



North American Development Bank

Banco de Desarrollo de América del Norte

Public Meeting of the Board of Directors

November 8, 2018

San Antonio, Texas

Verbatim Version / Versión literal

MR. HEREFORD: Bienvenidos. If you can please take your seats. We're going to get started with the biannual Board meeting for the North American Development Bank Board.

[PAUSE / PAUSA]

Again, good afternoon. This is the second meeting for the Board, this year, that's taking place here in 2018. Without the Board being here we wouldn't have a meeting, so I'd like to begin by introducing our Board members.

I'd like to start with the chair, Mathew Haarsager, Deputy Assistant Secretary, Multilateral Development Bank Operations and Policy for the United States Department of Treasury and our 2018 Board President.

Irma Gabriela González, Subdirectora de Organismos Financieros Internacionales de la Secretaría de Hacienda y Crédito Público.

Dale Eppler, Deputy Assistant Secretary for Mexico and Western Hemisphere, Regional Economic Policy and Summit Issues out of the Bureau of Western Hemisphere Affairs for the United States Department of State.

Citlali Pérez Saucedo, Directora General Adjunta de Asuntos Fronterizos, Dirección General para América del Norte, Secretaría de Relaciones Exteriores.

Lisa Almodovar, Deputy Director of the Office of Regional and Bilateral Affairs, Office of International Affairs for the United States Environmental Protection Agency.

Liliana García Hernández, Subdirectora de Estrategia y Política Internacional, Unidad Coordinadora de Asuntos Internacionales, Secretaría del Medio Ambiente y Recursos Naturales.

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

Carlos de la Parra Rentería, Director de Eco-Parque y Profesor Investigador del Departamento de Estudios Urbanos y Medio Ambiente, Colegio de la Frontera Norte, el COLEF.

And, of course, our Managing Director, Alex Hinojosa.

[APLAUSOS / APPLAUSE]

It's always impressive when we have a Board meeting to see how many of the ten border states... So in today's meeting represented here—thank you all for making the trip—we have seven of our ten border states represented. And I'd like to begin by recognizing the presence of mayors of Playas de Rosarito, Baja California, and Matamoros, Tamaulipas, Minerva Cecilia Rincón and Mario López.

Del estado de Nuevo León, el Secretario de Desarrollo Sustentable, José Manuel Vital. Gracias por estar aquí con nosotros.

Representing Texas Secretary of State Rolando Pablos, we have Enriqueta Caballero, the Director of Border Affairs in the Office of the Secretary of State.

El regidor de Matamoros, Eliacib Lejía Garza.

Also from Matamoros, we recognize the presence of a great friend of the Bank, Salvador Treviño.

We appreciate the presence of Luis Javier Pinto, de la Comisión Estatal de Agua de Tamaulipas.

And then we wanted also to acknowledge the presence of Steve Niemeyer, Border Affairs Manager for TCEQ;¹ Tadeo de la Hoya, City Manager of San Luis, Arizona; Miguel Angel López from the state government of Baja California; Jesus Reyes, General Manager of the El Paso County Water Improvement District; Gilberto Estrella, Secretario de Desarrollo Urbano y Medio Ambiente from the state government of Tamaulipas; Steve Sanchez, the General Manager of North Alamo Water System; Arturo Blanco from Region 6 of the EPA; Jose Saenz, General Manager of the Agua Special Utility District in Mission, Texas; Eduardo López Arias, Secretario de Obras Públicas de Reynosa; and Andrea García del Municipio de Ciudad Juárez.

And with that, also joining us is our Honorable Nelson Wolff, the Judge of Bexar County. He's going to give us the welcome to San Antonio. For those of you that might not be familiar with Nelson, he's 36 hours off his recent reelection. He got 58 percent of the vote. Here locally, he's held offices in the Texas House of Representatives, the Texas Senate, San Antonio City Council and as mayor of San Antonio. So, with that, Nelson has a great story about his history with the Bank, and we'd love for him to tell that story. Nelson.

[APPLAUSE / APLAUSOS]

MR. NELSON WOLFF: Well, thank you very much and welcome to San Antonio. It's great to see the Board of Directors here and the great job you've done now since you've been brought into the environmental piece, I guess about a year ago now, along with the NADBank, and we appreciate the work that the Board is doing. It's good to see Senator Rodriguez here. He's been a great friend of San Antonio, and we thank you very much for that, Senator.

¹ Texas Commission on Environmental Quality (TCEQ).

Alex Hinojosa has been a delight to work with and to get a good understanding of where we're going with the Bank and how strong it has done over the years, and I think a great opportunity for the future. Provided that politics stay a little bit stable in Washington and Mexico, I think we'll finally get to that new iteration of NAFTA.²

I was honored to serve as mayor during the time that the work began on NAFTA. At that time, we were the first city in the United States to open up a trade office, first of all in Guadalajara, and then we opened up one in Monterrey. At the time, Benjamín Clariond was mayor of Monterrey. Then he became Governor, I believe, of Nuevo Leon. He had a great sense of humor, which I understand he still has today. That's correct? I walked into his office. He had my picture on the wall. I said, 'Benjamín, that's really nice that you would put my picture on your wall here.' And he said, 'yes, but you must understand, when the mayor of Houston comes, your picture goes down.' [LAUGHS]

He was so much fun. We spent, I don't know, I probably spent just about as much time in Mexico as I did here during those years. We worked hard to pass the NAFTA. We became known as the most pro-NAFTA city in the world—in our part of the world I guess you should say. And we had the initialing of the agreement here on October 7, 1992. And at the time, President Salinas was president of Mexico, and I had been to his office shortly before that and he said, 'I'll be seeing you soon in San Antonio.' I knew what that meant. And I think he was instrumental in having the treaty signed here in San Antonio.

We all worked real hard to get the passage, and I wanted to give you a number so you realize how difficult this is. Even with all the support of previous presidents, all the work we did going to Washington, on November 17, 1993, that NAFTA agreement passed on a 234 to 200 vote. So even with all the tremendous support we had, it was still a rather difficult vote to pull off. At the time, President Clinton worked really hard to get it passed, and we were successful, and hopefully we will be on a new agreement.

I happened to be in Mexico City in December, the year, the month following the passage of NAFTA, and I met with President Salinas. And we had an opportunity to go for either the environmental piece or the secretariat or the NADBank, and I said, 'what should we do?' He says, 'go for the NADBank.' Well, I listen to what he says, and I do what he says.

We came back, and we started working very hard on that. And we were over in Houston, Texas, at an event that President Clinton was at, and, Jose Villarreal, who was very close to the president and very tight with him, had the credentials where he could follow the President wherever he went. And so the President went into the bathroom, and Jose followed him in there. He said, 'we understand they're going to put the Bank in Washington. Promise me you will *not* put it in Washington.' He said, 'I promise you I will not put it in Washington.' So that was really a good conversation, a good conversation to have.

About two weeks after that, there was a congressman in California, Congressman Torres, who represented the L.A. area. Happened to be the congressman that passed the bill for the NADBank. I had a fundraiser for him—that always makes a congressman feel much, much

² North American Free Trade Agreement (NAFTA).

better—I had a fundraiser for him in my home, and we made a deal where he would support the Bank coming here rather than San Diego, but he would want a portion of it, the domestic window in L.A., and without his support I don't think we would have made it.

On March 25, 1994, Governor Ann Richards, who was an absolutely beautiful person and a very good friend, called me and said, 'I just got a call from Senator Bentsen. He's been on a plane with Clinton and they said the Bank is coming to San Antonio.' And I said, 'well, what should I do?' She said, 'call a press conference right now and announce it before they change their mind.' [LAUGHS]

So I did exactly what she said, and then on June 17, 1994, Pedro Aspe from Mexico and Senator Bentsen convened the first Board of Directors of the NADBank. It's been a great success, all the wonderful programs that you've done principally along the border, many of them tied to the environmental issues.

