



Border Environment Cooperation Commission and
North American Development Bank



Public Meeting of the Board of Directors
June 16, 2016
Ciudad Juárez, Chihuahua

ENGLISH VERSION

[TRANSLATED FROM SPANISH]¹

MS. SANDOVAL: Once again, good afternoon ladies and gentlemen. We would like to thank you for joining us for the public meeting of the Board of Directors of the Border Environment Cooperation Commission and the North American Development Bank. If you would allow me, we should begin, of course, by introducing the authorities that are here today to preside over this ceremony.

We recognize the presence of the Managing Director of the North American Development Bank, Mr. Gerónimo Gutiérrez.

[APPLAUSE]

The General Manager of the Border Environment Cooperation Commission, Ms. Maria Elena Giner, is here.

[APPLAUSE]

Dr. Carlos de la Parra, researcher at the *Colegio de la Frontera* and representing the Mexican border residents.

[APPLAUSE]

Representing the Mexican border states on the Board of Directors and Head of the State Coordination Unit of the Mexican Ministry of Finance and Public Credit, Marcela Andrade Martínez.

[APPLAUSE]

Representing the U.S. border residents on the Board of Directors, Denise Moreno-Ducheny.

[APPLAUSE]

¹ Text shown in blue indicates that the original comments were made in Spanish and were translated into English.

Representing the Inter-American Development Bank, Ms. Verónica Zavala.

[APPLAUSE]

In his capacity as Deputy Director General for Border Affairs for the Mexican Ministry of Environment and Natural Resources, Mr. Armando Yáñez.

[APPLAUSE]

Director of Border Affairs, Mexican Ministry of Foreign Affairs, Ms. Citlalli Pérez.

[APPLAUSE]

Deputy Assistant Administrator of the U.S. Environmental Protection Agency, Mr. Randolph Hill.

[APPLAUSE]

Representing the State Supreme Court, we welcome Justice Jorge Ramírez Alvidrez.

[APPLAUSE]

Representing the honorable State Congress, Congresswoman Mayra Chávez Jiménez.

[APPLAUSE]

Department of State, Acting Director of the Office of Mexican Affairs, Mr. Brian Harris.

[APPLAUSE]

We warmly welcome the presence of the Mayor of Juarez, Mr. Javier González Mocken.

[APPLAUSE]

Co-chair of the Board of Directors, Deputy Director of the Office of International Financial Organizations, Ministry of Finance and Public Credit, Mr. Raúl Delgado.

[APPLAUSE]

I recognize, of course, as Chair of the Board of Directors, Director of the Office of Multilateral Development Banks, Department of the Treasury, Gretchen Biery.

[APPLAUSE]

And of course, ladies and gentlemen, presiding over the ceremony, the Governor of the State of Chihuahua, Mr. César Duarte Jáquez.

[APPLAUSE]

MR. BRAVO: Thank you very much Myriam. We would like to acknowledge the presence of distinguished dignitaries in the audience. We have, of course, the General Consul of the United States in Juarez, Daria Darnell, who has been for both days of our Board activities, yesterday and today. Thank you very much Consul.

[APPLAUSE]

Joining us on behalf of the Governor of the State of Nuevo Leon, Alfonso Martínez Muñoz. He is Assistant Secretary of Environmental Protection and Natural Resources.

[APPLAUSE]

We also have on behalf of the Governor of Sonora, Mr. Luis Carlos Romo Salazar. He is the Executive Commissioner of the Commission on the Environment and Sustainable Development.

[APPLAUSE]

Also with the Sonora delegation is Oscar Andrade, in charge of the Office of Environmental Protection for the state.

[APPLAUSE]

From the State of Coahuila, we welcome a good friend of BECC, Oscar Flores, Assistant Secretary of Environmental Management. Welcome, Oscar.

[APPLAUSE]

Also joining us from the State of Chihuahua, Ms. Nieves Aurora Maloof, Secretary of Urban Development and Environment.

[APPLAUSE]

Thank you very much.

I would be remiss if I did not recognize the presence of Lourdes Romo, the Director, here, of COLEF, her husband, Gustavo Córdova, also a researcher.²

[APPLAUSE]

Both are academic researchers at COLEF, very important for the border. Also present is Cecilia Levine from USMC;³ Nicole Ferrini and Lauren Baldwin from the City of El Paso;...

[IN ENGLISH]

...Edgar Ruiz, Executive Director of Council of State Governments West;...

² Colegio de la Frontera Norte (COLEF).

³ US Mexico Canada Strategic Alliance (USMC).

[TRANSLATED FROM SPANISH]

...Eduardo Hernández from Fitch Ratings. We would also like to thank the representatives of civil organizations, water utilities and state and municipal governments for joining us, as well as distinguished entrepreneurs.

Myriam? Okay. We respectfully ask the Mayor of Juarez, Mr. Javier González Mocken, to provide some welcoming remarks please.

MR. GONZÁLEZ MOCKEN: Good afternoon everyone. Welcome, and with the permission of the Governor, the great Governor of Chihuahua, César Duarte Jáquez, who honors us with his presence in this, the heroic Ciudad Juárez, we also welcome each and every person on the dais, who have been duly introduced.

A few moments ago, at an earlier event, we said that Juarez and El Paso are one of the most important bicultural borders. We are part of a political line that separates Mexico and the United States, extending some 3,200 kilometers, comprising six Mexican states, 34 municipalities, four U.S. states, 24 counties. We are, along with Tijuana and San Diego, the most important cross-border duo in northern Mexico and the United States. But, we are, at the same time, a region of intense trade, accounting for almost a quarter of the \$1 billion dollars in goods that cross the U.S.-Mexico border every day. Just over \$243 million dollars cross the border through this region every day, equivalent to \$4,464 million pesos, a figure higher, much higher, than the \$1 billion budget of this municipality.

Actually, this relationship has been complex, challenging and evolving, and we are always raising the need to promote public policies, strategies and actions that will facilitate the commercial, economic, industrial and social development of this border region. We have to understand that the government and productive sectors in Juarez and El Paso are a border with an economy that mostly depends on foreign trade and, therefore, policies and investment must be targeted to serve that purpose.

Under this challenging scenario that we celebrate,... these two institutions that have called us to together today—I'm referring to the North American Development Bank and the Border Environment Cooperation Commission—two international institutions created by the Mexican and U.S. Governments for the purpose of developing and financing environmental infrastructure works in the border region between the two countries, will always be welcome in this, the heroic Ciudad Juarez.

We, the people of Juarez, hope, well, that this public meeting gives us the opportunity to exchange information directly with the member of the Board of Directors concerning the work of these two institutions, that project sponsors, community leaders and border residents can consider and discuss, together, initiatives and ideas that will promote the sustainable development of both borders. Welcome to heroic Ciudad Juarez, and may you have a very successful meeting. Thank you.

