and money."

Residents in the colonias also hope to get money —

\$15,000 for Wisconsin Road colonia and \$19,000 for 17 1/2

Mile colonia — from the Texas Water Development Board

under the Colonia Self-Help Program, Robertson said.

The program, approved by the Legislature last year, has

\$300,000 available to help colonia residents work toward getting services in their neighborhoods.

Residents, who testified Thursday in Brownsville

before the Senate Natural Resources Committee to ask

for the money, should have an answer in the next couple of

weeks, Robertson said. "We're confident," he said.

"It's already been approved at the staff level, so it looks like we'll have the funds."

The colonias are receiving other donations to pay for the lines, including an in-kind donation to survey the Wisconsin Road colonia land from Weslaco-based Bigler Winston Greenwood and some money from Hidalgo County.

Residents must donate some of their money and labor, Robertson said. Residents will work with construction experts to install the water lines and septic tanks.

"They're not paying all the for the residents, but they're paying enough of it to make it affordable so the residents could pay," Robertson said.

## COLONIAS

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water pressure is inconsistent, Robertson said. Some residents have to take showers in the middle of the night when no one else is using the meter water supply. Others have run out of water when their hair is full of shampoo and their bodies lathered with soap, forcing someone in the house to make a trip to the grocery store to buy bottled water so the bather can rinse off, Robertson said.

"The situation is, unfortunately, all too common," Robertson said. "But, like in these colonias, we've seen a lot of projects where people

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<b>RULE §363.1</b>	<b>Scope of Subchapter</b>

This subchapter shall govern the board's programs of financial assistance under the following programs established by the Texas Water Code:

(1) in Chapter 15:

- (A) water loan assistance fund under Subchapter C;
- (B) state water pollution control revolving fund under Subchapter J;
- (C) Storage Acquisition Program authorized under Subchapter E;
- (D) Bond Insurance Program under Subchapter B;
- (E) Colonia Self-Help Program authorized under Subchapter P;

(2) in Chapter 16, state participation in the purchase or acquisition of facilities under Subchapters E and F;

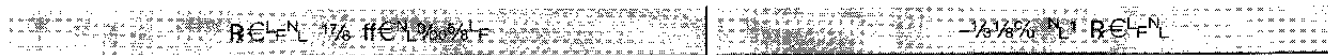
(3) in Chapter 17, the programs of assistance under the Texas water development fund, including financing of water supply projects under Subchapter D, water quality enhancement projects including municipal solid waste facilities under Subchapter F, flood control projects under Subchapter G, and economically distressed areas projects under Subchapter K;

(4) in Chapter 17, Revenue Bond Program under Subchapter I.

**Source Note:** The provisions of this §363.1 adopted to be effective July 19, 1991, 16 TexReg 3768; amended to be effective November 7, 2001, 26 TexReg 8847

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<b>RULE §363.2</b>	<b>Definitions of Terms</b>

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise. Words defined in the Texas Water Code, Chapters 15, 16 or 17, and not defined here shall have the meanings provided by the appropriate Texas Water Code chapter.

- (1) Applicant--A political subdivision or subdivisions which file an application with the board for financial assistance or associated actions.
- (2) Board--Texas Water Development Board.
- (3) Building--Erecting, building, acquiring, altering, remodeling, improving, or extending a water supply project, treatment works, or flood control measures.
- (4) Closing--The time at which the requirements for loan closing have been completed under §363.42 of this title (relating to Loan Closing) and an exchange of debt for delivery of funds to either the applicant, an escrow agent bank, or a trust agent has occurred.
- (5) Commission--Texas Natural Resource Conservation Commission.
- (6) Commitment--An action of the board evidenced by a resolution approving a request for financial assistance from any board financial assistance program under this chapter.
- (7) Corporation--A nonprofit water supply corporation created and operating under Texas Water Code, Chapter 49 (formerly Article 1434a, Vernon's Texas Civil Statutes).
- (8) Debt--All bonds, notes, certificates, book-entry obligations, and other obligations authorized to be issued by any political subdivision.
- (9) Department--Texas Department of Health.
- (10) Escrow--The transfer of funds to a custodian of the funds which will act as the escrow agent or trust agent.
- (11) Escrow agent--The third party appointed to hold the funds which are not eligible for release to the loan recipient.
- (12) Escrow agent bank--The financial institution which has been appointed to hold the funds which are not eligible for release to the loan recipient.
- (13) Executive administrator--The executive administrator of the board or a designated representative.
- (14) Financial assistance--Loans, grants, or state acquisition of facilities by the board pursuant to the Texas



Water Code, Chapters 15; Subchapters B, C, E, J, and P; Chapter 16; Subchapters E and F, and Chapter 17; Subchapters D, F, G, I, and K.

