



## Public Meeting of the Board of Directors

May 21, 2020  
Virtual Meeting

### English Version

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**MR. HEREFORD:** Good afternoon. The Board of the North American Development Bank is wrapping up the meeting, and we will be getting started here momentarily. So, thank you for your interest, and we will be with you shortly.

[PAUSE]

**MR. MATEOS:** I'm here now. We have 295... 220 attendees, already.

Jesse, are you here?

[PAUSE]

I think there were some technical difficulties. We're trying to solve them.

**MR. HEREFORD:** Good afternoon. Welcome to the Board of Directors' Public Meeting for the North American Development Bank. We welcome everyone to the virtual Public Meeting of the Board for the North American Development Bank. And we thank you for your interest and taking time to participate in today's session.

Participants in this session may speak in either English or Spanish. Use your computer audio to listen to the live session. If you require simultaneous interpretation services, dial the number on the screen from your phone to hear the session in the alternate language being spoken. We will give you a minute to dial in in case you haven't done so yet.

**[TRANSLATED FROM SPANISH]<sup>1</sup>**

Good afternoon to everyone connected to this virtual public meeting of the Board of Directors of the North American Development Bank. We appreciate your interest and time to participate in this session. This meeting will be held in both English and Spanish. Use the audio—

[PAUSE]

**[IN ENGLISH]**

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

Testing one, two, three. Can you hear me?

**MR. MATEOS:** Now we can.

**MR. HEREFORD:** Perfect. I'd like to, first, apologize for the technical difficulties, and now we'll get started with our meeting.

I'd like to welcome everyone to the virtual Public Meeting of the Board of Directors for the North American Development Bank. We thank you for your interest and taking time to participate in this session.

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[PAUSE]

**[IN ENGLISH]**

We'll now proceed to the introduction of our Board members. Introducing our chair first, Mathew Haarsager, Deputy Assistant Secretary, Multilateral Development Banks Operations and Policy for the United States Department of the Treasury and again our 2020 Board. José de Luna Martínez—

**MR. MATEOS:** Okay. Jesse, I'm sorry. I think Mathew is not on.

**MR. HEREFORD:** Okay. I will continue introducing the Board.

**[TRANSLATED FROM SPANISH]**

José de Luna Martínez, head of the Public Credit Unit and in charge of the International Affairs Unit for the Ministry of Finance and Public Credit

**[IN ENGLISH]**

Hugo Rodriguez, Deputy Assistant Secretary for Mexico and Western Hemisphere Regional Economic Policy and Summit Issues, Bureau of Western Hemisphere Affairs, United States Department of State.

**[TRANSLATED FROM SPANISH]**

Ambassador Mario Chacón Carrillo, General Manager for North America, Ministry of Foreign Affairs.

**[IN ENGLISH]**

William Charles “Chad” McIntosh, Assistant Administrator, Office of International and Tribal Affairs, United States Environmental Protection Agency.

**[TRANSLATED FROM SPANISH]**

Rodolfo Godínez, Head of the Unit for Coordination of International Affairs, Ministry of Environment and Natural Resources.

**[IN ENGLISH]**

The Honorable José Rodríguez, State Senator for the State of Texas.

**[TRANSLATED FROM SPANISH]**

Carlos de la Parra Rentería, director of EcoParque and research professor for the Department of Urban Studies and Environment at Colegio de la Frontera Norte (COLEF).<sup>2</sup>

**[IN ENGLISH]**

Denise Moreno Ducheny, Attorney at-law and former State California Senator.

Calixto Mateos, North American Development Bank Managing Director and Salvador López, North American Development Bank Chief Environmental Officer.

I'd like to take a moment to highlight several of the VIPs joining us today. We have the Texas Secretary of State, Ruth Hughs;...

**[TRANSLATED FROM SPANISH]**

...Senator Gina Andrea Cruz Blackledge; senator Cruz Pérez Cuellar;...

**[IN ENGLISH]**

...United States Congressman Henry Cuellar;...

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<sup>2</sup> Mexican institute of scientific research and higher education specializing in U.S.-Mexico border issues.

**[TRANSLATED FROM SPANISH]**

...congressional representative Eraclio Rodríguez;...

**[IN ENGLISH]**

IBWC Commissioner Jayne Harkins; Tijuana Consul General Sue Saarnio; California State Water Resource Control Board Chairman Joaquin Esquivel; and then we have several mayors, including the mayors of Imperial Beach, California; Del Río, Texas; Wellton, Arizona; Las Cruces, New Mexico; Mission, Texas;<sup>3</sup>...

**[TRANSLATED FROM SPANISH]**

...the mayor of Nogales, Sonora;...

**[IN ENGLISH]**

...and the mayor of Bisbee, all joining us. So, thank you very much for taking time out of your busy schedules to be with us today.

Next, I would like to introduce Mathew Haarsager from the United States Department of Treasury and our Board chair to provide some introductory remarks and results from the Board meeting.

**MR. MATEOS:** Okay. Before we do that Jesse, I think for all the presenters, you see like a box that tells you—and there are several icons—your mic might be off, so you may want to just turn it on and also sharing your camera so that we can see you and hear you. My staff is contacting you now Mat, so if there's a problem, so that we can solve it.

It seems that the rest of us are already... Okay, so let's—

**MR. HEREFORD:** While we wait for Mathew to come on, I think that we should give the floor to our Board co-chair José de Luna, to see if he would like to give some introductory remarks.

[PAUSE]

**MR. MATEOS:** Just the rest of the Board members, do you see that box that has the mic and the camera? It's a small one. It's a vertical one.

[PAUSE]

**MR. HEREFORD:** We're going to wait a few moments to wait for our Board chair, Mathew Haarsager, to see if he can come on. Looking at the list, his mic is open. So, Mathew, I don't know if you are available and would like to make a few introductory comments.

[PAUSE]

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<sup>3</sup> U.S. Section of the International Boundary and Water Commission (IBWC).

**MR. MATEOS:** For some reason, I see Mat's microphone on, but I don't think we can hear him, and his camera is off.

[PAUSE]

**MR. HEREFORD:** We're currently checking with Mat to try to resolve the issue as quickly as possible.

**MR. MATEOS:** I do appreciate the patience you all have. I mean this is, of course, a new thing, and, well, we'll solve this problem.

[PAUSE]

Okay. I don't know if José de Luna or Brenda wants to make any comments. Mathew has asked me to proceed until he gets on. If you want to, please open your mic and participate.

[PAUSE]

So, they are also having some difficulties.

So just in the interest of time, I will start my presentation of the advances—one second, please—on how the— Let me see because I am getting some calls, just a second.

[PAUSE]

**MR. HAARSAGER:** Hello?

Hello, this is Mathew Haarsager. Can you hear me?

**MR. LOPEZ:** Mathew, we can hear you now.

**MR. HAARSAGER:** Okay. Yes. I apologize. Just give me one second.

I was able to see and hear all of you, but I guess I could not be heard.

Can you hear me now okay?

**MR. HEREFORD:** Loud and clear.

**MR. HAARSAGER:** Great. Would you like me to go ahead and make a few comments?

**MR. HEREFORD:** Yes, please, if you'd be so kind to make some introductory remarks and maybe talk about the results of the Board meeting.

**MR. HAARSAGER:** Okay. Thank you. Thank you Jesse, and apologies to my Board colleagues and to everybody who's dialed in, for the delay in starting. The difficulties of doing everything virtually these days.

But I would like to say that—well first of all, I'd like to thank everybody for joining this public meeting of the NADBank Board of Directors. I think the large presence that we have online, you know, highlights the importance of the NADBank and the interest that communities around the border have in the work of the NADBank. And I would like to note that despite the technical difficulties of doing things virtually these days, we had a very productive Board meeting today.

Now, first of all, I'd just like to note that the North American Development Bank is a very important part of the bilateral relationship between the United States and Mexico. And I think this is evidenced by the financial support the U.S. Congress has recently provided for NADBank and for the environmental infrastructure efforts along the border in the USMCA Implementation Act. I think this is a clear demonstration of the importance we place on the institution and its work.

And today, I think we were able to have a robust discussion about the work of the—the challenges of, along the border, the work of the Bank along the border, and took some important decisions that will enable the Bank to, you know, continue having a strong impact. And I'd most—I'd like to highlight two things. First, I'd like to highlight that the Board today approved a COVID-19 Response Program, now which can provide up to US\$200 million in financing to assist border communities in responding to and recovering from the effects of the pandemic, and I think this is an important step that the Bank took. And I would just, secondly, also like to note that the Board today approved procedures that will facilitate an increase in the capital of the Bank. It's an increase that had been agreed to, you know, quite a few years before but now the U.S. Congress has provided us with financing to pay in our capital into the institution, and we took steps today that will enable that to happen, and this will also be an important step in allowing the Bank to be more impactful going forward.

So, I don't want to speak too long. So those are the key things I wanted to highlight. And I just wanted to, you know, thank my Board colleagues for a productive discussion, thank NADBank Management for the important work it has been doing, including in the difficult context of the last couple of months, and thank all of you for joining us here today to talk about the work of the Bank. I'll pass it back to you Jesse.

**MR. HEREFORD:** Thank you very much Mathew. I don't know if our co-chair, our Board co-chair, José de Luna is on. I don't see him on the list.

**MR. MATEOS:** He is on but he's having trouble with his microphone. Maybe we can leave his comments for after my presentation, so that we can solve it.

**MR. JESSE HEREFORD:** Absolutely. Then I'd like to introduce you, Calixto, Managing Director, to give a brief status report on the NADBank 2020 activities. So, with that, I'll turn it over to you. Thank you.

**[TRANSLATED FROM SPANISH]**

**MR. MATEOS:** Thank you. Good afternoon everyone. Since this is the public meeting that was going to take place in Mexico, I'm going to give my presentation in Spanish. There is

simultaneous translation, as we mentioned earlier. You can listen to it through the numbers that we indicated. In this case, I will be brief, and I'm not going to take up much of your time, just to tell you what the Bank's results look like... how... what we have achieved and a little bit about our... our structure.

First, we have the income statement as of March 31<sup>st</sup>. It's what we are showing. Here, briefly—I'm not going to go into details about the numbers—I just want to say that we have a healthy financial position, that in recent months we have had some prepayments made by a, well, the interests of the sponsors. That's good. We have that money. We have made a good bond placement because we have also paid our bonds very well. We have our expenses very much in line, very controlled, very... seeking to reduce costs and eliminate any unnecessary expenses. We have good reserves and good provisions for addressing any problem. And we have succeeded in disbursing, more and more, in the adjustment program [INAUDIBLE]. Next slide, please.