[APPLAUSE]

MR. BRAVO: I would like to recognize, from the Government of the State of Tamaulipas, Jaime Felipe Cano is joining us. He is the General Manager of the State Water Commission. Thank you very much.

[APPLAUSE]

And of course, two mayors are joining, the Mayor of Madera, Pablo Granados, and the Mayor of Nuevo Casas Grandes, Jesús Rodolfo Soltero. Thank you for being here with us.

[APPLAUSE]

Next, we are going to present a video with a brief report on the activities of the two institutions in the first half of this year. Thank you very much.

[VIDEO]

NARRATOR: *For 2016 to date, the BECC-NADB Board of Directors have approved the certification and financing of three new environmental infrastructure projects in the water and wastewater and solar energy sectors, which will receive almost \$21 million dollars in loans and grants from the NADBank and will benefit a population of more than 282,000 residents in three communities.*

Likewise, the BECC-NADB Board of Directors is considering the approval of seven new projects with a total estimated cost of \$14.7 million dollars in benefit of close to 514,000 residents. These projects are being considered to receive \$4.5 million dollars in grants. Of these projects, grants totaling \$2.6 million dollars from NADBank's Community Assistance Program (CAP) will be provided to support five solid waste projects benefitting 13 communities in Chihuahua and Coahuila and a water system improvement project in Tombstone, Arizona. Finally, a regional wastewater collection and treatment project in Hidalgo County, Texas, will receive a \$1.9-million-dollar grant from the Border Environment Infrastructure Fund, known as BEIF, with funding provided by the U.S. Environmental Protection Agency and administered by NADBank.

MR. GUTIÉRREZ [NADB Managing Director]: *The North American Development Bank continued to demonstrate sustained growth in its portfolio during the first half of 2016, contracting two loans for about \$110 million dollars for projects in the state of Coahuila in Mexico. First, a wind energy farm in General Cepeda, as well as a project to control industrial emissions in Monclova. It's our first project of its kind, and we hope it opens up opportunities for developing similar schemes in other industries along the border.*

We are also very pleased to report on the progress of the first public transportation project in which we are participating—in this case for the acquisition of low-emission buses in the Mexican border region. To date, \$7.2 million dollars have been disbursed for the purchase of 58 units in three border cities, in Hermosillo, in Tijuana and in Ciudad Juarez. Additionally, in this meeting

we presented to our Board of Directors a proposal for a \$9.62-million-dollar loan increase for the desalinization project in Ensenada, Baja California, the construction of which is already about 60% complete.

MS. MARIA ELENA GINER [BECC General Manager]: *With respect to the Technical Assistance Program, in addition to the studies and projects approved, significant progress has been made on innovative topics such as the Green Infrastructure Initiative. For 2016, various activities have been approved, including:*

- The III Green Infrastructure Forum that is being organized in Saltillo, Coahuila, from September 21st to 22nd;*
- The “Engineers Talking to Engineers” Workshop on September 23rd in Monterrey, Nuevo Leon;*
- A master plan for storm water management for Douglas, Arizona, and Agua Prieta, Sonora;*
- A hydrological modeling study in the Tapioca Creek sub-basin in Juarez;*
- Incorporating elements of green infrastructure in the municipal public works regulations in Juarez, Tijuana and Nogales, with technical guidelines;*
- And finally six projects related to the topic of green infrastructure under the Border 2020 Program.*

NARRATOR: *For Reynosa, a project was approved for wastewater collection works and expansion of a wastewater treatment plant. It will cost \$15.7 million dollars and will have a BEIF grant for just over \$7 million dollars. It will benefit 266,853 residents.*

MR. SERAFIN GOMEZ [General Manager of the Reynosa water utility, COMAPA]: *It is part of the comprehensive project we have in wastewater treatment that we also want to cooperate with all the authorities, both federal and international, so that we can have, uh, a much healthier and much cleaner Reynosa and so that the Rio Grande can also now be, well, a river with clean water.*

NARRATOR: *North Alamo Regional Wastewater Collection and Treatment Project in Hidalgo County, Texas. This project consists of the construction of a wastewater collection and treatment system for the residents of six “colonias” located northwest of the city of Donna in Hidalgo County, Texas, and includes the installation of residential hookups, as well as the decommissioning of on-site sanitary systems for up to 400 households. The cost is almost \$12 million dollars and it is benefitting more than 1,600 residents. A BEIF grant will be used to fund part of the project. The sponsor is the local water utility, North Alamo Water Supply Corporation.*

MR. IVAN GARCIA [Engineer, Rio Delta Engineering]: *It's a project that the community has been requesting for quite a while. It has the support of the community, tremendous support from the entire community, because of all the problems they are having due to the lack of sanitary sewers.*

MS. MARIA RODRIGUEZ [ARISE program]: *Now here in Colonia Muñoz, we are speaking out about the sewers. The reason why, because it just rains a little, rains a bit and our septic tanks flood. They fill up. They overflow and its pure infection for the children. So, uh, we would be very grateful if you would put the sewers in for us, which are very much needed.*

NARRATOR: *In Anthony, New Mexico a project was approved to replace a lift station. These improvements will help eliminate human exposure to untreated or inadequately treated wastewater, as well as help reduce water pollution and the risks of water-borne diseases. It is being supported by a \$2.8-million-dollar BEIF grant and will benefit an estimated 8,700 residents.*

[IN ENGLISH]

MR. JOSE TERRONES [Superintendent of the Anthony Water and Sanitation District, Anthony, NM]: *We've been very pleased and very fortunate for them to be able to support our project and our community.*

[TRANSLATED FROM SPANISH]

NARRATOR: *Equipment for Solid Waste Management in Chihuahua. Three communities will receive support in the state of Chihuahua—Madera, Nuevo Casas Grandes and Villa Ahumada—to purchase equipment for operation of their sanitary landfills, partially constructed with funding from SEMARNAT.⁴ The cost of the three projects is estimated at just over a million dollars, and they will benefit more than 87,800 residents.*

MR. PABLO GRANADOS [Mayor of Madera, Chihuahua]: *This project is a great project for us, for the residents of Madera, the entire seat, what is the municipal seat. It's a program that is coming, as they say, at just the right time.*

NARRATOR: *Equipment for Two Regional Solid Waste Management Projects in Coahuila. Two regional projects for equipment for regional solid waste management systems were approved in the state of Coahuila. One is the Cinco Manantiales Region in the north and the other is in the central region of the state. These projects will benefit an estimated 423,600 residents in 10 communities. Both regions have a sanitary landfill. The one in the Cinco Manantiales Region is in Allende and the one in the central region is in Frontera.*

⁴ Mexican Ministry of Environment and Natural Resources (SEMARNAT).

