



**Border Environment Cooperation Commission and
North American Development Bank**



**Public Meeting of the Board of Directors
November 9, 2017
San Antonio, Texas**

ENGLISH VERSION

MR. HEREFORD: Good afternoon. Can we please take our seats? And can we try to get everybody to sit in the middle?

Welcome to the public meeting for the Board of Directors of the North American Development Bank and the Border Environment Cooperation Commission. I wanted to start by introducing our Board members. I'd like to start by introducing Mr. Carlos Márquez Padilla,...

[TRANSLATED FROM SPANISH]¹

...Head of International Affairs from the Mexican Ministry of Finance and Public Credit,...

[IN ENGLISH]

...who also serves as our Board chairman. I'd like to introduce Mr. Geoffrey Okamoto, Deputy Assistant Secretary, International Development Policy for the U.S. Department of Treasury and our Board co-chair. I'd like to introduce Ms. Colleen Hoey, Director of Office of Mexican Affairs for the United States Department of State. I'd like to introduce Mr. Mark Kasman, Director of Office of Regional and Bilateral Affairs of the Office of International Affairs for the U.S. Environmental Protection Agency;...

[TRANSLATED FROM SPANISH]

... Mr. Armando Yáñez Sandoval, Deputy General Manager of Border Affairs for the Office of Coordination of International Affairs at the Ministry of Environment and Natural Resources;...

[IN ENGLISH]

...the Honorable Senator Jose Rodriguez, from El Paso, U.S. border states representative; Homero Soto Vargas, Mexican border state representative; Senator Denise Ducheny, U.S. border public representative; and Dr. Carlos de la Parra Rentería, Mexican border public representative, as well.

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

I'm going to start off by introducing Bexar County Judge Wolff. Nelson Wolff has represented Bexar County in various political offices since 1971. Those of us that live here are synonymous with his name. He started in the Texas House of Representatives in 1973, San Antonio City Council in 1987, served as mayor from '91 to '95, and currently serves as our county judge here in Bexar County, a position he was appointed to in 2001 and has since been elected to four times, most recently in November 2014. I don't want to steal any of his remarks but he played an integral role for the Bank to be here in San Antonio. And so with that, I'll turn it over to Bexar County Judge Nelson Wolff.

MR. WOLF: Thanks.

[APPLAUSE]

MR. WOLF: Well, it's my pleasure to welcome you to San Antonio. San Antonio, a great friend of Mexico and the many friends and relatives that we have in Mexico. So we've always taken great pride in being a city that stands up for the virtues and rights of Mexico as well as our country.

I want to welcome Carlos Márquez Padilla Casar to San Antonio. I know he's got a big job as chair of both the North American Bank as well as the border environmental piece of it also, the two links that they have together. I also want to congratulate Alex Hinojosa as the next Managing Director of the North American Bank. I was a friend of Gerónimo Gutiérrez, who was with the Bank for two years, and he is now the Ambassador to the United States from Mexico, and his son spent the whole summer with me, as an intern in my office, and his son is one bright young man too. So, we're very pleased to see the Ambassador that we have to the United States from Mexico now, the links that he has to San Antonio, Texas.

It's good to see Consul General Reyna Mendivil here. Thank you for being here. We've been friends since she arrived. Did they get those medical supplies down there?

MS. TORRES: They did [unintelligible]

MR. WOLF: All right. We collected through our hospital district about US\$100,000 worth of medical supplies when we had the tragedy that occurred with the earthquake in Mexico City.

Well, it's fun to be here. I was mayor during the early 1990's. President Carlos Salinas, who I had met in 1984, who was friends with my sister-in-law and a great friend of San Antonio, Texas, was instrumental in bringing the initiative of the North American Free Trade Agreement here in San Antonio. We had President Salinas here, President Bush and Prime Minister Mulroney from Canada and signed the initial agreement here. We then worked very hard after President Clinton came in to make numerous trips to Washington to get the passage of the NAFTA agreement, which was no easy task.² We had every former President of the United States support the NAFTA agreement. Clinton worked very hard for it. We had numerous lobbies up there, lobbyists, and with all that effort the bill passed 234 to 200, that close.

² North American Free Trade Agreement (NAFTA).

Now we're talking about another change in NAFTA. I hate to go to the House of Representatives or the United States Congress for anything. Not even a drink of water. So, this is going to be a major task, and we're beginning to get a number of business people in the United States speaking up for that agreement. Now, I know this is an adjunct to it, that you're not going to be impacted by what NAFTA does, but we all are going to be impacted by it. Our trade has gone up six times with Mexico since it's passed. The three North American countries are larger than all the European Union put together. Mexico is our largest importer, second largest importer of goods from the United States, anywhere in the world. So, I hope we're all able to get across to President Trump and the Congress that NAFTA is in the best interest for all three of our countries.

Now, we were fortunate to have the North American Bank here. Again, I attribute the success of San Antonio more to President Salinas than I do our Presidents, cause I remember being with him, and I said what should we go for? This is after the passage, and he thought a minute: 'Go for the bank.' So we went for the bank. And we had a great team that worked hard to bring the North American Bank here in the City of San Antonio, to provide the office space for it, and now they're located in what has now become the City's International Center. We also worked hard during that period of time creating a... We were the first American city to create trade offices in Mexico. I went to Guadalajara, Monterrey, created the first trade offices of any American city in Mexico. And so, we've all benefitted by this committee, and certainly what they did with the North American Bank has been a big, big attribute.

Today, I think there are some 244 projects that have been funded, some US\$3 billion in loans and grants for a total infrastructure investment of US\$9.4 billion. And we're so delighted. I think there is something like 70 full-time employees now that work for the Bank here in San Antonio. So, I hope that we will all continue our efforts to make the North American Bank successful, the border environmental piece that vets all these projects that go, and that we're all able to work together to continue to keep a great relationship between the United States and Mexico and our trading partner way up north, Canada.

So, thank you. Glad you're here. Thank you.

[APPLAUSE]

MR. HEREFORD: I wanted to recognize...

[TRANSLATED FROM SPANISH]

Citlali Pérez Saucedo from the Mexican Ministry of Foreign Relations. Citlali, my apologies.

[IN ENGLISH]

Ambassador thank you for being here.

The next special guest that I'd like to invite up to present...

[TRANSLATED FROM SPANISH]

... welcoming remarks...

[IN ENGLISH]

... is Ambassador Reyna Torres Mendivil, who took office as Consul General of Mexico here in San Antonio in April 2017, appointed by Mexican President Enrique Peña Nieto. She's a member of the Mexican Foreign Service since 1991 and attained the rank of ambassador in 2014. She's announced that her priority in San Antonio is to serve and empower the Mexican community, particularly those in vulnerable conditions. She will also promote the accurate image of Mexico. So, it's very appropriate that we have her here to join us and to give us some welcome remarks.

[TRANSLATED FROM SPANISH]

Ambassador.

[APPLAUSE]

[IN ENGLISH]

MS. TORRES: Good afternoon. Well, I am delighted to be here. This is the first time that I participate in a public meeting of the Board. Judge Wolff said it and said it very well. The institutions that developed in the context of NAFTA have been very important in many areas, but most importantly because they have demonstrated, as the NADBank and the Border Environment Cooperation Commission, that we can work together, and we can work together in benefit of our communities on both sides of the border.