Here you can see just a snapshot of how our income statement has evolved. It's simplified. What should be noted is that we've had a relatively good interest income over the last few years. It's reflected in an adequate net income for operating the Bank. And regarding the first *trimestre*, the first quarter of the year, we are working in a way... as expected, as was anticipated.

The next slide would be, again, a brief representation of the balance sheet as of March 31<sup>st</sup>. We can see that we have a very adequate level of liquidity, right? And that we have even reduced our debt because one of our bonds matured and was paid off. All our retained earnings are funded, and we have increased our equity by approximately US\$6 million in net income. We have...unrealized gains, you see, from hedging of about US\$7 million.

If we go to the next slide, we now see an image showing how it has behaved. The balance sheet has been very stable, as you can see. Our assets are around US\$2 billion. This is supported by debt totaling approximately US\$1 billion... US\$1.1 billion, which is ultimately the amount that we have, since it is equivalent to our portfolio. So, we're very well-funded, we're very strong, and we're looking to stay that way and increase our [INAUDIBLE].

If we go to the next one, because of all of this, we've had a good review of our ratings. The ratings remain at a very good level and stable. And simply put, we have been able to stay in contact with them and explain a little how we are dealing with the issue of the pandemic. Next slide, please.

In terms of capital, as our Board chair mentioned, we have been able to maintain our capital, and have, not only, but also have shown this over time. With the \$405 million in capital originally provided, we financed close to US\$8.8 billion in projects. This means that, if we look at it this way, the loans we have made total \$2.6 billion, the capital is \$405 million, and we have managed to finance 8.8...or US\$8.8 billion. We have also administered the program of the U.S. Environmental Protection Agency for a total, in recent years, of US\$669 million, right? And we have financed 264 projects with a total cost of US\$10 billion. They have benefitted 18 million residents. Next slide.

The number, as you can see, the Bank has... The largest number of projects we have is in the water sector, and here we can see that by the number of projects they are the most numerous. By project cost, the sector that stands out the most is renewable energy, clean energy. And the... in terms of investments, half has gone to clean energy projects, and another third has gone to water projects, and the remainder is for air quality, landfill and solid waste management projects. Next slide.

Today, as our Board chair already mentioned, great strides were made by the Board with the very important approval of a program that helps communities recover from the pandemic. This is a program for up to US\$200 million over the next two years. It includes up to US\$15 million in technical assistance. That is one of the things that was approved. The other approval was for a sewer and wastewater collection system for Mexicali, Baja California, which has a cost, an investment of US\$6.8 million and a US\$3.4 million grant from the U.S. Environmental Protection Agency's border fund. Next slide, please.

Oh! and as previously mentioned, our capital, thanks to the efforts of Mexico and the United States, that 405 in capital is in the process of being increased, and, to date, we know that we already have US\$10 million provided by Mexico, and the United States has also provided another US\$10 million, and we are expecting more. We greatly appreciate it. And that just ratifies that the Bank is going to continue and will be responsive in addressing the needs of the border region.

Lastly, I want to quickly go over the latest projects that we have certified, and what we hope to achieve with them. There is a project in Vinton, Texas that is going to benefit 1,480 people with almost 7 miles of new waterlines, and there is going to be much better residential connections, and this community will have access to good quality water, since right now it has a problem with the quality of the water that it is receiving.

There is also another project in Nueva Ciudad Guerrero, Tamaulipas and the one in Mexicali, Baja California that I mentioned, which together are going to benefit 655,000 residents with 30 miles of new sewer lines and reduce wastewater discharges by 39 million gallons a day. And there are 186,000, almost 187,000 new connections planned.

Finally, on the next slide, I also want to mention that an energy project, an energy storage project was also approved this year in California. This is a new sector. It's a very important sector. It's a sector that greatly complements the activities that the Bank has been carrying out, and we are going to be working on that in order to expand these types of projects in our region of impact.

This is my summary of what the Bank has been doing. I want to mention that, like all the participants in this public meeting, the Bank is a stakeholder that is aware of the current issues. We are working on them. And so, I return the mic to our chairman. José de Luna is now with us. I don't know if you want to say a few words.

[PAUSE]

**MR. DE LUNA:** Yes, thank you very much. Can you hear me?



**MR. MATEOS:** Yes.

**MR. DE LUNA:** Well, first of all, my apologies because, I could see and hear all of you, but I couldn't speak. But now the microphone is working. I simply want to say that the Mexican delegation is very pleased to participate in this public meeting of the NADBank Board of Directors.

As you know, now with the approval of the new United States-Mexico-Canada free trade agreement, NADBank is expected to play a much more important role, to help finance many more projects on both sides of the border and even to expand gradually its participation in other sectors.

So, we're very happy to be holding this meeting together with our U.S. counterparts. And as mentioned previously, there is very good news for NADBank. The governments of both the United States and Mexico are making commitments to inject more capital into the institution so that it can continue growing. Additionally, we've been reviewing a lot of initiatives so that the approval of new projects can be more streamlined, since right now it depends on each time the Board of Directors meets, and the Board only meets twice a year. So, we're looking at mechanisms so that the project approval process is more expeditious and doesn't only happen every two years. Also, well, we have been looking at issues related to gender so that we have more woman represented among the staff, as well as in Bank management. There are many very important initiatives to make this a much more streamlined Bank, much larger, much more relevant both in the United States and in Mexico. So, I would simply like to thank everyone for your attendance, and we will be here listening to your concerns and everything you are going to propose. Thank you very much.

**MR. HEREFORD:** Thank you very much José de Luna.

**[IN ENGLISH]**

Moving on now to the open comment session, I'd like to remind participants to keep their comments to three minutes, speak into their microphones, lower the volume on your phone if you're using the interpretation services.

I'd also like to remind Board Members and Management that they may address comments or questions should they wish. And with that, I would like to first recognize the Honorable Ruth Hughs, Texas Secretary of State, for three minutes to provide her comments. Thank you Madam Secretary for joining us.

**MS. HUGHS:** Thank you. Can you hear me?

**MR. HEREFORD:** Yes, we can.

**MS. HUGHS:** Thank you so much.

**[TRANSLATED FROM SPANISH]**

Good afternoon everyone. I have some comments in English, but I'll start in Spanish to thank you for this opportunity to be here and confirm that, on behalf of Texas, we greatly value the relationship with Mexico. We truly understand that we share not just a border, but a culture and a history as well. And as we say, friends, for better or worse. So, I see Ambassador Chacón. It's a pleasure to see you, and I will switch to English to thank...

**[IN ENGLISH]**

...many of our states, local leaders and our federal leaders that are on the call. I know Congressman Cuellar is here, Senator Rodriguez. And Jesse, I just want to thank you for this invitation. I am joined by Steven Chang and David Zapata in my office, and we are very much excited to hear the updates.

When we met Calixto and Salvador, the team at NADB—thank you for having us—I had the opportunity to meet with you all in San Antonio in February and little did we know, at that time, how rare and unique being able to speak in a room together would be. So really thankful for that, and I am thankful for having had that opportunity because the work that you all do to promote infrastructure and development along our border communities is incredibly important, and you really are working to improve the lives of everyone who works and plays and lives along the community and to shape a brighter future.

And so, we are very supportive of your efforts. In my role as the Texas Border Commerce Coordinator, as well as the chair of the Border Trade Advisory Committee, I have the opportunity to really work with our TxDOT partners—our Department of Transportation partners—and all of our many members. And we count all of you as partners in the effort to make sure that we identify what are the critical needs along the border and how can we assist in investing in border infrastructure that really improves connectivity in a way that facilitates and increases trade between the United States and Mexico.

So, again, I want to thank all the American and Mexican state and local officials participating. We really do count on you to get it right, and we appreciate the participation that we've received. If there is one silver lining in this new way that we are conducting business, it's that we are able to connect from many different locations and many more people. And so we're really trying to take advantage of that. Please know we are always available for that purpose in any way that we can assist.

But I want to give you a brief update on COVID-19 and how it's impacting Texas and Mexico in particular. As you know, we're in unprecedented times. We have mutually agreed with the U.S. and Mexico to restrict non-essential travel in our shared borders, so that we can combat the spread of COVID-19.

Each government has their own guidelines and their own guidelines in terms of quarantine in their different territories and how they're being managed. I can share with you that these guidelines and instances where they differ between Mexico and the United States. They've affected some businesses here where they have felt the impact of the supply chain in providing critical infrastructure, or in our case essential services, now during the pandemic, being impacted by some of the closures. And so they're feeling the inability to sometimes operate in their regular operations, of course, as many are. But they've been working and

seeing more progress in the last few weeks and trying to open plants and open those supply chains.

It's been interesting to hear some of the obstacles being such as, for example, bus—the ability for workers to be on a bus and then be in close proximity. And so companies in the U.S. realizing those problems with their plants in Mexico have worked with their partners to change the shifts, and the partners in Mexico have worked with the companies to allow some kind of restricted capacity but still allow the work to continue. So, there are areas like that where we continue to find out about those situations and see where we can help and work with our partners to assist if possible.

We have one million jobs in Texas connected, you know, with trade and so if we ever had a doubt about our connectivity, we're certainly experiencing it every day. And so we are very grateful for the relationship to allow us to address some of the concerns that are coming up. And we have been in contact with our Consul General here in Austin, Pablo Marentes, as well as the U.S. Embassy in Mexico. Ambassador Landau has been very interested in knowing who we hear from that is impacted in Mexico and how they can assist.

Also in permitting, you know, there are some areas of concern. But I know that everyone is invested in trying to get it right. We're particularly proud, I am very proud, of our Governor and the way that we're managing the situation in Texas, really focusing on health first and foremost and listening to the advice of the medical community, but also working with businesses to find ways that we can get creative in making sure that our economies continue to grow.

So, those are some of the things that we are mostly hearing these days and that we're working on. The work of the Border Trade Advisory Committee continues. We are committed to having the final report, the Texas Master, the Transportation Plan, by the end of this year and so, we are continuing to have meetings now by WebEx and other forms so we can allow that.

But I just want to thank you again for this opportunity to speak to everyone and just reiterate that we are always here, we are happy to assist, and we thank you for all of your cooperation, and your friendship and our partnerships and all of the important work that you do. Thank you.

**MR. HEREFORD:** Thank you Madam Secretary. I appreciate your joining us today.

Next on the public comment list is going to be...

