



North American Development Bank

Banco de Desarrollo de América del Norte

## Public Meeting of the Board of Directors

November 14, 2019

San Antonio, Texas

### Verbatim Version / Versión literal

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**MR. HEREFORD:** Good afternoon. Welcome to our Board meeting.

Bienvenidos. Gracias por estar con nosotros, acompañarnos, hoy en la reunión del Consejo, reunión pública.

I'd like to first introduce our Board members, so you understand who is here joining us today.

We have José de Luna Martínez, titular de la Unidad de Crédito Público, encargado de la Unidad de Asuntos Internacionales de Hacienda de la Secretaría de Hacienda y Crédito Público. He also serves as our 2019 Board president.

We have Charles Moravec, director of Office of Multilateral Development Banks from the United States Department of Treasury.

Embajador Mario Chacón Carrillo, director general para América del Norte de la Secretaría de Relaciones Exteriores.

Hugo Rodriguez, deputy assistant secretary from Mexico and Western Hemisphere Regional Economic Policy and Summit Issues; Bureau of Western Hemispheric Affairs of the United States Department of State.

Rodolfo Godínez, titular de la Unidad Coordinadora de Asuntos Internacionales de la Secretaría del Medio Ambiente y Recursos Naturales.

Jane Nishida, deputy assistant administrator, Office of International and Tribal Affairs at the United States Environment Protection Agency.

The Honorable Jose Rodriguez, senator for the State of Texas.

Carlos de la Parra Rentería, director de EcoParque y profesor investigador del Departamento de Estudios Urbanos y Medio Ambiente, Colegio de la Frontera Norte, el COLEF.

Denise Moreno Ducheny, retired California state senator.

Calixto Mateos, North American Development Bank managing director, and Salvador López, North American Development Bank, chief environmental officer.

[APPLAUSE / APLAUSOS]

I would like to call up Consul Lluvia Ponce, Deputy Council for Economic and Community Affairs at the Mexican Consulate in San Antonio, to provide some welcoming remarks.

**MS. LLUVIA PONCE:** Thank you Jesse. Good afternoon. On behalf of the Consulate General of Mexico here in San Antonio and our acting Consul Norberto Terrazas, I want to thank NADBank for the kind invitation to be here today with you. And I want to take the opportunity to acknowledge the leadership and great work that Alex Hinojosa, Calixto Mateos and the team of NADBank are doing. I want to also recognize the presence here today of Ambassador Mario Chacón, Director General for North American Affairs at the Ministry of Foreign Affairs of Mexico.

So, for 25 years the North American Development Bank has played a key role in the development of environmental infrastructure towards the well-being of the border region with hundreds of projects under its belt and 17 million people benefitted throughout the work that they do.

It is very easy to lose perspective as to the impact of the Bank. That is why these meetings are always an eye opener. Just in the first half of 2019, US\$522 million were assigned in loans and grants among 48 projects in various stages of implementation. Of these funds, 76.5% have already been disbursed to project sponsors. This sounds very easy, but it's a lot of follow-up, that's for sure.

What this extremely complex and sophisticated, *binational* institution and you are doing here today reshapes our communities. It actually improves our environment and saves valuable resources in benefit of both communities. Everything, one project at a time. It's a task that is just paramount.

As I commend all participants here for your efforts, I would also like to encourage you to keep up with the hard work and, furthermore, I do believe it's *fundamental* that you share your experiences and to be spoke—, outspoken sorry, as to the significant contributions generated through the NADBank funding. This is fundamental. We have to be a little bit more, let's say, vocal, as to what's being done here, so it's better known in both societies.

All of you play a key role in this continuous and necessary socialization process as a means towards—as actually a stronger organization in benefit of both societies. So, I look forward to the conversation that will take place here and thank you so much for the invitation.

[APPLAUSE / APLAUSOS]

**MR. HEREFORD:** I'd also like to take a second now to recognize some of you who traveled from far distances, some of the VIPs that are in the room with us.

Presidenta municipal de Zaragoza, Coahuila, Ángeles Flor Torres. Con nosotros también tenemos al presidente municipal de Ciudad Acuña, Roberto de los Santos Vázquez. Del Municipio de Gustavo Díaz Ordaz, tenemos al presidente municipal José Manuel López Hernández. También tenemos Leticia Peña Villarreal. Del Municipio de Ocampo tenemos al

presidente municipal, Laura Mara Silva Fernández. Del Municipio de Guerrero tenemos la presidenta municipal Irasema Peña Ramírez. De Camargo tenemos la presidenta municipal Dra. Leticia Peña Villarreal. Y luego tenemos el regidor del Municipio de Ciudad Juárez, Laura Rodríguez Mireles y el regidor José Solís.

Muchas gracias por acompañarnos hoy.

[APPLAUSE / APLAUSOS]

And with that, I will turn it over to our 2019 Board president, José de Luna Martínez de la Secretaría de Hacienda y Crédito Público, for some introductory remarks.

**MR. JOSÉ DE LUNA MARTINEZ:** Yes. Thank you very much. Can you hear me?

**UNIDENTIFIED VOICE:** Yes.

**MR. JOSÉ DE LUNA MARTINEZ:** Okay. Well, first of all, let me say that it is a great pleasure to be here. This is the first time I come here, to this institution NADBank. Previously, I used to be responsible at the Ministry of Finance of Mexico for development banks, but now in my new role as head of the Public Credit Unit, I am responsible for international organizations. And for the Government of Mexico this is a very important institution. So I am really glad that this room is full because it shows that there is also, from your side, a lot of interest in the activities conducted by this institution.

Yesterday and today we had the Board meeting. We meet twice a year. And let me share with you a little bit some of the highlights of this Board meeting. The first one is actually very good news. We have a new managing director. And the new managing director is Mr. Calixto Mateos, who is here and whom I congratulate. And ask you to—

[APPLAUSE / APLAUSOS]

He is going to be the managing director for the next four years. So, we are very glad that we made this decision and now we are just formalizing this process.

Another good news is that today morning we approved seven projects, both in Mexico as well as the United States, that will provide additional infrastructure on both sides of the border. So, you will see more activities and you will see more projects being executed by this institution. So, it is really very good news.

And then also in the morning we looked at the performance of the institution. The Bank is healthy, it's sound, it's well administered, and we provided some recommendations in terms of monitoring and evaluation, in terms of its balanced scorecard, in terms of human resources, etc. So, we had a very productive session, and we also noted the fact that this institution is celebrating its 25<sup>th</sup> anniversary. And this is actually very good news for us because this is one of the few binational institutions that has been able to deliver well on its mandate.

Having said that, I would like to encourage you to participate in this meeting, to give us your feedback, your suggestions, also to pose questions, and to tell us what you think about this

institution, and how this institution can better serve your communities. So, I really look forward to our conversations. Thank you very much.