(15) Grants--Financial assistance provided by the board for which repayment is not required.

(16) Innovative technology--Nonconventional methods of treatment such as rock reed, root zone, ponding, irrigation or other technologies which represent a significant advance in the state of the art.

(17) Pre-design commitment--A commitment by the board prior to completion of planning or design pursuant to §363.16 of this title (relating to Pre-design Funding Option).

(18) Release--The time at which funds are made available to the loan or grant recipient or to a state participation recipient pursuant to a master agreement.

(19) Trust agent--The party appointed by the applicant and approved by the executive administrator of the board to hold the funds which are not eligible for release to the loan recipient.

**Source Note:** The provisions of this §363.2 adopted to be effective July 19, 1991, 16 TexReg 3768; amended to be effective August 12, 1994, 19 TexReg 5847; amended to be effective November 10, 1995, 20 TexReg 8908; amended to be effective October 13, 1997, 22 TexReg 9892; amended to be effective February 16, 1999, 24 TexReg 766; amended to be effective December 7, 1999, 24 TexReg 10882; amended to be effective November 7, 2001, 26 TexReg 8847

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<b>DIVISION 1</b>	<b>ECONOMICALLY DISTRESSED AREAS PROGRAM</b>
<b>RULE §363.501</b>	<b>Scope of Subchapter</b>

The sections in this subchapter shall govern the board's Economically Distressed Areas Program as established by the Texas Water Code, Chapter 16, Subchapter J and Chapter 17, Subchapter K (as provided in Division 1) and Colonia Self-Help Program established by Chapter 15, Subchapter P (as provided in Division 2). Unless in conflict with the provisions in this subchapter, the provisions of Subchapter A of this chapter (relating to General Provisions) shall also apply to economically distressed areas projects.

**Source Note:** The provisions of this §363.501 adopted to be effective January 4, 2000, 24 TexReg 12070; amended to be effective November 7, 2001, 26 TexReg 8847

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<b>DIVISION 1</b>	<b>ECONOMICALLY DISTRESSED AREAS PROGRAM</b>
<b>RULE §363.503</b>	<b>Determination of Economically Distressed Area</b>

To determine that an area is economically distressed, the board shall consider information and data presented with the application or otherwise available to the board to determine that the water or sewer services are inadequate to meet the minimal needs of residential users; that the financial resources of the residential users of the services are inadequate to provide water or sewer services that will satisfy those minimal needs; and that an established residential subdivision was located in the economically distressed area on June 1, 1989.

(1) Water service is inadequate to meet the minimal needs of the residential users of an economically distressed area if the board determines that water service:

(A) does not exist or is not provided;

(B) is provided by a community water system that does not meet drinking water standards established by the commission and set forth in 30 TAC §§290.01-290.26 and §§290.38-290.51;

(C) is provided by individual wells, which after treatment, do not meet drinking water standards established by the commission and set forth in 30 TAC §§290.3, 290.4, 290.10, and 290.13; or

(D) does not meet applicable water quality standards of any other governmental unit with jurisdiction over such area.

(2) Sewer service is inadequate to meet the minimal needs of residential users of an economically distressed area if the board determines that sewer service:

(A) does not exist or is not provided;

(B) is provided by an organized sewage collection and treatment facility that does not comply with the standards and requirements established by the commission and set forth in 30 TAC Chapter 305;

(C) is provided by on-site sewerage facilities that do not comply with the standards and requirements established by the commission and set forth in 30 TAC Chapters 285 and 313; or

(D) does not meet applicable wastewater standards of any other governmental unit with jurisdiction over such area.

(3) The financial resources of the residential users of the economically distressed area are inadequate to provide the needed services if the board finds that the area to be served by a proposed project has an average per capita income that is at least 25 percent below the state average for the most recent three consecutive years for which statistics are available.

(4) An established residential subdivision was located in the economically distressed area on June 1, 1989, if the board determines the following:

(A) either a plat of the area is recorded in the county plat or deed records; or a pattern of subdivision, without a recorded plat, is evidenced by existence of multiple residential lots derived from a common tract with roads, streets, utility easements, or other such incidents of common usage or origin;

(B) at least one occupied residential dwelling existed within the platted or subdivided area on June 1, 1989; and

(C) such other factors as may be determined relevant by the board.

(5) The boundary or limits of a water or sewage project to serve an economically distressed area may be determined by:

(A) a subdivision plat prepared by a registered engineer, whether recorded or not;

(B) a metes and bounds description, natural boundaries, roads, or other natural features that delineate an unplatted area within which a feasible cost-effective project can be developed; or

(C) inclusion of occupied dwellings with inadequate water or wastewater services in close proximity to an economically distressed area delineated as provided above in a project area when such dwellings can be feasibly served by a proposed project within which a feasible cost-effective project can be developed.