We all now have to continue to pull together to make sure that the treaty, first of all, gets signed, initialed and that Congress passes it in both places. I don't think we can take anything for granted. But it has been, NAFTA has been so important to Texas, to our nation, to Canada, to Mexico, and I hope we don't lose sight of the deal, instead of arguing the particulars between the three countries. The idea of NAFTA was to create an economic zone in North America where we could compete with countries all around the world if we use the strength of every country, of our three countries, to do that. So, if we'll just get over that fact, how important that is to keep North America economically strong, I believe we'll get it passed.

So, again, thank all of you for supporting the NADBank, for supporting NAFTA. Hopefully we'll pull our way through. Thank you for inviting me, Alex. Thank you.

[APPLAUSE / APLAUSOS]

MR. JESSE HEREFORD: I'd like to...There was a couple of VIPs that we missed. Manuel Martínez. Secretario de Desarrollo Económico de Río Bravo, Tamaulipas, bienvenido secretario; Arturo Garza Jiménez, Gerente General, Sistema Municipal de Agua y Saneamiento de Piedras Negras, bienvenido. And I'd also like to welcome Ezequiel "Zeke" Ortiz, Jr., secretary from the Agua SUD—Special Utility District—out of Mission.

Dando la bienvenida del lado mexicano, Lluvia Ponce, is joining us. She's a member of the Mexican foreign service since 2007. Currently, she's the Consul for Economic and Community Affairs at the Consulate General of Mexico in San Antonio, and she took that position in December of 2017. Previously she's served as an advisor to the undersecretary of North American Affairs in Mexico City. She was previously appointed to the Embassy of Mexico in Washington, D.C., the Consulate of Mexico in Fresno, California and the Embassy of Mexico in Trinidad-Tobago. She's an economist and holds a master's degree in economics and technology transfer.

Lluvia, bienvenida. Gracias.

MS. LLUVIA PEREZ: Hello, everyone. Good afternoon, on behalf of the Consul General—she couldn't be here today—but it's my great honor to be here with you and welcome you to this very relevant moment in history that we're living, and the history that NADBank is also doing.

So, since the foundation of NADBank in 1994 as Judge Wolff was mentioning, they have demonstrated that we can work together in benefit of our communities in both sides of the border. Although we are divided by an international border, our countries are connected by historical, cultural and, of course, economic ties that cannot be denied. Along the region we also share common resources and ecosystems that observe no political divisions, no administrations. These connections must build towards the well-being of the people living in both sides of the border and the improvement of shared environment. And NADBank is exactly the leader towards these efforts.

As you all know, the population in the border region is going to reach around 30 million by 2025, and that is going to create additional demand for services to ensure a safe and healthy living environment for both of our communities. In consequence, the NADBank role will become increasingly important in the development of welfare in our countries.

So, I invite you to participate actively in these types of meetings, to express your opinions, your concerns, and also your recommendations towards the future for the projects of the Bank. So, I am convinced that together we will make a border that is even more prosperous and more united. We all know that the past, the history of NADBank, is rich and wonderful, but I know the future is even brighter. Thank you so much.

[APPLAUSE / APLAUSOS]

MR. JESSE HEREFORD: Next I'd like to provide our Board chair with an opportunity to give some remarks. Mathew Haarsager currently serves as the Deputy Assistant Secretary for Multilateral Development Bank Operations and Policy at the U.S. Treasury. He's worked at Treasury since 1998, having served previously as a Director of the Office of International Monetary Policy, acting U.S. Executive Director of the International Monetary Fund, U.S. Treasury Representative for Europe, the Director of the Office of East Asia, U.S. Treasury Representative for South America, U.S. Treasury Representative for México and Deputy Director of the Office of Russia, Eastern Europe and Central Asia. He previously worked in the international capital markets in New York City, Frankfurt and Zurich. He holds a BA from Occidental College, an MS from the London School of Economics and an MPP from Harvard University.³ Mathew.

MR. MATHEW HAARSAGER: Thank you very much for that introduction. And I was appointed recently, just a couple of months ago, to the Board of the NADBank, and I'll say it's definitely an honor to now be a part of the Board, and it was an honor to serve as chair for the Board meeting today. I would like to thank our partners at NADBank, as well as at the Government of Mexico, for another productive Board meeting today.

We'd like to applaud NADBank's contributions to growth and improved quality of life for the peoples of the United States and Mexico. NADBank's work to preserve, protect and enhance

³ MPP stands for Master of Public Policy.

human health and the environment has positively impacted communities on both sides of the border. And the United States continues to stand by this institution and support the good work of NADBank management's team and staff and including solid financial performance that they've achieved.

As I mentioned, we had a productive Board meeting today. We certified one new project for funding, wastewater system improvements in Nogales, Arizona, as well as approved a number of important policy matters and had quite good, robust discussions about the future of the Bank, and I think it was a very productive Board conversation. It was certainly my first, but I was very pleased to see that we have a lot of frank exchange and the ability to really make our points and come together over a lot of issues, and I look forward to continuing to work with my colleagues on the Board going forward.

So, with that, thank you very much and I look forward to participating in this, my first public meeting, and hearing what you all have to say.

[APPLAUSE / APLAUSOS]

MR. JESSE HEREFORD: Next, I'd like to call on Alex Hinojosa, our Managing Director, who most of you already know, needs no introduction here in this crowd. He's going to give us a brief status report of our 2018 activities. Alex, take it away.

MR. ALEX HINOJOSA: Thank you, Jesse. Good afternoon, everybody. It's a pleasure to have good attendance at this biannual meeting. What I will do is just give a review of the loan programs, technical assistance, grant programs that we have and the activities, and I think from that...from this presentation you'll see how active we're still staying. You know, this is just the activities for the current year.

So, you already heard the approval of another project today, but in March we had two new projects, a desalination plant in San Quintin, Baja California, \$36.6 million; Puerto Libertad solar park in Sonora, \$75 million; and then the disbursements of ongoing projects that we have ... we had in Ahumada, Chihuahua, Los Santos Solar Park. This is not the total amount of the loans but just how much is being disbursed as the projects get built. A solar park in Dixieland, California, \$4 million; another solar park in Galeana, Chihuahua, \$14.8 million; a wind energy park in Güemez, Tamaulipas, that's \$30 million; basic urban infrastructure which includes a number of the basic requirements for a city—water, sewer, streets—in Hermosillo, Sonora, \$13.8 million; another solar park in Hermosillo, Sonora, \$13.8 million; border-wide public transportation improvement program in...all around the Mexican border region. Essentially what we're doing is we're financing the financing arm for a bus manufacturer. They have... we're trying to get more natural gas and clean buses. So, this is \$1.2 million. And then we had a second program that we expanded for another \$5 million, and it's also low-emission vehicles. And we had El Mezquite wind energy project of \$21 million in Mina, Nuevo Leon; and Puerto Libertad Solar Park of \$15.2 million.

And from those you can see that we're participating strongly, as we did in the United States three or four years ago, with a lot of the solar and wind and other renewable energy projects, but now with the reforms in Mexico for energy and—a number of reforms were done but in this case energy—we're participating with the programs that the government has with the

Comisión Federal de Electricidad and SENER, and so a lot of renewable energy projects that are being done, which is great because these don't require the use of water, they don't, they avoid the emissions of thousands of tons of greenhouse gases and others, other types of gases.⁴ So, I think it's fulfilling the mandate of the Bank in participating in this type of project.

We had six projects that were completed as of September in 2018 and that includes three water and wastewater projects in Ensenada, Baja California, in Juarez, Chihuahua, and Matamoros, Tamaulipas. One air quality project, and basically what we do is paving, a lot of the city in San Luis Rio Colorado, Sonora. And if you all know, it's quite arid in that area, a lot of traffic, so paving streets helps *a lot* with air quality. And then of course we had two wind farms in Güémez and Llera de Canales, Tamaulipas—and these were completed projects.

