

MINUTES

RIO GRANDE REGIONAL WATER AUTHORITY (RGRWA)
9:00 A.M. – TUESDAY, MAY 16, 2006
MCALLEN MILLER INTERNATIONAL AIRPORT – EAST CONFERENCE ROOM
2500 SOUTH BICENTENNIAL – MCALLEN, TX

PRESIDING: JIM DARLING, PRESIDENT

The Rio Grande Regional Water Authority (RGRWA) Board of Directors held a regular meeting at 9 a.m. on Tuesday, May 16, 2006 in the East Conference Room, McAllen International Airport, McAllen, Texas. In attendance were:

Board Members

President: Mr. Jim Darling, Hidalgo Co.
Vice-President: Ms. Sonia Kaniger, San Benito
Secretary-Treasurer: Mr. Joe Barrera, Brownsville
Mr. Eduardo Guerra, Zapata Co.
Mr. Wayne Halbert, Harlingen
Mr. Tomas Rodriguez, Webb Co.
Mr. Jimmie Steidinger, Donna
Mr. Ricardo Gutierrez, Starr Co.
Ms. Kathleen Reavis
Mr. Glenn Wilde
Mr. John Bruciak

Others

Neil Haman, TWDB
Charles Browning, NAWSC
Blanca Villalpando, Senator Eddie Lucio
Carlos Rubinstein, TCEQ
Randy Rolando, RGV Sugar Growers
Charlie Ranking, LRGV Water Committee
Jesus Barba, Atty
Ron Whitlock, Valley News Line
Bill Norris, NRS

President Jim Darling, called the meeting to order, and asked Mr. Ken Jones to call roll. Upon completion of the roll call, it was ascertained that a quorum of voting members was present. President Darling then moved to agenda item 2. – Consider approval of April 18, 2006 Meeting Minutes. As there were no changes to these minutes, ***Ms. Sonia Kaniger made a motion to approve the minutes as presented. Mr. Jimmie Steidinger seconded the motion and upon a vote the motion passed unanimously.***

The Chairman then moved to agenda item 3. – Public Comment. Mr. Ken Jones informed the chairman that there were no requests for Public Comment.

The Chairman then moved to Agenda item 4. – Discussion and Possible Action, RE: RGRWA Legislation. Chairman Darling informed the Board that the Legislative Committee met on May 3, 2006 and had determined that two changes would be beneficial to the legislation: the Board will consist of eighteen (18) directors of which eleven (11) are appointed by the Governor as follows:

Nine (9) directors who represent irrigation districts. The Governor will make appointments from a "pool of recommended individuals provided by the Conference". The Conference shall be obligated to supply a sufficient number of recommended individuals to allow the governor to complete his/her appointment obligation; and

- One (1) Director who represents the public; and
- One (1) director who represents municipal class entities.

The remaining six (6) directors will be selected as follows:

- One (1) director is appointed from each of the six (6) counties in the Authority by majority vote of the commissioners' court of that county. Additionally, those counties that do not own water rights; and are not granted a Certificate of Convenience and Necessity (CCN); and are not a provider of water shall be required to appoint a director from the largest municipality within that respective county.

The Legislative Committee later met with Senator Eddie Lucio and determined that if Laredo, who had previously opted out of Membership from the Water Authority, decided to join that they could select a representative from Webb County. This would give Laredo two members, one from Laredo and one from Webb County. Mr. Darling informed the Board that Mr. Ian Randolph, of Senator Eddie Lucio's office, is currently working on another draft of the legislation. It was determined that when that draft is complete the Legislative Committee will meet to discuss changes. No action was taken.

Chairman Darling then moved to item 5 – Discussion and Possible Action RE: Development of 5, 10, and 15-Year Water Capital Improvement Plans, and Determination of Formula to Solicit Local Matching Funds Prior to Submission of Application to TWDB. Mr. Jones reported that the application for funding from the Bureau of Reclamation for Water 2025 was submitted on schedule and pointed out copies of the application in the Board binders. Mr. Jones explained that \$79,250 would be needed for local match contributions, and suggested that a successful fundraiser in November would help offset that amount. Mr. Jones went on to Agenda item 5.A.1. – Consider potential for local match sponsorships. It was the consensus of the Board to consider this item after the November fundraiser and before the Authority goes to the Water Development Board prior to asking for corporate sponsorships.

With no action needed on item 5, the Chairman moved to item 6 – Status reports. Mr. Ken Jones reported on item 6.A. – Local Funds Contribution and reported that no further funds had been received.

Regarding item 6.B. – Financial Report, Mr. Jones detailed the administrative expenses. **Mr. Joe Barrera made a motion to approve payment of administrative expenses. Mr. Ricardo Gutierrez seconded the motion and upon a vote the motion passed unanimously.**

Regarding item 6.C. – Report from Rio Grande Regional Water Planning Group (RGRWPG), Mr. Charles Browning reported that the Water Plan had been approved by the Water Development Board; and that the Group is proposing to do studies of the movement of water resources and that the R. J. Brandes Group is being considered to prepare that study.