MS. EGLANTINA CANALES [Secretary of Environment of Coahuila]: *Well, the central region model is a model that has existed for 18 years. So, we opted to follow the same model and basically invited the same company, because it's part of Grupo Acerero del Norte—in this case MICARE—not just to contribute, we invited them to be a party and help us bring that model to a project that already existed, which is the Cinco Manantiales landfill, but which was only partially operating and in a disorganized manner.*

NARRATOR: *Improvements to the Water System in Tombstone, Arizona. In the city of Tombstone, located in the southeast region of Arizona, the project consists of eliminating high concentrations of arsenic in Well No. 1, one of the its water supply sources. The project consists of blending the water from this well mainly with surface water from springs in order to bring arsenic concentrations within the parameters permitted for human consumption.*

[IN ENGLISH]

MR. DUSTIN ESCAPULE [Mayor of Tombstone, Arizona]: *Our blending system that will blend the contaminated well or well that's rather high in arsenics, with the spring water coming from the Huachuca Mountains, as well as water that's coming from Well No. 2, and that well is No. 1. So we're looking for a solution. Actually, we found a solution through engineering to where we can blend that water with these other waters from the other two sources and make it potable water. It'll be within, well within, the standards for ADEQ and EPA.⁵*

[TRANSLATED FROM SPANISH]

MR. ALEX HINOJOSA [NADB Deputy Managing Director]: *BECC and NADBank are instruments of Mexico and the United States for the development of environmental infrastructure. Recent reforms have a direct impact on infrastructure development in the sectors we cover. The energy sector reform brings new opportunities and challenges for financing clean and renewable energy projects. The new law of financial discipline for states and municipalities is an important step in establishing greater order in the financing for state and municipal governments, which traditionally have been key sponsors of environmental infrastructure projects. Finally, close attention must be paid to the discussion and analysis of the new National Water Law in Mexico, which could have an impact on the water sector. All of these changes mean that the Bank and BECC need to update their policies and procedures in order adjust to the new times.*

NARRATOR: *Technical Assistance. In the first quarter of 2016, the joint BECC-NADB Technical Assistance Committee approved US\$633,000 in grants to support eight initiatives, including seminars through the Utility Management Institute, the III Green Infrastructure Forum, information gathering and design of a residential*

⁵ Arizona Department of Environmental Quality (ADEQ) and U.S. Environmental Protection Agency (EPA).

sewer connections project in La Joya, Texas and the analysis of alternatives for using water in the El Morillo Drain in Reynosa, Tamaulipas, among others.

Project Development Program. With funding from the Project Development Program, in the first quarter of 2016, US\$115,000 was approved for five water and wastewater projects in the communities of Presidio, Texas; Niland, California; Douglas y Pomerene, Arizona; and Tecate, Baja California. As of March 31st there were a total of 19 studies funded through Project Development Program, and 17 of those projects are expected to be completed before the end of the year.

Border 2020: U.S.-Mexico Environmental Program. During the first quarter, three projects were completed through the Border 2020: U.S.-Mexico Environmental Program: one, the characterization of drayage activities and emissions in the Laredo, Texas/Nuevo Laredo, Tamaulipas air-shed; another, binational training exercises on the risks of transporting hazardous materials in McAllen, Mission and Pharr, Texas and Reynosa, Tamaulipas; and an Asthma Prevention Program for the Imperial Valley region in California.

With respect to the implementation of infrastructure, during the first quarter of 2016, two projects completed construction: a new water pump station for an irrigation district Cameron County, Texas and the replacement of sewer lines in the Loma Linda and Esperanza subdivisions in Mexicali, Baja California.

Moreover, 38 projects are under construction, including, the Los Santos Solar Park in Ahumada, Chihuahua. Another project that received technical support from BECC was the solar plant for the Los Alisos Wastewater Treatment Plant in Nogales, Sonora, making it the first wastewater treatment plant in Mexico to operate using 100% photovoltaic energy. It was inaugurated on May 24, 2016.

MR. ROBERTO RAMIREZ DE LA PARRA [General Manager of the Mexican National Water Commission (CONAGUA)]: *It's the only plant in our entire country that is powered by solar energy. The future of treatment plants is precisely in photovoltaic cells, in seeking to produce their own energy. So I would like to congratulate the governor and mayor for having the first plant in the country, which, I am confident, has to operate always and precisely with that attribute of cutting costs.*

NARRATOR: *This solar plant received significant support from EPA through BECC, as well as from CONAGUA and the Sonora State Water Commission.*

MS. GINER [BECC General Manager]: *One area of progress for the two institutions is measuring the impact of infrastructure projects. An analysis of the impact of wastewater treatment projects was conducted in four municipalities in the state of Baja California. The projects completed between 2002 and 2014 in the cities of Mexicali, Tecate, Playas de Rosarito and Tijuana, Baja California, increased the population connected to the wastewater treatment system, from 0% to between 80% to 98%, along with the corresponding elimination of septic*

tanks and latrines. Additionally, more than 90% of the population indicated that their quality of life had improved. Gastrointestinal diseases decreased by between 16% to 33% in three of the four municipalities. Best practices are used in this exercise and that helps verify that the construction of basic wastewater treatment infrastructure eliminates human exposure to sewage and improves environmental and health conditions. Measuring impact is the new face of the institutions as it objectively demonstrates improvements environmentally and in the quality of life of the population.

MR. GUTIÉRREZ [NADB Managing Director]: *With the dynamic growth that the border region continues to demonstrate, the Bank and BECC face new challenges in order to keep providing support for environmental infrastructure needs. The integration of both institutions, which is currently in process, as well as the Bank's first ever capital increase, are actions specifically aimed at enabling them to better face challenges.*

[APPLAUSE]

MS. SANDOVAL: Following this video that shares with us the recent activities of those who have called us together today, we have arrived, without a doubt, at one of the most significant moments. Next, we will witness the formal delivery of notes of the memorandum of understanding between the Inter-American Development Bank and the North American Development Bank, to promote an emerging sustainable city initiative. The exchange, naturally, will be made by those here today in their capacity as the Managing Director of the American Development Bank, Gerónimo Gutiérrez, and the representative of the Inter-American Development Bank, Verónica Zavala. This memorandum of understanding was signed last April. Today the exchange is being made in the presence, as a special guest, of the Governor of the State of Chihuahua.

[EXCHANGE OF NOTES]

[APPLAUSE]

MR. GUTIÉRREZ: Mr. Governor, with your permission, Mr. Mayor, members of the Board, all our friends here. Thank you very much, first of all, for being here. We are very pleased that you are all here at this public meeting of the Border Environment Cooperation Commission and the North American Development Bank. I will be very brief.