So all of that...these are programs that were completed under the loan program, but we also have a program that we fund out of our own revenues, our own net income, and we call this the Community Assistance Program. We gave, for two new projects in 2018, US\$750,000. One is for a water supply and distribution system in Whetstone, Arizona, and the other one is in José Silva Sánchez, Tamaulipas, \$250,000 for a drinking water system in that small town. We also had \$1.6 million disbursed for the implementation of an additional eight projects. Equipment for sanitary landfill operations in Ahumada, Chihuahua; Central Región de Coahuila; in Madera, Chihuahua; in Nuevo Casas Grandes. All of those were equipment for sanitary landfills. This is something that we are focusing in on at the NADBank, is that we believe that waste and solid waste needs a little bit of attention, and we are trying to get them some equipment for the trucks that collect the trash, as well as the dozers and equipment for the landfills.

In Nogales, Arizona, we did a water main replacement, and we had some more equipment for sanitary landfill operations and waste collection in the Region de Cinco Manantiales in Coahuila; rehabilitation of the wastewater system of Sabinas, Coahuila; and then of course the drinking water improvements of Tombstone, Arizona. All these were...all these grants had been contracted by the end of the year, 2017, and then it takes a little bit, awhile to...we make sure that everything gets bid out properly, all the bidding and procurement is transparent, it's competitive, and that people get a chance to participate in these bids.

We had four projects that completed their construction. One was a wastewater project in Sabinas; and then, of course, the three solid waste equipment projects in Chihuahua, in Nuevo Casas Grandes, Region Cinco Manantiales in Coahuila and the Region Central de Coahuila.

BEIF—the Border Environment Infrastructure Fund. This is a program that is funded through the EPA, and we have been very close partners of EPA and making sure that these programs, the BEIF, as well as the PDAP, continues.⁵ In fact, we're always asking for more money from the EPA to make this grow. But the BEIF, in particular, helps the construction side. The PDAP helps with the development and the planning and the engineering. But we had \$2.8 million approved for a project that...for projects: a wastewater collection and treatment in Camargo, Tamaulipas, and then the rehabilitation of the Collector Poniente in Tijuana for US\$350,000.

⁴ Secretaría de Energía (SENER), the Mexican Ministry of Energy.

⁵ Project Development Assistance Program (PDAP).

Four projects totaling \$3.8 million were contracted. One wastewater infrastructure in Marathon, Texas; a wastewater treatment plant in Sunland Park, a million; rehabilitation of the Collector Poniente in Tijuana; and a wastewater treatment plant in Willcox, Arizona.

All of these projects were contracted during the year. Some of them had been bid out the year before, but now the actual disbursements of money going out—15 projects totaling \$20 million.

Let's see. Here we go.

We had in Brownsville, Texas, wastewater collection system and residential connections, \$2 million; in Ciudad Juarez, Chihuahua, construction of the South-South Wastewater Treatment Plant; in Douglas, Arizona, the Bay Acres wastewater collection system and treatment plant expansion; in Hidalgo County, Texas, North Alamo regional wastewater collection and treatment; in Mexicali, rehabilitation of wastewater collection system; Nogales, Sonora—all of these are water or wastewater—in Reynosa; San Luis Rio Colorado; Socorro, Texas; Sonoyta; Sunland Park; and then several projects in Tijuana; in Tornillo, Texas; and Willcox, Arizona.

Some of these we already know what to expect. The water systems that come off of the Rio Grande, we're many times having to treat for arsenic, and small communities that don't have wastewater systems, we're putting in new wastewater systems. So, it is a program that we value greatly, and we're hoping to continue. We think we're going to have additional funding for next year.

Completions for the—we had four projects that were completed: the Sur-Sur Wastewater Treatment Plant in Juárez, that was almost US\$8 million in BEIF and US\$9 and a half million of a loan; improvements to the water and wastewater system in Matamoros, \$15 million in BEIF and \$12 million in loan; and then of course expansion of the wastewater collection system in San Luis Rio Colorado, \$3 and a half million in BEIF; and then Cotton Valley wastewater collection system. So, I throw those out just as, you know, more and more, as we have less funds for BEIF, we're trying to get a component of a loan and a component of a grant. So be aware of that.

Technical studies. One of the benefits and, I think, strengths of the Bank is having great people who have a lot of expertise, and we do try to provide research and investigation into different types of projects. In this case we had five studies that were in process for \$720,000, another 11 projects that were in process with EPA-funded PDAP to support the development of water and wastewater projects, and then 25 initiatives in process with total grant commitments of \$1.3 million from the Border 2020 program that's funded by the EPA and administered by the NADBank. And these are studies that are done throughout to try to get information as to the condition of the environment that we have along the border.

One of the things that we do as a Bank is we measure our impacts. And when we do a closeout report, we say 'does the project do what it was supposed to do?' Does it...if we said it's going to serve so many people, is that a fact? If it's going to avoid certain pollutants, you know, we check on that. So, we close out reports. And in this case, in 2018 we had 14 projects they were

closed out with loans, four projects with CAP grants, and benefitting some six million in population.⁶

Just a little something on the NADBank. We have a balance sheet that's \$2.2 or \$2.3 billion in assets. We have loans of \$1.3 billion at this point, and we have borrowed money to the tune of about \$1.6 billion—of course, part of that is to pay off existing debt, so it's about \$1.3 billion. And then we are very, very strong in that we keep reserves in designating part of our retained earnings. So, a balance sheet of \$2.4 billion.

Income statement. We have about...last year we had about US \$57 million in interest income, another \$10.9 in investments, so overall, we have a very, very lean operation. Seventy-seven people here in San Antonio, another 40 in Juarez, so,...but we use a lot of consultants, engineers, lawyers, technical people, and we had a net income of \$29 and a half million.

So, that concludes my status report, Mr. Chairman, and we're basically very proud to have some good results.

[APPLAUSE / APLAUSOS]

MR. JESSE HEREFORD: Thank you for the update, Alex.

Now we're going to move to the public comment portion of our meeting. Those that have registered for public comments, I have a list. If you're not on the list, at the end of it, we'll ask you to come up at that point in time.

The first person to give public comments, José Manuel Vital, Secretario de Desarrollo Sustentable del Gobierno del Estado de Nuevo León.

And we're asking all comments to be 3-5 minutes please.

SR. JOSÉ MANUEL VITAL: Gracias. I'm going to talk to you in Spanish, no problem? Okay.

Muchas gracias. Yo quisiera participar diciendo que lo que nos enseñaron mucho durante toda la vida es que debemos dejar huella. En el desarrollo sustentable, lo que trata de hacer es exactamente lo contrario: debemos dejar la menor huella de nuestro paso por la vida.

Nosotros estamos hoy presentando un proyecto aquí al NADBank, de los cuales hemos recibido un gran apoyo. Hemos trabajado fuerte en este tema. Es la adquisición de 26 vagones para nuestra Línea 3 del metro, el cual nos va a traer una reducción importante en nuestras emisiones de carbono.

Ése es el proyecto que hemos presentado. Tenemos en Nuevo León algunos otros proyectos muy importantes que beneficiarán, sin duda, nuestra calidad del aire, que hoy tenemos problema. Yo les comento también, muchas veces, que lo que hacemos en la tierra, se refleja en el aire.

⁶ Community Assistance Program (CAP).

Nuestro crecimiento ha sido muy fuerte. Tenemos una ciudad que ha pasado en los últimos 15 años de ocupar 10 mil hectáreas a 115 mil hectáreas. Y nuestra densidad poblacional ha bajado tremendamente. Hoy tenemos 46 viviendas por hectárea, 46 habitantes por hectárea, lo cual es muy baja la densidad. Por lo tanto, los movimientos en la ciudad son muchos y muy largos y contaminamos mucho. Para que tengan una idea, hemos pasado de tener 260 mil automóviles a 2.3 millones de automóviles. Entonces tenemos que buscar la forma de movernos y movernos diferente, reinventar nuestra ciudad es en lo que estamos hoy inmersos.