[APPLAUSE / APLAUSOS]

**MR. JESSE HERFORD:** Thank you very much José.

I'd like to take a moment to recognize Jonathan Hyun, who represents U.S. Senator John Cornyn, who's been a big supporter of the Bank. Jonathan, please thank the senator for all his support in Washington.

And with that I will turn it over to our managing director, Calixto Mateos, for a brief status report on the Bank's 2019 activities. Calixto.

**MR. CALIXTO MATEOS:** Well, thank you Jesse. Thank you for joining us for today's North American Development Bank Board of Directors' Public Meeting. Your presence and involvement make this event even more meaningful as was mentioned. Before I provide an update on the Bank's activities, I would like to take a moment to personally extend my gratitude to the Board for naming me as managing director of the Bank. It is truly an honor and a humbling experience to know that with their guidance, we will continue to lead this fine institution in improving the lives of residents along the U.S.-Mexico border through the development and financing of environmental infrastructure. So, thank you, thank you very much.

And, I would go—and it's just a brief report of what the NADBank has achieved and a little bit of what was mentioned and how we're dealing with it as a bank.

If we go to the next slide, please. Oh, thank you. I have it.

[PAUSE / PAUSA]

Like that? Okay. So, the first thing is that the Bank is a healthy institution where we have almost a US\$2 billion balance. The cash and investments are above its minimum level. And the equity, in terms of the equity, the Bank is—the reserves are fully funded, and the undesignated retained earning balance increased to US\$83 million due to US\$25 million net income as of September. If we take a look at it in terms of how it's, you know, how we have developed in the past three years, you can see that it's been solid. There's been a continuous growth in the portfolio. There's steady capital, steady reserves and so, it's a very healthy institution.

Then if we take a look at our income statement, we have also very good results. The financial margin is expected to increase by US\$9 million due to loan and investment yield increase. The administration expenses are going to be according to budget, and provisions for loan losses account for the loan disbursements of the fourth quarter of 2019. There is a slight decrease in program expenses by US\$1.4 million due to a slower pace of grant disbursement. But those are under control—I mean—it's just the timing of it. Then if we see it in terms of the graph, you can see that mostly our income comes from the interest on our loans. We do have some income on our investments, of course, and some income related to fees that we charge for our

services. And in terms of expenses, the biggest expense is the interest we pay for the funds we borrow in the market. The operational margin remains fairly stable. And then we have other expenses related to the programs, etc.

Our rating is a solid rating. It was reaffirmed this year by Fitch and Moody's, AA by Fitch and Aa+—but only 1 for Moody's. So, we're really healthy and very happy with this.

In terms of the results we've obtained, we have... Over these 25 years we have funded around 260 projects, which if you see it most of them are in water, if you see the number of projects on the first pie chart. Then if we see it in terms of the project cost, we have a little bit more projects in terms of clean energy because those projects are bigger. And in terms of the investment we've done, it is about 50% in energies and like, 70... 80%... well other 40% in the water sector.

If we go to the capital that we have been entrusted with by both governments, we have been able to leverage the capital almost 20 times because the projects that we have been able to fund with this—we have provided loans for about US\$2.46 billion out of the US\$400 capital we have. And we have had, the value of these projects, I mean, the investment in those projects, is up to US\$8.65 billion. So that's one of the results.

As it was mentioned in this session, the Board approved seven projects, which will mean US\$168 million in financing, and the total investment of the projects is around US\$386 million.

In terms of the results, we've had over these years, we have had it in several sectors that we deal. Here's just a few examples. We had a project in Presidio, a project in Magdalena, another one in Gustavo Díaz Ordaz, another in Vinton, in Chihuahua, in Tijuana. And those have, in terms of water, you can see here how many people have been benefitted, how many miles of the waterline have been prepared, and you know how many connections, what are the water rights involved. And that's for each of the sectors. As you can see, we have delivered, as it was said on our mandate, and we keep investing in the border. This is the same in terms of clean energy and in terms of waste management, which are our sectors.

So, this is my report. I thank you. And let's get to the public meeting that I am pretty sure you want to express and give us some ideas. Thank you.

[APPLAUSE / APLAUSOS]

**MR. JESSE HEREFORD:** Thank you very much Calixto for that update.

I also would like to recognize, I saw Javier Salinas and Cassandra Mead from Senator Cruz's office, so thank you for joining us as well here today.

Now we get to the public comment section for the Board meeting today. I will call on the registered participants. If you haven't registered yet, please fill out a form so we can get you registered to speak. I'd like to remind all the participants to keep their comments to three minutes. And we have a microphone over there, on that side of the room, if you'd like to speak from the microphone.

So with that, I'd like to call on presidenta municipal de Camargo, Tamaulipas, Leticia Peña Villarreal, para unos comentarios.

Tenemos el micro—ahh, sí, puedes pasar por acá.

**SRTA. LETICIA PEÑA VILLAREAL:** Muy buenas tardes. Mi nombre es Leticia Peña Villarreal. Soy presidente municipal de Ciudad Camargo, Tamaulipas. Quiero agradecer primeramente al NADBank por el apoyo financiero que otorgó a Camargo, a nuestro municipio, con un proyecto de tratamiento de aguas residuales, el cual ya está en proceso. Ya lleva un 20% de avance esta obra. Todo está marchando muy bien. Estamos muy contentos con todo este apoyo que ustedes nos han dado. Les agradezco a nombre de mi municipio con todo corazón. Dios los bendiga. Gracias.

[APPLAUSE / APLAUSOS]

**MR. JESSE HEREFORD:** Muchísimas gracias.

Next, I'd like to call on Phil Reeves, Director of Development from esVolta.

**MR. PHIL REEVES:** Hi, good afternoon. Thank you for having me here. José, thank you for the invitation to present here. I've got a couple slides. And I am here to talk about energy storage and specifically battery energy storage connected to our electrical grid.

So, esVolta is a relatively young company, 100% focused on grid connected energy storage. And we stay in projects for the full cycle. So, we originate finance, construct, operate and act as asset manager for energy storage projects. Right now, we have a couple projects operating, two projects going into construction—about US\$7 million investment for those—and about \$140 million to \$150 million worth of projects that are in late-stage development, and quite a large pipeline in earlier-stage development.

esVolta is committed to being an active member of the growing energy storage market and takes on the responsibility, with our competitors and other market participants, to really help establish regulations and good practices. Our projects support clean energy, and we're trying to help support clean energy with more clean projects with battery storage projects.

There is a lack of regulations just because the technology is so new, and this use of it is relatively new. So, we're helping, trying to help form common sense, good practices, for the adoption of energy storage resources as they become more and more common on our grid.

There's a lot of different things that energy storage can do, but the three main things it can do is: 1) you see a lot of solar projects—a lot of your investments are in solar projects and renewables. Solar is great at producing carbon-free megawatt hours, but a lot of times it's misaligned. It's producing energy when the grid doesn't need it. So, what battery energy storage can do is save it when it's being produced but not needed and then inject it into the grid later in the day. Solar produces a lot of energy right between—right in the middle of the day, between 11 a.m. and 1 p.m. And one use is to shift that energy into later in the afternoon when there's a higher need on the grid.