First, to recognize the hospitality that Ciudad Juarez and Chihuahua have always offered us. We have enjoyed it very much. This is not the first meeting, of course, of the Board of both institutions that we've held here, in particular in Juarez, and the truth is that we are always pleased to be able to visit this city and come to work here. Secondly, as you have seen, we are also delighted that over the past few years we have been able to do important things in Chihuahua. And we are very pleased. It's a state that, both personally and as an institution, all the teams of both institutions value, love. It's not by chance that the Commission is precisely here in Ciudad Juarez and, now with the merger, it will continue to be the office of the North American Development Bank in Ciudad Juarez.

Juarez is an example of some of the things, in the issue of water, we have worked a lot in Ciudad Juarez, on treatment plants, on drains, on sewer systems, on many others. We are also delighted that not long ago the Governor had the opportunity to honor us with his presence at the inauguration of a solar energy project also here in Chihuahua. It's the first project with a private off-taker on this scale, utility-scale, and it also occurred here in Chihuahua. And as you saw today, in another of the sectors, we are also working, with the approval today of our Board, on three solid waste projects in the communities previously mentioned.

The reality is—and you know this better than us—there is still a lot to do. We will happily continue working hard here in Chihuahua, and we will always be committed to the State and to Ciudad Juarez, Mr. Mayor. We will always be pleased to be working here.

And finally, very briefly, to pass the mike to my colleague, well, what is this agreement about? It is very important. This meeting is a two-fold pleasure today, because this agreement, what we are doing is uniting development banks, the Inter-American Development Bank, which as you know is a major international institution operating throughout the entire hemisphere, a great development bank operating in Mexico, with the North American Development Bank which operates on the border here between the U.S. and Mexico, for something very specific, which is to launch the program of the sustainable cities initiative, which has been developed with a great methodology by the Inter-American Development Bank. It is their methodology, which we have been pleased to borrow to work on it here and begin developing it in border cities. Tentatively, the first city in which we will develop it will be Hermosillo. And we hope, very soon, to be able to define in which city in Chihuahua we could apply this methodology, which, what it does is develop a plan for projects that will make a city sustainable. We are very pleased and I'll turn the mike over to my colleague, Verónica. Once again, thanks for being here with us.

[APPLAUSE]

MS. ZAVALA: Thank you very much Gerónimo. It's an honor and a pleasure to be in Ciudad Juárez at this meeting presided over by Governor Duarte, with so many local and national authorities. The Inter-American Development Bank is highly committed to Mexico and in general to the region of Latin America and the Caribbean.

We realize that our region is a region of cities and above all emerging cities. And what we are seeking, as a bank, is that cities that are growing, do not suffer the same fate as many larger cities with unplanned growth, without clear planning, and today are struggling because of climate change issues, population issues, economic issues, big problems. And in this sense, Latin America, with 80% of its population living in cities, needs to be able to think about cities differently. And this Emerging and Sustainable Cities Initiative, ESCI, is already being worked on in 71 cities in the region, nine of them here in Mexico. But it is an important methodology because it is very comprehensive. It covers urban development, the environment, financing, but also economic competitiveness. And so that we may put it in quantitative terms, a planned city, its costs for growth and adapting to climate change are one third those of an unplanned city in the long run. So, there's nothing worse than not being able to look at problems comprehensively in order to address them from the outset.

The sustainable cities initiative of the Inter-American Development Bank, to date, has already mobilized US\$3.9 billion in investments in Latin American and Caribbean cities. And we want this to be very significant and strong and replicable in Mexico. And that is why we look for partners. We have seven local partners, including BANOBRAS and now NADBank.⁶ And we think it is extremely important to begin with Hermosillo, but then continue thinking about this type of initiative for other border cities. We are confident that this will not only result in some investments at a lower cost, but in much more, in synergies, and that it will allow the quality of life in Hermosillo and in the next cities to follow—and hopefully here in Chihuahua there will be one soon—it is going to be very different if we succeed in thinking about it together, with a clear methodology, but above all, with the involvement of the authorities. And in that sense, this meeting attests to that.

And finally, I would be remiss if I failed to acknowledge the dais, which this time has the greatest parity in terms of gender that I've seen. I guess this is the progress of the North. And I salute you again for that.

[APPLAUSE]

MR. BRAVO: And there was a balance even in the masters of ceremony. That shouldn't be overlooked.

I would like to ask the Board Chair, Gretchen Biery, to say a few words. Please, Gretchen.

[IN ENGLISH]

MS. BIERY: Thank you very much. Just some brief remarks on behalf of the Board to say that we are very pleased to have had our Board Meeting today in Juarez. We had a very successful Board meeting. We approved several projects. We had the opportunity to visit projects, in fact, here. And we view this Bank as a very important bank in terms of U.S.-Mexican cooperation. So, as I say, we're just very happy to be here and very pleased that the Governor of Chihuahua and the Mayor of Juarez could join us. So, thank you very much for hosting us.

[APPLAUSE]

[TRANSLATED FROM SPANISH]

MS. SANDOVAL: Thank you very much, to the one who is servicing as Board chair and Director of the Office of Multilateral Development Banks for the U.S. Department of the Treasury, Gretchen Biery.

Ladies and gentlemen, we will now hear from the Governor of the State of Chihuahua, César Duarte Jáquez.

[APPLAUSE]

⁶ Mexican development bank, *Banco de Desarrollo de Obras y Servicios, S.N.C.* (BANOBRAS).

MR. DUARTE JÁQUEZ: Good afternoon. I'm thankful for the decision of the NADBank Board that brought you all to Ciudad Juarez today. We are honored by their trust and interest, which is why we increasingly, more steadfastly, see the presence of this great binational institution, which has been designed specifically to seek the sustainable development of both borders and in that same sense we may push.

These types of programs, for people, for the general public, always seem remote and, I dare say, even unattainable. Talking about binational funds for inherently local issues, it always seems that they are about decisions that, in fact, at times, are very far from local decisions. However, we have to acknowledge that the course that Gerónimo Gutiérrez has set for this institution, has brought it much closer to us and despite—it must also be acknowledged—the difficulty of meeting all the technical needs for managing and approving those programs, we have found a great support in NADBank.

So, many thanks to the U.S. Department of the Treasury, the Mexican Ministry of Finance, our friend Marcela Andrade who just left, but to the representative of the Mexican Ministry of Finance, SEMARNAT, the Mexican Government itself, the Board Chair, Gretchen Biery, many, many thanks for your words, as we are encouraged to see the U.S. authorities working with our Mexican federal and local authorities to make these projects possible.