Tenemos un proyecto sumamente importante que es sacar los trenes de la ciudad, recuperando 172 kilómetros de vías, los cuales utilizaremos para poner transporte de pasajeros. Hoy estamos terminando el libramiento ferroviario con una inversión de mil millones de pesos. Ese libramiento ferroviario estará listo para el segundo trimestre del año entrante y después procederemos a sacar los patios de maniobras que hoy están en el centro de la ciudad y recuperar las vías del ferrocarril para usarlos como transporte de pasajeros y combinados con carga, porque hay algunas industrias que seguirán teniendo, tendremos que hacer un transporte multimodal.

Eso no va a ayudar mucho a poder ahora reinventar nuestra ciudad. Hacerla al revés de lo que siempre hemos hecho: primero, crecemos y luego vemos como nos movemos. Aquí vamos a tener primero la movilidad y luego cómo vamos a redensificar la ciudad. Y en eso esperamos tener mucha la ayuda de instituciones como ustedes.

Les agradecemos mucho la ayuda y su buena intención de sacar adelante este proyecto. Muchísimas gracias.

[APLAUSOS / APPLAUSE]

SR. JESSE HEREFORD: Muchas gracias secretario.

Next, I'd like to call Enriqueta Caballero, Director of Border Affairs for Texas Secretary of State Rolando Pablos.

MS. ENRIQUETA CABALLERO: Mr. Chairman, distinguished Board members, by way of introduction, my name is Enriqueta Caballero. I am the current Border Affairs Director for the Texas Secretary of State. Secretary Pablos was unable to join us today, and he sends his regards.

I want to take a brief opportunity to share my part, on behalf of the State, of the working, great working, relationship that we've had with the North American Development Bank since the late '90s, early 2000s. As you may know, the North American Development Bank is the first and only, that I'm aware of, international infrastructure bank that works along the Texas, as well as the U.S.-Mexico, border. The state of Texas has been one of the great benefactors of the money that has currently, was appropriated and is currently being appropriated. In Texas, the NADBank has invested over US\$600 million and has leveraged over US\$1.76 billion in border infrastructure projects.

And I would like to share with you, really briefly, that before I became the Director of Border Affairs, I was the Director of the *colonias* program that was under this agency, that was created and initiated in 1999.⁷ One of our rules, or statutorily mandated rules, was to work at the state level with state agencies, our local partners, as well as our binational partners and our federal partners, to ensure that the border infrastructure projects that were dealing with water and wastewater were—that were already in the pipeline—were getting completed.

One of the biggest challenges that we had at that time was that the State of Texas had invested several millions of dollars that were specifically for the border, to work in an economically distressed areas program, which were called the *colonias*, where there were areas that did not have access to water and wastewater. And so, one of the biggest challenges that we had at the time was that we *did* have the money that was allocated to put in the main lines to ensure that whatever lines were being connected to a water system or a wastewater system was established and connected. But one of the biggest challenges that we had was we didn't have the money, we didn't have the funds, to connect homes from the pipe to the actual private line.

So, in 2000, the Secretary of State took the initiative to approach the North American Development Bank and submitted a package of US\$8.9 million to fund approximately—several projects from Brownsville to El Paso—to...to afford connectivity for 23,000 residents along the border. So, from our end we feel that the...what the Bank has done has made it accessible for residents that live on the border. It has made it easier for the State of Texas to complete those projects. Since the onset of the Bank, they have been one of our strongest partners. They come to the table. They've always come to the table. And I think that having that funding available to the Bank has afforded us the opportunity to complete projects that probably would have not been doable prior.

The State of Texas right now is...it doesn't have the type of infrastructure funding that it had in place, so the NADBank actually has taken the lead role on that. And in ending my comments, I want to say that because of that investment and because of the willingness of the Bank to come to the table and to work with the state partners, we've greatly improved the quality of life for the Texas residents along the border.

And also, one of the things that now is very important, under Border Affairs, for Secretary Pablos is now your engineering uh—energy projects. As you know, energy is extremely important. It is going to be more important as the border region grows and continues to grow, and it affects border commerce, and it affects border trade and border transportation. So, we look forward to working with the NADBank with energy as well.

And thank you very much for allowing me the opportunity to make my brief comments. Thanks.

[APPLAUSE / APLAUSOS]

MR. JESSE HEREFORD: Thank you. And please thank Secretary Pablos, on our behalf.

⁷ *Colonia* refers to housing developments that lack basic public services, such as water, wastewater, electricity, paved roads and public lighting.

Another great partner of ours here in Texas is the Texas Commission on Environmental Quality. I'd like to call Steve Niemeyer, Border Affairs Manager and Colonia Coordinator, for some comments.

MR. STEVE NIEMEYER: Thank you very much. I appreciate it. I'm going to stand over here, so they can take a picture of me against this, and it'll look good on Facebook and Twitter and everything else.

[LAUGHTER / RISAS]

Thank you very much, Chairman of the Board and members of the Board and Senator Rodriguez and everybody else in the public. It's good to see a lot of new friends and old friends. And by 'old friends' I don't just mean people I've known for a long time. Some of them are old.

It's a joke. Some of you laughed. That's good. That's good.

I have a letter here that my Executive Director sent me. We're doing this just at the last minute. He's become our Executive Director September 1st. He's been very busy. So, I've got to track it down. Just a second. If you could give me 20 seconds, then I'll yield my time. But basically, what he's asked is just to say a couple of words. Oop!

And, you know, every time I come to one of these meetings, I do something that makes me look like a fool, so I'm being very consistent here. Let's see.

Here we go. So, this is from Toby Baker, who's the Executive Director of the Texas Commission on Environmental Quality. I'm just going to be—I'm just going to give you his points, and then we'll will send you the letter later. I don't want to belabor reading you a letter because everybody can read, so I'll save you some time. His main point was we work closely with the North American Development Bank. He is very grateful for the US\$5.86 million in Border Environment Infrastructure Funds that was given to the Bank for projects along the border.

Lately, in the past year, he's worked with the secretaries from his counterparts—he was a commissioner last year—from Chihuahua, Coahuila, Nuevo León and Tamaulipas. And one of them is here from Nuevo León. And he had private meetings, he went to the border, and we met with all these folks, and so he's really invested in the border. And one of the issues that has come up is wastewater, wastewater issues. Especially in Nuevo Leon, I mean, Tamaulipas, especially. And we have a long border with Tamaulipas, Texas and Tamaulipas, and he's glad to see that a lot of these funds for project development assistance program will actually be used along the border with Tamaulipas. And I think...let me see, Camargo, Rio Bravo, Miguel Aleman, and Díaz Ordaz, I'm sorry. And, as Alex pointed out, in Matamoros a project was just finished this year. So, we work closely with the Bank, and we're very grateful for everything that you've done. Y'all are terrific partners.

Five years ago, Daniel Gutierrez came down and helped us as we were going through a severe crisis where we were going to run out of water in some cities in the lower Rio Grande Valley

if we didn't get enough water from somewhere soon. And so, he came and that was really helpful. And Salvador and Alex and Calixto have been very helpful with us in everything they've done. So is their staff.

One of the things is we're working on a trust in the Ciudad Juárez area to keep the air quality monitors operating, and the Bank has stepped up to help us with that. And then the one last point I wanted to make, if I can remember, is that we've helped—we provide comments on the findings of no significant impact that the Bank needs to send out so that they can give money for the BEIF projects. And so, our agency works with your staff. Carlos Acevedo, wherever he is, he mails them to us, and we give comments, and then... money gets to the projects that is needed so that we can have better protection of the health and human environment along the border.

Muchas gracias.

[APPLAUSE / APLAUSOS]

MR. JESSE HEREFORD: Thank you, Steve. And please thank Executive Director Baker on our behalf.