I spoke with my good friends of NADBank, and I think one of the things that perhaps we should reflect on in the future is how to promote more, how to let people know all the good things that these institutions have been doing at the border. I think that not many people, you know it has to do with the bilateral relationship or with what's going on in Mexico and what's going on in the U.S., particularly now when we hear so many things in the media about our relations and what our relations are about. I think it's important to know that these institutions have been contributing for many, many years now, in very specific areas, for the well-being of our communities on both sides of the border. This is a perfect example of what two countries can do together, that all the positive things that can come after cooperation. And in these times, as I said, I think it is of the utmost importance that we stress the positive aspects of our relationship.

I am delighted to welcome all of you in San Antonio, for those that are visiting, and I wish you good luck in your deliberations. Thank you so much.

[APPLAUSE]

MR. HEREFORD: Next, I'd like to call up Alex Hinojosa, the Managing Director of the North American Development Bank, for some welcome remarks.

MR. HINOJOSA: Good afternoon everybody. My name is Alex Hinojosa. I'm the Managing Director of the North American Development Bank, and it's great to see such a great turn out. As I look into the crowd, I see a number of folks that we worked with before on projects of various different types: water, wastewater, landfills, etc.

So, welcome, all, to this meeting of, actually the final meeting of the North American Development Bank, BECC, Border Environment Cooperation Commission, joint meeting, as one of the things that is taking place tomorrow is the—after the exchange of diplomatic notes from two countries—is the merger of the NADBank and BECC. So, it is a special time for us as we go forward.

I think that, for all of those who are going to be here, it's great that, you know, if you can stick around to talk, to have an opportunity to talk to some of you about some of the projects that you've got going forward. So, welcome everybody.

[APPLAUSE]

MR. HEREFORD: I'd like to take a special moment to recognize some VIPs who traveled to be here with us today: the Honorable...

[TRANSLATED FROM SPANISH]

... Jesús Juan de la Garza Díaz, Mayor of Matamoros, Tamaulipas;

[IN ENGLISH]

...the Honorable Philip Skinner, Mayor of Village of Columbus, New Mexico; Commissioner Edward Drusina, U.S. International Boundary and Water Commission;...

[TRANSLATED FROM SPANISH]

...Cecilia Olague Caballero, Secretary of Urban Development for the Government of the State of Chihuahua;...

[IN ENGLISH]

... Manuel Rodríguez, council member, Tijuana, Baja California;

[TRANSLATED FROM SPANISH]

...Luis Carlos Romo, Executive Commissioner of the Sonora Commission on Sustainable Development;

[IN ENGLISH]

... Rosalinda Vigil, Board President of Lower Valley Water District in El Paso County; Carlos Jarquin, President, Free Trade Alliance, San Antonio, Texas. Thank you all for being here with us.

[APPLAUSE / APLAUSOS]

Well, it's been a whirlwind of a year, and so what we'd like to do is start with a video that shows some of the projects that we've done as our status report in 2017. So, take it away.

[VIDEO]

NARRATOR: *North American Development Bank / Border Environment Cooperation Commission.*

MR. HINOJOSA [NADB Acting Managing Director]: *During 2017, the Board of Directors of the North American Development Bank and the Border Environment Cooperation Commission have certified six new projects related to wastewater and renewable energy and have approved just over US\$276 million in loans and grants for their implementation.*

NARRATOR: *Of the financing approved, just over US\$273 million is in the form of loans to be provided by NADB, while almost US\$3 million in grants will come from the Border Environment Infrastructure Fund or BEIF funded by the U.S. Environmental Protection Agency (EPA) and administered by NADBank.*

In the case of loans, by the end of September, more than US\$229 million had been contracted for seven projects, including funding for a 149-MW wind energy project located in Val Verde County in Texas. The energy generated will be purchased by two private off-takers pursuant to two long-term power purchase agreements.

MR. THOMAS COTÉ [CEO of Akuo Energy USA]: *Rocksprings is a tremendous team accomplishment. Team members include valued partners, such as GE Manufacturing, GE EFS, Walmart and Bayern LB. Again, on behalf of Akuo U.S.A., I want to thank the North American Development Bank for all its support on this project.*

NARRATOR: *With regards to grant operations, NADBank has signed grant agreements totaling US\$14.5 million provided by EPA for three wastewater projects: expansion and upgrades to the wastewater treatment plant and installation of a new wastewater collection system for the Bay Acres subdivision in Douglas, Arizona; replacement and expansion of the wastewater collection system in Cuadrilla, a small community in El Paso County, Texas; and a project to expand the water and wastewater systems to the southwest area of Nogales, Sonora.*

MS. ROSALINDA VIGIL [President, Lower Valley Water District Board in El Paso, County, Texas]: *We couldn't have done it without the help of the NADBank, again, and the BECC, Congressman's Office, and of course, the EPA. This is US\$1.8 million dollars that we really looked forward to it for quite a while.*

MR. WILL HURD [U.S. Congressman representing the 23rd District of Texas]: And with these federal resources that EPA and NADBank are going to be able to provide, the Lower Valley Water District will be able to improve the collection and treatment and ensure a healthier and cleaner environment within the region. I'm proud to have recommended this project for federal grants, and I'm confident that the NADBank and BECC are looking out for the best interests of the greater El Paso region. And I thank you for that.

[TRANSLATED FROM SPANISH]

MR. MAURO FELIX CORRALES [General Manager of the water utility in Nogales, Sonora]: The project scope—we're talking about 4,500 families. It covers six neighborhoods where the project was thankfully carried out. It was a collaborative effort with U.S. and Mexican authorities, to provide a solution, little by little, and in the end completely correct water and wastewater conditions in that area.

[IN ENGLISH]

NARRATOR: Overall, these projects will improve sewer services for more than 34,000 residents. In addition, technical assistance totaling more than US\$928,000 has been approved through the Project Development Assistance Program, also funded by EPA, for the development of 13 water and wastewater projects.

MR. SALVADOR LOPEZ-CORDOVA [NADB Chief Environmental Officer]: Over the last 20 years, the EPA-funded BEIF program has provided grants for the construction of much needed water supply and wastewater infrastructure on both sides of the U.S.-Mexico border. As a result, 119 projects benefitting close to nine million people have been implemented to date. In addition, BEIF has been effective in leveraging other sources of funding, so that an investment of US\$658 million in grants has resulted in total infrastructure investments of US\$2 billion, which is a leverage ratio of roughly 1 to 3.

While the success of the BEIF program has been remarkable, needs for basic water and wastewater infrastructure remain in the region. Border communities are key to have this vital program continued.

NARRATOR: NADB also contracted three grants through its Community Assistance Program for two solid waste projects in Coahuila to benefit 10 communities with better waste disposal management, and a water system replacement project to benefit 1,068 residents in El Paso County, Texas.

In technical assistance, NADB and BECC approved US\$1.14 million to support 12 studies or other development and capacity-building activities, including various seminars, such as the Basics of Water Utility Management, a diploma-level course

developed with the Latin American and Caribbean Water Center of the Monterrey Technological Institute. In October, 26 participants from 11 water utilities in Sonora became the second class to graduate from the program with a diploma from Monterrey Tech.

One of the studies finalized this year was a comprehensive analysis of ports of entry on the U.S.-Mexico border. The study maps the different processes followed by each country to build or modernize border crossings, identifies potential mechanisms for financing border crossing projects and proposes a plan for streamlining and aligning project implementation processes in the two countries. A database was also developed to expedite the transfer of information on border crossing projects among all the agencies and stakeholders involved in their development and construction.