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**Source Note:** The provisions of this §363.503 adopted to be effective January 4, 2000, 24 TexReg 12070; amended to be effective November 7, 2001, 26 TexReg 8847

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<b>DIVISION 2</b>	<b>COLONIA SELF-HELP PROGRAM</b>
<b>RULE §363.521</b>	<b>Definitions of Terms</b>

The following words and terms, when used in this division, shall have the following meanings unless the context clearly indicates otherwise. Other words and terms defined in Texas Water Code, Chapter 15, Subchapter P, and not defined here shall have the meanings provided in the said Subchapter P.

- (1) Applicant--An eligible nonprofit organization that submits an application for financial assistance under the Colonia Self-Help Program established by Texas Water Code, §15.951, et seq.
- (2) Colonia--A geographic area that is an economically distressed area as defined by Texas Water Code, §17.921, and §363.503 of this title (relating to Determination of Economically Distressed Areas) and located in a county any part of which is within 50 miles of an international border.
- (3) Eligible nonprofit organization--An organization which is exempt from federal income taxes under the Internal Revenue Code of 1986, §501(c)(3), as amended, and has a demonstrated record of completing construction of self-help projects in conjunction with a retail public utility, as determined by the board.
- (4) Self-help project--A project providing necessary water or wastewater services to a colonia in which the people who will benefit from the project actively participate.

**Source Note:** The provisions of this §363.521 adopted to be effective November 7, 2001, 26 TexReg 8847

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<b>RULE §363.522</b>	<b>Financial Assistance</b>

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The board may award a grant under the Colonia Self-Help Program directly to an eligible nonprofit organization to reimburse the organization for expenses incurred in a self-help project.

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**Source Note:** The provisions of this §363.522 adopted to be effective November 7, 2001, 26 TexReg 8847

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<b>RULE §363.523</b>	<b>Application</b>

An applicant for financial assistance under the Colonia Self-Help Program shall submit an application in the form and numbers prescribed by the executive administrator before any reimbursable project expenses are incurred. The application shall include the information required by the Texas Water Code, §15.955, and any additional information required by the board, including:

- (1) the name of the nonprofit organization and its principal officers, documentation of its tax exempt status under the Internal Revenue Code, §501(3)(c), and documentation that demonstrates its prior record of completing self-help projects;
- (2) a description of the project area, its existing water and wastewater facilities, the number of new utility connections expected to be made, and the number of residents expected to be served by the project;
- (3) a description of the project and its estimated total cost, a description of the aspect of the project for which the grant sought from the board will be used and its estimated cost, and a summary of the sources of funding for the total cost of the project;
- (4) sufficient evidence that the residents of the area to be served by the proposed project will contribute labor to the construction of the system or otherwise participate in the project in a manner that results in a significant reduction of the total conventional project cost, as determined by the board;
- (5) a resolution from a retail public utility authorized to provide water or wastewater services to the colonia that it will inspect the project during and after construction to ensure adequacy of the project to provide water or wastewater service upon completion of construction by the applicant;
- (6) a resolution from a retail public utility that it has the capability to and will assume ownership of the completed project and responsibility for its operation and maintenance and will provide the water or wastewater services that the project is intended to make available to the colonia;
- (7) documentation which demonstrates that the retail public utility that is to provide wastewater services exercises the authority granted to such service providers pursuant to the Texas Water Code, §17.934, and requires property owners that can be served by wastewater system improvements resulting from completion of the self-help project to connect to the service provider's sewer system; and
- (8) information which adequately identifies an amount necessary for the purchase of capacity in an existing treatment plant and/or related facilities to which the completed project will be connected, if applicable.

**Source Note:** The provisions of this §363.523 adopted to be effective November 7, 2001, 26 TexReg 8847

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<b>DIVISION 2</b>	<b>COLONIA SELF-HELP PROGRAM</b>
<b>RULE §363.524</b>	<b>Determination of Eligible Colonias</b>

To determine that a colonia for which self-help assistance is sought is economically distressed, the board shall consider information and data presented with the application or otherwise available to the board to determine that the water or sewer services are inadequate to meet the minimal needs of residential users; that the financial resources of the residential users of the services are inadequate to provide water or sewer services that will satisfy those minimal needs; and that an established residential subdivision was located in the economically distressed area on June 1, 1989. The board shall use the procedures and rely on the standards set out in §363.503 of this title (relating to Determination of Economically Distressed Area) in making such determination.

**Source Note:** The provisions of this §363.524 adopted to be effective November 7, 2001, 26 TexReg 8847

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