Next, I'd like to call on Mirna Rincón Vargas, Presidenta Municipal de Playas de Rosarito, Baja California.

No? Going once, going twice.

Next, from Acciona Energía, CFO José Arteaga, talking about the Puerto Libertad project.

SR. JOSÉ ARTEAGA: Hola. Buenas tardes. Quería dar las gracias por la invitación para asistir a este public meeting, que por primera vez Acciona asiste, para poder dar las gracias directamente al Consejo por la aprobación de la concesión de \$75 millones de dólares para la construcción de la planta solar de Puerto Libertad, 404 megavatios pico que en un par de meses estará energizando ya.

También quería agradecer personalmente el poner a nuestra disposición el equipo de financiación que han puesto ya, Alex. Se lo hemos podido decir en persona varias veces, ahora quería aprovechar que, en presencia de todo el Consejo, el agradecimiento por poner a disposición este equipo de financiación que nos ha hecho sentir que teníamos un partner al lado nuestro, no un sólo un financiador, sino también un partner que nos estaba ayudando a conseguir los objetivos que estábamos persiguiendo.

Voy a dar paso a Grisel García Moncada, que es nuestra Directora de Marketing, para hablar de los otros intereses de Acciona a la hora de decidir una inversión en un lugar o en otro. Muchas gracias.

SRTA. GRISEL GARCÍA MONCADA: Hola, muy buenas tardes. Muchas gracias por la invitación. Para nosotros es muy importante poder externar que, además de las inversiones y del interés obviamente del retorno de la inversión, per se, que hacemos en cada una de las regiones del mundo, porque somos 37 mil personas trabajando en Acciona en los cinco

continentes de la tierra, también actualmente estamos muy interesados en el retorno de la inversión social que hacemos. Cada vez que alguien nuevo llega a Acciona, siempre les digo que se sientan muy orgullosos de trabajar donde estamos porque tal como dice nuestro claim, nosotros somos... '*Acciona business as unusual*' es el claim que utilizamos. Hacemos los negocios de una manera diferente y también ostentamos decir que somos expertos en diseñar un planeta mejor, expertos en agua, expertos en infraestructuras y expertos en energía.

El día de hoy específicamente les hemos preparado un video con un poco de lo que hacemos, solamente en la región de Sonora en el proyecto de Puerto Libertad del que ha hablado hace un momento José, en el que muchas gracias por la inversión y la colaboración y el equipo que hemos hecho. Pero no solamente eso es lo que hacemos. No solo hacemos negocios, también cambiamos la vida de los entornos y de la gente adonde nosotros llegamos. Cuando nosotros llegamos a una inversión, como trabajamos en el caso de energías con climas y situaciones extremos, donde hay mucho viento, donde hay muchísimo sol, obviamente la vida de estas personas se modifica al llegar una compañía transnacional con dos mil empleados, con activación económica y además colaboramos con todo lo que tiene que ver con la concientización del impacto ambiental, la huella ecológica, el impacto social y las causas específicas de cada una de las regiones en las que estamos trabajando.

Me gustaría por favor, que nos acompañaran a ver un pequeño video que les hemos preparado solamente de la región de Sonora-Puerto Libertad. Gracias.

[VIDEO]

NARRADOR: En Acciona Energía estamos convencidos que la educación es la respuesta para empoderar a la sociedad para generar un cambio. Por ello, comprometidos con la educación para el desarrollo sostenible promovida por la ONU y como parte de nuestro compromiso con México, desarrollamos el Aula de Sostenibilidad, un programa de educación ambiental para cuarto, quinto y sexto de primaria y los tres grados de secundaria, que comprenden libros de texto para alumnos y docentes participantes, abarcando temas como sostenibilidad, energías renovables, conservación y aprovechamiento del agua, las nueve R en smart cities.

VOZ FEMENINA: Estamos reciclando. Estamos haciendo un reciclaje en todos los grados con todos los grupos. Los muchachos van a reciclar en su casa. Van a reciclar en la escuela y, este, tenemos ya ese convenio con una empresa.

[APLAUSOS / APPLAUSE]

SR. JESSE HEREFORD: Muchas gracias.

Next I'd like to call Carlos Alberto Chang, Cementos Mexicanos, para dar unas palabras. Gracias por estar aquí con nosotros.

SR. CARLOS ALBERTO CHANG: Gracias. Buenas tardes. Bien. Traigo una pequeña presentación, no sé si haya... okay, perfecto, gracias. Adelante por favor.

Voy a tratar de ser muy breve. Básicamente somos una empresa líder global en el ramo de la construcción. Tenemos operaciones en 50 países en cuatro continentes del mundo. Alineados a la jurisdicción del NADBank, tenemos presencia en cinco estados del lado mexicano, en Baja Norte, Sonora, Coahuila, Tamaulipas y Nuevo León.

Dentro de los proyectos elegibles del NADBank tenemos mucha participación y conocimiento en el tema de construcción de presas, en revestimiento de canales. En cuanto a calidad del aire, tenemos muchísima experiencia en carreteras, en pavimentos de concreto, parques, caminos rurales o saca cosechas y tenemos mucha experiencia también en transporte público en los camiones articulados en el BRT.⁸ En cuanto a energía limpia, tenemos mucha participación con los parques eólicos también.

Nuestra oferta de valor, bueno pues, apoyamos a todos los ayuntamientos y los invitamos. Tenemos mucha experiencia en cuanto al diseño de pavimentos, integración de especificaciones, procesos constructivos, capacitaciones, en fin.

Y bueno, hacemos un traje a la medida, es como lo llamamos, porque en vialidades nuevas, prácticamente ayudamos a hacer las especificaciones. En cuanto a pavimentaciones existentes que ya están deteriorados con la carpeta asfáltica, básicamente nosotros ayudamos a definir, junto con el ayuntamiento, cuáles son la mejor solución para la rehabilitación de los pavimentos. En este caso, cuando tienen un nivel de asfalto, deteriorado muy alto, se sustituye y con un... Nosotros clasificamos si es bajo, moderado o si también hay reparaciones de pavimento de concreto que ya tengan una vida mayor a los 20 años.

Tenemos una alianza ahorita con el Ayuntamiento de Matamoros. Estamos apoyando ahí con la Avenida Lauro Villar en la cual, básicamente consiste en seis kilómetros que es una avenida que atraviesa totalmente la población. Cuenta con 89,600 metros cuadrados y estamos estimando una inversión pública de \$152 millones de pesos. Éstas son las condiciones actuales de la avenida. Básicamente, como podrán ver, está muy deteriorada. Tiene muchas roderas. Y la estructura que estamos proponiendo es un pavimento de 24 centímetros de espesor.

También tenemos una alianza con el Ayuntamiento de Playa de Rosarito en Baja California Norte. El boulevard que queremos rehabilitar es el boulevard Josefa Ortiz de Domínguez. En este caso en particular es una vialidad de 1.8 kilómetros y estamos estimando una inversión de \$75 millones de pesos. Y es similar. Es un pavimento nuevo y estamos contemplando también un espesor de 24 centímetros. Ésta es una vialidad, como les comento, nueva. Aquí está prácticamente cómo se tiene estimado realizar y es una vialidad similar.

En conclusión, básicamente lo que queremos comentar es que estamos a la orden para todos los municipios, ayudándolos en cuanto a temas de procesos constructivos, técnicamente y en todo lo necesario, para concretar proyectos a futuro. Muchas gracias.

[APLAUSOS / APPLAUSE]

⁸ Bus rapid transit (BRT).

SR. JESSE HEREFORD: Gracias. El Presidente Municipal de Matamoros, Tamaulipas. Mario López. Si quieres dar unos comentarios públicos.