There is one project that I'm really excited to have participated in and for which we have received the full support of this great financial institution, which is and has made Ciudad Juarez the first Mexican border with 100% of its water treated. Today we are seeing future projects, but we have projects that we recently inaugurated and that have to do precisely with the radical change in the quality of life of residents. What does that project mean for Mexico? Okay, the first border city where 100% of its water is treated. What else does it mean? Well, locally, it stopped those old conflicts or historical conflicts that the wastewater from Ciudad Juarez was affecting and contaminating fertile land, farm land throughout the Juarez Valley. This is having a huge impact on a very wide border region and it also allows us to quantify, rate, push the change in the quality of life resulting from a binational investment that has direct and tangible effects on pollution and on the environment. So, thank you very, very much for your support of those projects.

The Urban Mobility Plan, we had all the technical support to begin building the alternative solutions to the enormous paving needs for this great border and which now, since there is still a lot to be done, it is very important to find mechanisms that will really help to address our long-standing needs. We see projects in which, in all likelihood in the minds of the general public, we would never have imagined that a community in the state of Texas wouldn't have a drainage system. Well, many communities on the U.S. border do not have basic services. And the importance of this institution is precisely that they help us on both sides of the border to move forward. Why? To move forward and reduce the backlog of needs. Because we have a complex and distinct condition in the growth of the border population, both on the southern border of the U.S. and the northern border. Migration constantly generates a greater demand for services that is not consistent with normal population growth. And that is what is triggering the huge shortage, the constant backlog of needs that are being generated by the attraction of the border, which leads migrants to settle on one side or the other of the border. Those on this side because they didn't leave or those on the southern U.S. border because they simply stayed there. And this issue means we have to address enormous needs that our countries, fortunately, have agreed

to have well-designed institutions, such as NADBank, which now allows us to address huge needs that have gone unattended for so long.

I would like to salute everyone on the dais. Raúl Delgado, chairman of the Board of this institution, Deputy Director of International Financial Organizations for the Mexican Ministry of Finance, thank you very much Raúl for being with us. Mr. Mayor, thank you for your words, your efforts in coordination, the support we have always had in dealing with all the processes and paperwork required to access these benefits. Brian Harris, thank you very much, Randolph Hill and Citlalli Pérez. I would also like to thank Armando Yáñez, Deputy Director of Border Affairs for SEMARNAT. And likewise Denise Moreno, Verónica Zavala, thank you for your words and work, which has been exceptional in this effort. She is the representative of the Inter-American Development Bank here in our country. I would like to thank Carlos de la Parra. Thank you very much, they participate enthusiastically on behalf of the public.

María Elena Giner, Gerónimo Gutiérrez, once again, our warmest regard. We have known him for many years and during my administration the huge support he has given us has been outstanding. And today we are thrilled and encouraged to see that both Madera and Nuevo Casas Grandes now have projects that have been one of the policy positions we have succeeded in advancing. To avoid, simply and basically, that the border region be seen exclusively—although there were guidelines in which, so many kilometers to there, may be impacted by the investments of this institution. However, the sensibility and figuring out how to do it, *have* allowed us to propose ambitious projects that we never would have thought we could promote them, envision them, and today NADBank has responded. So, thank you very, very much.

I actually had other business scheduled in the state capital this afternoon, but I absolutely could not forego the opportunity to be here. For me it is very important, a man must be grateful, and I am very grateful for the institutional support you have given us.

I also recall, and it must be said to this Board, that there were many NADBank Boards that could not be held in Juarez because of the violence. Today we are in Juarez and we are at peace. And without a doubt, ...

[APPLAUSE]

And I'm saying it because I was responsible for arranging that they come here, and they did not come. The U.S. officials did not come. They did not come. And fortunately, today a different mood prevails. And for that I want to salute our U.S. Consul General in Ciudad Juarez, Daria Darnell. Many thanks for the institutional support that the U.S. Government has given us to combat the lack of security and lawlessness. Many, many thanks Ms. Consul General.

[APPLAUSE]

The state authorities, the representation of Congress, our esteemed Congresswoman Mayra Chávez, Judge Jorge Ramirez, thank you. Because that is, without a doubt, the height and depth that we give and render to this great institution. To support its efforts, but also, Gerónimo, I would like to respectfully ask you all, and I'm asking through you, so that

the binational commission may be consolidated, and I would be delighted to take your response with me, that before the end of September, we may have that upcoming meeting here, in the city that we agree upon in the next few days, if in Juarez, I would be delighted to come back to Juarez, so that we might finalize, under my administration, all the actions that are still pending and thus begin the process for many other projects that are currently in the pipeline and so that we can promote them, have them programmed and in the future, like today, we may enjoy their impact, their benefit.

As I said at the outset, they are institutions that seem unattainable. But when they are led by capable and perceptive people, they are not unattainable. They are open, and here are the results. Once again, thank you very much.

[APPLAUSE]

MS. SANDOVAL: Let's thank the Governor of the State of Chihuahua, Mr. César Duarte Jáquez, for his words. With that, some of the authorities will go on with their work schedule. We are going to ask that you stay a few moments so that the Border Environment Cooperation Commission and the North American Development Bank may resume their work. If you would, let's give them a warm round of applause in farewell.

[APPLAUSE]

[DEPARTURE OF THE GOVERNOR OF CHIHUAHUA]

MR. BRAVO: There's more. Don't leave.

Who says it that way right? You saw it. Everybody saw it.

Okay, we are going to continue with this meeting. Next is a very important proceeding, which is the signing of financing agreements for the Anthony and Reynosa projects.

We would ask José Terrones.

José Terrones, perfect, at the signing table.

My colleague Martha López.

Where is Martha? Ah, sorry.

José Terrones is the superintendent of...

[IN ENGLISH]

...Anthony Water and Sanitation District...

[TRANSLATED FROM SPANISH]

...in Anthony, New Mexico. He's going to sign a \$2.8-million-dollar BEIF financing agreement for the replacement of a lift station.

And why not give him a round of applause? It's well deserved.

[APPLAUSE]

[SIGNING OF CONTRACT]

[APPLAUSE]

MR. BRAVO: Next we have the signing with COMAPA-Reynosa.⁷ We would ask Mr. Mario Alberto Merle Zavala, who comes with the power to sign a financing agreement for just over \$7 million dollars for a wastewater collection and treatment project in Reynosa, also with BEIF funding.

[SIGNING OF CONTRACT]

I would like to inform you that in Reynosa we have a citizens' committee that has been operating since, well, more than seven, eight years and is still working. And it has been instrumental in giving projects a social voice, which has been developed in Reynosa, Tamaulipas, a community that has received a great deal of support from this BEIF program of EPA and that has substantially changed the face of this city.

[APPLAUSE]

And we send greetings to all of our friends from there, from Reynosa, please, especially Serafín.