**[TRANSLATED FROM SPANISH]**

...federal representative Eraclio Rodríguez, chair of the Committee on Rural Development and Conservation, Agriculture and Food Self-sufficiency. ¿Congressman?

[PAUSE]

**[IN ENGLISH]**

**MR. RAUDA:** We do not see him on the session Jesse.

**MR. HEREFORD:** Okay, thank you. Then moving on, the next person that we have signed up for public comments is the Honorable Serge Dedina, Mayor of Imperial Beach. Mayor Dedina.

[PAUSE]

**MR. DEDINA:** Thank you very much. I'm going to forgo the presentation. I think it'll be too much. I want to thank everybody on behalf of the City of Imperial Beach, for the North American Development Bank, for all your support, for efforts to reduce the tsunami of sewage that has been plaguing the Tijuana River and has resulted over the last five months in an average of about 50 to 60 million gallons of raw sewage entering our beach. Our entire beach has been closed, the southern part of our beaches, are closed the entire year, and this is not only recently abated with the opening of the PB CILA pump station. But we definitely need additional help to get CESPT to make sure that the IBWC can treat the extra sewage in the river, or we are facing a cataclysmic summer.<sup>4</sup>

But this isn't related—the point here is to really thank the North American Development Bank, and I know we have our partners from EPA, Mr. McIntosh. Thank you so much. We have appreciated the partnership between the North American Development Bank and especially the EPA to make sure that we can get resources invested into Mexico to make sure that we fix infrastructure that is resulting in cataclysmic pollution problems on both sides of the border, but especially that impact our—disproportionate, low-income populations in South San Diego and Imperial Beach.

During this time of COVID and pandemic, it's even more critical to get those resources invested in infrastructure that can have a positive impact on public health. So, I think the point here is just to say that we are here to support you. We appreciate the honest brokering of the North American Development Bank. Calixto, you and the Board, as well as all the staff have been tremendous partners. Chad, I want to thank you and the entire EPA staff for working with the NADBank on searching for financial solutions.

Right now, it's critical to invest in the critical infrastructure that will help relieve those sewage spills, but also to really invest, I think—the State of Baja California and the authorities in Mexico have been open about looking at water reuse projects. We think from a sustainability perspective and a climate perspective, we think investing in water reuse is an absolutely brilliant way to first provide more water for Tijuana and northern Baja California, but to actually assure that we have zero discharge to the ocean.

So, with that, I want to thank the North American Development Bank, as well as our partners at the EPA, again for all their support. We have a lot more to do. And we need to find solutions immediately to stop the flow of water in the river that is really having a significant impact on our beach and beaches in south San Diego County and Southern California when we need them the most.

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<sup>4</sup> Tijuana water utility, Comisión Estatal de Servicios Públicos de Tijuana (CESPT).

So, on that, please use Imperial Beach as a resource and a partner. We're here to support you, and we definitely enjoyed working with colleagues across the entire U.S.-Mexico border to obtain funding for the EPA's Border Wastewater Infrastructure Program. So, thank you very much.

**MR. HEREFORD:** Thank you very much Mayor Dedina. We appreciate your participation today and your comments.

**[TRANSLATED FROM SPANISH]**

I'd like to give the floor to Jesús Antonio Pujol Irastorza, mayor of the City of Nogales, Sonora. Mayor, you have the floor.

[PAUSE]

**[IN ENGLISH]**

**MR. RAUDA:** He's not on, Jesse.

**MR. HEREFORD:** Okay, thank you, Memo. Moving on I would like to introduce Albert Zapanta, good friend, president and CEO of the U.S.-Mexico Chamber of Commerce. Al would you like to say some words?

**MR. RAUDA:** He's also not on, Jesse.

**MR. HEREFORD:** Thank you. Moving on.

**[TRANSLATED FROM SPANISH]**

Now I would like to give the floor to Dr. Oscar Ibáñez, General Manager of the Chihuahua State Water and Wastewater Board.<sup>5</sup> ¿Oscar?

We can't hear you Oscar.

**MR. IBÁÑEZ:** Let's see.

**MR. HEREFORD:** Now we can hear you.

**MR. IBÁÑEZ:** You can hear me now?

**MR. HEREFORD:** Yes.

**MR. IBÁÑEZ:** Great. Okay, look, well, first of all, thank you very much for giving me this opportunity. I want to take this opportunity to send greetings to Governor Javier Corral, Governor of Chihuahua. You know that the Governor has a... high regard for this institution and, well, the issue is that we have continued to work on many projects, not only on the issue

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<sup>5</sup> Junta Central de Agua y Saneamiento del Estado de Chihuahua (JCAS).

of water—I'm going to refer specifically to water issues—but support has been provided for other projects as well, such as urban development and wastewater treatment, and therefore the Governor, well, extends a warm greeting to the Board and appreciates the support that we have received in our state in recent years.

We are currently working on these projects with the Bank. I believe that this speaks to the rich institutional interaction that we have as a State with the institution. Some, like the one in Ciudad Juarez, which entails rehabilitation of sewer mains that can ultimately impact international waters. In Ojinaga, a project that is already very advanced that has to do with the rehabilitation of the sanitary sewer system. Here we've already moved forward with Mexico's part, completing its investment. We would now be about to start the Bank's part of the support.

In the case of Loma Blanca, we already have several phases of sanitary sewer development. We are very grateful for the support. Also, the Mexican part, and we have completed our part. We are about to finish one more phase in that area. It's the Juarez Valley region. And the new projects that we have recently been working on, well, in Camargo we have the Miguel Angel Niño subdivision, where we are now ready for the public comment period regarding the matter of the construction of a sanitary sewer system.

We are working right now with technical assistance from the Bank on a stormwater management utility. This is very important because it would allow us to do a series of high-impact projects and significant investments that could be supported with Bank funding for stormwater management in Ciudad Juarez. I think it is a very, very important project because we're also looking at filtration, recovering aquifers and green infrastructure management. This utility that the Bank is currently helping us create would be a utility for both the Municipality of Juarez and the Government of the State of Chihuahua.

We also have another project in... right now in the pipeline, in Lomas de Consuelo in the municipality of Meoqui, which is also a wastewater collection system. And finally, we want to move forward with the topic of green infrastructure through a seminar that would help us further promote these types of tools, which impacts the environment and help us recover regional aquifers.

You know about the issue of flooding in Ciudad Juarez. We share this issue, of course, with El Paso, Texas. These are some of the truly dramatic images that I want, if you can, to see, for example, the children rescued by backhoe in the middle the flood where they had been trapped. You can see there the overflowing dams, flood control, in short, really dramatic scenes. You can see how people were helping each other to keep from being dragged away by the water. And this stormwater drainage infrastructure is an issue that, is not just a matter of security, of civil protection, but also a tremendous economic impact for border productivity, for the deterioration of all kinds of urban infrastructure, wastewater and water infrastructure and, of course, paving infrastructure and everything else. And, well, the damage to people, their property, their time, in a nutshell. That is why we are interested, very interested in this project in which the Bank is helping us create a utility and the related infrastructure projects.

In the case of Meoqui, Chihuahua, also, it's a wonderful region. There you can see a panoramic view of the San Pedro River. We have a Ramsar site there, where we have very important

wildlife. We are building water treatment plants there in Delicias, and we are submitting a wastewater collection project in Meoqui as well.

In the case of Camargo too, they say it's the cradle of artists. I don't know, but well, it's also a quaint, very picturesque municipality in Chihuahua. La Boquilla Reservoir is in that region, the largest reservoir in the state and impacts all the water in the Rio Grande River basin. We are also seeking certification for a wastewater collection project there.

And well, we have projects that we have already worked on. There is some work being done right now in Loma Blanca, which, I repeat, is the Juarez Valley region., the treatment plant where some of you were present for its startup along with the governor and, in short, well, there is a very strong interagency interaction.

I want to close, well, by congratulating the Board and, above all, I was struck by the Board's approval today of funds to support projects associated with COVID-19. It seems to me that this is going to be very important in the context of what we are experiencing. And I also want to highlight the resilience of the border region. One of the elements that supports this resilience, despite a global pandemic, are institutions like this one, the North American Development Bank, and this meeting, this interaction that we are able to have virtually, is an example of this binational cooperation that allows us to sustain ourselves as a region and, well, now, to continue with the work, with high hopes, despite the emergency we are experiencing. Thank you very much and congratulations again.

**MR. HEREFORD:** Thank you very much Dr. Ibáñez.

**[IN ENGLISH]**

The next public speaker that we have is Misael Cabrera, Director of the Arizona Department of Environmental Quality. Misael, I'll turn it over to you.

**[TRANSLATED FROM SPANISH]**

**MR. CABRERA:** Thank you very much. It's a privilege to speak to the Board of Directors this afternoon. We, at the Arizona Department of Environmental Protection, very much appreciate our relationship with the Bank and with Mexico, especially the State of Sonora.

**[IN ENGLISH]**

We would like to acknowledge the project management support that we received from NADBank, specifically the Grants Financing Department, to mitigate cross-border sewage flows from Naco, Sonora, into Naco, Arizona, that had been ongoing for several years. In this case, ADEQ actually provided the funding, but we needed expertise and assistance for project management from NADBank, and NADBank helped us through that effort.<sup>6</sup> It was through NADBank's program management expertise and knowledge of how to get work done in Mexico, that we were able to stop cross-border flows from Naco, Sonora, to Naco, Arizona.

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<sup>6</sup> Arizona Department of Environmental Quality (ADEQ).

We welcome the continued partnership with NADBank and EPA on Naco for a system diagnostic study and the alternatives analysis for wastewater management as steps to find a final solution to that problem. ADEQ notes the ongoing efforts of the NADBank to stop cross-border sewage flows that are beyond the capacity of existing binational infrastructure, specifically the technical assistance currently being provided to Nogales, Sonora, on an expanded sediment control system at the Estadio Los Alisos Lift Station and the potential expansion of the Los Alisos Wastewater Treatment Plant. Any effort by NADBank, EPA and other partners to assist in having efficient wastewater and stormwater management to protect and extend the longevity of infrastructure investments made in the region, is truly and deeply appreciated.

Also, a valuable contribution, EPA's Border 2020 Program has funded several green infrastructure projects that have proven successful in sediment control, as well as stormwater collection. The Border 2020 Program grants administered by NADBank have been an important partner with ADEQ and CEDES in the accomplishment of the priorities established in the Arizona-Sonora Environmental Strategic Plan.<sup>7</sup>

In short, thank you so very much for the work that you do. We are very appreciative.