SR. MARIO LÓPEZ: Buenas tardes a todos y a todas. Distinguidos Miembros del Consejo, es un honor para mí poder participar en esta reunión de Consejo para poder expresar en nombre de Matamoros nuestro agradecimiento por el trabajo realizado a través de los últimos 22 años con estas instituciones, COCEF y el BANDAN, quiero ahora, quienes ahora son una sola para seguir cumpliendo con los objetivos para las cuales fueron creadas.⁹

En Matamoros hemos realizado en conjunto con el Banco de Desarrollo de América del Norte y la Comisión de Cooperación Ecológica Fronteriza, acciones exitosas de inversión en infraestructura de agua potable, alcantarillado y saneamiento, manejo de residuos sólidos y eficiencia energética para mejorar la calidad de vida de nuestros habitantes. A la fecha, hemos realizado seis proyectos certificados de agua potable y saneamiento, así como de residuos sólidos urbanos con una inversión superior a los \$152 millones de dólares en infraestructura en nuestra ciudad, misma que no hubiera sido posible sin el apoyo de todos ustedes.

Actualmente, estamos concluyendo, con el apoyo del Gobierno del Estado de Tamaulipas, la Fase II del proyecto integral de agua y saneamiento, por lo que me permito solicitar a ustedes iniciar el proyecto de certificación de la Fase III del mismo proyecto. Acciones en esta Fase III que elevarán la calidad de vida a nuestros habitantes logrando una cobertura de 98% de agua potable, 93% de drenaje sanitario, así como el 75% de saneamiento de nuestras aguas residuales, acciones que requieren una inversión superior a los \$810 millones de pesos.

Permítanme entregar documento de seguimiento para que junto con el apoyo de las instituciones del Gobierno norteamericano y mexicano aquí representados todos, podamos concretar la certificación de la Fase III del proyecto integral de agua y saneamiento. Muchas gracias y que Dios los bendiga.

[APLAUSOS / APPLAUSE]

SR. JESSE HEREFORD: Muchísimas gracias.

Ahora del Estado de Tamaulipas del Comisión Estatal del Agua, Luis Javier Pinto Covarrubias.

SR. LUIS JAVIER PINTO COVARRUBIAS: Muy buenas tardes. Amigos, la cuenca del río Bravo es una de las más importantes de México y está en problemas. Tenemos escasez de agua y necesitamos como sociedad tratarla y reusarla porque estamos utilizando los recursos más allá de lo razonable, comprometiendo el medio ambiente pero además el cambio climático.

Agradezco la invitación a participar en esta reunión pública del Consejo del Banco de Desarrollo de América del Norte. Y ante el crecimiento demográfico que tiene esta cuenca del río Bravo, pues el crecimiento anual en la mayoría de las 14 ciudades hermanas excede el 3%. Es por ello que el Gobierno de Tamaulipas pretende aumentar el porcentaje de saneamiento

⁹ Comisión de Cooperación Ecológica Fronteriza (COCEF).

de las aguas que son vertidas al río Bravo, haciendo las gestiones necesarias ante la Federación, la Conagua, para que, para seguir trabajando de la mano con el NADBank.¹⁰

Como bien sabemos, los Gobiernos de México y de Estados Unidos de América, desde el 93, han contado, en virtud al convenio constitutivo, con esta banca de desarrollo para que la frontera y su cuenca binacional sea atendida en sus problemas ambientales. Ahora, en el marco de la agenda 2030 de la Organización de las Naciones Unidas están contenidos los 17 objetivos de desarrollo sostenible para alcanzar tres cosas extraordinarias en los próximos 12 años: Acabar con la pobreza extrema; luchar contra la desigualdad y la injusticia y combatir el cambio climático.

La seguridad hídrica tiene su contraparte, la incertidumbre. Y ante esto, la UNESCO en el programa hidráulico internacional incluye opciones de reuso de agua residual y una combinación de eficiencia en el uso final, eficiencia del sistema e innovaciones de almacenamiento en los sistemas de agua urbanos.

Un alto porcentaje de las aguas residuales internacionales se descargan sin ningún tipo de tratamiento. Alcanzar soluciones sustentables en materia de saneamiento implica un gran desafío, particularmente en las áreas urbanas y periurbanas. Por eso, nos pronunciamos en favor de hacer un frente para enfocarnos en la reutilización de las aguas residuales, un frente que ya debe presentar una aproximación para que el río Bravo ya no sea más un receptor de nuestro rezago en materia de tratamiento de aguas residuales.

Ahora, ya no sólo son plantas de tratamiento, es tecnología e innovación. Es acercar más la investigación y la ciencia, lo que podría hacer que el financiamiento sea una mejor alternativa de solución. Y si el gran obstáculo es el financiero, entonces habrá que dar prioridad a tecnologías de bajo costo en la operación y mantenimiento, así como en la utilización de poca obra civil y que utilicen energía limpia para el cuidado del medio ambiente.

Ante todo esto y frente al reto financiero, en Tamaulipas sabemos que con el Banco de Desarrollo de América del Norte estamos en buenas manos. Por su atención, muchas gracias.

[APLAUSOS / APPLAUSE]

SR. JESSE HEREFORD: Muchas gracias Luis.

Next, I'd like to call on Ezequiel Ortiz, Jr., Board Director from the Agua Special Utility District in Mission to give some comments.

MR. EZEQUIEL ORTIZ, JR.: Good afternoon distinguished members of the Board, special guests and visitors. My name is Ezequiel Ortiz, Jr., and I'm a resident of Palmview, Texas. I am proudly here to serve as the Agua SUD Board member, secretary.

The Agua Special Utility District was created by the 80th Texas Legislature and is authorized to provide, operate and construct necessary improvements in its certificated area to provide service to existing and future customers for water, sewer, contract services in Hidalgo County

¹⁰ Comisión Nacional del Agua (CONAGUA).

and Starr County in Texas. Our Board's commitment has been to enhance the quality of life for the families within 120 square miles that we serve through safe, sanitary and affordable wastewater and water services.

The area that our district services has a number of economically disadvantaged area program *colonias*, within its service area, with the primary wastewater service being served by on-site septic tank systems. We have recently undertaken certain wastewater projects to expand our service delivery to areas, including some of the last unincorporated communities in south Texas to have first-time sewer service.

Through our Palmview sewer project, currently underway, we will implement a collection system with approximately 160,000 linear feet of sewer lines, four lift stations and approximately, approximately connecting 1,752 homes in Palmview and the surrounding areas.

The district recently received notification from NADBank that Agua SUD east sewer project has been selected for funding from the U.S. Environmental Protection Agency's U.S.-Mexico Border Program, technical assistance funding. The funding from this technical assistance grant will assist the district to develop the necessary design work to hook up approximately 1,752 homes with new wastewater system, as well as to decertify the septic tanks that the system will replace.

On behalf of the Agua Special Utility Board of Directors, employees and families that we serve, we want to extend our most sincere appreciation to you, the members of NADBank Board for your support in developing and implementing infrastructure projects that help preserve, protect and enhance the environment of our border region in order to advance the well-being of our people of the United States and Mexico. We are grateful for this technical assistance funding that will assist in our efforts to comply with NADBank certification criteria and to provide the approximately—appropriate planning for water improvement projects in the district certified service area.

Once again, thank you for the opportunity to address you today, and we look forward to continuing to serve our citizens and improve their quality of life. I would like to now pass the mic over to our General Manager, Mr. Eddy Saenz.

[APPLAUSE / APLAUSOS]

MR. EDDY SAENZ: Thank you, Mr. Ortiz. As he had mentioned, and he represents the city of Palmview, and the project that we're undertaking here is in the city of Palmview. Agua SUD has 15,700 customers right now. And they only serve around 10 percent of them in sewer in one of the cities. We have five cities: Sullivan City, La Joya, Benitas, Palmview, as well as a portion of the city of Mission.

And what we have done here today, the Water Development Board, along with Agua SUD, have partnered up to commit US\$40 million to take care of the first four phases of this project, which are two phases of collection systems, four major lift stations and one main lift station with a force main that is currently under contract and will get started.