[TRANSLATED FROM SPANISH]

MR. CALIXTO MATEOS-HANEL [NADB Acting Deputy Managing Director]: *Well, how to do it? Now, we have a study that tells us what the challenges are, what the processes are for approving and selecting a border crossing, and what mechanisms are available to finance it, no? And with this study, well, now that we have it, the Bank could play a key role in supporting and financing these projects.*

[IN ENGLISH]

NARRATOR: *Another initiative completed this year was a 90-kilowatt solar facility to supply part of the electricity for the Centro Oncológico Pediátrico of Fundación Castro-Limón in Tijuana, Baja California. This non-profit organization provides free medical care to children with cancer from low-income families. NADBank provided US\$125,000 in technical assistance and the San Antonio-based company, Mission Solar, donated the solar panels valued at US\$30,000.*

[TRANSLATED FROM SPANISH]

MR. ANDRÉS ARAUJO [General Manager, Pediatric Cancer Center in Tijuana, B.C.]: *We have benefitted from NADBank's sponsorship of these solar panels, this photovoltaic plant, and, well, we are going to see a savings of almost 95% in our annual consumption. We are very happy, because instead of paying for energy, we are going to be able to channel those resources to the treatment of children with cancer.*

[IN ENGLISH]

NARRATOR: *Additionally, the first Emerging and Sustainable Cities program in the Mexican border region was finalized in Hermosillo, Sonora. This program was implemented in partnership with the Inter-American Development Bank (IDB) and the Colegio de la Frontera Norte (COLEF). The results of this initiative are being*

analyzed and concrete proposals have been identified to strengthen the urban, fiscal and the environmental sustainability of Hermosillo. These strategies will be included in the City's 2018 Development Plan.

[TRANSLATED FROM SPANISH]

MR. MANUEL IGNACIO ACOTA GUTIÉRREZ [Mayor of Hermosillo, Sonora]: *This is a true commitment and an enormous responsibility, designing the city that we want 20, 30 or 40 years from now.*

MS. CAROLINA ESPINOSA [General Manager of the Municipal Institute of Urban Planning of Hermosillo]: *We also have mobility. That is, mobility is very important in our city, as our city is very spread out or, that is, it's a very large area.*

[IN ENGLISH]

NARRATOR: *For the year to date, eight projects have started construction, with six related to water and wastewater system improvements, including the construction of a new wastewater treatment plant for Sunland Park and Santa Teresa, New Mexico. The US\$11.7-million plant is expected to treat approximately one million gallons a day of wastewater. The project sponsor, the Camino Real Regional Utility Authority Wastewater Treatment, along with state and local leaders broke ground for the new plant on July 11, 2017, which is expected to be completed by July 2018 and fully operational by next fall.*

Eight projects have also completed construction, including a cogeneration facility that is producing approximately 7.43 gigawatt-hours of electricity, sufficient to supply between 40 and 50% of the electricity needed to operate the South Wastewater Treatment Plant in Ciudad Juarez, Chihuahua.

[TRANSLATED FROM SPANISH]

MR. FELIPE SANCHEZ [Technical Environment Manager for the company Suez, the concessionaire that operates the South Wastewater Treatment Plant in Ciudad Juarez, Chihuahua]: *The cogeneration facility has been operating since May of this year. Today, we are operating at 50% of total installed capacity. This is a 100% environmental, 100% sustainable project, and hopefully we will have more projects of this type, to contribute to the environment and its preservation*

[IN ENGLISH]

MR. CALIXTO MATEOS-HANEL: *At its meeting today, the Board considered four new projects for approval, including a loan for water and wastewater project in San Luis Río Colorado, Sonora, as well as grants for the rehabilitation of the Collector Poniente in Tijuana, Baja California; sewer system improvements in Marathon, Texas; and wastewater collection in Loma Blanca, Chihuahua. Overall,*

these projects have a total cost of US\$17.5 million and will benefit more than 160,000 residents in four communities. NADBank will be providing US\$13.4 million in financing for these projects.

MR. HINOJOSA: *I am proud to announce that November 2017 marks a new era for the NADBank and BECC. With the final exchange of diplomatic notes between the Governments of Mexico and the United States, we have officially merged to form a single institution. Our amended charter goes into effect on the 10th of November.*

As noted from the beginning of the integration process, the NADBank will continue its mission to develop and finance sustainable infrastructure that preserves, protects and enhances the environment and quality of life of the people living along the U.S.-Mexico border.

[APPLAUSE]

MR. HEREFORD: It's always nice to show the work that we do throughout the year at the end of the year Board meeting. With that, I'd like to turn the microphone over to our Chairman, Mr. Carlos Márquez Padilla, for some opening remarks.

MR. MÁRQUEZ: Thank you very much. Good afternoon to everyone and welcome to this public meeting. It's my pleasure to be here after a very productive Board meeting this morning and take this opportunity to thank the City of San Antonio for its hospitality.

After almost three years of very hard work and negotiations, the BECC and NADBank's merger becomes effective and a reality on November 10th. This merger defines a new era for the institution, but maintains its mission of helping, preserving and protecting human health and the environmental conditions for the communities along the border region. However, this merger also ensures that the Bank's functions and the operations continue to be strengthened to more effectively serve the border communities' needs. I recognize and congratulate the NADBank and BECC teams for their efforts towards the starting point of the integrated institution. On the other hand, we also had the opportunity to witness the achievement and results of the projects that BECC has certified and the NADBank has financed, as well as those going forward.

Finally, I would like to thank and congratulate, one more time, the hard work that these institutions have put forth throughout the last two decades. The impact on the life quality on both sides of the border, and more broadly on the environment, cannot be overstated. We are convinced that both countries would try working together and support high-impact projects that would ultimately result in a continuous progress and increase competitiveness and the sustainability of the border region. For this we are very thankful and look forward to many years to come of more integrated and successful work.

Thank you very much.

[APPLAUSE]

MR. HEREFORD: Now I'd like to turn the microphone over to our co-chair, Mr. Geoffrey Okamoto, for his opening remarks.

MR. OKAMOTO: Thank you very much, and welcome to those of you visiting from Mexico to the United States, on behalf of the U.S. Government. And, again, thank you to our great host here in San Antonio. I had a chance, after lunch, to visit the Alamo, and it was great to experience one example of the rich history between the region here between the U.S. and Mexico. So, it was a true treat.

You know, I was appointed in May, and I attended the last Board meeting in Hermosillo. And just in the few months that have elapsed since then, I'm quite impressed with the amount of progress that has been made, particularly with the full integration of the NADBank with the BECC. That's a monumental achievement that begins tomorrow. So, I congratulate Management and the hard work in both governments to bring that all the way to fruition. Hopefully, that kind of, that integrated entity is going to be a great platform to serve border communities even more effectively in the future.

On the United States side, you know, the Administration right now is quite focused on economic growth. That's not only economic growth here in the United States but it is also means economic growth in Mexico. And together, hopefully, we have mutually beneficial growth. And I think that as we move into the next session for public comments, I look forward to hearing from those in the audience and from other participants about what the NADBank can do to expand economic opportunity for both Americans and Mexicans in the border region. Thank you.

[APPLAUSE]

MR. HEREFORD: Well, now it's time for public comments at the public meeting. So, I'd like to start off by inviting Commissioner Edward Drusina, U.S. International Boundary and Water Commission, to say a few words. And Commissioner, Flor there has a microphone for you to speak with. Thank you.

MR. DRUSINA: Well, thank you very much for the opportunity to say a few words. It is a beautiful day in San Antonio. I don't think I could have said that yesterday, because it was raining when I came off the plane, and I had a straw hat on. It didn't work too well. But it is beautiful today.