Separately, energy storage can act as a replacement for a gas-peaking resource. So, what I mean by that is there's a lot of relatively inefficient peakers that come on when it's right in the middle of the summer when grid need is really, really high. And a storage resource is usually only needed for a couple of hours, and so a battery energy storage resource can come on right between peak-need—between usually 3 and 7 p.m. or 4 and 8 p.m.

Another use that is being used more and more frequently is to replace investment in wires. So, instead of building new transmission assets, you can actually place a battery strategically to fix a grid need.

This slide just really shows what happens when the cost of goods is dropping, and the grid and a need is, and demand is growing. So the market projections are quite lofty. This is already being actualized. And over the next few years I foresee a lot of energy storage project, project opportunities to invest coming across your desks.

In California this is especially pronounced due to the large amount of renewables that both policy and economics have driven. You can see that the green line is what solar is producing on a typical day. The orange line that kind of peaks up to the right is what currently is really the main tool to levelize the grid and produce the energy that's needed when solar drops off. So, you can see that the orange line is producing. That's generally not carbon-free energy whereas the green line is.

Right across the bottom down here, this is what a battery is doing. So, a lot of times it's just smoothing what the solar is doing. But you can see in the late afternoon, right down here, the gas and the solar are counterbalancing each other, and so there's a grid operator trying to make sure the lights stay on. And so, the battery can be dispatched very, very quickly to levelize the grid and help the lights to stay on, and the voltage and the frequency stay balanced.

And a little bit about a project that we're going to bring your way here before the end of the year called Don Lee. It's in Escondido, California. The project is actually going to be located in an existing warehouse. So, it's a mixed-tenant warehouse. We'll just take a portion of that warehouse. So, there's really negligible environmental impact. We don't have to disturb any undeveloped land. We literally just take up space in the warehouse, install our batteries and make our connection to the grid. It's a 6 ½-MW project. It has a four-hour system duration in Escondido, California. It's about US\$8 million worth of CAPEX all in. And we have a ten-year off-take contract with San Diego Gas & Electric.

Thank you very much.

[APPLAUSE / APLAUSOS]

**MR. JESSE HEREFORD:** Thank you very much for that. The next public comment speaker is Jorge Romero, accounting manager from Muriel Renovables.

**MR. JORGE ROMERO MURIEL:** Hello everyone. Buenas tardes a todos. Thanks to NADBank for allowing me to be here presenting a project that we've been preliminarily assessing in the last months.

So, the project is about a combined heat and power project, which has been developed in partnership between Muriel Renewables in Mexico and our local partner, Grupo Chihuahua. Basically, it will supply electricity and steam to our client, which is a candy manufacturer in Ciudad Juárez. It is expected to achieve COD by the end of 2020.<sup>1</sup> The project is basically a 4-MW project. The CAPEX is a little bit over 4.5 million. It is considered distributed generation, so it avoids distribution and transmission fees and, therefore, the losses associated with that distribution and transport. It will generate basically 27 gigawatt-hours of electricity, which 75% will go to our client and 25% will go to the Mexican market. And in addition to that, we will have 11 gigawatt-hours of heat producing in form of steam, which allows our client to reduce their natural gas consumption in a 25%. In addition to that, it's considered efficient cogeneration under Mexican law and is entitled to receive a certain amount of clean energy certificate.

So, during this period in which we were assessing the project with the NADBank team, we were comparing the project with the actual Mexican electric market, and we observed that the net emissions of the project are over 30% under the average of the market. And the amount of energy that we are required to generate a megawatt-hour of electricity is around 20, below 20% of what the average Mexican market requires.

So, why were we speaking, assessing this project with NADBank? Basically, the technology seems to be under the NADBank eligibility criteria. We've observed that there is a number of emission reductions, which could be interesting under those NADBank requirements. And it lies obviously under the eligibility area of the NADBank. The project would be probably too small to be financed by a commercial bank under a project financing scheme. And what we've observed—and I want to thank the NADBank team—is that the team has been very proactive during the assessment of the opportunity, assisting us on the project assessment for the financing part.

So, this is all about the project. Hopefully we can bring it, and it will be on the list in the next session. Thank you very much.

[APPLAUSE / APLAUSOS]

**MR. JESSE HERFORD:** Before I go on, I'd like to take a moment to recognize from Congressman Hurd office, Stacy Arteaga. Stacy, thank you for being here. Congressman Hurd has been a big proponent of the Bank and a good friend to us as well.

Continuing along, I'd like to introduce Javier Ferrero, con la representación del Gobierno del Estado de Chihuahua, to come up and say a few words.

**SR. JAVIER FERRERO:** Muchas gracias. A nombre del Gobierno del Estado, de la Junta Central de Aguas y Saneamiento, queremos agradecer al NADBank por todo el apoyo que nos dieron,

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<sup>1</sup> COD stands for commercial operation date.



sobre todo, con la aprobación del crédito que se hizo a la empresa Aguas de Reuso y Energías Renovables, quién ganó la licitación pública para la rehabilitación de las plantas de tratamiento de aguas de la ciudad de Chihuahua. Este crédito nos va a permitir avanzar de una forma mucho más clara en este importante proyecto para la ciudad de Chihuahua. También agradecer al Dr. Mateos por habernos acompañado en Ciudad Juárez para el arranque de la obra de alcantarillado en Loma Blanca hace un par de meses. Le estamos muy agradecidos por estar ahí con nosotros.

Pero sobre todo, invitar al Banco a seguir participando con el Gobierno de Chihuahua, principalmente en cuatro proyectos que estamos planteando: uno, el de alcantarillado sanitario en el centro de Ojinaga; los colectores en Ciudad Juárez, estaríamos trabajando con ustedes de la mano; el mejoramiento del transporte público de Ciudad Juárez, hay un reto ahí en temas de ecología; y finalmente, este lunes dimos inicio ya al arranque del proyecto del diseño del organismo para el manejo de aguas pluviales donde el Banco nos está apoyando de forma importante para asesoría técnica y queremos que este organismo sea de gran relevancia para Ciudad Juárez y este importante o gran problema que tenemos en manejo de agua pluvial, que nos ayude a cesarlo. Muchas gracias. Esperamos trabajar junto con ustedes.

[APPLAUSE / APLAUSOS]

**MR. JESSE HEREFORD:** Next up is regidora de Juárez, Chihuahua, Laura Yanelly Rodríguez Mireles.

**SRTA. LAURA YANELLY RODRÍGUEZ MIRELES:** Muchas gracias. Antes que nada, quiero agradecer la oportunidad de participar y felicitar a NADBank por la labor que realiza. Son muchos los problemas que atender y pues, poco el recurso, así que su labor es de suma importancia y de mucha ayuda para todos.