Project number five is what we have left and that is what we hope we can work with NADBank on. We're currently working with your staff on getting all the paperwork together to make sure that it meets all your guidelines in regards to the technical assistance program, which is basically connecting those homes. And these, these connections here are going to be in the city of Palmview that as, that, as Mr. Ortiz had mentioned, is only about 1700 or 1800 connections out of a population in the city of Palmview of over 6,000.

So, we have a long way to go because we have 15,000 connections. But our project is designed to take care of south Palmview and then it'll go into north Palmview eventually. What you see here in the green and yellow are collection systems. The four squares are lift stations and then it comes down to a black square there, which is our main lift station into a force main, and we are cooperating with the City of Mission, and they will be treating our sewer. And this is just the first phase, and we will go north another, to get the other 3 to 4,000 connections for sewer.

This project—we really count 1900, but we know we have guaranteed about 1700 connections. And we will be, we will be working in the design phase. Emilio Salinas here has helped us out from M-2 Engineering to make sure we have all the connections and all the proper planning, all the environmental taken care of.

If there's any questions, we're here. But we do appreciate your assistance and support, and we look forward to having this project being certified as well. Thank you.

MR. JESSE HEREFORD: Thank you Eddy.

[APPLAUSE / APLAUSOS]

MR. JESSE HEREFORD: From Reynosa I'd like to call José Ramón Cárdenas Hernández to provide some comments.

SR. JOSÉ RAMÓN CÁRDENAS HERNÁNDEZ: Buenas tardes. A nombre de la Dra. Maki Esther Ortiz Domínguez, vamos a tener una pequeña presentación.

Bueno. Es bien sabido que ya ha habido cooperación entre NADBank y la Ciudad, la Ciudad de Reynosa. Desde 1998 tenemos alguna cooperación entre las dos entidades. Siguiendo por favor.

Tenemos varios proyectos: la reconstrucción del drenaje, la planta de reciclaje ecológico para el aprovechamiento de neumáticos; la planta de tratamiento de residuos sólidos; la modernización de alumbrando y estamos proyectando un parque eólico. Siguiendo.

La reconstrucción de drenaje. Es bien sabido que en Reynosa tenemos un problema con toda la red o gran parte de la red. Siguiendo. Siguiendo. Las fallas de drenaje nos han creado un deterioro en la infraestructura. Realmente queremos resolver el problema que tenemos en Reynosa en relación a los drenajes. Siguiendo. Se ven imágenes como éstas todos los días. Siguiendo. Tenemos un listado de obras prioritarias y de inversión para el año 2019. Son colectores...emisores...cárcamos y reparación de colectores en diversas colonias, reparación de atarjeas. Siguiendo.

Se han hecho estudios y nos hemos dado cuenta que hay aproximadamente 168 problemas graves en la ciudad de Reynosa: 22 colectores, 32 subcolectores, 108 atarjeas, 6 socavones que es un problema muy grande. Realmente necesitamos una inversión aproximada de \$10 millones de dólares. Siguiendo. Se siguen viendo problemas como éstos. Siguiendo.

Bueno. Ése es el problema que tenemos un poquito en el drenaje. Voy a tratar de hacer esto más rápido. La planta de reciclaje ecológico para el aprovechamiento de neumáticos. Siguiendo. Bueno, en un estudio del 2016 nos dice que los neumáticos desechados son aproximadamente 3,268,000. Gran parte de estos nos quedan en Reynosa. Siguiendo. Queremos convertir lo que son los neumáticos en material reciclado y reutilizarlo en diferentes, en diferentes sistemas. Siguiendo. Siguiendo.

El proceso de reciclaje es muy fácil. Ya lo hemos visto con varias alternativas. El primer paso son trituradores. El segundo paso son ralladores. El tercer paso son molinos. El cuarto paso son el equipo de fresado. El quinto paso es el sistema de polvo de caucho y el último paso es el equipo de moldeo. Siguiendo. Queremos transformar esto —siguiendo— en esto. En el caucho reutilizado, en moldeo para adoquines, para brocales y para otros tipos de materiales que se puedan utilizar en el municipio. Siguiendo.

Se puede recuperar también materiales y estimamos en que son aproximadamente \$4,320,000 pesos en recuperación de materiales, ya con el reciclado con una inversión a 10 años. Siguiendo.

La planta de tratamiento de residuos sólidos Anacuas. Hemos visto ya varias alternativas de lo que se puede hacer con los residuos. Siguiendo. Hay un proceso que acaba de...bueno, tenemos contacto con esta empresa y nos ofrecen el reciclado de basura totalmente, bueno, al 95%, sin tener tanta separación o tanto desperdicio. El proceso para este sistema es la recepción, la separación, la molienda, el almacenaje intermedio, la incorporación, el moldeo, la compresión y el secado. Siguiendo. Éste es un prototipo de la planta. Siguiendo. Éste es el resultado del tratamiento de los residuos sólidos en un block de una resistencia superior a un block normal. Nos da menor precio, mayor firmeza y compactación, biológica y químicamente inertes, menor absorción al agua y una duración aproximada de 80 años. Siguiendo.

Los impactos económicos. Minimiza costos de recolección. La basura se procesa, industrialmente, sin selección previa. El incremento del producto interno bruto de la zona. La disminución del costo a disposición final. Minimiza costos de construcción. Los impactos ecológicos. Preserva el medio ambiente, disminución de fauna nociva, eliminación de relleno sanitarios, generación de...peligro de...disminución de peligro de incendio, elevación de la temperatura ambiental y la emisión de gases de efecto invernadero. Siguiendo.

La remediación del relleno sanitario va junto con este proyecto. El proyecto incluye... Bueno, el proyecto reduce el 95% de los residuos, lo que evita que se saturen los rellenos sanitarios. Siguiendo. Éste es básicamente el proceso. Lo que necesitamos—, queremos y en lo que se puede convertir la basura. Siguiendo. Tenemos ya ubicado el predio. Es cerca de la ciudad de Reynosa, bueno, dentro de la ciudad de Reynosa, en un predio muy, muy céntrico. Siguiendo.

Bueno, se han estado hablando de lo que es energía limpia y ahorro de energías. Siguiendo. Estamos proyectando un parque eólico, pequeño, que pueda proporcionar energía a la Ciudad de Reynosa y pueda ser este... Bueno, pueda proporcionar energía completa a la Ciudad de Reynosa. Siguiendo. Éste sería el parque. Básicamente son seis aerogeneradores. Siguiendo. Es un parque eólico de 24 megawatts. Siguiendo. Siguiendo.

Éste básicamente es un predio de un plano. Siguiendo. Éste sería el predio del proyecto donde se ubicaría. Siguiendo. Y el costo que tenemos para este proyecto. Siguiendo.

La modernización de alumbrado público, bueno ya se ha estado llevando a cabo en Reynosa. Se han estado cambiando lo que son las luminarias, pero no es suficiente. Tenemos que incorporar nuevas tecnologías e incorporar energías limpias para este tipo de proyectos. Muchas gracias.

[APLAUSOS / APPLAUSE]

SR. JESSE HEREFORD: Muchas gracias José Ramón.

Next for public comments, Steve Sanchez, General Manager, North Alamo Water Supply Corporation, from Edinburg, Texas.

MR. STEVE SANCHEZ: Good afternoon Board members, Chairman. Yes, my name is Steven Sanchez, and I'm the General Manager for North Alamo Water Supply. With me, I have our Wastewater Manager, Augustine Gomez, and our engineers, Allan Booe, from Melden & Hunt, and Mike Hernandez, also with Melden & Hunt.

I want to give you thanks for giving us the opportunity to come and approach y'all with our project that we have in the Rio Grande Valley. It comes out of Hidalgo County, Texas, just north of the city of Weslaco, and the project is a wastewater treatment plant and a collection system.