And there are a few people that don't realize that about 160 years ago, Commissioner John Bartlett got off the Gulf of Mexico and came up through Texas and came through San Antonio on his way to El Paso to meet with Pedro García Conde, who was the Commissioner of the Mexican Government, and Bartlett was the Commissioner of the United States Government, both from the, associated with the International Boundary Water Commission.

But what we're here to talk about today is what was started about 23 years ago, with the approval and passage of NAFTA. Many folks don't realize also that some of the first folks that were working for the BECC were housed right in our offices there in El Paso. There's a lot of good history between the IBWC and the BECC-NADBank, future to be the North

American Development Bank, which we all enjoy, to say, will house both entities.³ I think that is a success.

We see more success along the border because of the work that NAFTA generated—economic benefits—but also because of the great amount of work that the Bank has funded. Enormous amount of improvement in wastewater systems, water systems, that have benefited both countries. But we cannot lose sight of what that great benefit has brought us. As most of us that have been in different forms of city government or management of public systems, we know that it's aging infrastructure that we have to be concerned with, as after you've built the initial structures, 20 years plus down the road, those structures start to deteriorate and fail. And so, I'm hopeful, and I'm fully expecting that the Bank in its new organization, but still with its old policies and its environmental focus, will address that aging infrastructure that is beginning to create problems for us all along the U.S.-Mexico border.

It isn't hard to look past the fact that the Rio Grande/Río Bravo is an impaired system. There is a great deal, number of locations along the Rio Grande/Río Bravo that have serious bacterial problems. We know that growth, rapid growth in Sonora, in Baja California, in Chihuahua, have all, benefit both of our countries, but the infrastructure needs attention. And I'm hopeful and very much looking forward to seeing that evolve in the coming years through the Bank and their funding for that.

So again, thank you for the opportunity. Alex, a good leader. Glad to see you win your position. I'm looking forward to working with you as we continue to move forward. And my congratulations or condolences to Carlos. I mentioned that earlier [chuckles]. A big chore. Colleen Hoey, always a pleasure to be working with you through the State Department. But, again, all of you, it's a big job you have, and I'm looking forward to, again, building that relationship between the IBWC and the Board. Thank you.

[APPLAUSE]

MR. HEREFORD: Next, I'd like to call, to make his presentation, Mayor Phillip Skinner, Village of Columbus, New Mexico.

And the microphone is coming over to you, Mayor.

MR. SKINNER: Board Chairs and Board members, I want to thank you for the opportunity to be here today to present. My name is Phillip Skinner. I'm the Mayor of Columbus, New Mexico, and we're on the border with Palomas, Mexico. I'm representing our community, which is 1760 people, but I'm also representing our sister city, across the border, Palomas, Puerto Palomas, of 5,000 people. And we're here to just give a brief report of how we are in need of natural gas. And so, I'm going to turn it over to our engineer, Mario Juárez Infante, to give you just a brief PowerPoint display.

MR. JUÁREZ: Good afternoon. We've put a few slides together, and what our intent today is to just, number 1, we want to put Columbus on the map. We're going to give you an overview of what's been happening down there in the last three and half years. We're

³ International Boundary and Water Commission (IBWC).

going to go through our recently completed economic land use infrastructure plan, and we're going to demonstrate today the real need for natural gas. And, at the end, hopefully, you'll have some questions, right? The next slide.

For over a decade, there's been some planning going on with the General Services Administration, U.S. Government, to expand the existing port of entry. We're going from about 22,000 square feet to about 70,000 square feet of facilities, approximately 14 acres, in total, of available real state. And, so, this map is a rendering of the port of entry down in Columbus that today is under construction, scheduled to open in March of 2019. To my right on the slide is Puerto Palomas. You can see the international boundary, the border fence, and to the left you'd be heading towards I-10 and Deming. Next slide. Next slide.

So, we're going to talk a little bit about our economic land use infrastructure plan and opportunities that have been identified. Next please. Through this study that was completed, summer of last year, 2016, we identified a number of potential opportunities in terms of attracting new businesses and creating new jobs, creating a better quality of life, if you will.

Agriculture is one where we've seen over the years and are tracking the numbers through CBP, the commercial freight regarding agriculture continues to increase.⁴ We see a need. We're talking to the businesses around there, looking to see if they can expand their chili, for example, into processing. We've got 20% of all cattle crossings, believe it or not, go through Columbus, New Mexico. There's an opportunity to increase other bovine types of crossings through that port of entry.

Tourism is huge for Columbus. The Mayor can talk to you about that, if you have any questions. We've also identified some need for retail and restaurant spaces and the amount of square footage that we see into the near future with this new port of entry expansion. Next slide.

This slide here is intended to just demonstrate how progressive the village has been. Now this is a village of 1700 people. If you walk into Village Hall, you've got the mayor and you've got two administrative people. Yet they have the forward thinking and the vision to go out to D.C. this year, and we're looking to get an US\$11 million flood control facility funded through the Army Corps of Engineers. And I'll show you why this becomes important. Next slide.

Through the economic land use infrastructure study in the previous slide that you saw today, we've identified major flood control diversion berms shown here in yellow. That particular berm, working along with folks like the IBWC, as we're getting embedded, under Mr. Drusina there. We also work with our partners in Puerto Palomas. Very, very important. This diversion berm opens up about 850 acres for industrial, commercial, retail, housing. So, it's appropriate for economic development, but it does even more than that. We're going to show you in a little bit, but Puerto Palomas, about 5,000 people, is currently, does experience flooding and frequently. It doesn't take a 100-year storm event for them to experience some of these issues. Next slide.

⁴ U.S. Customs and Border Protection (CBP).

So again, just kind of showing you what came out of the study, some of the land uses. We're just going to quickly role through these. Next please. The village owns about 160 acres located within what we're calling the industrial park area that now we're, once the diversion berm is in, we're able to remove the floodplain and open up the real estate for development. Next.

Also, we're reminded of the open spaces. Hopefully, one of the major flood control facilities that comes out of the diversion berms is a large pond. And so, as we look into the future, the Village has an incredible relationship with Puerto Palomas, Presidente Ramón Rodríguez. And, you know, we'd like to see—we have 800 students every day coming across to go to school, to Deming public schools. We'd like to see that continued relationship between the two nations, engaged in things like soccer, when we start doing these flood control ponds. So again, the Village, very forward thinking, great relationship with our partners in Mexico. Next slide. Next.

Housing is now becoming more and more important. Affordable housing is now underway, about 25 new homes. Today, if you go to Columbus, you'll see four under construction. Beautiful homes. And looking, in the future, to provide even more affordable housing and maybe incentives for CBP and border patrol, are some of the creative ideas that the Village is entertaining today with some of its congressional delegates. Next.

So, again, natural gas. If we want to be able to provide to our future businesses—like processing, cold storage—we're going to need natural gas. In addition to that, our friends down across the border in Puerto Palomas, who've got 5,000 residents, also need natural gas.

And finally, to conclude—next slide. There's a new business that recently came in, Qualitas Health. They are essentially growing algae and extracting the omegas that are supplements, and, the future, they are looking go nationwide in the next five years. At full expansion, where they can grow about 900 acres of algae, growth and extraction, we're looking at creating somewhere between 450 to 500 jobs. And so, that's a very short-time increment. So, we're also in need for natural gas to be able to service this particular business that's recently come into Columbus, New Mexico.

So, with that, we just, again, are here to... I'll let the Mayor kind of present what our final ask is for one more minute.