Ciudad Juárez está considerada como una de las ciudades más contaminadas de la República Mexicana, según el diagnóstico para la elaboración del programa ProAire. El descuido o cuidado de esta región pues afecta de manera directa a ciudades vecinas como El Paso, Texas y Sunland Park, Nuevo México.

La industria ladrillera artesanal en Ciudad Juárez es una fuente fija que afecta la calidad del aire de ambas ciudades. Entre otros contaminantes, emite gases de efecto invernadero que impactan al cambio climático. En esta microindustria se aprecia una nula tecnificación en los procesos productivos, además de que utilizan combustibles con alto impacto ambiental en hornos artesanales rudimentarios, en su gran mayoría, caracterizándose con una muy baja eficiencia energética.

Actualmente, se acaba de actualizar el censo por parte de la Universidad Autónoma de Ciudad Juárez. Existen 169 ladrilleros operando en 199 hornos distribuidos en nueve sectores. De estos nueve, siete están ubicados dentro de la mancha urbana, generando cerca de dos toneladas de contaminantes particulados afectando la salud de la población principalmente vulnerable: niños y niñas, mujeres embarazadas y personas de la tercera edad.

Este problema se ha intentado resolver por más de 25 años, intentando aplicar varios proyectos, por ejemplo, los hornos que funcionan con gas, se intentó en el 94, hornos

circulares en el 98; los hornos ecológicos conocidos como MK2 en el año 2000. Actualmente funcionan 20 de ellos. Sin embargo, en la actualidad se puede apreciar que los productores de ladrillo no adoptan las tecnologías como es debido, tal vez por la falta de regulación y también por la falta de conciencia de lo que su labor genera en el ambiente.

Por esa razón, hemos decidido participar en la convocatoria del programa Frontera 2020 proponiendo implementar un programa de educación ambiental comunitario con acciones específicas para introducir el uso de nuevas tecnologías de trabajo en el sector ladrillero que nos permitan minimizar la contaminación del aire mediante la adopción y trabajo conjunto de la comunidad.

La educación ambiental representa una alternativa a la problemática socioambiental que se encuentra en las ladrilleras. Esto es, mediante un proceso formativo con el objeto de que las personas conozcan, comprendan y perciban las formas de interacción de su espacio geográfico, sus causas y consecuencias, a fin de que actúe de manera integrada sobre todo y ocasionen cambios en la sociedad con prácticas compatibles en la protección y mejora del ambiente, con una ética que guíe el proceso educativo hacia la construcción de sociedades sustentables. Vemos con agrado la oportunidad de iniciar estas acciones que puedan solucionar el problema antes expuesto. Qué éste sea el inicio de una serie de proyectos. Muchas gracias.

[APPLAUSE / APLAUSOS]

**SR. JESSE HEREFORD:** Ahora le damos la palabra al regidor José Ubaldo Solís, también de Juárez, Chihuahua.

**SR. JOSÉ UBALDO SOLÍS:** Muy buenas tardes a todos los presentes. Estoy muy agradecido por la invitación y felicitar al Banco de Desarrollo de América del Norte. Mi planteamiento es que en Juárez debemos cambiar la paleta vegetal, pues nos está afectando mucho el consumo de agua. Uno de los retos más grandes que tenemos como gobierno municipal es, sin duda, la de mejorar el medio ambiente y ecológico de nuestro entorno.

Hoy en día, para subsistir en la zona desértica, uno de los retos más grandes que debemos enfrentar es el abastecimiento de agua a más de un millón y medio de habitantes, además de nuestra flora y de nuestra fauna. Para lograr esta gran tarea, necesitamos extraer agua del Bolsón del Hueco, mismo que es de donde se abastecen del vital líquido las ciudades hermanas de Ciudad Juárez y El Paso, Texas.

Actualmente, la región se caracteriza porque los parques urbanos que cuenta nuestra ciudad son de grandes extensiones y se dividen en parques públicos y privados, banquetas, jardines, camellones, árboles de nuestra región que hay hoy en día como lo son el macho moro, el macho hembra, las lilas, son grandes consumidores de agua, además de los pastos naturales que utilizamos. Para mantener viva nuestra flora, debemos extraer más agua de lo debido. Esto a que los anteriores consumen agua, demasiada agua, en época de verano. Existe la creencia ciudadana de que estos árboles dan más sombra, pero a su vez causan alergias, problemas respiratorios en infantes, adultos y adultos mayores.

Como ciudad buscamos mejorar la paleta vegetal, acompañada de infraestructura verde. Esta infraestructura ha sido implementada en Phoenix, en Tucson, en Hermosillo Sonora, en Tijuana, Baja California. Es urgente implementar o iniciar un cambio paulatino para cambiar nuestra paleta vegetal, en Ciudad Juárez, además, de una cultura ecológica en donde todos los juarenses mejoremos la calidad de vida y esto, sin duda, es hablar de supervivencia.

Uno de los planteamientos será modificar los reglamentos de parques y jardines para lograr reforestar nuestra flora. Nuestra flora sugerida serían el encino rojo, el olivo ruso, palo verde, palo italiano, pino italiano perdón, sauce llorón, que son los que utilizan agua quincenalmente. Cabe mencionar que nuestra vecina ciudad de El Paso ha establecido y reglamentado el cultivo y preservación de las plantas endémicas que son de una región desértica. Sin duda, es interesante que pronto logremos implementar estos cambios que beneficiarán la reducción y extracción de agua y la salud de los habitantes de Juárez y El Paso. Muchas gracias.

[APPLAUSE / APLAUSOS]

**MR. JESSE HEREFORD:** Next, I would like to call on Joanna Eagen and Collin Goddard from Zero Mass Water.

**MR. COLLIN GODDARD:** Hi, good afternoon. My name is Colin Goddard. This is my colleague, Joanna Egan. We're with Zero Mass Water. Thank you for the opportunity to give a few remarks.

So, stepping back a little bit, I think many people in this room know how important clean drinking water is to humanity, right? And the challenges that we face are growing even more acute with fundamental water scarcity, significant contamination and challenges to infrastructure. And it is with this problem statement that our company was formed.

So, we have made such massive progress in elements of communication, of energy, to leapfrog traditional centralized infrastructure systems and push this to the edge of the grid, push this to decentralized systems exactly where it is needed. And yet with water we're still essentially living in the Roman era. We wait for rain to fall, for snow to fall, into the mountains, to go into streams, to go into the ground, to be pumped into centralized treatment stations and then distributed into a pipe network. Right, all these steps in this supply chain cause so many opportunities for a change in climate, for aging infrastructure, to challenge that water and make it undrinkable to humans at the end. And again, this is where we have come in.