The community that is looking to get service there is what, is called Sunrise Hill. It's also known as Teran. There's a population of about maybe 4,000 people that are there. They have water service, but no wastewater. And during a heavy rain event, the septic tanks tend to overflow, go into the streets and...or it's just flooding. Children are playing out in the ditches and with all the feces in there. So there's a need.

They are a low-income people. They *want* the service. We've been trying to get this together for the *last 18 years*. We're close to it. We've got the project. There were a lot of obstacles that we had to go through, and we're close to it. We were hoping that we could get enough money from the Texas Water Development Board, through EDAP, to take care of it.¹¹

This is—the combined treatment plant and the collection system—is about just under US\$17 million. So, of course, EDAP is starting to run out and, with the monies that we received, we had to scale it back. We went back to about US\$8 and a half million to get it scaled back. With that, it comes with quite a hefty loan price on it. The debt service that the residents

¹¹ Economically Distressed Areas Program (EDAP).

would have to go ahead and pay there is horrendous. But we're moving ahead. The Board of Directors of North Alamo said 'we've got to get it done,' so they've instructed us, given us marching orders to go and try to get this thing completed and get it started.

So again, that's why we're here with NADBank, to basically again partner with y'all, as you all did with us just west of there in the North Donna Regional Wastewater Treatment Plant. You partnered with us very well and to bring a collection system all the way from Edinburg, all the way toward Donna. And again, this is the *exact* same type of project that is there north of Weslaco. And, again, we're here to work with y'all, and we worked real well with y'all before.

Now, Mr. Hernandez here has got a slide presentation that basically shows y'all where the project is and what we're looking at and the *colonias* that are involved and some of them that we had to scale back from, just so we could get it started from that. Again, I'm going to turn the mic over to Mr. Hernandez. But again, I want to thank you all for giving us the opportunity to be here and make our presentation to y'all, and I look forward to working with y'all. Thank y'all very much.

MR. MIKE HERNANDEZ: Good afternoon Board of Directors. My name is Mike Hernandez. I'm with Melden & Hunt Engineers. Move to the next slide please.

This is a quick overview of the project. As Mr. Sanchez mentioned, it's in Hidalgo Counties, right along the Rio Grande River. We're targeting 10 *colonias* north of Weslaco. We want to bring first-time sewer service to these areas where we're looking at a population of about 3200 people in that area. We've gone out there, done house-to-house surveys. These people really, really want sewer in their area. A lot of the complaints have been when it rains, septic tanks overflow, sewer all over the yards, running down the streets. So, these people in these areas are really asking for *sewer*. And as Mr. Sanchez mentioned, we're utilizing the EDAP program for some of the funding, and EDAP funds have been, have been...are pretty much gone and depleted. So right now—if you can please move to the next slide.

This is our funding. We're looking at a 700,000-gallon wastewater treatment plant and a collection system of ten *colonias*. We've had to reduce that from a US\$15.8 million to a US\$8.2 million project, and we're only going to target two *colonias* right now with the funding that's available through the Water Development Board. As you can see, the construction costs for reducing the project is now US\$8.2. We're getting an EDAP grant, we're getting some loan components and some principal forgiveness. So, again, as Mr. Sanchez mentioned, we're looking forward to teaming up with the NADBank and possibly fund the remaining of this project so we can bring additional first-time sewer service to these additional *colonias* that need it really bad. Thank you.

[APPLAUSE / APLAUSOS]

MR. JESSE HEREFORD: Thank you very much.

I'd like to call Gonzalo Bravo. He's going to read a letter from Index Sonora. Gonzalo.

MR. GONZALO BRAVO: Sí, gracias. El Ing. Gerardo Vázquez, presidente del Consejo Directivo de Index Sonora, Index es una organización que representa a la industria maquiladora, iba a venir a esta reunión, pero se disculpó el día de ayer y nos pidió que leyéramos esta carta.

Dice: “Estamos muy interesados en hacer sinergias de trabajo con la institución que representan, ya que su participación sería estratégica para fortalecer la economía de la mega región Arizona-Sonora desarrollando la cadena de proveeduría, material directo, de la industria maquiladora y manufacturera de exportación. Como ustedes saben con la modernización del USMCA para cumplir con el porcentaje de las reglas de origen, específicamente en el contenido regional, tenemos el gran reto de manufacturar productos con un valor de \$1.6 billones de dólares, aproximadamente. En la actualidad en Sonora se ensamblan y exportan 16 billones, pero se importan 13 billones de diferentes continentes. No hay ninguna empresa sonoreense que manufacture productos que se incorporen a la cadena de proveeduría. Se hace prácticamente ensamble, por lo que vemos una gran oportunidad de detonar la economía de la mega región Arizona-Sonora, pero requiere de trabajo en conjunto donde un brazo fundamental es la banca de desarrollo. Envié una presentación que explica con mayor detalle el proyecto y si me permiten puedo explicar.

Muchas gracias.

SR. JESSE HEREFORD: Gracias Gonzalo.

Is there anybody else that's registered to give public comment?

Okay. Seeing none, I'm going to turn it over to our Chair for some closing comments and then I have two announcements to make.

MR. MATHEW HAARSAGER: Thank—Is this on? Thank you.

I'll just, I'd just like to say thank you to everybody for coming out today. I personally really appreciated the opportunity to hear from all of you, all the ways in which you've worked with NADBank, you're hoping to work with NADBank, and then just generally the challenges your communities are facing. I think it's really helpful for me, and I think for my Board colleagues as well, to, you know, to have this direct input from you as we're doing our work in the Board. So just once again, thank you for coming and sharing that with us, and I look forward to hopefully seeing more of you again the next time we do a NADBank Board meeting here in San Antonio. Thank you.

[APPLAUSE / APLAUSOS]

MR. JESSE HEREFORD: Thank you, Mathew.

The first announcement, if there are any members of the press that would like comments, we'll have media availability with management after we adjourn the meeting. That's not the most important announcement. The most important announcement is the reception is going to be downstairs on the first floor ready to go as soon as we adjourn.

So thank you all for being here. We appreciate your presence, we appreciate your projects, we appreciate your friendship, and we look forward to continuing to work together. The meeting is adjourned. Thank you.

[MEETING ADJOURNED / SE TERMINA LA REUNIÓN]

ATTACHMENTS / ANEXOS

WRITTEN COMMENTS RECEIVED

COMENTARIOS RECIBIDOS POR ESCRITO



Consejo Nacional
de la Industria Maquiladora
y Manufacturera de Exportación



**index
Sonora**

Carta

Banco de Desarrollo de America del Norte

Hermosillo, Sonora 08 de Noviembre del 2018

Consejo Directivo

Banco de Desarrollo de America del Norte
San Antonio Texas. EUA.

Antes que nada reciban un saludo cordial y al a vez acepten una disculpa no me fue posible asistir presencialmente.

Estamos muy interesados en hacer sinergias de trabajo con la institución que representan, ya que su participación seria estratégica para fortalecer la economía de la mega región AZ-SON desarrollando la cadena de proveeduría (Material Directo) de la Industria Maquiladora y Manufacturera de Exportación. Como ustedes saben con la modernización del USMCA para cumplir con el % de las reglas de origen específicamente en el contenido regional, teneos el gran reto de manufacturar productos con un valor de \$1.6 Billones USD. Aproximadamente. En la actualidad en Sonora se ensamblan y exportan \$16 US Billones pero se importan \$13 US Billones de diferentes continentes. No hay ninguna empresa Sonorense que manufacture productos que se incorporen a la cadena de proveeduría se hace prácticamente ensamble, por lo que vemos una gran oportunidad, de detonar la economía de la mega región AZ-SON pero requiere de trabajo en conjunto donde un brazo fundamental es la banca de desarrollo.

Envié una presentación que explica con mayor detalle el proyecto y si me permite puedo explicar.

Aprovecho para reiterarles mis mas altas consideraciones

A T E N T A M E N T E'

Gerardo Vazquez F.

Presidente del Consejo Directivo
INDEX SONORA A.C.