**MR. HEREFORD:** Thank you Misael. We appreciate the partnership.

The next speaker who has signed up for public comments is Fay Crevoshay, Communication and Policy Director for WILD Coast. Fay, I'll turn it over to you.

[PAUSE]

Can we open Fay's mic please?

[PAUSE]

**MR. RAUDA:** It's open, Jesse.

**MR. HEREFORD:** Thank you.

Fay, are you there?

[PAUSE]

Hello, Fay?

[PAUSE]

Fay, we'll come back to you. We'll try to work—we'll have somebody call you offline to see if we can get you connected.

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<sup>7</sup> Comisión de Ecología y Desarrollo Sustentable del Estado de Sonora (CEDES), Sonora state agency responsible for environmental protection and sustainable development.



Memo, let's move on, please.

I'd like to call on...

**[TRANSLATED FROM SPANISH]**

...I'd like to give the floor to Engineer Rigoberto Laborín Valdez, general manager of CESPT.<sup>8</sup>

[PAUSE]

Engineer?

[PAUSE]

**[IN ENGLISH]**

Memo, is the mic open?

**MR. RAUDA:** It's open.

**[TRANSLATED FROM SPANISH]**

**MR. LÓPEZ CHÁVEZ:** I don't know if you can hear me there. I'm Javier López Chávez, Assistant Director of Planning here at CESPT. Can you hear me?

**MR. HEREFORD:** Yes, we hear you. Please go ahead.

**MR. LÓPEZ CHÁVEZ:** Look, Mr. Rigoberto Laborín just got a call from the Governor, and he had to step out for a moment. If you want, I can explain to you the presentation that he was about to give.

Essentially, it's that, well, we are aware of the issue of potential wastewater runoff to the Tijuana River and then to the neighboring country of the United States. The current administration is aware of this, has scheduled a series of emerging cleanup actions, some immediate, others in the short term and others in the medium term. We have a drawing of how the wastewater flows, runs off. We have some treatment plants, and we have some plants that occasionally fail, such as the PB-CILA, in order to... what is the main problem? Because we have pumps there that are not exactly the best.<sup>9</sup> They are for drinking water. We are purchasing three new pump motors that are going to be installed in obstruction-proof equipment and are expected to be installed no later than the third week or the end of June. With that, we are going to reduce most or totally eliminate the runoff to Imperial Beach.

We have other river cleanup projects as per instructions from the Governor. An agreement was signed with CONAGUA to clean the river because some weeds have grown up, there is

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<sup>8</sup> Local water utility for Tijuana and Playas de Rosarito, Baja California, *Comisión Estatal de Servicios Públicos de Tijuana* (CESPT).

<sup>9</sup> PB-CILA is a wastewater lift station operated by the Mexican section of IBWC.

dirt, there is, one way or another, the river is dirty.<sup>10</sup> For the PB-CILA, as I mentioned previously, there is the acquisition and commissioning of the three pieces of equipment that will be done in June.

We have other rehabilitation projects for all the pump stations, that are failing and causing runoff to the United States, which are Pump Station 1A and Pump Station 1B, as well as the Matadero Pump Station and two pump stations in Los Laureles.

We also have the rehabilitation of the International Outfall located along the border, near a major avenue here in the city. A study was carried out to determine the best way to rehabilitate this sewer main internally or build a new one. Solutions have now been presented to us. We are expecting the conclusions and recommendations to be delivered next week.

We also have a wastewater treatment plant that has not been operating well lately, called San Antonio de los Buenos. A study is being done to determine what is the best thing we can do there. And we are going to take this to the federal government to develop the terms of reference for the bid processes and obtain support from FONADIN.

We have other actions for the Oriente sewer main, which occasionally, when it fails, drains wastewater into the Tijuana River. This work is being considered, is intended to start in July as well, just like a section of the Sanchez Taboada sewer main. It's a project that has already been validated by CONAGUA, but we still don't have funding and we're working to secure funding. Likewise, for wastewater lift station in Rosarito, which is not exactly on the Tijuana River, but is related to the Pacific Ocean.

We also have a review of a lift station in, another one in Rosarito, and the project has already been processed, but we are seeking funding to carry out the work. We also have a wastewater collection system project on Grandes Lagos Avenue. Likewise, we are also seeking funding from CONAGUA, well, the stakeholders. We also have there a... there is a canyon that, somehow, we are discharging into the river. We already have a preliminary design there and right now we are reviewing the final design to promote its implementation in the near future. Finally, we have two other concepts—the Manuel Rivera subdivision that has already been validated and the construction of a coastal system to prevent runoff to the Tijuana and Rosarito beach areas.

Basically, those are the actions that we are bringing for immediate, short-term and long-term implementation. We are at your service. Thank you.

**MR. HEREFORD:** Thanks for the presentation.

**[IN ENGLISH]**

We're going to try to get Fay from WILD Coast back on.

So, Memo, is the mic open?

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<sup>10</sup> Mexican National Water Commission (CONAGUA).

**MR. RAUDA:** Yes, the mic is open.

**MR. HEREFORD:** Fay?

[PAUSE]

Fay, are you there?

[PAUSE]

**MR. RAUDA:** It's an issue with her computer because she can listen to the presentations but it's just audio is not coming out. Let me see.

[PAUSE]

She's unmuted. It's just that audio is just not coming out of her computer.

**MR. HEREFORD:** Okay. Fay, thank you very much. We're going to move on to the next person that is registered for public comment.

**[TRANSLATED FROM SPANISH]**

Engineer Luis Pinto, general manager, Tamaulipas State Water Commission.<sup>11</sup> Engineer Pinto, you have the floor.

**[IN ENGLISH]**

**MR. RAUDA:** I don't see him on the session, Jesse.

**MR. HEREFORD:** Okay. Thank you Memo. Well, let's keep moving on through the people that are registered. The next person we have up is Joaquin Esquivel, Chairman for the California Water Resources Control Board. Chairman Esquivel, are you there?

[PAUSE]

**MR. RAUDA:** He's not on either, Jesse.

**MR. HEREFORD:** Okay. Moving forward. The next one,...

**[TRANSLATED FROM SPANISH]**

...Héctor Soto Ibarra, General manager of CESPM.<sup>12</sup> Héctor, you have the floor please.

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<sup>11</sup> *Comisión Estatal de Agua de Tamaulipas (CEAT).*

<sup>12</sup> *Local water utility for Mexicali, Baja California, Comisión Estatal de Servicios Públicos de Mexicali (CESPM).*

**MR. SOTO IBARRA:** Thank you. Good afternoon. First and foremost, is to send respectful greeting from the Governor of Baja California, Mr. Jaime Bonilla Valdez. Thanks to both the Mexican government and the government of the United States, especially EPA, NADBank and the entire... the National Water Commission and the Mexican representatives in this binational Board.

For us, the support we are receiving and the attention we have received from these agencies is of the utmost importance to be able to continue contributing to the remediation of our wastewater collection lines in Mexicali to prevent a series of collapses, cave-ins, sinkholes, and wastewater spills which, ultimately, have the potential to negatively impact the health of our residents. And also, the quality of the water that we are committed to send in compliance with all the official Mexican standards enforced by SEMARNAT, as well in the binational agreement, this quality water that we have to send to the Salton Sea in the state of California.

On our behalf and that of our CESPM team, I would like to recognize NADB, EPA, Toribio Cueva and the CESPM team itself, because we just achieved the certification of the projects that I believe are going to continue helping to meet our obligation responsibly under this binational agreement that we have. Thank you very much for your attention. We are at your service.

**MR. HEREFORD:** Thank you very much, Héctor. We appreciate your participation.

**[IN ENGLISH]**

The next public speaker we have registered is Michael Flores, Contracts and Grants Administrator from the Lower Valley District. Michael.

**MR. FLORES:** Good afternoon Board members, Mr. Calixto Mateos, staff members and members of the public. My name is Michael Flores, and I work for the Lower Valley Water District as a Contracts and Grants Administrator. The District lies east of El Paso County where we serve approximately 90,000 residents, which account for about 18,500 water customers and about 15,000 sewer customers within our 210-square-mile service area.

I want to thank you for allowing me to address you, the governance body for having this virtual public meeting possible. The last time that I attended one of your public meetings was when it took place in Ciudad Juarez, Mexico. The meeting was very informative, and it was worth the trip. I was able to hear and learn about what NADBank's role is. The more I learned about the organization, the more I understood what their goals were. Your staff makes sure that your organization keeps lockstep with its vision, mission and core values.

As I sit here, I want to tell you that both of our organizations work very well together, be it by providing valuable resources, by providing first-time wastewater services in Socorro for these residents and will be instrumental in providing Community Assistance Program (CAP) funding to about 332 residents with sewage connections, by decommissioning their septic tanks and connecting them into our sewage system. These residents do not have the resources to pay for their share of the cost to connect. I want to remind you that the CAP funding is instrumental by providing these low-income residents the opportunity to connect

to the system. The goal is to support critical infrastructure projects for economically distressed communities in the region.

You, the Board reviews and approves these projects that are funded by CAP funds. Those funds are from your retained earnings. I also want to remind you, if it were not for you putting those funds into the budget line item, projects like these would not be able to happen. It's simple: cause and effect. These projects are necessary, and this program needs more funding allocated. We are currently working with Communities Unlimited, which they have identified a *colonia* that needs first-time water, but it's not inside the district's service area but it's close to our boundary.<sup>13</sup> The reason that I bring this up to you is to show you that there is still a need for CAP funding, especially for areas that are disadvantaged and need our services. I believe that both of our organizations will continue to work together, especially now more than ever. Increased funding for basic infrastructure is being allocated to various federal and state agencies, and NADBank is in a good place to offer their services and expertise.

I want to thank you again for giving me the opportunity to speak to you and participate in this venue. We're looking forward to completing another successful project if you all approve our request. Thank you from the Lower Water Valley District, members of the Board.

**MR. JESSE HEREFORD:** Thank you very much Michael. Appreciate your participation today.

We're going to go back to...

**[TRANSLATED FROM SPANISH]**

...Engineer Luis Pinto. Engineer, I don't know if you are connected now, but I'd like to give you the floor.

**MR. PINTO:** Yes, I'm here. Can you hear me?

**MR. HEREFORD:** Yes, we can hear very well, thanks.

**MR. PINTO:** Thank you. Well, first, good afternoon, members of the Board. I'm going to read a message. I will be as brief as possible.