What we have developed is a new category of technology called a hydropanel. So, it looks like a solar panel, but instead of making electricity, it creates its own water supply using the power of the sun and the humidity in the air. So, again, this is not cleaning dirty water. This is making new clean water under its own power without any external power connections or water connections. You point these towards the sun, and you have your own drinking water supply.

So, you do not need any existing infrastructure to establish these panels and locate them. All you need is clean access to the sun. These can be put in dense urban areas. They can be put in the middle of the desert and create your own clean drinking water supply. And these are

applicable in a broad variety of environmental conditions, even in very, very dry and arid locations. We are based in Phoenix, Arizona. We say if we can make water in the middle of the Sonoran Desert, we can make water anywhere.

And to date, we have executed hundreds of projects in 35 countries around the world—everything from small two-panel residential systems to cover the drinking water for a family to large-scale water farms to cover entire communities, and have been partners with USAID, Conservation International and the Asian and Interamerican Development Banks.<sup>2</sup>

Next slide.

And so the community water farm is what we are here to talk more about, right? This can provide a community its own means of water supply. They can have this locally, independent of any external systems. And so, this is particularly compelling for communities that are struggling to leverage sufficient economies of scale to justify massive capital projects, where this can be a small, nimble, distributed, decentralized system providing them their own water supply. So, while this looks like a regular solar farm, this is actually making water. This one is in the middle of the Arabian Desert, outside of Dubai.

**MS. JOANNA EAGEN:** So, as I am sure many of you in this room are well aware of the challenges that many of the *colonias* face with the lack of infrastructure.<sup>3</sup> And so, what that means is not only do they have a challenge with water access, but it poses negative health outcomes as well. So many of the traditional solutions, including infrastructure development plans, can be very costly and require multiple years of development. And so, the traditional and the current solution that many turn to in the *colonias* is to go procure bottled water. In addition to that, they're going to haul water, as well as turning to private wells that pose a threat from a water contamination perspective, as well as a resiliency perspective in times of drought.

So, what we propose to do, as it relates to the *colonias*, is provide our source hydropanels as an immediate solution. So, we have the ability to deploy and install and complete a project within a matter of weeks. So even if there is a long-term infrastructure development plan in the works, we serve as that short-term solution, although the technology is a 15-year life, and so we see it as a long-term solution as well.

Like Colin mentioned, it is a really high-quality water. Whereas we are not taking a dirty water and purifying this to make it clean. It's a pure water from the start. On top of that, there is a technology inside each of the hydropanel's reservoir that allows for real-time monitoring. So, we can tell the exact performance and the water quality real time to add that level of unprecedented transparency.

And then from a resiliency perspective, it is resilient in the face of natural disasters. So, we are providing that water every single day despite other economic and environmental conditions. It's cost effective. It is dramatically cheaper than an infrastructure plan, and typically much more affordable than the alternatives, including bottled water today. And

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<sup>2</sup> U.S. Agency for International Development (USAID).

<sup>3</sup> *Colonia* refers to housing developments in the U.S. border region that lack basic public services, such as water, wastewater, electricity, paved roads and public lighting.

finally, it allows for that local aspect of community ownership and allowing for the *colonias* to provide their own water supply.

So, this is a project we've been working on in Webb County for about two years now with two *colonias*, specifically Santa Teresita and La Presa. And we have been scoping this out. We have already done two pilot projects at the community centers. And what we've understood from the community is they loved the solution. They loved the water. We now are looking for ways to scale that throughout both of these *colonias* and additional *colonias*. So, we are seeking support from institutions like the North American Development Bank, specifically the CAP program, to be able to scale this. And so what we're looking to do is to provide a centralized location such as at the community center where residents have a very convenient option to go fill up their drinking water. So, just to give you an example, about 200 hydropanels in an individual *colonia* will produce about 700 liters of water per day. And that can be scaled up. You can do about 1 million liters of water on about an acre of land. So, for about a half a million dollars, we have the ability to provide all of the drinking water needs for an entire *colonia* and that can be completed within a matter of just a few weeks. So, we see it as an immediate solution, and we hope to replicate this throughout the *colonias* with banks and partners such as the NADBank.

So, finally, just to touch on a project that is interesting for two reasons: 1) being the local aspect that Patty Mills from the San Antonio Spurs partnered with the NBA and Zero Mass Water to bring clean drinking water solutions to indigenous communities in Australia.<sup>4</sup> So, many of these communities face the exact problem that the *colonias* face, with lack of infrastructure and water contamination threats. So, he's already scaled this into six communities in Australia, very similar to what we're looking to do in the *colonias*.

And that's it. Thank you very much for your time.

[APPLAUSE / APLAUSOS]

**SR. JESSE HEREFORD:** Ahora le damos la palabra a Adrián Fernández Garza, Secretario de Desarrollo del Ayuntamiento de Guadalupe, Nuevo León.

**SR. ADRIÁN FERNÁNDEZ GARZA:** Muchas gracias. Gracias miembros de NADBank del presidium. Buenas tardes a todos. Vengo en representación de la alcaldesa Cristina Díaz Salazar, presidenta municipal de Guadalupe, Nuevo León. Y para los que no ubican esta ciudad, aquí tenemos tres íconos muy importantes. Uno es un monumento natural que es el Cerro de la Silla.<sup>5</sup> Otro es el estadio más moderno de Latinoamérica, el estadio BBVA, la casa de los Rayados del Monterrey,<sup>6</sup> y el otro es el río La Silla, que es de lo que vengo a hablarles.

El río La Silla es el único río vivo del área metropolitana de Monterrey. Cruza la ciudad de Guadalupe en aproximadamente 13 km. En él podemos encontrar más de 1,000 sabinos que tienen una edad de más de 300 años y podemos encontrar también más de 60 especies de fauna. Hay cuatro parques en toda la longitud de este río: el parque Río la Silla, el parque

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<sup>4</sup> National Basketball Association (NBA).

<sup>5</sup> Una cordillera en forma de silla de montar que se encuentra fuera de la zona metropolitana de Monterrey, Nuevo León.

<sup>6</sup> Equipo de fútbol de Monterrey.

Tolteca, el parque Ecológico y el parque Pipo. Hasta ahí está todo bien. Pero ¿qué pasó en el 2010 en el huracán Alex? Y ¿qué pasó en septiembre pasado con la tormenta Fernando? Se ha llenado el río de materiales que interrumpen su cauce natural. Tenemos mucha necesidad de desazolvarlo para darle la profundidad necesaria y que en caso de tormenta no se desborde el agua como ya ha pasado.

Al adquirir un crédito, o cualquier tipo de apoyo, se tendría previsto formar un fideicomiso o instalar un consejo que regule y proteja el proyecto. Pensando en una estrategia para que sea sustentable el proyecto, podríamos estudiar esquemas que han sido exitosos en otras ciudades. Como por ejemplo aquí, en San Antonio con el Riverwalk.