Okay, now we move on to public comments, which is a key part of this meeting. And, we will begin with Antonio Andreu, chairman of the *Junta Municipal de Agua y Saneamiento*, who has asked to speak.⁸

MR. ANDREU: Thank you my dear Gonzalo. Good afternoon everyone. Distinguished guests on the dais that joined us today in the heroic Ciudad Juarez, welcome to this meeting.

I am really pleased to be able to participate today and have the opportunity to voice some ideas concerning the services that BECC and NADBank provide in the U.S.-Mexico border region. There is no question that border communities benefitted, as we have just seen, with the arrival of these two institutions, which have succeeded in building infrastructure that would otherwise have been very difficult to do.

I understand that BECC and NADBank are uniting to provide better service to the community. This merger will certainly be a very firm step toward a substantial consolidation of the services that you currently provide. The *Junta Municipal de Agua y Saneamiento* has been an example of these services over the years, as we have received support for the treatment plants, as the Governor already mentioned, for the Master

⁷ Water utility in Reynosa, Tamaulipas, *Comisión de Agua Potable y Alcantarillado de Reynosa, Tamaulipas* (COMAPA-Reynosa).

⁸ Water utility in Ciudad Juarez, Chihuahua, *Junta Municipal de Agua y Saneamiento (JMAS)*.

Development Plan and various other studies. But, above all, we have always received good advisory services to ensure that the projects that have been selected are the most suitable ones.

I would just like to congratulate both institutions for their leadership, vision and achievements. I'm confident that they will be multiplied many times over, they are integrated into a single institution. In particular, I would like to thank Maria Elena Giner for her commitment to us. I reiterate my thanks for your support and interest in working with the *Junta Municipal de Agua y Saneamiento*. Many thanks Maria Elena.

I wish you all the best of luck in this new merger you are about to carry out, and I hope you keep on working like you have so far, as you have done with a high sense of professionalism and commitment to the border communities and the country as a whole. Thank you very much. Good afternoon.

[APPLAUSE]

MR. BRAVO: Thank you very much Antonio. Antonio has been a great friend, as a businessman, local congressman and now chairman here of the *Junta Municipal de Agua y Saneamiento*. Thanks Antonio.

Next we are going to call on people who registered electronically to speak. We would ask the audience, if there is anyone who would like to speak, to register with my colleagues by filling out the form so that we can call you afterwards.

So, next are the people who have asked to speak at this meeting. César Domínguez Lucero from the National Rural Confederation, can you come up.

There he is. If you could come here.

MR. DOMINGUEZ LUCERO: Good afternoon everyone. Thank you. We belong to a rural group from Ciudad Juarez, the entire Juarez Valley, in general coordination specifically for the Rio Grande. The feeding of that river feeds our crops, reinforcing us through that awesome water treatment program. It has helped us a lot. And we bring many projects in development, that we will hope in this new event that I've only just heard about and I think it's great.

The Governor's words, well, touched on all the plans that I had intended to talk about and one question that we've always had. Hopefully, that doesn't stop, but will continue with even more benefits.

I have seen that within this entire program there is a possible alternative to solve the problems in rural areas. The countryside has been ravaged by crime previously, which the Governor has positively, well, encouraged our region, with so many deaths and so much distrust, to the point that many people left. Now there are a lot of adults and very few young people. But we need to begin to undertake work in the rural areas. The countryside is the main food source for the cities, and it has been somewhat neglected in the development of sustainable projects.

I would like to show you, pressed for time, if you permit me, 48 projects that we have developed, micro- and macro-projects, with a social impact to 250 households, for which we have just received the full support of Chihuahua. We hope in the short time we have to talk to you about opening up this new alternative solution to the problems.

We have worked on projects abroad, on high-yield projects, and we hope now to focus them on this alternative. This alternative that Ciudad Juarez has offered us is a short-term challenge that we formed 20, 30 years ago and unfortunately it stalled because of this criminal activity. Many of us were businessmen, well, we retired because of the vandalism, and now, well, we intend to support this sector on a voluntary basis. I would like you to put more emphasis on outlying areas or the entire area around the Rio Grande, which from here to the El Porvenir area is very poor, very underdeveloped.

And among these projects we have tried to generate protected agriculture projects, which could help us a lot. And above all, what we've just seen about supporting sustainable energy. We really need that energy. We need to continue purifying water. We need to find a way to heal the land. It's very sick. We bring a series of toxins and we see a series of elements that still need to be removed. We have residual sludge which they always recommend to us, but we still don't have the support infrastructure to make use of that sludge, the sludge which contains large amounts of nutrients, but also large amounts of bacteria. In fact, if we don't manage it carefully, it could become a problem for us.

So, among these projects, we would like you to give us the opportunity to present them, in due course and for the time you might allot us so that you may see them, and be able with them now arrange support infrastructure for the countryside and reactivate it again. You know that the largest industry for work generated in the countryside is an enormous source of employment. Once, cotton was our main challenge, and our parents were farmers—some have since passed away and others are still working in it. But we also have been watering it with sewage and, well, that causes other problems.

So, we, the National Rural Confederation in Ciudad Juarez and in the entire region, would like to put ourselves at your disposal. Coordinating through Chihuahua, through the Governor, who was here, and we didn't have the chance, because he said everything that we wanted to tell you. Thanks very much for being here and allow us to continue with you later. Thank you.

[APPLAUSE]

MR. BRAVO: I would like to recognize the presence of Alba Cardona. She is the president of Cehlíder, a very important institution in community-building,⁹ and Jacqueline Armendáriz who is going to be one of the independent councilwoman of the 11 independent council persons in the next municipal administration. Jacqueline, a great friend of BECC.

So, next we have Edgar Ruiz from...

[IN ENGLISH]

⁹ Centro Humano de Liderazgo, A.C. (Cehlíder).

...Council of State Governments West. Edgar?

[TRANSLATED FROM SPANISH]

MR. RUIZ: Thank you very much for the opportunity.

[IN ENGLISH]

Thank you very much for the opportunity. My name is Edgar Ruiz with the Council of State Governments West. And over the past 16 years the Council of State Governments West has provided a mechanism of cooperation for legislators of the ten U.S.-Mexico border states. That mechanism, through a convening of forums, is able to provide opportunity for legislators to engage in the U.S.-Mexico relationship, identify priorities and also serve as a conduit to exchange ideas and promote those ideas to U.S. and Mexican federal authorities. And this year our chair is Senator Jose Rodriguez from El Paso, who is also, I know, a Board member.