The Government of Francisco García Cabeza de Vaca sees the Rio Grande, not as a line that divides, but rather unites, two nations. The Rio Grande River, as a shared source for supplying vital liquid, calls us to join purposes, strategies, commitments and resources to maintain a clean and competitive border for the capture, management, distribution, use and reuse of water. Significant joint efforts have been required so that the Rio Grande, in addition to using its water with maximum efficiency, to try to prevent it from being just one more recipient of our gaps in wastewater treatment. And also so that our Rio Grande River serves as a motive and an incentive to protect and improve the environment of the border region and thus the living conditions of the people of Mexico and the United States.

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<sup>13</sup> *Colonias* are communities on the U.S. side of the international border with Mexico that lack critical infrastructure, such as paved roads, water distribution lines, sewer systems, flood protection and/or public facilities.

The proof is that we are here to strengthen our border, preparing it for large economic development projects basically. But now, we all know, every project must address sustainability. Sustainability currently is now an international goal to be met. The sustainable development goals that make up the 2030 agenda are also our goals.

A clean border is a factor of development, and this the U.S. Environmental Protection Agency, the NADBank and the Government of the State of Tamaulipas know very well and have demonstrated. They know because they have built a rich history of project activity and joint funding. Now, this history is being heightened because the vision of a clean Rio Grande River has become a significant environmental strategy for the Government of Tamaulipas, which is taking the steps necessary to obtain NADBank approval for projects that will have a significant impact in reducing the environmental and health risks associated with the inadequate disposal of wastewater by eliminating untreated discharges into the Rio Grande River. This will provide the benefit of a healthier environment for local residents, as well as a cleaner water supply for communities downstream in Mexico and the United States.

The Government of Tamaulipas, in a long-term scenario, is focusing on recovering the operability of the Rio Grande River basin and to that end we must call on the general public to use and reuse water as the key element of a new water culture that does not compromise the environment and helps it become an effective measure to combat climate change. The objective of improving and expanding environmental infrastructure is envisioned within a line of action in the Tamaulipas State Development Plan.

Here we take the opportunity to reiterate our gratitude to the members of the binational Board of Directors of the North American Development Bank and to the Environmental Protection Agency for applying funds in Tamaulipas to both water and wastewater. The trust they have placed in the Government of Tamaulipas for these purposes is evidenced by the more than \$300 million pesos that are currently being applied to various projects that the Bank has supported and developed in water infrastructure.

A clear example is Pump Stations 1 and 2-7-8 in the municipality of Reynosa. Also, in the municipality of Soto la Marina a drinking water system is being built to provide this service to the community of Jose Silva Sanchez. We also want to highlight the construction of a wastewater treatment plant in Camargo, which is close to completion. The startup very soon of the WWTP in Gustavo Diaz Ordaz and also surely in the short term in Ciudad Guerrero, in addition to projects that are in certification.<sup>14</sup>

This trust would be the best way to deepen the ties of friendship and cooperation with the neighboring State of Texas in order to create new conditions that ignite our international calling, achieving agreements in various areas that will enable greater economic development.

Gentlemen of this binational Board, the gratitude of Governor Francisco García Cabeza de Vaca translates to a commitment to do things well; that contracts be awarded to serious, responsible and specialized companies, that transparency and exercising proper operational,

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<sup>14</sup> Wastewater treatment plant (WWTP).

administrative and financial practices become the reason for and the foundation of our credibility. Thank you very much for your attention.

**MR. HEREFORD:** Thank you very much, Engineer Pinto. We appreciate your comments.

**[IN ENGLISH]**

The next person registered to provide public comments is Doug Schnoebelen. He's the Branch Chief for South Texas for the U.S. Geological Survey. Doug, if we can just ask you to try to keep your comments to three minutes. Thank you.

**MR. SCHNOEBELEN:** Hello?

**MR. HEREFORD:** We can hear you.

**MR. SCHNOEBELEN:** Thank you. I am very happy to be here today. Very briefly I just wanted to highlight a few things that we are doing in the Valley, along the Rio Grande, and I hope to be able to be of assistance to the NADBank and other cooperators in the area.

One of the things that we provide is science support, technical assistance and planning. We do a lot of work with high-resolution data for monitoring—excuse me here—making successful water and environmental projects and then especially science communication to the planners, managers and being able to serve the public.

I'll just show a few slides of some of our work very quickly. Our stream gauges and resource management, we take an integrated approach to assist local, state, federal and even non-profit agencies. Of course, flooding is something that we do a lot of work with: early flood warning, flood prevention, all the studies that are necessary for that, and these are some pictures from the Brownsville area where we're doing some work now.

And the other part of that is droughts. Not having enough water availability is also a concern in the Valley and in many places in the future. Also, we've heard today the importance of water quality. We do a lot with monitors and real-time monitoring. There's a number of real-time sensors. That data is distributed to the web. For example, nitrate that can help track wastewater inputs, other parameters—pH conductance, dissolved oxygen, temperature, turbidity—many variables that we can collect in real time. You cannot manage what you don't monitor. Many cities and other agencies have found this data very important.

I've mentioned the flooding. We are doing a lot of work with early flood warning and flood inundation maps. We know that when hurricanes come through, they can wreak havoc in the Valley. Many areas have experienced very extreme flooding in the past, and this will occur again.

This is just a map of some of the work that, we're working with the City of Brownsville. It's proposed—you can see it's a very complex system of drainage canals, resaca systems, old oxbow lakes. They're very complex. But we are doing a model there in the future and some new gaging.

And this is just my contact information—the last slide. If I can be any assistance to the NADBank and their excellent work and other agencies associated with them, we're happy to partner, help how we can. Thank you very much.

**MR. HEREFORD:** Thank you very much Doug. Appreciate the presentation. Very interesting work.

The next person signed up to speak....

**[TRANSLATED FROM SPANISH]**

...Enrique Castillo, president, GC Empresarial. Enrique, you have the floor.

**MR. CASTILLO:** How are you doing Board members? Good afternoon. Warm greetings from Monterrey. How are you doing Calixto? How are you? Good afternoon and to everyone... Mexican dignitaries and government officials, it's good there we're here meeting this afternoon.

I'm basically going to propose two scenarios which, in some way, concern me and have concerned me for many years throughout my career. The first one has to do with the fact that, in all the municipalities, basically, we are very worried about infrastructure and about all the improvements that we have to make in order to have or prevent damages or the consequences deriving from water use and management.

I want to talk a little, first, about the reservoirs. We are now in the month of May and if we look at our reservoirs, whether at the basin level, the binational level or here in the lower Rio Grande River, we are going to see that we are at around 50%, plus or minus a few points, of capacity, and the epoch of extreme heat is just beginning, where we will be hit by reflecting evaporation. And we must not forget that we have for a couple of months now been hit hard by the problem of COVID-19, which has, on the one hand, kept us at home and, on the other, that has increased water consumption in every city. We see it—for example I see it in the metropolitan area of Monterrey, which has, somehow, reduced residential water quotas and we are concerned that our reservoirs are at around 50% of capacity.

With this, I want to leave two things on the table. On the one hand, having and reinforcing and updating the sustainability policy to prevent crises with this resource, by considering its second or third reuse. And, on the other hand, we must not forget that we have international agreements, which a few years ago caused a crisis and which to date we have not had one, but I think we're very close to having one with our friends—because this is not just happening in Mexico, our brothers on the other side of the Rio Grande River, to the north, have also had the same situations that we are facing south of the Rio Grande. That is, on the one hand, I believe that, there, there would be our obligation to look for savings, efficiencies, better management, a program of—at one time it was modernization, now it would have to be called something else, taking into consideration the lower Rio Grande River and the large population concentrated in this area on both sides of the border.

And, on the other hand—I want to shift gears a little, given that on the one hand there is investment in water, which is one of the Bank's priorities as Calixto rightly stated. And, on the



other hand, there is the issue of energy. Currently, our government, because of the current initiatives of our president, has or we now have focused on going back a bit to using fossil-fuel-based energy generation.

An anecdote that I want to tell you is that we must not forget that we as countries are members of the Kyoto protocol, and currently, today in Monterrey, a study was published that many of us were already following, which says that much of the current pollution, and even though we've been in *lockdown* for two months or so, is due to the sulfur dioxide that has been released as a byproduct of refining.

So, I think we also have a great area of opportunity there and a social commitment that we must attack aggressively and immediately because maybe, with so many things on our mind, we may have neglected that a bit, but here people complain about the pollution, and we must not forget that we have a shared responsibility not only for the environment, but for the entire world because of the famous global warming and airborne particle emissions.

With that, I salute you, I send you my warm regards and anything, you already know, as always, we are at your service. Congratulations again to all the panelists and to all of us who have participated here. Thanks. Good afternoon.

**MR. HEREFORD:** Thank you very much Enrique.

**[IN ENGLISH]**

The next public speaker...

**[TRANSLATED FROM SPANISH]**

... I'd like to give the floor to Marco Gutiérrez, president of the National Chamber of Consulting Companies.<sup>15</sup> Marco?

**[IN ENGLISH]**

**MR. RAUDA:** He's not on the session, Jesse.

**MR. HEREFORD:** Okay. Next slide, please. The next person is Mario Lazcano, CEO Medix. Mario?

**MR. RAUDA:** He's not on, Jesse.

**MR. HEREFORD:** Okay, next.

**[TRANSLATED FROM SPANISH]**

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<sup>15</sup> *Cámara Nacional de Empresas de Consultores (CNEC).*

María Josefina Guerrero, director of the Nogales Human Development NGO.<sup>16</sup> María Josefina, I'd like to give you the floor.

**MS. GUERRERO:** Good afternoon. From Nogales, Sonora. Do you hear me?

Do you hear me?

**MR. HEREFORD:** Yes, we hear you.

**MR. RAUDA:** María, you have two sessions open on two different computers, and they are giving each other feedback.

**MS. GUERRERO:** We have the presentation on one.

**MR. RAUDA:** The one that has the presentation, mute the microphone, please.

**MS. GUERRERO:** Okay, great.

So, we have the issue of flooding in the urban area, which has a cost... a human cost, a labor, a labor-related cost, which occurs year after year without a solution, without a real project with actual tasks that would allow us to improve. The city gets completely flooded every year, and it is stormwater in the upper areas of the municipality where we don't have containers to receive the water, those large flows. And the system in the lower area does not have the capacity to address it. Therefore, every year it costs around \$50 million pesos to clean up the city, remove the debris that is swept up and clogs the entire collection system. This forces us, occasionally, to close the international line between Nogales, Sonora and Nogales, Arizona, sometimes for hours, sometimes practically the whole day. The loss of life, which is the most distressful and most significant thing, is not taken into account as it should be. It is not considered as it should be.