Los beneficios que se buscan es el mejoramiento de espacios generadores de aire limpio en medio de una ciudad urbana; la liberación de los cauces del río y, con esto, evitar el desbordamiento en caso de una tormenta; la atracción de turismo y generación de empleo; y la plusvalía en las propiedades aledañas.

Y aquí hay unas imágenes del río, de todos los destrozos que se han suscitado por las tormentas o los huracanes. Desde el 2010, hemos estado en constante mejoramiento, pero las atribuciones y el financiamiento de un municipio no nos alcanza para una obra de esta magnitud. Estamos hablando de, a lo mejor, un proyecto de aproximadamente \$20 millones de dólares. Que pues, bueno. Aquí estamos con el interés de levantar la mano y hacer los trámites necesarios para ingresar este proyecto que va a dejar muchos beneficios a los habitantes y a todos los visitantes de ciudad Guadalupe y de toda el área metropolitana de Monterrey.

A nombre de la alcaldesa Cristina Díaz Salazar, muchas gracias a todos por su tiempo y que pasen buena tarde.

[APPLAUSE / APLAUSOS]

**MR. JESSE HERFORD:** Next I'd like to call on Jose Portillo, city administrator for the City of Presidio, Texas.

**MR. JOSE PORTILLO:** Thank you very much Jesse. Board of Directors, let me first say: thank you. My name is Jose Portillo, I am the city administrator for the City of Presidio. Presidio is in Presidio County, far west Texas; better known for the parks: Big Bend, state and federal. Nestled off in that little desert is a little town called Presidio, right on the Texas-Mexico border, Rio Grande. Our neighbors is Ojinaga, Chihuahua, Mexico.

The project that you approved for us—again, thank you—is, actually started out as a *colonia* project. And if you were to drive down US 67 on your way to Presidio, every once in a while you'd see a pickup truck or you'd see an old, beat-up car pulling a trailer and it'd have a water tank on it. They would come—they would drive down from the mountains, come into Presidio, pick up their water—drinking water and other, shower, to water their plants—and then they'd go back up the hill. This initially started with the BECC looking at the *colonia* itself.<sup>7</sup> But when they look at it—Presidio's never been an easy place to do anything—they

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<sup>7</sup> Border Environment Cooperation Commission (BECC).

went and saw a bigger picture. They started asking us for more information. And the more we talked, and the more we realized we had a water loss problem. We didn't have...we only had one water tank. The water tank was 30 years old. So we had... and we had water pressure issues. So, each one kept tumbling over. The good thing with the BECC and the NADBank and EPA—which all three have come together to help us with this project—they have found a solution for it. And, again, I thank you.

We look forward to this project, to its start and its completion. And if it wasn't for institutions like yourself, we couldn't make this happen. So again, from all the residents in Presidio County, thank you very much.

[APPLAUSE / APLAUSOS]

**SR. JESSE HEREFORD:** Ahora le doy la palabra al Arq. José Abel Palacios Martínez, Director de Desarrollo Urbano para Mier, Tamaulipas.

**SR. JOSÉ ABEL PALACIOS MARTÍNEZ:** Buenas tardes a todos. Mier es un pueblo que está en la frontera de México y Estados Unidos. No tiene puente internacional. Probablemente nadie lo conozca. Pero si, todos nuestros servicios de agua potable están basados en el río Bravo. De ahí tomamos el agua. Y a la vez, las descargas de aguas negras no descargan al río Bravo directamente, descargan al río Álamo, el cual descarga al río Bravo, 2 km aguas abajo. Ahorita tenemos un problema muy grave, ya que nuestro colector general que lleva esas aguas negras al cárcamo general y, posteriormente del cárcamo, se bombean a una laguna de oxidación para su tratamiento, el colector se nos colapsó. Tenemos cuatro años de estar sufriendo este problema. Hemos tratado de arreglarlo de varias maneras. Los recursos del Municipio no son suficientes. Y la verdad es que nos preocupa la contaminación que estamos provocando en el río Bravo ¿verdad?

Sé que esto...me hubiera gustado traerles información, localizaciones, la problemática, fotografías. Todo lo tengo. Y se los voy a dejar en una memoria, un USB. Pero quisiera establecer el contacto, ¿verdad? con quien nos pudiera apoyar para solucionar esto que a todos nos atañe. Muchas gracias.

[APPLAUSE / APLAUSOS]

**SR. JESSE HEREFORD:** Ahora le doy la palabra a Jorge Herrera, gerente técnico operativo de COMAPA-Reynosa, Tamaulipas.<sup>8</sup>

**SR. JORGE HERRERA BUSTAMANTE:** Buenas tardes. Jorge Herrera Bustamante de Reynosa, Tamaulipas. Traigo representación personal del Arq. Luis Pinto Covarrubias, que es el director general de la Comisión Estatal del Agua en el estado de Tamaulipas.

Quiero comentarles que antes de entrar a esta reunión, recibí una llamada del señor Gobernador de nuestro estado, el Lic. Francisco Javier García Cabeza de Vaca. Me pidió muy puntualmente, tres puntos: número uno felicitar al Consejo de Director del Banco por esta gran labor, por este ejemplo de éxito que Tamaulipas lo ha vivido con el Banco durante 25

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<sup>8</sup> Comisión de Agua Potable y Alcantarillado (COMAPA) de Reynosa, Tamaulipas.

años. También fue enterado por el Arq. Pinto de los proyectos que acaban de aprobar y les pide que en lo subsecuente puedan seguir aprobados los proyectos que están en estudio, que están en certificación para beneficio de Tamaulipas.

Prueba de este éxito en Tamaulipas es los proyectos que se llevan a cabo ahorita en la actualidad. Tenemos en Reynosa la construcción de dos cárcamos de bombeo de aguas residuales que son muy importantes. Es el número 1 y el 278. Estos cárcamos permitirán sanear totalmente el área más próxima al río Bravo para poder vertir el agua a nuestra planta tratadora de aguas residuales No. 1.

Está, como bien lo dijo nuestra alcaldesa de Camargo, Tamaulipas, en desarrollo un proyecto muy importante para esa ciudad, que también es cuestión de saneamiento, la construcción de un cárcamo de bombeo con un emisor y unas lagunas de tratamiento de aguas residuales. Próximamente, aquí presente nuestro alcalde de Díaz Ordaz, está por iniciar un proyecto parecido al de Camargo, pero con mucha importancia para poder tratar las aguas residuales y no contaminar el río Bravo.

Quiero, no es comercial para el Banco, pero la verdad es que me insistió mucho que felicitara al Banco por todo el apoyo que ha recibido el estado. Y no solamente en municipios fronterizos. Está por iniciar un proyecto en un municipio del centro del estado que es un municipio netamente ganadero, pero con problemas de agua potable, y está por arrancar un proyecto de agua potable, de perforación de un pozo profundo en el municipio de Soto la Marina. Quiere agradecerles mucho todo su apoyo para el estado de Tamaulipas.