One thing that I wanted to convey to the group today was a new initiative that we're going to be starting off committing in 2017, and that is the creation of a Border Legislative Academy. It'll be the first-of-its-kind academy aimed for legislators from the ten U.S.-Mexico border states. And it is aimed to be making them better effective leaders. The program itself will expand the scope of the Border Legislative Conference to strengthen bilateral cooperation and further the role of states in the U.S.-Mexico relationship. The program, particularly, aims to assist border lawmakers to overcome the impacts of term limits, address the complexities of governing along the border, increasing the role of states to address shared concerns and increasing mutual understanding. The program itself will include a mix of both professional development and informational sessions geared at providing newer legislators practical skills and accelerating their knowledge about the U.S.-Mexico border region. By creating this mechanism, we believe, we'll be creating a core constituency of legislative leaders committed to that relationship and improving key government institutions.

I'm happy to announce that we are partnering with the University of California San Diego's Center for U.S.-Mexican Studies and that will be the host location of the academy. And with the support of the CSG 21st Century Foundation we're able to pilot this project for the first two years, and certainly we'll be working to bring in other partners to support the program.¹⁰ Certainly, the BECC and the NADBank are, we believe, are key partners in that, given the work of the institution and also being able to provide our lawmakers the important information that'll be critical to make them very effective legislators.

I shared with you some folders that contain some information about this initiative and certainly look forward to working with all of you in the coming months to come as we start developing the program for this new initiative. Thank you very much for the opportunity, and I'll be here through the course of the forum and answer any questions that you may have. Thank you.

[APPLAUSE]

¹⁰ The Council of State Governments (CSG).

[TRANSLATED FROM SPANISH]

MR. BRAVO: Thank you very much Edgar. Next, Cecilia Levin. I think, I don't see her. I don't see her. Cecilia? No?

Jesús Manuel Loya Rodríguez from MUREF had also asked to say a few words.¹¹ Actually, I don't know him. He isn't here?

Mr. Carlos Aguilar García from CIVITAS, S.A. No?

They registered to speak electronically, which is why we are calling on them.

Francisco de Aquino Vargas from Mercader. Yes. And I believe that he has a presentation, right? Yes, please come up.

MR. DE AQUINO VARGAS: Thank you. Good afternoon. Good afternoon to everyone on the dais. NADBank, BECC, many thanks for your support and your ongoing commitment to Mercader's project.

Well, we are a financial entity that mainly support the public transportation system. We belong to an industrial group in the state of Jalisco. And, well, we are going to present to you our progress, thanks to the support we have had from NADBank. We have a credit line and have successfully developed major public transportation projects.

We have now financed 58 units, with a significant amount in Ciudad Juarez. And we have achieved throughout the border region—mainly Hermosillo and Tijuana and Ciudad Juarez—that development. With our DINA vehicles, we have achieved savings and cost-effectiveness of the vehicles. We mainly support natural gas, compressed natural gas vehicles, that significantly reduce tons of CO₂ emissions.

Well, over time we have achieved a series of units that have helped us to develop small and medium-size clients, who over time have achieved a certain growth. Today, Mercader is Mexico's leading financier for this type of vehicles. We finance 50% of DINA vehicles. We are leaders in this type of natural gas and also diesel vehicles in Mexico. Next, please.

As you know, the natural gas pipeline in Mexico is somewhat limited; however, the Federal Government has made major advances and growth. It has a national gas pipeline plan for 2013-2018. And here, well, the benefit that Mercader brings is that we provide a comprehensive financing solution, where we support our clients with a comprehensive solution, from financing vehicles to implementing their gas stations. This has allowed our clients to achieve significant savings and cost-effectiveness. And here NADBank has played a major role in this comprehensive solution and in understanding the needs of the market and of our clients.

DINA, as part of a Mexican brand, we have also developed electric vehicles. We have made significant progress in the development of electric cable cars. This has also enabled

¹¹ Museum, *Museo de la Revolución en la Frontera* (MUREF).

us to participate in significant new renewable energies and helped Mercader to become an important player in support and financing schemes.

Here we have a bit about how Mercader has evolved and grown our portfolio. We now have close to a four-billion-peso portfolio distributed among several clients, ranging from micro, small and medium-sized businesses in the public transport sector. We provide financial leasing, fixed-asset loans, unsecured loans and, well, with NADBank's support, we have successfully achieved this evolution.

This is what I was telling you about. Today we have 58 units financed through NADBank. We have succeeded in this part of the evolution and transformation with clients in the border region. These clients usually have a very hard time replacing their fleets with new vehicles. However, with the economical financing plans and rates we have been able to offer our clients, we have been able to begin replacing a significant portion of the public transportation fleet. And this has resulted in a significant reduction in CO₂ emissions.

These are one of the clients we have successfully financed. SITUSA is in the Hermosillo area This client has an interesting fleet of vehicles and has begun converting them to natural gas. We have achieved significant success with these clients in the city, in addition to bringing a benefit, it also brings an interesting change of image and that helps and contributes a lot.

Another important client, as we were saying, is right here in Ciudad Juarez and that is VIVEBUS. They have currently managed to replace 60 vehicles, most of which was supported and financed by NADBank and has succeeded in bringing about a significant transformation in image, cost-effectiveness and vehicular emissions in the city.

And well in the area of Tijuana there is another client called Azul y Blanco, which has an interesting fleet of vehicles. This is a company that is fully developing the evolution of human transport into a transformed business. And, well, here we have been significantly growing and developing their vehicles over time.

Today, Mercader has about 300 clients with a 3.6-billion portfolio and has been evolving from quarter to quarter with a growing service area, largely due to NADBank's support. We are present in 22 states all over the country. Our main participation is in the city center. However, this year we have very interesting projects in Monterrey area, in Hermosillo, right here in Ciudad Juarez and in a large portion of the border region, which will serve to concentrate our service pie and participation a bit more in the northern region of the country.

We are among the 10 independent finance companies in the Mexican market. We are among the top 10. And, well, we have funding sources from development banks, issue debt in the Mexican securities market and have support from commercial banks, currently in these proportions. Finally, our company is rated by three reputable rating agencies—Fitch, HR Rating and Standard & Poors—who have been upgrading our ratings every year, and that has also helped our company grow and evolve.

Many thanks to NADBank and to BECC for the opportunity and for the support. Thank you.

[APPLAUSE]

MR. BRAVO: Now we call upon Oscar Flores from the Government of Coahuila. He is here representing biologist Eglantina Canales, Secretary of the Environment, a great friend of our institutions.

MR. FLORES: With the permission of the Board. Good afternoon everyone. On behalf of the Government of the State of Coahuila, thank you for the opportunity to participate in such an important event of the Board of Directors of the Border Environment Cooperation Commission and the North American Development Bank. I would also like to extend the regrets of Rubén Moreira Valdez, the Constitutional Governor of the State, as well as biologist Eglantina Canales, Secretary of the Environment, who could not be here with us today due to prior commitments.

Given its extensive geographic area, the state of Coahuila is divided into six large regions, and for each one of them municipal solid waste management is very important. This time, with the strong support of BECC and the North American Development Bank, we have managed to improve the equipment for two regional sanitary landfills that support 10 of the 38 municipalities that comprise our state.