There is a large amount of information on plans, projects carried out, put together by various agencies both Mexican and American, but we don't have a specific final design, an actual study that helps us address this, that helps us to learn more, for example, about protecting human lives. There isn't any. The municipal governments, I mean, the municipal government, year after year, only collects the debris, but does not have an information or warning system for the community, the public, on how to protect themselves from these floods. Just as there is no state or federal government system to inform the public on how to protect their property and how to protect everything involved in the economy that is being developed here in the city. In addition, annual reports on climate problems are altered in a way... that is corrupt. There is corruption in this. There is damage to local wealth, damage to human lives.

So, I am raising this issue with the American Development Bank so that you may give us, the community, an opportunity to participate in this and really *call on* national, federal, state and local institutions so that an actual project is designed to address this in depth. That would be my comment.

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<sup>16</sup> Non-governmental organization (NGO).

**MR. HEREFORD:** Thank you very much José María, María Josefina. We appreciate your time and comments.

**[IN ENGLISH]**

The next speaker—

**[TRANSLATED FROM SPANISH]**

**MS. GUERRERO:** Thanks.

**[IN ENGLISH]**

**MR. HEREFORD:** —Addy Jimenez, Policy Analyst, Council of State Governments West. Addy?

[PAUSE]

Addy are you there?

**MS. JIMENEZ:** Can you hear me?

**MR. HEREFORD:** Yes, we can hear you.

**MS. JIMENEZ:** Okay great. Well, thank you all for your tireless efforts before and during this evolving crisis and for the opportunity to provide an update today.

The Council of the State Governments West continues to facilitate a regional dialogue and cooperation between the U.S. and Mexico border state lawmakers, whether virtually or in person. Last year the XXXII Border Legislative Conference was held in Mexico City where 34 border state legislators held discussions around ports of entry and wait times, public safety, early childhood learning, migration, emergency preparedness and grass border trade. We had the honor of having Texas State Senator Jose Rodriguez and then Dr. Mateos Hanel join us in Mexico City, thank you.

Concern from Sonora at the meeting was the water shortage in the Colorado River and the negative impacts on wildlife, fisheries and the overall ecosystem. Speaker of the BLC, Director Ghilarducci from California Governor's Office of Emergency Preparedness invited representatives from Sonora to continue the conversations at the California-Mexico Border Relations Council meeting in November of last year.<sup>17</sup> Several representatives from Sonora participated.

Due to COVID-19, meetings this year that have been organized by the BLC members have been canceled or postponed. In Chihuahua, they were planning on hosting a meeting in El Paso, Texas, on May 4<sup>th</sup> and 5<sup>th</sup> focused specifically on the USMCA labor provisions. The first Border Legislative Summit between California and Baja California was scheduled for May 7<sup>th</sup> and 8<sup>th</sup> in Baja California. This was being led by chair Senator Hueso of the Select Committee

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<sup>17</sup> Border Legislative Conference (BLC).

on California-Mexico Cooperation and the current president of the State Congress and chair of the Border Affairs and Migration Committee, diputado [congressman] Luis Moreno Hernández.

The XXXIII Border Legislator Conference chaired by California assembly member, Jose Medina, is tentatively scheduled for September 3<sup>rd</sup> through the 5<sup>th</sup> in Riverside, California, this year. The agenda will involve regional conversations around the impacts of COVID-19 economic development and tourism, the environment and medical-academic exchanges.

Due to the continued travel restrictions, the health and safety of the border region, the economic contraction and the state budget challenges, discussions of pivoting the XXXIII BLC to a virtual platform or postponing it to the next year are in the works. Thank you for your time and attention.

**MR. JESSE HEREFORD:** Thank you very much, Addy. We have a good working relationship with the Council of State Governments West, and we appreciate all that you do.

The next public speaker that is registered is Vincent Bouchard, Corporate Finance from Thermion. Vincent?

[PAUSE]

Memo, is he on?

[PAUSE]

Okay. Moving to the next person signed up for public comments, Paloma Aguirre, mayor *pro tem* for the City of Imperial Beach, California. Paloma, the floor is yours.

[PAUSE]

**MR. RAUDA:** She's not on, Jesse.

**MR. HEREFORD:** Okay. Let's continue then to the next.

**[TRANSLATED FROM SPANISH]**

Efraín Nieblas Ortiz, Director of Environmental Protection for Mexicali. Efraín?

**[IN ENGLISH]**

**MR. RAUDA:** Give me one second, I don't think he is on the session. Hold on.

No, he's not on.

**MR. HEREFORD:** Okay. Moving on.

**[TRANSLATED FROM SPANISH]**

Enrique Bojórquez, General Manager, Sucroliq. Enrique?

[PAUSE]

**MR. BOJÓRQUEZ:** Hello. Good afternoon. Do you hear me?

**MR. HEREFORD:** Yes. We hear you very well Enrique, thanks.

**MR. BOJÓRQUEZ:** Perfect. Thank you very much. I am honored to be invited to this meeting with the NADBank Board of Directors. Well, I want to present a project, perhaps, a bit different.

Sucroliq is a company that manufactures liquid sugar with technology patented worldwide. We have the patent in Mexico, the United States and Europe and many other countries throughout the world. It's our own technology that we developed and is the most advanced worldwide. We have different products because they are made to order for customers such as Danone, Kellogg, Nestlé, Constellation Brands, Givaudan, etc., transnational companies such as Coca Cola, Pepsi, etc.

So, we are pleased that you have agreed to have us make a presentation. Obviously, we provide certain benefits to our customers, starting with cost savings. In operating costs, we give them a significant advantage and well, that's why they prefer us.

We currently have three facilities in Mexico. The first two—one near Mexico City in Amecameca and the other one in Apodaca near Monterrey, Nuevo Leon. And our newest model is in a, an in-plant inside the largest Danone yogurt plant in the world, in Irapuato, Guanajuato. Next slide.

So, as we were saying, the technology is patented, extremely interesting and, well, our project, we want to install within the Kellogg plant in Mexicali a facility to supply both Kellogg and customers in northwestern Mexico, California and Arizona. We have, more or less, 70% of the export market and 30% would be for the Mexican area. We are talking about an approximate investment of US\$8 million with the most advanced, obviously, machinery, equipment and processes that, as I mentioned, we have developed and patented worldwide.

Among our customers and, well, among our goals, above all, the most important one is the one I want to stress, above all, that we want to install the most advanced, most productive, and above all the most environmentally sustainable sugar refinery in the world. There won't be another one like the one we are planning. Let's go to the next slide.

Within the environmental impact of our project, there is, obviously, the reduction, obviously, in the area of water, energy, etc., etc. due to reuse, because we recycle all types of regenerants, we have nanofiltration systems, and we recycle in such a way that we are not going to have—as we're going to see a little later—any type of effluent. And we're just going, let's suppose, that from raw sugar, what we do, what our process does is remove all the impurities, which are nutrient-rich organic matter and that is an organic fertilizer. Those are the ones that come from the sugar cane and the dirt and all that. And we are going to donate that to area farmers.

Well, in the area of the environment, curiously, we already have there in the Mexicali Valley, developed with Kellogg, the farmers in Mexicali Valley, a special variety of wheat. So, the organic fertilizer would go to benefit that specifically. So, we are creating a perfect circle, a circular economy. It would be, in some way, reintegrated into the same plant.

And what do we want? We want to make 100% of the energy we use clean energy. Right now, for example, the Kellogg plant uses only 12% solar power. What do we want? We want our plant to use 100% clean energy and even raise Kellogg to the same percentage. Well, we have a certain impact there, but the most important thing is the reduction of the carbon footprint and carbon dioxide.

**MR. HEREFORD:** Enrique, sorry to interrupt. We've already passed the time. Can you wrap up in 30 seconds, please?

**MR. BOJÓRQUEZ:** Okay. In 30 seconds, water, power and steam and basically a huge impact even outward and comparing us to a refinery. And, well, I just want to thank you. It's a pleasure that Kellogg is here, I mean to say, the Texas Secretary of State, Ruth Hughs, because we also have a great relationship. This project is the test to set up another in-plant model in Pennsylvania next year. So, thank you very much for the opportunity and my regards to everyone.

**MR. HEREFORD:** Thank you very much, Enrique.

**[IN ENGLISH]**

The next person registered for public comment that we have is Tricia Cortez, Executive Director for the Rio Grande International Study Center. Tricia?

[PAUSE]

**MR. RAUDA:** She seems to be offline, Jesse.

**MR. HEREFORD:** Okay. We'll come back to Tricia. The next one should be Vincent Bouchard from Corporate Finance of Thermion. Vincent?

[PAUSE]

**MR. RAUDA:** He seems to have been disconnected again.

**MR. HEREFORD:** He's disconnected?

**MR. RAUDA:** Yes.

**MR. HEREFORD:** Okay. The next person on the public comment,...

**[TRANSLATED FROM SPANISH]**

...Carlos Ibarra Rico, Assistant Director of Engineering and Projects, COMAPA Reynosa, Tamaulipas.<sup>18</sup> Carlos, you have the floor.

[PAUSE]

**MR. IBARRA RICO:** Do you hear me? Good afternoon.

Do you hear me? Hello?

**MR. HEREFORD:** Yes, we can hear you Carlos.

**MR. IBARRA RICO:** [BAD CONNECTION] Thank you. I am speaking from COMAPA Reynosa, Tamaulipas, COMAPA Reynosa, Technical Operations Manager of the utility. It is always a pleasure for me to speak at this meeting of the Board of Directors. I was there with you this past September. For us, it is a means of thanking you, being with you, for all the benefits that our utility has received with the projects that have been approved and financed in Reynosa. Our experience with the Bank, with EPA, the Government of Tamaulipas and the Federal Government [INAUDIBLE] because we have a lot of infrastructure in operation and also soon to start operating, as in the case [INAUDIBLE].

Reynosa is one of the big cities, one of the most important cities in the state of Tamaulipas that, together with the situation that is [INAUDIBLE] on our border, which is the [INAUDIBLE], we are talking about a population of three million residents. [INAUDIBLE], which is paramount for us to take care of our resources, in this case drinking water, in addition to treating our wastewater.

We have several projects in the pipeline that we have been working on with you for their certification, which in general are related to wastewater treatment, wastewater conveyance, and conveyance to our treatment plants to be able to [INAUDIBLE] our treated water that currently totals more than 2,000 liters per second. More than 1,300 liters go to the Rio Grande River from our Plant No. 1 and the rest we discharge into the canal from Plants No. 2 and No. 3.