Y bien, bueno, hablando específicamente de Reynosa, ahorita en la actualidad tenemos, como les digo, dos proyectos trabajando en desarrollo para el municipio de Reynosa. Pero también tenemos proyectos en trámite de certificación para poder rehabilitar todos los colectores y subcolectores de la zona centro de la ciudad de Reynosa. Hemos estado participando en coordinación con el Gobierno del Estado y la Federación, específicamente con la Comisión Nacional del Agua para poder llevar a cabo estos proyectos y la terminación de nuestras plantas de tratamiento.

Reynosa es la ciudad más grande del estado. Producimos tratamiento de agua residual en 1,800 litros por segundo diariamente. El problema del agua potable es un problema que, en los próximos años, va, va a hacer crisis en muchos municipios, sobre todo en la frontera. Nuestras fuentes de abastecimiento son muy limitadas. Este año, para nuestro próximo ciclo agrícola de temprano, que es el 2020 en el Distrito 025, no habrá riego para esas tierras por tener unos niveles muy bajos en la presa La Falcón. El agua está destinada principalmente para uso urbano y cada vez nos exigen más los, los propietarios de los derechos de agua, pues, que no la desperdiciemos. Dicen: 'No nos dan para regar nuestras tierras y sí, y sí, ustedes la tiran y la desperdician'.

Entonces, tenemos proyectos para poder ser más eficientes en el tratamiento de agua. El gobernador acaba de anunciar una inversión muy importante para tres COMAPAs de Tamaulipas: Tampico, Ciudad Victoria y Reynosa, que tienen problemas de abastecimiento de agua, y en los próximos días va a hacer el anuncio de, va a invertir más de \$600 millones de pesos en estos tres organismos, en proyectos, 90% destinados para el abastecimiento de agua potable en estas ciudades.



Aunado a eso, y compartiendo información como les comentaba con el gobierno federal, están por certificarnos el proyecto de la planta de tratamiento No. 2 en Reynosa. Estamos trabajando con ustedes, con el Banco, para poder dar solución a un proyecto inconcluso que se tiene en la ciudad Río Bravo, Tamaulipas. Está muy avanzado el tema y esperemos que el Banco resuelva pronto la terminación de esa obra importante que no ha podido echarse a andar.

Quiero también darles el agradecimiento de la presidenta municipal de Reynosa, la Dra. Maki Esther Ortíz Domínguez, que estaba esperando yo a su representante personal pero no llegó. Lo hago en nombre de él y en nombre de ella, por los proyectos que están aterrizando en Reynosa y muchas gracias por su atención y felicidades por estos 25 años de trabajo.

[APPLAUSE / APLAUSOS]

**SR. JESSE HEREFORD:** Ahora le doy la palabra a la Dra. Leticia Peña Villarreal, presidenta municipal de Camargo, y el Ing. Omar López Gutiérrez, gerente de COMAPA, para una breve presentación.

**SR. OMAR LÓPEZ GUTIÉRREZ:** Sí, buenas tardes. Aquí vamos a presentar una problemática de una colonia que tenemos, que se nos inunda. Pero lo que quiero ver es que— Ahorita tenemos un proyecto que está en puerta que es el de las lagunas de oxidación y un cárcamo. Entonces lo que queremos es una ampliación a ese proyecto que ya tiene el Banco, que ya está en construcción, ahorita el cárcamo de tanto drenaje sanitario como pluvial, y queremos entubar esa agua, sacar esa agua de esa colonia y que se vaya por ese mismo canal. Pero necesitamos hacer una adecuación al proyecto que ya está ahorita en puerta.

Ésas son las problemáticas de la colonia que tenemos. El agua prácticamente pues no tiene salida. Ahí se quede estancada el agua. No tiene salida por ningún lado. Éstas son las imágenes.

Entonces, pues tenemos muchos problemas, ¿verdad? Porque son, es de salud, económicos y el drenaje sanitario pues ahí se queda también. Entonces, lo que queremos ahorita es adecuar el proyecto que ya está, que ya está en construcción, y tratar de mejorarlo para que pueda sacar el drenaje pluvial de esa colonia y sacarlo hacia el río, sí. Más que nada lo que queremos es una adecuación al proyecto que ya está desde las lagunas de oxidación, que también incluye el cárcamo y el emisor. Es todo. Ése es el costo de la obra, ¿ok? Gracias.

[APPLAUSE / APLAUSOS]

**MR. JESSE HEREFORD:** Is there anyone else who would like to make a public comment? ¿Hay alguien más que quiera dar algún comentario público aquí en la reunión del Consejo?

[PAUSE / PAUSA]

Okay, seeing none, we're going to get— Ah, ¿puedes pasar por favor?

**VOZ FEMENINA NO IDENTIFICADA:** Muy buenas tardes. Muchísimas gracias por la invitación. De Ocampo, Coahuila, es el municipio más grande del estado de Coahuila y el

tercero más grande de México. Quisiera, es la primera vez que asistimos a esta reunión y nos gustaría bastante que consideraran los proyectos que nosotros pudiéramos presentar.

Somos frontera con Estados Unidos a través de El Ejido Boquillas del Carmen, pegadito al parque Big Bend. Entonces para nosotros es muy importante apoyar lo que es la zona fronteriza a través de proyectos que tienen que ver con el agua, con la luz, porque no hay luz, muy poca agua y también tenemos la problemática en el centro del municipio, del drenaje... del drenaje tanto en Laguna del Rey como en el municipio de Ocampo.

Por ello, les agradezco mucho que nos permitan estar aquí. Y ojalá nos den la oportunidad de presentar las necesidades de nuestro municipio para ser considerados como una oportunidad para el desarrollo de nuestras comunidades. Muchísimas gracias por esta oportunidad.

[APPLAUSE / APLAUSOS]

**MR. JESSE HEREFORD:** Is there any other— Pásele por favor.

**SR. JOSÉ MANUEL LÓPEZ:** Muy buenas tardes. Yo soy José Manuel López Hernández. Soy el alcalde de Gustavo Díaz Ordaz y, en primero, quiero agradecer a todo el Consejo Técnico, el Consejo del Banco Desarrollo de América del Norte, porque Gustavo Díaz Ordaz, quien no lo ubique, es frontera con Estados Unidos y ahí es...este tenemos paso a través de un ferry.

Quiero decirles que nos sentimos muy contentos por la aprobación de un proyecto de saneamiento que está por iniciar. Este proyecto de gran índole, este,... y básicamente la importancia qué radica en que este proyecto servirá, seguramente, para subsanar algo que ya estaba en consideración desde hace mucho tiempo y que apenas se está concretando.