MR. SKINNER: Yes, thank you. We're here to ask the Board today to consider a grant to the Village of Columbus, of around \$100,000, to do a study. We know we need natural gas. We know we cannot grow without it, both sides. We're working together with our Mexican partners, and we both agree that we need gas for them to attract business and for us to attract business. We're a very large agricultural port. Right now, during chili season, 100 semis a day cross the border from Mexico bringing chili in, but it rolls right on past us to other processors, because we don't have the gas to process.

New Mexico, you know, is about the 49th poorest state in the country. Luna County, which we're in, is the poorest county in the state. We consistently have 20% unemployment. My goal is to move our community out of poverty, and we need natural gas to be able to do that. Thank you.

[APPLAUSE]

MR. HEREFORD: The...

[TRANSLATED FROM SPANISH]

... Mayor of Mexicali, Gustavo Sánchez Vázquez,...

[ENGLISH}

... couldn't attend due to a last-minute change in his agenda, but he did send a video, and so we wanted to play that video now.

[VIDEO]

[TRANSLATED FROM SPANISH]

MR. SÁNCHEZ: *Good morning friends of the North American Development Bank. My name is Gustavo Sánchez, Municipal President of the XXII City Council of Mexicali, Baja California, Mexico.*

The reason for this message is to reiterate, as I did a few weeks ago by phone, our desire and interest in working on a very important project concerning the possibility of relocating the waste and garbage collection station that is currently located within the city of Mexicali. Not only are we looking to relocate this facility to the current site of the transfer station for urban solid waste, that is for the city garbage, but also to use innovative and cutting-edge procedures in this type of work.

In addition to this, to the relocation of this collection station for city waste, garbage, we are also looking for something very important and that is cleaning up that land where it is right now, which is near and adjacent to the lake system in Mexicali, in particular the renowned Xochimilco Lagoon. Xochimilco Lagoon is fed by water from the Colorado River, water that ends up flowing into what is known as the Salton Sea in California, here in the United States, and we must make the effort so that it may be a very important environmental work.

Since 2008, the Xochimilco Lagoon system has been decreed a part of the so called Ramsar project. That is why we wish to work on that part, which is fundamental for Mexicali. But we would not be able to do it if we cannot count on the support of the North American Development Bank to help cover all the technical studies and the project itself. That is why, it is important for us to be able to rely on the expertise of the bank and also be able to work on this project together.

Thank you for your attention to this request, which today I'm presenting via videoconference to you, and considering the fact that we have also already made

it in writing. Thank you. And once again, we remain at your service, from Mexicali, Baja California, Mexico.

[ENGLISH}

MR. HEREFORD: Next for public comment is...

[TRANSLATED FROM SPANISH]

... José Ramón Cárdenas Hernández, Strategic Projects for the Municipality of Reynosa, Tamaulipas.

MR. CÁRDENAS: Good afternoon. I'm going to stand to this side so I'm not in the way. I am here today on behalf of Dr. Maki Ortiz, Mayor of the city of Reynosa. I am here to thank you for the support the Bank has provided us. Can you, next, please?

Since 1998, we have been cooperating with BECC, NADB and EPA, and we have received some support, but, next. Dr. Maki Ortiz is concerned about the quality of the city. We have some problems with the, or a lot of problems, with the sewer system. She is also involved in promoting new projects. In this case, we have a project, we have a project for a wind farm and a wastewater treatment plant to remedy our sewer system problems. We have a Municipal Administrative Services Center, and we have remediation of the landfill and the waste incineration plant, modernization of public lighting and the green recycling plant for used tires. All these projects, we have been working on and taking into consideration the environment and always, always we have always been careful about clean energy, which is something we need in order to spur Reynosa forward. Next. Next.

As I said, some funding was received in 2006, in 2008 for paving projects, for wastewater projects, for infrastructure and wastewater. Next.

COMAPA, in particular, has had some significant grants.⁵ There is a 20-year master plan, and the master plan investment is \$4,767 million pesos. These projects will consist of equipment, infrastructure improvements, increasing the capacity of WWTP II, constructing Pumping Stations 1 and 278, contingencies and construction supervision.⁶ Next.

Here we have a table of the main problems that Reynosa is facing. We are talking about collectors, sub-collectors, sewer lines and collectors that have become cavities. Next.

Here we have some pictures. We had a few incidents. Next. This is what daily life is like in our city. Next. Burst sewer lines. Streets flooded. All that. Next. Next.

Some necessary actions have been identified to counteract the lack of sewer infrastructure. Next. Next.

⁵ *Comisión Municipal de Agua Potable y Alcantarillado (COMAPA)*, the water utility in Reynosa, Tamaulipas.

⁶ WWTP stands for wastewater treatment plant.

Okay, clean energy is important for the Mayor and for Reynosa. There is a proposal to build a wind farm and a wastewater treatment plant on the same piece of land, which is owned by the Municipality. Next.

Here we have an image of what could be the wind farm. Next. Next. This wind farm—next—would be and would generate power for approximately 500,000 residents and to provide a solution to the power that the Municipality needs for its treatment plants and its own consumption. Next. Next. Next. Next. Next.

Okay, basically, the wind farm would be, altogether, would have an installed capacity of 45 megawatts, with 15 wind turbines of 3 megawatts each. Basically, that is how it would look in the blueprint. Next. Next.

Okay, as you will see, it is significant investment, but we really need to promote these types of projects so that the city can regain the momentum it once had. Next. Next.

We also have a Municipal Administrative Services Center. Next. This center will contain all the municipal administrative services and all the collection services. The project is a green building. It's a building that would produce its own power and trap moisture for water, and thus be self-sustaining. Next. Next. Next.

One of the major concerns of Dr. Maki Ortiz is to bring all government offices together, thus enabling a more efficient collection process while also having a self-sustaining building, allowing all the, to have the entire municipal government within those administrative offices. Next. Next.

This would be, basically, the building. This is one of the views. Next. Next. Next.

We also have, as you already know, a problem with garbage in Reynosa. We have the remediation of the landfill. Next. It would help reduce respiratory diseases, eradicate illegal dumpsites, put an end to transporting, to attracting animals, prevent air pollution from burning trash, which is one of the most serious problems in Reynosa right now. Next. And an incineration plant is being proposed, which would allow us to process a thousand tons of garbage a day. Next. This is a model of the plant. It is self-sustaining. It has solar panels. It has moisture traps. Next. Next. Next. Next.

At some point, the plant becomes a museum and some of the public could see the garbage incineration and waste-based power production process. Next. Next. Next. Next. Next.

Based on that, we have a proposal where we have 100% investment from some companies; use of renewable energy; elimination of sanitary landfills; creation of jobs for skilled workers; improved garbage collection; elimination of pollution; collection programs; creation of vendors; collection programs; donation of assets; donation of the plant to the Municipality and the donation to COMAPA and to the Municipality of garbage trucks. Next.

This plant would allow us to reduce solid waste by as much as 99%. Next. And it would enable us to comply with current laws and regulations, optimize the solid waste system for the benefit of approximately 500,000 households. Next. This is the location of the plant. Next. Next.

We also have modernization of public lighting using clean energy and new technologies, that would reduce consumption for the Municipality. Next. Next.

Okay, there are certain streetlights that give us a long useful life, a design that is economical—excuse me—ecological and environmentally friendly and lead and mercury free. Next. The project contemplates replacing approximately 60,000 lights in all. Next. Next. Next.

We also have the project for a green recycling plant for used tires. Next. This project offers us the opportunity—in addition to helping us reduce the problem of used tires—the opportunity to obtain products from used tires. Next. Next. Next.