These projects that we are talking about right now are mainly for the rehabilitation of collectors, which are going to help prevent wastewater into streams or surface waterways, whereby we are polluting our aquifers, such as Laguna Escondida [INAUDIBLE], which is a regulated stormwater reservoir that ultimately flows into the Rio Grande River.

I want to report that this year a very important investment is being made through the state government, but focused primarily on rehabilitating our drinking water infrastructure. We are talking about five very important projects that are going to guarantee raw water to our treatment plants for the next 20 years. We are rehabilitating the entire aqueduct, the project [INAUDIBLE], which also talks about the Pastor Lozano and Benito Juarez Water Treatment Plants, as well as a new intake project [INAUDIBLE] for our Plant No. 3, which is called Rancho Grande. We are rehabilitating five major transmission lines into our [INAUDIBLE] stations to

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<sup>18</sup> Local water utility in Reynosa, Tamaulipas, *Comisión Municipal de Agua Potable y Alcantarillado de Reynosa* (COMAPA Reynosa).

remedy losses that amount to more than 42% of losses in water production due to obsolete lines and asbestos-cement lines with new PVC pipes to reduce that deficit in water losses. We also have the construction of an elevated tank [INAUDIBLE] transmission line and those projects total more than \$120 million pesos. Approximately US\$9 million are being invested in Reynosa this year by the state government.

**MR. HEREFORD:** Carlos, Carlos sorry to interrupt. Your time is up. Can you please finish in 30 seconds? Thanks.

**MR. IBARRA RICO:** I will conclude by saying that the Reynosa utility has invested municipal funds to prevent wastewater [INAUDIBLE], but having your support is essential to complement this infrastructure. We are talking about these eight projects, which we are asking that you help us complete, once certified, might be considered for [INAUDIBLE] through the Border Environment Infrastructure Fund. We are talking about a total of approximately US\$5 million [INAUDIBLE]. Thank you very much.

**MR. HEREFORD:** Thank you very much, Carlos. We appreciate your time and participation today.

**[IN ENGLISH]**

The next public speaker—we're going to go back to Tricia Cortez, to see if she's connected, the Executive Director for the Rio Grande International Study Center. Tricia?

**MR. RAUDA:** She's not connected, Jesse.

**MR. HEREFORD:** Okay. Tricia, you can please submit your comments in writing since we weren't able to do this, and anybody else who didn't have the opportunity to speak can submit their comments in writing, and we'll make sure that we'll get that to the Board.

The next person signed up... is...

**[TRANSLATED FROM SPANISH]**

...Eduardo Gaona, Technical Secretary, Committee on Federalism and Municipal Development, Mexican Senate. Eduardo, you have the floor.

[PAUSE]

**MR. RAUDA:** His microphone is on, Jesse.

**MR. HEREFORD:** ¿Eduardo?

[PAUSE]

**[IN ENGLISH]**



Okay. Moving to the next person registered for public comments, Steven Sanchez, Manager, North Alamo Water Supply Corporation in Edinburg, Texas. Steven, are you on?

**MR. SANCHEZ:** Yes, I am here.

**MR. HEREFORD:** Perfect. We can hear you loud and clear, thank you Steven.

**MR. SANCHEZ:** Okay, great. Gentlemen, and I know it's been a long afternoon for you all, so I'll try to keep my comments brief. What I wanted to speak about— First of all, I want to thank the directors for allowing us to go ahead and make these public comments, and the work that you all do. The work that NADBank does, is great and wonderful, all the way from the Gulf of Mexico down to the Pacific. So, you know, it's a great job.

But what I am here to bring to you, basically, is some of the problems that we're having here in South Texas. And it's basically on the 1944 Water Treaty between Mexico and the United States.

The... NADBank represents a lot of economic growth. NADBank helps a lot of people in distress and tries to help along the way. But the problem that we're having right now is that in the treaty—and I hate to say this; I'm not trying to be an adversary—but Mexico is not living up to its responsibility to deliver the waters as required within the treaty.

The United States releases on the Colorado River about... a minute, 500,000 acre-feet of water yearly. And they do it like clockwork. Where Mexico is supposed to be delivering water to the Rio Grande, what they call the Río Bravo, is 350,000 acres of water. That is vital water that is needed by the farmers here, by industry, by the citizens for health issues. That is needed. And they use a loophole that they say that they're going through a drought, but yet we still see produce coming up from the south into the United States, a lot of avocados, mangos, pecans. So, how can that be happening if they're going through a drought?

So, it is imperative that they live up to their responsibility of the Treaty, because... our farmers—right now, North Alamo, because one of our districts has run out of water that delivers water to two of our treatment plants to give potable water to our citizens, has run out or they're going to be out in another month and a half. So, we're scrambling and have to spend over a million dollars from our reserves to run an alternate line to another district just so that we can have drinking water to our citizens down here. This is something we shouldn't be going through. So, I am asking NADBank, please, with your influence, with the strengths that you have, please, if there's a way that they can get Mexico to live up to their obligation as far as the treaty goes.

Now, we are working on our side, through the IBWC and hopefully through the State Department, and hell all the way up to President Trump, to see if they're not going to deliver there, then maybe we ought to not deliver on the Colorado River, which would make that other lady who had a presentation, as far as the water needed for the wildlife and aquatic out there, would make her happy. But to be honest with you, our farmers, our citizens are suffering because of them not wanting to fulfill their obligations within that treaty. So, and again, the gentleman that made the presentation that showed all the flood waters from

Chihuahua—that's really, I guess, where the water comes from—if they're having that kind of flood, that kind of water, then why aren't they living up to it?

So, again, I don't want to make my presentation long. I know you all have had a long afternoon. And that's pretty much what I brought here. And I understand we've got some senators, some representatives—I think Henry Cuellar is on here. I hope he is listening because we are reaching out to them. Diplomacy is what we need. We need to try to handle it with diplomacy.

So, gentlemen, that's pretty much my spiel, what I had to say. Keep doing the good work that you all do. That is good for the people from Mexico and the people from the United States. Again, thank you all very much for the opportunity.

**MR. HEREFORD:** Thank you Steven. The next person signed up for public comment, Gerardo Lapelúz, Managing Partner, PreventCare LLC. Gerardo?

**[TRANSLATED FROM SPANISH]**

**MR. LAPELÚZ:** Good afternoon. I'm Gerardo Lapelúz. You can hear me perfectly, I imagine, right?

**MR. HEREFORD:** Yes, we can hear you, Gerardo.

**MR. LAPELÚZ:** I am... I have, I'm the founder and also operator of a company called PreventCare. And this company specializes in preventive healthcare. I want to be very brief and excite some—beside being an honor to present them to you—excite you with some data that we found related to pollution and the global carbon footprint.

The first piece of information that I want to share is that 4.4% of the carbon dioxide footprint generated on the planet comes from the healthcare industry. This is a different, perhaps unsettling way of looking at things, because the healthcare industry—we just, it's usually appreciated for results and the need that it represents. However, it is not usually considered as a source of pollution and, nevertheless, it is one of the main ones worldwide.

Obviously, one of the important things is that the more developed the healthcare industry is in a country, the greater its carbon footprint. The particular case, number one in the world is the United States.

A very important and very cruel fact is that 9 million deaths worldwide are directly related to pollution. This is a 2015 figure, but more importantly or perhaps the worst aspect of the matter is that 92% occur in low-income... middle-income and low-income communities. So, we are thinking that by reducing the costs and reducing the intensity of healthcare services, we could directly reduce the carbon footprint.

Some facts, other key facts... The U.S. healthcare industry is huge; however, preventive healthcare, as its name suggests, what preventive healthcare tries to do is prevent illness or identify conditions of risk and... identify conditions of risk and prevent them from becoming much more complex illnesses.

So, by doing that, what we're thinking is how this could impact the carbon footprint while saving lives, right? Ultimately, they are two completely related objectives. And what PreventCare is proposing with its very low-impact preventive medicine model—that means it's mobile healthcare—what we are proposing is a comprehensive solution that reaches the largest number of people to reduce the carbon footprint by reducing the transportation of people that have to go to a medical facility. Preventive healthcare, by definition, causes people to go to the doctor less often, causes people to use fewer medical resources, less medical supplies. Also, by definition, medical supplies may be what causes the carbon footprint directly and indirectly. Less use of medicines, less use of water and the processing of all medical waste is also something that is... It's a complicated issue, particularly within EPA, although I haven't been monitoring it anymore, there were regulations, and we would like to be involved in that because we know the impact it has on health and the carbon footprint.

This project involves mobile technology with a very, very limited use of energy, where an extensive health screening is done and in only 30 minutes generates more than 500 variables at a time. It's done through many devices; all of them are portable and mobile. This entire system is web-based and is designed so that in a very short time with the patient we can obtain a lot of information, make preventive assessments and preventive diagnoses and make preventive recommendations remotely using telecommunications so that doctors can access them. In fact, we have a comprehensive solution, and doctors can access the medical record that is generated in 30 minutes and can make specific diagnoses and recommendations.

So, this whole healthcare system... it's a very inexpensive healthcare system, designed to make comprehensive and extensive medical tests the cheapest on the market in the U.S. and in Mexico, for both countries—

**MR. HEREFORD:** Gerardo, sorry to interrupt. Your time is up. Can you please finish in 30 seconds?

**MR. LAPELÚZ:** Yes of course. This healthcare system,...

**MR. HEREFORD:** Thank you.

**MR. LAPELÚZ:** ... is intended to generate a reduction in the carbon footprint by reducing the intensity of healthcare services by up to 81,000 tons of carbon dioxide equivalent in year five, using the principles of preventive medicine, reduce by up to 40—it's been developed for low-income individuals and communities, particularly those that are close to the border, our border, for us the northern and for the United States the southern—40% of costs and what we're requesting are the funds necessary to build the small hub clinic and have the entire system set up and operating in the short term.

Thank you very much gentlemen. These are simply, we are the participants. And I thank you very much. It's an honor to have addressed you.

**MR. HEREFORD:** Thank you, Gerardo.

We're going to return to Eduardo Gaona, Technical Secretary of the Committee on Federalism and Municipal Development for the Mexican Senate. Eduardo, you have the floor.

**MR. GAONA:** Thank you. Good afternoon. Do you hear me now?

**MR. HEREFORD:** Yes, perfectly.

**MR. GAONA:** Okay.

**[IN ENGLISH]**

Good afternoon to all members of the Board of the North American Development Bank. My name is Eduardo Gaona Domínguez,...