Muchísimas gracias. Quiero agradecerles a todos porque yo sé que todos hicieron lo posible para que este proyecto aterrizara. Nos sentimos muy contentos de que está en inicio...la supervisión para la, el inicio incluso hasta de obra, y que somos una prueba palpable que el trabajo de ustedes está haciendo concreto y está haciendo en beneficio de esta gran comunidad, de esta gran frontera México-Estados Unidos. Muchísimas gracias a todos.

[APPLAUSE / APLAUSOS]

**MR. JESSE HEREFORD:** Is there anyone else that'd like to make a public comment before we close the public comment period for the meeting? ¿Alguien más? Okay.

With that we're...

**VOZ DESCONOCIDA:** Uno más, Jesse.

**SR. JESSE HEREFORD:** Oh, ¿más? Por favor.

[LAUGHTER / RISAS]

**SR. GREGORIO IBARREN:** Hola, buenas tardes tengan todos ustedes. Mi nombre es Gregorio Ibarren. Soy de Frontera, Coahuila. Frontera, para quien no ubique, está aproximadamente a 250 km de la frontera con Eagle Pass. Acabo, yo formo par—, yo soy Primer Regidor en Frontera, Coahuila. Tengo la cartera del agua potable. Entré en enero para cubrir una función pública.

Entonces, Frontera tiene un arroyo totalmente contaminante. Tiene 6,000 metros. Esos 6,000 metros de todo, recorre por toda la ciudad. Las empresas aledañas, Altos Hornos de México, pues... Yo no sé por qué no lo han sancionado. Descargan todas las empresas, pues, toda la maleza. Entonces yo trabajé estos siete meses con compañeros míos del doctorado. Presentamos un proyecto para la correcta [incomprensible] y el desazolve de este arroyo. El techado, ¿por qué el techado? Porque teniendo un techado, obviamente no se tiene contacto con la maleza y con las enfermedades. Hice un previo estudio también de la ribera de todo el arroyo. Entonces, el proyecto tiene un costo de \$520 millones de pesos. Me acaba de hablar hace 10 días una diputada federal de mi distrito, la Diputada Melva Farías, y me dice que ya fue aprobado.

Entonces, pues yo quisiera— Tomo aquí la oportunidad que se me da para, en dado caso de que el Congreso de los Estados Unidos Mexicanos no se apruebe por cualquiera otra cosa, pues yo quisiera tomar la palabra para poderles presentar este proyecto. Ya lo tengo totalmente hecho. Son 187 hojas, como una tesis de maestría o doctorado. Tiene todas las especificaciones, las siete fases de cada uno de los proyectos que se requieren, todo, todas las medidas.

Entonces, pues les agradezco y los felicito. Por la gracia de Dios estoy aquí... este para... para agradecerles y pues muchas gracias. Y quisiera— pues tomé la palabra, ¿no?, ya al último. Ya no me iba a levantar la mano. Pero ya gracias a—, no me habían visto, para aquí, me vieron. Entonces, les agradezco, les felicito y Dios lo siga bendiciendo a todos ustedes y a todos para promover los proyectos y para que sigamos creciendo como seres humanos y como comunidad conjunta en diferentes países.

[APPLAUSE / APLAUSOS]

**SR. JESSE HEREFORD:** ¿Alguien más? Anyone else?

[LAUGHTER / RISAS]

Going once... Twice... All right.

As was mentioned, this is the 25th anniversary of the creation of the North American Development Bank. As you know, the Bank was created by the Governments of the United States and Mexico in a joint effort to help preserve, protect and enhance the environment of the U.S.-Mexico border region in order to advance the well-being of border communities. The NADBank Board and Management are pleased to take this opportunity before we close the meeting, to commemorate the 25<sup>th</sup> anniversary with a very brief ceremony.

So with that, I would like to turn it over to our Board president, José de Luna Martínez, de la Secretaría de Hacienda y Crédito Público, para unas palabras.

**MR. JOSÉ DE LUNA MARTÍNEZ:** Thank you.

For us it's actually, very important to be here because in... in addition to listening to you and approving projects, we really wanted to take the opportunity to celebrate the 25<sup>th</sup> anniversary of NADBank.

And as you know, this institution was created in 1994. At that time the relationships between Mexico and the United States were different. At that time, we signed the North America Free Trade Agreement—Mexico, U.S. and Canada. And just to give you an example, at that time the exports of the United States to Mexico amounted to only US\$57 billion. Today the latest figures indicate that exports from the U.S. to Mexico amount to more than US\$280 billion, which mean that in 25 years exports from U.S. to Mexico have increased by more than five times. And a similar story has happened, has occurred in the exports from Mexico to the United States. So, we have a lot of new trade activities, but we also have more investments, more remittances, and also the mobility of people has increased. Actually, there are towns in Mexico where we have a growing number of retirees from the United States who actually go and enjoy the sun. And [chuckles] I can fully understand why, why they go.

[LAUGHTER / RISAS]

But in this context of what has happened in the past 25 years, I think NADBank is part of this transformation and it's part of also these successes. As we've been hearing, NADBank has been financing around 270 projects in different activities: water, waste management, transportation, clean energy, etc. So, I think NADBank has done very well, and I want to congratulate the staff, the management and everybody for helping to make this a success story.

Also, we think that looking forward, there are various challenges. There is also—there is a need for more investments, and we've been hearing in this public meeting different proposals. And they are in a wide range of activities and sectors and regions. So, we want to see a NADBank that in the next years continues to grow and continues to become more sophisticated and serving the needs of the communities on both sides of the border.

So, I hope that that enthusiasm, the efforts, will continue. And again, I congratulate the management, I congratulate the staff, and I congratulate you for having such a great institution. And again, congratulations on your 25<sup>th</sup> anniversary. Thank you very much.

[APPLAUSE / APLAUSOS]

**MR. JESSE HEREFORD:** Thank you very much José. Chuck, would you like to say a few words on, as co-chair? Okay. Thank you.

Then next, I would call on our managing director, Calixto Mateos. He wants to deliver a memento to the Board members now.

[PAUSE / PAUSA]

**MR. CALIXTO MATEOS:** This is just a memento that we prepared for the 25<sup>th</sup> anniversary, but I'm also giving you the one we had for the 20<sup>th</sup> anniversary as well, as the Board is ever-changing, and you weren't there, but you are part now.

[PAUSE / PAUSA]

**MR. JESSE HEREFORD:** And now I would like to call on José de Luna Martínez and Charles Moravec to do the unveiling of the plaque, recognizing the 25<sup>th</sup> anniversary of the North American Development Bank. And if the other Board members could stand with them please. That way we can have a good picture, Jonathan.

On the count of three— is everybody, well, we'll wait until everybody lines up.

And then, José and Chuck, just up and over.

All right. ONE, TWO, THREE.

[APPLAUSE / APLAUSOS]

Thank you very much. With that we adjourn the meeting, and we will have a reception downstairs on the first-floor atrium, so we hope that you can all make it. Thank you again.

[MEETING ADJOURNED / SE TERMINA LA REUNIÓN]