The fate of used tires in Mexico is approximately 91%. All used tires in Mexico, practically end up in the garbage or along public thoroughfares, and we have a big problem with that. Next. The products to be obtained from this plant are black smoke, steel and dirty oils. Next. Here are some pictures of what can be done with the recycled products. Next. Okay, Tamaulipas ranks as one of the highest with 3,268,554 used tires. Next. Next. Next.

Okay, this is a summary of the investment we need, and we really need the support of the development bank to carry out these kinds of projects and give the city of Reynosa a new face. Okay, next.

Thank you for your attention, on behalf of Dr. Maki Ortiz, Mayor of Reynosa, and thank you all.

[APPLAUSE]

MR. HEREFORD: Thanks José Ramón.

[ENGLISH}

I'd like to call Douglas Schnoebelen, the Associate Director for the U.S. Geological Survey, South Texas Program, to make some comments. Douglas, here comes the mic.

MR. SCHNOEBELEN: Thank you.

Well, I'm very grateful to be here and introduce a little bit of our work. We're working with the Border 2020.⁷ I would say *water* is one of the most important issues between our two nations. We think of citizens' health, well-being and economic development on both sides—certainly, the water doesn't know any border. And I just wanted to present a little bit of our work today and looking at how we might be able to assist the folks in the room. Next slide.

We are a federal agency, but we are non-regulatory. We're completely science-based. We have locations in all states. All things water: groundwater, surface water, water quality,

⁷ U.S.-Mexico Border 2020 Program.

monitoring. We're very applied, very busy here in Texas with the recent flooding from Hurricane Harvey, in our Houston office, and the devastation from that. Go ahead.

Again, federal agency. We have a scientific mission to assist others and non-regulatory. Next slide.

We are boots on the ground. We are not science for science sake. We're very applied in our work. These are some of our technicians putting up some of our satellite telemetry. If you look at the weather service, all the rain gauge or all the weather flooding information, that's all our gauges that provide that data. Next slide.

We are also very heavily involved in water quality, looking at all aspects of the environment. We have our own lab, sources and pathways, not only for human health but ecological health of organisms and plants. And we're very involved with continuous monitoring with water quality. Next slide.

Flooding and drought. I can safely predict that we'll have floods and droughts in both of our sides of our country in the near future, where stream gauge network is very important in helping forecast. Next slide.

If we look at the Texas Water Science Center, we have, certainly, offices in Fort Worth, Dallas, Houston—I guess I said Austin—and then San Antonio. Next slide.

And you can see that the San Antonio office here takes into account a large section and especially down in the valley along the border. And those are our stream gauges. And I would like to see more of those on some of those border rivers where there's been a lot of flooding lately, especially in Laredo and other areas you know. Next slide.

Okay. Just in summary, if I could say anything, I want to be here to help. I'm new in the position as Associate Director in our office, about a year and a half ago. We do a lot of work here in San Antonio with San Antonio Water Systems, San Antonio River Authority, the City of San Antonio, several large rivers, Guadalupe-Blanco River Authority.⁸ But I set a goal for our staff that we need to be more involved down in the valley. The Rio Grande is only gonna be more important. Those water issues, we know, are getting more and more complicated. So, there is a need for high resolution data and data systems for evaluation and decision-making. I appreciate the difficult job that the Board has. Are things getting better or worse with our water? Also setting priority areas for monitoring and funding. Leveraging that funding, it only makes sense. I think we're very big into doing that. We have some—we operate a little differently than some federal agencies, and we have a reimbursable program. We work directly with the cities, state, federal and international work.

And finally, I think science communication to planners, water managers and serving the public. Decisions are going to be made, but we need to have the science, I would say, to make good, informed decisions. In my work so far with the Border 2020, I've been able to be down there. I would say people are hungry along the border for science support and

⁸ San Antonio Water Systems is the local water and wastewater utility serving San Antonio, TX.

that. And I hope very much that we can assist in some way, and I would like to know the issues that folks are facing in the room. And I'll be here for the rest of the day. Thank you.

[APPLAUSE]

MR. HEREFORD: Next I'd like to call Manuel Rodríguez, city council member from the City of Tijuana, Baja California, to make his presentation.

MR. RODRIGUEZ: Thank you so much. On behalf of the City of Tijuana, I would like to thank you first for today's decision to rehabilitate the part of the Collector Poniente. It is a very important infrastructure project in order to upgrade the sewage system of a binational community, which is Tijuana and the southern part of California.

I have to tell you that the challenge is to get Mexican authorities to believe that transforming economic growth is possible into sustainable development. I don't consider myself a Mexican neither an American citizen, at most a border citizen. I live in, I was born in Juarez and I was raised in Tijuana. I am 38—four years in Juarez and 34 in Tijuana, living by the ocean community, five of the last years. But, this problem that I'm presenting today is old, as six decades ago, since the Tijuana-Playas community or ocean community was established at the shoreline that we have with San Diego, which is 4.5 km of sand currently mixed with muds and 13 km to the south with Rosarito Beach.

And that photograph was last week in the commission which I chair, the Economic Development Commission. And I am teaming up with Serge Dedina, which is the Mayor of Imperial Beach, and advocate the cleaning of the sewage system of the Tijuana River. And there you see Mr. Espinoza, the CILA representative, and the CONAGUA delegate in Baja California, Ricardo Zazueta, with the other council members of the City of Tijuana, trying to see how can we get into this problem, international problem, that the United Nations has catalogued as one of the most polluted beaches in the world.⁹ So, let's go ahead and see what's the problem.

As I tell you, in the 13 km to Rosarito, there are lots of housing developments that their systems, collectors, go directly to the ocean. So, what we are asking right now is to take in account, together with Tijuana and Rosarito, that we need another treatment plant for the area, for those 13 km that Punta Bandera, the current plant, is not considering in its treatment. There you see two housing developments, which is Baja Malibú and Playa Blanca, and since 2014 they're directly polluting the Pacific Ocean. Go ahead.

Those are collectors being filled by garbage that has to be removed every... We, as council members, team up also with community organizations like *Proyecto Fronterizo de Educación*.¹⁰ Last September with 2,000 volunteers, including kids, we picked up from the streets more than 55 tons of garbage that was damaging the entrance of the rain collectors. Go ahead.

⁹ Mexican Section of the International Boundary and Water Commission (IBWC), *Comisión Internacional de Límites y Aguas* (CILA); Mexican national water agency, *Comisión Nacional del Agua* (Conagua).

¹⁰ Border Education Project.

Those are the collectors going directly to the ocean that are still open. And as you see, the erosion of the sites before the ocean are also affecting the economic activity of the people living near the pier. So, it is a risk also for human activity. Go ahead.

So, this is a normal day where I live at. There is not enough people from the city picking up, people from federal authorities or state authorities, picking up the solid waste. There is not a solid waste disposal working right now. We are having problems also with vehicles, disposal vehicles. Go ahead.

The failing city infrastructure also is collapsing. Some of the collectors are collapsing due to bad construction. Go ahead.

Well, there you go, we're killing our biodiversity. A mud dirty beach along two miles, and it's a normal scene finding whales and some mammals dead at the beach. Go ahead.

So, Punta Bandera, which was constructed in 1988, treats 37% of Tijuana swage, but its effluent has failed to comply with Mexico coastal emissions since 2015. The State Government is estimating a \$24.7 million to upgrade the existing wastewater treatment ponds of the 30-year old facility. Actually, that's almost 500 meters from my home. And they are trying to build a new sludge facility on site. So, if it only treats 37%, what is happening to the rest? You can imagine. Go ahead.