**[TRANSLATED FROM SPANISH]**

...Technical Secretary of the Federalism and Municipal Development Committee in the Mexican.

**[IN ENGLISH]**

Thank you for allowing me to make the following comments. From now on, I will speak in Spanish.

**[TRANSLATED FROM SPANISH]**

On behalf of Senator Samuel García Sepúlveda, thank you for this kind invitation to comment on some aspects that we consider to be of the utmost importance for financing projects in the U.S.-Mexico region. I will be brief.

It's important to mention that, on April 29<sup>th</sup>, the National Center of Energy Control in Mexico, the power grid operator, published a ruling, suspending, as of May 3<sup>rd</sup> of this year, pre-operation tests of intermittent wind and photovoltaic power plants.<sup>19</sup> This topic has already been touched upon by some of those who spoke before me. And as a consequence of this, let's say, decision, priority is being given in Mexico to the Federal Electricity Commission's fossil fuel-based power plants based on the argument that the intermittent generation of wind and photovoltaic power plants had exhibited failures that negatively impacted the reliability and the constant power supply to the national grid in the current context of the health emergency caused by COVID.

So, what I want to highlight is that the proposed measures impose restrictions on new renewable energy plants, limit the issuance of permits for new wind and solar power plants, and prohibit the construction of projects in places that are considered congested with low transmission capacity. Under this ruling, what is being analyzed, in legal terms, members of the Board of Directors, it must surely be on your radar, is precisely that the ruling is contrary to the Constitution. We have identified the articles absolutely. I'm not going to mention them right now because of time constraints. The ruling is also contrary to various laws, such as the Power Industry Law, the Energy Transition Law, the General Law on Climate Change. It is

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<sup>19</sup> Centro Nacional de Control de Energía (CENACE), Mexican energy control center.

contrary to the USMCA itself, Chapter 24, which addresses the environment,<sup>20</sup> And don't even mention the SDGs, No. 3, No. 7, No. 8, No 9, etc.<sup>21</sup> And well, this ruling has been criticized in the sense that it seeks, specifically, or serves centralization. Commissioner Montserrat Ramiro of the Energy Regulatory Commission has spoken. The Business Coordinator Board has also spoken. The delegation of the European Union has also spoken, having sent a letter to government official Rocío Nahle. And, well, we can thus name various stakeholders.

The current status of this issue is that, writs of *amparo* have been filed, as you know, writs that have been accepted and so CENACE already issued an official letter on May 19<sup>th</sup> stating that it will wait on the courts and their rulings and go back to applying temporary curtailments to clean energy plants, in addit...— thus closing this issue.<sup>22</sup> So, as I mentioned at the beginning, on behalf of the Senator, it is especially important to comment, precisely at this meeting, on the aforesaid issue, since it addresses, on the one hand, the private investments already made in the country, in Mexico, but even more importantly, by obstructing this series of investments, well it has a direct impact on sustainable development, on the ecology, on the environment.

And to close, I just want to say that we need to have certainty regarding the restrictions on participation that are intended in the sector and, likewise, measure the impact on sustainable development and national and foreign investment. That would be all I have to say. Thank you very much for your attention.

**MR. HEREFORD:** Thank you very much, Eduardo.

**[IN ENGLISH]**

The next public speaker, David Holguín,

**[TRANSLATED FROM SPANISH]**

Director, General Management of Transportation, Government of the State of Chihuahua. David, you have the floor.

**MR. HOLGUÍN:** Hello. Good afternoon everyone. Sorry for not making the presentation in English. But I want to thank you for the invitation. Can you hear me?

**MR. HEREFORD:** Yes, we can hear you very well.

**MR. HOLGUÍN:** Ah, okay, thanks.

I want to thank you for the invitation to participate in this forum. I listened carefully to the results and progress, the level of investment, right?... that this Board presented. And well, I want to be very brief in this regard. I want us to turn to the issue of transportation. The issue

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<sup>20</sup> United States, Mexico and Canada Agreement (USMCA).

<sup>21</sup> Sustainable Development Objectives (SDGs) of the United Nations.

<sup>22</sup> An *amparo* is an appeal for relief under the Constitution in a case of violation of civil rights. It's a constitutional remedy aimed at preserving the rights and freedoms established by the Federal Constitution from legislative acts, acts of authority and court decisions.

of transportation from a sustainable standpoint, as it's a very important issue. The issue of transportation from an economic, cultural standpoint is a very, very important issue.

I think that... I want to focus my comments in the sense that, given this emergency situation or this great challenge that we are facing, we are trying to envision the immediate future, in the case of our state of Chihuahua, on how to reactivate the economy. And I think the issue of transportation is a very, very important issue.

Governor Javier Corral and I really like to talk about historical facts. For example, the topic of... of... of post-war times, of the Second World War. The topic, for example, of Germany, for example. That the first thing that this nation invested in was in the area of transportation. So, I'm not going to talk, right? About obvious matters, right? About why they did it. What I want to comment on is that such key proposals made to us by this Board on the issue of transportation have been, in some way, wasted. I want, that, given the issue of the current emergency and as I just mentioned, in the immediate future, to go back to seeing transportation as a tool, a very, very important element for resuming our economic activity and, above all, without neglecting the issue of sustainability.

My participation is very simple, very brief. Greetings to everyone and thank you for the invitation.

**MR. HEREFORD:** Thank you very much David. We appreciate your participation today.

**[IN ENGLISH]**

The next public comment speaker,...

**[TRANSLATED FROM SPANISH]**

...Raúl Payán Venegas, Project Director, Grupo Osme. Raúl, you have the floor.

**MR. PAYÁN VENEGAS:** Good afternoon. Thank you very much for your time. I am Dr. Raúl Payán and I'm here to present our project located in the border city of San Luis Rio Colorado, Sonora. Our project consists of expanding our current facilities, in the construction of a hospital and a specialties center with 70 beds. We are pioneers in the provision of services—next slide, please.

We are pioneers in providing cross-border medical services, an activity that we have been carrying out for more than 30 years in our service area, primarily in the counties of Yuma, Imperial Valley, Maricopa, and San Diego. Our comprehensive medical complex will offer services aimed at meeting the healthcare needs of agricultural workers in the United States and their families, considered the second most vulnerable sector and whose work is considered high risk. This segment of workers currently deemed essential during the COVID-19 pandemic.

Sixty-five percent of agricultural workers in the United States do not have health insurance for themselves or their families. Only 14% receive this benefit from their employers since there is no legal requirement. Also, the high cost of healthcare services in the United States

means that very few companies are willing to offer this benefit to their workers. Next slide, please. Our medical center helps to solve this problem in two ways, by providing high-quality and low-cost medical services to workers, cutting the costs of these services by as much as 60% by contracting them in Mexico. Next slide, please.

The OSME Medical Complex is a green project, socially and environmentally responsible. A "*lean construction*" system will be used for its implementation to minimize waste generation. Its walls will be made of cellular concrete, a German technology with the highest thermal efficiency. All mechanical, medical and refrigeration equipment is highly energy efficient and uses zero refrigerants. It will have solar panels in the parking lots to generate photovoltaic energy. The lighting systems will be LED with automatic shutoff sensors. The water and sewage system is designed for maximum water savings and waste treatment. Next slide, please.

The total investment in the current project is US\$12.8 million. Thank you very much for your attention.

**MR. HEREFORD:** Thank you very much, Dr. Payán. We appreciate your time and the presentation.

Next, we call Silvia Rodríguez, economy and finance reporter for *Milenio*. Silvia?

[PAUSE]

Silvia, are you there?

[PAUSE]

Memo, is the microphone open?

**MR. RAUDA:** Yes, it's open, and I see audio coming from her computer.

**MR. HEREFORD:** Silvia, we can't hear you.

[PAUSE]

**UNIDENTIFIED FEMALE VOICE:** Uh hum. It's not over. How he attacked the, the women. What happened on March 9<sup>th</sup> *cost him*.

**MR. HEREFORD:** Silvia, we can hear you now.

**UNIDENTIFIED FEMALE VOICE:** It cost him a lot.

**UNIDENTIFIED MALE VOICE:** Right now, even, this which has been going on since yesterday, the day before yesterday. And now with this—

[IN ENGLISH]

**MR. HEREFORD:** Okay. Memo, I guess, cut the mic please. And we'll move on.

**[TRANSLATED FROM SPANISH]**

**UNIDENTIFIED MALE VOICE:** ... they say, okay, it's fine ...

**[IN ENGLISH]**

**MR. HEREFORD:** Thank you Memo.

That concludes the public comment period of everyone that registered to speak. Thank you everyone for your participation today. For those of you that weren't able to connect, please feel free to send your comments in written form, and we'll make sure we'll pass on to the Board.

I'd like to invite our Board chair, Mathew Haarsager to give some closing remarks. Mathew?

**MR. HAARSAGER:** Yes, thank you very much for passing me the word. I just would like to thank everybody who took the time to participate in this public meeting. I think it was very helpful for all of us here at the NADBank, you know, to hear your perspectives on the issues in the border region and the work that the NADBank is doing. So, thank you very much, and I'll look forward to our next Board meeting in November of this year. Thank you.

**MR. HEREFORD:** Thank you Mathew. And that concludes our meeting for today. Thank you everyone who joined and participated. We look forward to working with you. We have lots of projects to work on. Have a great day.

**[TRANSLATED FROM SPANISH]**

Thanks, until next time.

**[IN ENGLISH]**

**MR. HAARSAGER:** Thanks very much.

**[TRANSLATED FROM SPANISH]**

**MR. DE LUNA:** Thanks everyone. Thank you, Jesse. Calixto, Salvador, congratulations.

**[IN ENGLISH]**

**UNIDENTIFIED MASCULINE VOICE:** Excellent work.

**[TRANSLATED FROM SPANISH]**

**MR. MATEOS:** Thank you.

**[IN ENGLISH]**



Thank you all. We'll be in touch. We have a lot of work to do now, and I really appreciate your leadership and guidance on what we're doing and the response we got from you. So, we are committed to this, and we are more, now even more committed to work for you.

**[TRANSLATED FROM SPANISH]**

Many thanks also to my Board on the Mexican side, and we will continue working under your leadership.

**MR. LÓPEZ:** Likewise, for my part, thank you very much everyone.

**[IN ENGLISH]**

Thank you very much everyone for your support.

**MR. HAARSAGER:** Thanks to everybody. Hopefully next time, in person.

[MEETING ADJOURNED]