Regarding item 6.D – Report from First Rio Grande Regional Water Authority Economic Development Corporation. Mr. Jim Darling informed the Board that the FRGRWAEDC has had their first organizational meeting. Mr. Darling then reported on item 6.D.1. – Board of Director Appointments. Mr. Darling informed the Board that Mr. Ken Jones and Ms. Debby Morales have requested to be replaced as Board Members due to a possible conflict of interest as they serve as the administration agent for both the RGRWA and the FRGRWAEDC; Mr. Jones and Ms. Morales' resignations would be effective upon the appointment of their replacements. Mr. Jones suggested Mr. Charles Browning as one replacement possibility; Mr. Joe Barrera suggested Mr. Jo Jo White as another. **Mr. Jimmie Steidinger made a motion the replace Mr. Ken Jones and Ms. Debby Morales with Mr. Charles Browning and Mr. Jo Jo White as Directors of the FRGRWAEDC. Mr. Joe Barrera seconded the motion and upon a vote the motion carried unanimously.** Regarding item 6.D.2. – Articles of Incorporation and 6.D.3. – Articles of Amendment to Incorporation. **Mr. Ricardo Gutierrez made a motion to approve both items as originally presented. Mr. Joe Barrera seconded the motion and upon a vote the motion passed unanimously.**

Regarding item 6.E. – Correspondence, Mr. Darling will be sending out a letter of support to for the rules change to HB 2250. Mr. Ken Jones suggested adding a Report from TCEQ Watermaster, Carlos Rubinstein to the status report; it was a consensus of the Board to do so.

The Chairman then moved to item 7. - Committee Reports. Mr. Jones reported on item 7.A.1.a. Website Water Market stating that the previous LRGA had a Water Market page on their website that allowed buying and selling of water rights for a nominal administration fee. **Mr. Wayne Halbert made a motion to approve Fernandez Group Inc. to include a Water Market page to the RGRWA website for a fee of \$75.00 per hour not to exceed \$750. Mr. Joe Barrera seconded the motion and upon a vote the motion passed unanimously.** In regards to item 7.A.2. – Educational Forum & Fund Raiser, Mr. Jones reviewed the draft of the fundraiser brochure from the Fernandez Group Inc. and pointed out some sections of the brochure that needed to be changed. **Mr. Jimmie Steidinger made a motion to approve the brochure with changes noted. Mr. Joe Barrera seconded the motion and upon a vote the motion passed unanimously.**

Upon conclusion of Community Outreach reports, the Chairman moved on to item 7. B. – Finance and Planning, then item 7.C. – Personnel and Professional Services. As there was no business to report on these two items, the Chairman moved to item 7. D. – Legislation. Chairman Darling proposed having the Legislative Committee meet in the near future to discuss funding issues and to discuss letting the legislators know what the RGRWA does not want to happen. Mr. Darling stated that the senate was going to make another run at SB 3 and suggested that the Board examine it closely. The Chairman suggested that during the November fundraiser the Board could prepare a presentation on the bill and present it for the legislative delegations that will hopefully attend the event. The Chairman continued stating that there are some good things in SB 3, but that the majority of it contained items that would not be beneficial to the Water Authority. Mr. Darling suggested that the bill be discussed in detail at the next board meeting and asked Mr. Carlos Rubinstein to provide leadership for the discussion. Mr. Rubinstein agreed to be a resource for the Board. Chairman Darling invited Mr. Charles Browning to participate as a representative of the South Texas Water Utility Manager's

Association, and Mr. Jesse Barba volunteered to provide resources for the legislative discussion as well.

At the conclusion of discussion on the Legislative Committee the Chairman moved to item 7. E. – El Morillo Drain. Mr. Charlie Rankin reported that the El Morillo Drain Committee met with Mr. Carlos Marin and discussed the possibility of the IBWC taking over financing of the El Morillo Drain Project, but that it would take a change in legislature for this to be accomplished. Mr. Rankin expressed that he would prefer that the project be managed by local people and not by a Federal entity. Mr. Darling stated that he had spoken briefly with Senator Hinojosa about the possibility of the RGRWA being given specific statutory authority to be Texas' representative for the El Morillo Drain, which would allow the Board a statutory assessment against the counties for El Morillo Drain funding.

Regarding item 8.A. - Reservoir Levels, Mr. Carlos Rubinstein stated that the reservoir levels are at 85.58% down about 490,000 acre feet from last year. Mr. Rubinstein informed the Board that TCEQ continues to replace 80% of the water being moved from Falcon Reservoir with water from Amistad Reservoir in order to get to the conservation level at Amistad. Mr. Rubinstein stated that last week Mexico turned over 74 million cubic meters of conserved water from Luis Leon at the Concho according to the provisions in minute orders 308 and 309. Mr. Rubinstein added that Mexico has built a huge wastewater treatment plant in Chihuahua that has 100% wastewater reuse being utilized for irrigation purposes.

There being no further business the Chairman adjourned the meeting.

Jim Darling, President, RGRWA

ATTEST:

Joe Barrera, Secretary-Treasurer, RGRWA