So, the total Baja California project for the sewage system—and I have to say many of these projects have been delayed, but that doesn't mean that they do not need to be constructed. They need to be constructed. And I am very hopeful that with the push, the pull, that our southern California communities—actually Senator Ducheny, which is here, I appreciate—are making to put this in the focus of the agenda, environmental agenda, of Mexico and the United States. Go ahead.

So, today an alert was issued because yesterday it rained in Tijuana, and you have a lot of garbage and wastewater going directly to the ocean. You can see there's clandestine disposal. There is a disposal crisis because of the lack of vehicles. And we're actually living under garbage. The services are threatened by bad decisions, and there is lack of environmental education in our border region. So, every dollar granted or funded by NADBank, spent on economic issues, it's a dollar well spent because we need to transform this unstable economic growth. Go ahead.

So, thank you very much.

[APPLAUSE]

MR. HEREFORD: Next I'd like to call Brad Newton, Executive Director for the City of Presidio and Presidio MDD, to make his presentation.¹¹

Jake is coming later, Brad. But the microphone is in the back.

¹¹ Presidio Municipal Development District (MDD).

MR. NEWTON: Well, Jake, Jake and I have been working together so much, it's, you know, we kind of overlap a little bit. I guess you can use the slideshow if you need to go back to refer to it. But anyway, welcome to Texas! Presidio, Texas is the gateway from Chihuahua City on the Pacific La Entrada.¹² Next. Oh, it's a little slow there, but anyway welcome. It might surprise you that the palm trees line 67 all the way to the border, and we just got some new ones there too. So, anyway, next slide please.

There is an aerial shot of the port of entry on the United States side and you can see the new model port of entry for Mexico on the other side. And this slide is about a year old, and of course you can see the Rio Grande and the levee that the International Water Boundary Commission did—good job on that by the way. Next slide.

On a map you can see that we are kind of in the middle between El Paso and Del Rio, which represents about 20% of the United States-Mexico border. And we're the only port of entry right there. So, it's strategically located, and it just takes a couple of hours to get down to Chihuahua City and beyond. Also, the railroad runs there. Next slide.

There's a picture of the Chepe. That was actually taken in Mexico on a trip that we did. And it's called the Trade Corridor 56, the La Entrada al Pacífico Trade Corridor. It's been around a while, but it's just now kind of getting to us. There's been a lot of talk about getting this trade corridor open, and the time is now. Next.

The railroad first came to Presidio in 1930. I found a—a guy walked in and says: *'Hey, do you want a picture of when the train first got here?'* And I thought *'boy that's kind of neat,'* so we threw it in there to show that the railroad project has been a long time coming. Next slide.

Also, we have natural gas now. Back in 2009 when I got there, we only dreamed of getting natural gas there. And that's the metering station in its construction phase that meters the gas that goes to Mexico. So, this is about 11 miles outside of Presidio and working with Energy Transfer and West Texas Gas—next slide—we now have natural gas at our industrial park. So, the next phase of this thing is to get it into town and on over to Mexico and share it with Ojinaga. Anyway, that's kind of the little Christmas tree. And we also, our first big customer is Buy-A-Chili. So, we're truly cooking peppers with gas now. We're cooking with gas. Next.

We also have a great little airport there that can handle these nice size jet airplanes, a mile long runway. And it's got the GPS approach, everything you need to do to get in and out of Presidio quickly, including medical flights.¹³ We're quite proud of the fact that the medical flights have allowed us to save probably about 60 people a year versus driving 90 miles to the hospital. We can have them there in about 45 minutes into El Paso. Next.

Of course, there's the international bridge, and it's crossing the Rio Grande. You can see the levee in the background. Next.

¹² Trade Corridor 56 known as La Entrada al Pacífico.

¹³ Global Positioning System (GPS).

Right here is the railroad bridge that was destroyed by arson in 2008, and I guess they didn't think they did a good enough job, so they came and burnt it again in 2009. So, if you don't get it done right the first time, you know, then try, try again. So, there is a little section of concrete bridge right there; however, after the 2008 flood, the International Water Boundary Commission came in and did a great job on fixing the levee and raised it up five foot. So, now the plan is—and I believe it is funded, right Jake? Yeah, it's funded—to build the bridge—I've been told two and half foot above the levee. So, like I said, the State of Texas owns that rail, and they're working on it. It should be close, should be close. Next slide please.

And thank you for visiting Presidio. There's a whole lot more going on there that I didn't put slides cause Jesse told me to keep it short, and I will honor that.

[LAUGHTER/ RISA]

But, one of the things is the power grid. There has been, you know, since I got there in 2009 to now, we have these huge power lines that are coming down that are only at 10% capacity, at low voltage. Really, at high-voltage, they'd only be at 5% capacity. We built a 10-MW solar plant, and the City only uses 5 megawatts under heavy loads. So, we're producing twice as much electricity by solar than we use as a city and, you know, the slide-rule engineers—no offense—but they designed a 10-megawatt plant, and it's putting out 11. We've got really good sunshine there. So, we've got the means for energy production to be shared with Mexico. We've got gas to be shared with Mexico. We work with Mexico. We got Canada calling us. And so, what we'd like to say is thank you to all the agencies and things that have gotten us to this point, but we also want to let you all know, working with BECC—we've been working with BECC a lot, you all's new partner or are you all are just the same thing? Anyway, whatever it is, we're glad. So, we're glad you all are together, and I personally just want to say thank you, and I think that they'll be opportunities for NADBank and continue working with BECC, to make Presidio a really great port of entry. Thank you, Jesse.

[APPLAUSE]

MR. HEREFORD: Next we have Vice Mayor Matias Rosales from the City of San Luis and the Greater Yuma Port Authority, where he serves as chair.

MR. ROSALES: Hello. Thank you, Jesse. On behalf of my Mayor and the City of San Luis, I thank you for allowing us to present this project to NADBank and BECC. I'm here to present a binational, natural gas project for our area.

The slide up there, the title says it all: San Luis Region. Not only are we a binational community, we call ourselves a binational region. San Luis Río Colorado and San Luis, Arizona, is located on the corners of Arizona, Sonora, California and Baja California. This project would be, locally, immediate impact would be 350,000 people, access to over 53 million people. By that, I mean that we're at least eight-hour drive from most major western cities: LA, Vegas, Phoenix. We have access to over 170 international manufacturing companies, industrial parks that are being developed on both sides of our border. Next please.

The San Luis ports of entry, we have two. We have a pedestrian port of entry and vehicles, and we have a fully, 100% commercial port of entry, which in the recent up of economic increase, we've seen a lot of increase in our traffic. Right now, we are at 75% completion on a feasibility study with GSA for a new port of entry.¹⁴ GSA and the Federal Government have graciously put our project on funding for this fiscal year, hopefully. And we will be, hopefully, getting a new port of entry for pedestrians. We serve over 16 million crossers per year and about 3 million pedestrians per year. Next.

Again, this is talking about the data right there. The US\$6-million annexation building that just was—we had a groundbreaking ceremony Tuesday. Governor from Arizona, Doug Ducey, was there with local stakeholders. We've done a lot of investment over to our east side of the city in hopes of preparing for this new project that we want to bring to our whole region. The gas project, like I said, would be affecting not only San Luis, Sonora, San Luis, Arizona, but all our region. Next please.