The first regional sanitary landfill in our state, and also the oldest, is located in the central region of the state, designated as the capital of steel, which for many years has seen significant industrial development internationally. We also have the landfill in Cinco Manantiales, which currently shaping up to be a hub for breweries and also... It is going to be the headquarters for a new railway development that will support a large percentage of our country's imports and exports, right? These two large regions have experienced explosive population growth. That is why reinforcing and equipping the sanitary landfills was in the pipeline, as otherwise it would generate environmental and human health problems for us.

So, on this occasion, I would like to thank Grupo Acerero del Norte who, through non-profit associations—this is the model that we are using in the sanitary landfills, especially for regional landfills—through non-profit associations, they operate these landfills and thus we are providing this medium- and long-term vision for their operability and to bridge three-year terms and to avoid the complexities of interaction among the municipalities, and instead set up the non-profit association and thus we can provide that vision.

I would also like to tell you that this year, the state of Coahuila is also... Besides this support that was just approved for us, four more sanitary landfills are under construction to support six more municipalities, and we are in process of obtaining funding for two additional sanitary landfills in order to support another six municipalities, right?

This way we would be fulfilling at the local, at the state level, the State Development Plan and Environmental Sector Plan, the goals that we set ourselves internally, right? This way we are already, with this support we received, achieving our goal, greatly exceeding it. We are going from 80% disposal to 85% with the new trucks and all the other disposal equipment. And we did have a very high goal of 95% for collection. We met the goal. We reached 95% thanks to the support, right?

My esteemed Maria Elena Giner, my esteemed Gerónimo Gutiérrez Fernández, on behalf of the residents of Allende, Morelos, Villa Unión, Zaragoza, Nava, Monclova, Castaños, San Buena Aventura, Frontera, Nadadores and the State Government, thank you for the support provided, for the support conditions to these 10 communities. Many thanks.

[APPLAUSE]

MR. BRAVO: Thank you very much, Oscar. A great lesson in social, municipal and state management, these sanitary landfills, really. They could not have been done without this type of governance and Patronato, where a major company covers half the maintenance.¹² We saw this in the video. Thanks very much, Oscar. Congratulations.

Let's continue. Arturo Garza, another great friend from Piedras Negras, SIMAS.¹³

I see him. Yes, here he comes.

A community that has received a great deal of BEIF support over the years. Everything related to wastewater treatment, the treatment plants and now he is going to give us good news about what is being done in Piedras Negras. Thank you.

MR. GARZA: Good afternoon everyone. Warm greetings to the directors of both NADBank and BECC, the distinguished Board and everyone here, thank you for your attention.

I'm going to talk briefly, here, about some implementation strategies that were adopted for a program that we undertook with technical assistance from NADBank and BECC. Technical assistance usually consists of implementation programs. Those of us who work in utilities, I think you are going to understand what I'm going to say. When they give us a program or assistance package, such as the one we received from BECC and NADBank, through an energy audit, well they provide the binders, but the problem—if we go to the next one please—they deliver the results after a study of the utility, where they tell us that if we take certain actions we will be able to achieve, savings, in the case of Piedras Negras, of up to 38% in our electricity costs, as well as reduce energy consumption by 28% and also reduce energy indexes and production costs. All this sounds pretty good via the necessary actions. But when we go to the next phase, where they tell us that \$13 million pesos have to be invested in order to achieve the savings, is where we begin having problems.

However, looking at it as a utility, in 2013 the utility only had a net balance of \$3 million pesos and that obviously meant a huge effort had to be made or basically this left us with four options: the first, to hide the study so that nobody would know about it; 2. use it to fill up space on a bookshelf; or 3. level a table or something similar. What we did, instead, was talk, the municipal president and the utility, in order to achieve a synergy of actions. With the support of the municipal government, investments were made to purchase more efficient equipment funded directly by the Municipality. And, we agreed, as an

¹² *Patronato Pro Limpieza de los Municipios de la Región Centro del Estado de Coahuila, A.C.*, the non-profit organization that operates the sanitary landfill in the Central Region of Coahuila.

¹³ Local water utility, *Sistema Municipal de Aguas y Saneamiento* (SIMAS).

organization, to take the necessary actions to achieve, through the Federal Electricity Commission, the necessary adjustments and investments in electrical installations to achieve a change in rates.

This, with an investment in excess of \$8 million pesos, we achieved the following results. We saw that these actions—go to the next one please—since August have already accounted for savings of more than \$7.6 billion pesos. This is a great achievement for us. For some utilities here, these figures may be low, but for example, for our small utility, which is leaping to become a medium-sized entity, it's a great achievement because it is a 180-degree turn around and tells us that actions are attainable when the efforts of the municipal government and utility are aligned.

This has also brought us, in terms of reduced energy consumption, we have already achieved savings of more than 10% to date. And we already, with an adjustment—in the next slide—the energy audit was updated last year, and we were told that we need only an investment of \$5 million pesos to complete what had been proposed as the goal in the original energy audit.

We can now tell BECC and NADBank that we have set aside the funds out of the savings. We have the money. Bidding is already under way, and we are going to invest these funds so that by December we may achieve that 28% in savings, energy indexes and production costs.

Right now we are already undertaking a second phase of the technical assistance, where we are bringing a project where we set ourselves, now I can say it, a much, much higher goal. If we had not achieved this, I think we would not have even opened the study. But now this gives us a measure and the will so that, if we are able to align our efforts, the municipal government, the utility and the State, along with BECC and NADBank, we will be able to achieve good results in the future. This works and this is the proof. Many thanks for your attention.

[APPLAUSE]

MR. BRAVO: Thank you very much. My regards to the mayor, and without a doubt these funds, the seed of technical assistance, in which the EPA participates greatly, is producing results. And here is the best example.

Next we have...

[IN ENGLISH]

Joe, John Kinney, CleanFund Commercial PACE Capital...

[TRANSLATED FROM SPANISH]

...or PACE Capital? Or PACE Capital? PACE? Well, now they criticized me, and he isn't here.

Let's continue.

Is that everyone? Okay we have public participation. Is there anyone else who has asked to participate?

Okay, if not, then, I don't know if anyone would like to make some closing remarks, if a Board member would like to say anything.

[IN ENGLISH]

Gretchen Biery, do you want to participate, make some comments? Raúl?

[TRANSLATED FROM SPANISH]

No? Well, after this the enthusiasm was in the entire public meeting. Thank you all very much. We have a reception at the southern end of the parking lot. It is going to be very interesting, with many great surprises. Let's continue the celebration of these institutions. Welcome and thank you very much.

[APPLAUSE]

[MEETING ADJOURNED]