What we're looking to do is looking for the assistance of the NADBank and BECC to go ahead and start a feasibility study to evaluate the design for the high-pressure line between Mexico and the United States. Arizona, being a hot temperature location, we understand, and we have done almost everything in regards to clean energy. I want to say that we're probably the solar capital of the United States with the beautiful 120° weather that we have year around. So, we understand clean projects, clean energy projects, and this is why we need this gas project. The demand for our companies that want to move into the area and continue the economic growth for the city and for the residents, natural gas is our next project. San Luis, our mayors for the region got together a few years ago and created the 4FrontED. It's an organization developed to be able to promote the region in order to move everybody ahead. Next.

I wanted, again, my friends over there from Presidio mentioned that their gas project took about eight, nine years, so that does give me a little bit of hope, if we're able to get this feasibility study started, we hopefully might be able to get this project up within the next four or five years. NADBank has been gracious with us. We worked with you guys on your first CAP project a few years ago, and you guys were able to help our region, and it has been a very positive effect for our area.¹⁵ Again, thank you very much. If you have any questions, please feel free to ask.

[APPLAUSE]

MR. HEREFORD: Thank you, Vice Mayor. The last public comment that we have registered is from Jake Giesbrecht, Executive Director of Presidio International Port of Entry.

UNIDENTIFIED VOICE: Port Authority.

MR. HEREFORD: Port Authority.

¹⁴ U.S. General Service Administration (GSA).

¹⁵ NADB Community Assistance Program (CAP).

MR. GIESBRECHT: Hello. Thank you very much, Jesse. Thank you the NADBank Board of Directors. I've known Jesse for quite a few years, and he's been a tremendous help to Presidio, not only in NADBank but also as he was before he was, when he was a pup.

I'm Jacob Giesbrecht. I was born in Mexico, and then my first 10 years of school I had in Mexico, and it was actually a German school. So, my first language is German. And then they moved me to Canada, so I was there for another seven, eight years in the public-school systems and then came back. Now I've been in the United States for 25 years, and I think I just gave my age away.

[LAUGHTER]

But I love, I love Canada, I love Mexico, and I love the United States. So, to me it's very dear when we talk about NAFTA. I serve on the BTAC Board for the State of Texas under the Secretary of State.¹⁶ And I love the challenges that we have there now, and I really think that we can do a lot with renegotiating NAFTA because of the culture that I know in Canada, in the United States, and in Mexico. And I really want my children to have a future here in the U.S. and Mexico and Canada for the next 20 years. And I really would not like to be under a Chinese government. I'd love to be under a NAFTA government.

[LAUGHTER]

So, that's why I think it's very important that we put some time into the project. And I really love what you guys do for the border. NADBank has done a lot for the border. And I think there's a lot to be done. It's critical the infrastructure of the port of entry that we have there. And like I said, Jesse has been a great help.

In Presidio and Ojinaga, we're looking at a port-of-entry trade infrastructure facility. And that, we think is critical, especially what we're looking after is balancing the trade because, like Brad said earlier, we're so far away from El Paso and Del Rio, and that gives us challenges and opportunities. And one of the challenges is to balance the trade. We can only make it if we balance the trade between the United States and Mexico. And we know that it's critical for us to have this infrastructure project there where we've been working with the State of Texas, in partnership with the State of Texas, TxDOT, very closely on getting another span of the bridge.¹⁷ And now we're looking at—we're building a car, I would say like this to the State of Texas, to TxDOT, all the time. Now we've built a car, a very nice, beautiful car and beautiful infrastructure on the Mexican side of the port of entry. Now, we've got to learn how to drive it, more efficiently and more effectively, especially to enhance the NAFTA and productivity. And in today's global marketplace that we are in, we're really looking at getting our infrastructure facility proposal, that we will be presenting, here very closely. And we're working very closely with TxDOT and with the State of Texas to get it done.

And we're also looking at the infrastructure and that trade infrastructure proposal that we're doing and the infrastructure, there's two things. One of them is, the main thing is the laboratory services that we can have from the USDA services, so that we can do both in-

¹⁶ Border Trade Advisory Committee (BTAC).

¹⁷ Texas Department of Transportation (TxDOT).

bound, import and export our agricultural products. We're looking at agricultural ports and mostly we realize that Mexico, the state of Chihuahua especially, is a major consumer of U.S. ag products. And that's what we're really looking at to see if we can make that more competitive, more competitive, the rates, especially on the beef industry that Mexico is buying so much out of the United States. And then the United States is buying all the produce out of Mexico. So, if we can make that trade between each other, that's what we realize is very healthy for us. And that's what we want to help mostly.

And the next thing is the energy. We're looking at—the Secretary of State loves the energy project and so do we. So, we have that natural gas pipeline there now in Presidio where we have a lot of capacity to generate electricity and then we have a market of—right there close by us. It's about 60 miles from us. We have a market of at least 300,000 MW of electricity there in Mexico to produce this produce that we're going to go back and sell to the United States. So, it is a win-win, we think. And it'll create a tax base in the United States, and it'll create, it'll even... it'll even the trade deficit, and that's what we're after. And I know, I don't speak, I don't know about the Federal Government, but I realize that if we have healthy trade and we have a balanced trade between the countries, we'll have a great future for all three countries.

So, thank you very much and thank you for what you are doing and your consideration.

[APPLAUSE]

MR. HEREFORD: Is there anyone else that would like to give public comments that did not have an opportunity to sign up?

Seeing none, I will turn the microphone back to our Chairman, Carlos Márquez Padilla, for some closing remarks.

MR. MÁRQUEZ: Well thank you very much. It is a very pleasant surprise for me as first time here chairing this Board to listen to so many stories, to so many projects of a binational community, of a border community, that faces big challenges in some ways, but has thrived and made a lot of progress in other matters. This, above all, sets our spirits high and makes us look forward to working in new projects that increase, again, the competitiveness, the sustainability, of the region, that has a direct impact on the lives of citizens in both countries.

This meeting, this whole day, has been very productive in terms of dialogue. It has been a pleasant surprise to see how there are so many coincidences between the two governments, and we see priorities in the same direction. I think as Geoffrey was saying in his initial remarks, growth is, at the end of the day, a common goal. And as I hear his remarks saying that to the extent that Mexico performs well in terms of growth, the U.S. will perform well. We think about it the same way. To the extent that the U.S. is doing well, I think the Mexican communities will benefit from this growth. And as we think of global growth as a public good, I think between our two nations, each other's well-being and each other's good economic performance will translate into increases in the life quality of our populations.

So, I cannot stress enough how we see that our priorities in the border are common, that I see a fertile ground for cooperating in the near term. We expect a bright future for the next 20 years for the Bank, and look forward to hearing more about these projects, to listening on the particular needs of the communities and see how we can translate these needs into financially viable and responsible projects in different sectors, which will increase the well-being and the welfare of populations in both sides of the border.

So, I thank you all for coming here. I thank the Board. I thank the Government of the U.S. for receiving us here. The Management, I congratulate them once again for the efforts. The Mexican delegation and other staff that we've gathered here for today and yesterday, and look forward to the next meeting. And if there would be no other comments, we formally declare this session closed, and we adjourn for the day.

[APPLAUSE]

MR. HEREFORD: And the two quick housekeeping announcements. The reception is going to be at the river level, so please join us for that. And then, for the Board Members, we'd like to get an official photo before we adjourn. So, I know the photographer will come up and take the photos, and then we'll see everybody at the reception. Thanks again for being here. We appreciate your attendance today.

[APPLAUSE]

[MEETING ADJOURNED]