

# MINUTES

JOINT MEETING OF THE  
RIO GRANDE REGIONAL WATER AUTHORITY (RGRWA)  
AND THE  
FIRST RIO GRANDE REGIONAL WATER AUTHORITY  
ECONOMIC DEVELOPMENT CORPORATION (FRGRWAEDC)  
BOARD OF DIRECTORS

9:00 A.M. – TUESDAY, SEPTEMBER 25, 2007  
MISSION CITY HALL - 1201 E. 8<sup>TH</sup> STREET – MISSION, TX

**PRESIDING: JIM DARLING RGRWA & FRGRWAEDC PRESIDENT**

The Rio Grande Regional Water Authority (RGRWA) and the First Rio Grande Regional Water Authority Economic Development Corporation (FRGRWAEDC) Board of Directors held a joint meeting at 9:00 a.m. on Tuesday, September 25, 2007 at the Mission City Hall in Mission, Texas. In attendance were:

RGRWA Board Members

President, Mr. Jim Darling, Hidalgo County  
Mr. Eduardo Guerra, Zapata County  
Mr. Ricardo Gutierrez, Starr County  
Mr. Tomas Rodriguez, Webb County  
Mr. Frank Torres, Willacy County  
Mr. Wayne Halbert  
Ms. Kathleen Reavis  
Mr. Jimmie Steidinger

Others

Mr. Charlie Rankin, El Morillo Drain  
Mr. Roy Rodriguez, City of Mission  
Mr. Randy Rolando, RGV Sugar Growers  
Mr. Jake White, NRS  
Mr. Ken Jones, LRGVDC  
Ms. Debby Morales, LRGVDC

FRGRWAEDC Board Members

President, Jim Darling  
Ricardo Gutierrez  
Nora Garcia  
Chuck Browning  
Allen Shields

President Jim Darling's arrival to the meeting was delayed, thus it was the consensus of the Board that Mr. Wayne Halbert chair the meeting until Mr. Darling arrived. Mr. Halbert called the meeting to order at 9:20 a.m. and stated that a quorum of voting members for the FRGRWAEDC was not present; however more members were in transit and a quorum would be attained upon their arrival. Mr. Halbert then stated that a quorum of voting members for the RGRWA was present and proceeded to the agenda item 2. - Consider approval of meeting minutes, item 2.A. – May 15, 2007 RGRWA Meeting Minutes. ***Mr. Jimmie Steidinger made a motion to approve these minutes as presented. Mr. Frank Torres seconded the motion, and upon a vote the motion carried unanimously.***

As a quorum of the FRGRWAEDC was not present Mr. Halbert moved on to agenda item 3. – Public Comment and informed the Board that no one had signed up for Public Comment.

The Chairman then moved to item 4. – Consider Ratification RE: Letter of Support for Hidalgo County Irrigation District #2 (HCID#2) Pipeline Improvement Projects as part of Border Environmental Cooperation Commission's (BECC) Public Participation Plan. This item was approved by the Executive Committee in July and staff was seeking ratification of this action by the Board. **Mr. Jimmie Steidinger made a motion for ratification of this letter. Ms. Kathleen Reavis seconded the motion, and upon a vote the motion carried unanimously.**

Upon conclusion of action on item 4, Mr. Halbert moved to item 5. – Report from TCEQ Watermaster; however no one from the Watermaster's office was in attendance to give their report. As there was no quorum thus far for the FRGRWAEDC to act on item 6, Mr. Halbert then moved to item 7. – Status Reports and recognized Mr. Ken Jones.

Regarding item 7.A. – Local Fund Contribution Mr. Jones stated that there were no new contributions to report.

Regarding item 7.B. – Financial Report, Mr. Jones summarized the balances and stated that staff was seeking ratification of Expenses from May and June 2007 which were approved by the Executive Committee in July as well as approval for Expenses from July and August 2007. **Mr. Jimmie Steidinger made a motion for ratification of the May and June expenses and for approval of the July and August Expenses. Mr. Tomas Rodriguez seconded the motion, and upon a vote the motion carried unanimously.**

At this time, 9:30 a.m., Mr. Allen Shields, FRGRWAEDC Board Member, arrived and Mr. Halbert asked that the record reflect that with Mr. Shields' arrival a quorum of the FRGRWAEDC had been attained. It was then the consensus of the Board to move back to item 2. Consider Approval of Meeting Minutes, and allow the FRGRWAEDC Board to act on their items. Regarding item 2.B. – September 19, 2006 FRGRWAEDC Meeting Minutes. **Mr. Ricardo Gutierrez made a motion for approval of these minutes as presented. Ms. Nora Garcia seconded the motion, and upon a vote the motion carried unanimously.**

The Chairman then moved to item 2.C. – October 4, 2006 FRGRWAEDC Meeting Minutes. **Mr. Ricardo Gutierrez made a motion for approval of these minutes as presented. Mr. Charles Browning seconded the motion, and upon a vote the motion carried unanimously.**

Mr. Halbert then moved to item 2.D. – February 12, 2007 FRGRWAEDC Meeting Minutes. **Mr. Allen Shields made a motion for approval of these minutes as presented. Mr. Charles Browning seconded the motion, and upon a vote the motion carried unanimously.**

The Chairman then moved to item 6. – Consider Approval of Amending Documents to the Rio Grande Valley Sugar Growers, Inc. Project RE: Amending Resolution, Supplemental Trust Indenture and Amendment to Loan Agreement. Mr. Randy Rolando of the Rio Grande Sugar Growers, Inc. was recognized and stated that when the bonds were sold, CoBank did not have a public rating, but had recently retained a rating of A minus 1 and sought to take over as paying agent trustee from the Bank of New York. Mr. Rolando assured the Board that nothing had changed regarding the terms of the bonds and informed them that the project was

approximately 50% complete at this time. Upon conclusion of discussion **Mr. Allen Shields made a motion for approval of the Amending Resolution, Supplemental Trust Indenture, and the Amendment to Loan Agreement. Mr. Ricardo Gutierrez seconded the motion; Mr. Chuck Browning abstained, and upon a vote the motion carried.**

Regarding item 7.C. – Report from Rio Grande Regional Water Planning Group (RGRWPG) Mr. Glenn Jarvis, Chairman of Region M, was unable to attend; however, Mr. Jake White, NRS Consulting Engineers was recognized and briefed the Board on the work that was being performed regarding the Group's contract with the TWDB.

Regarding item 7.D. – Report from the First Rio Grande Regional Water Authority Economic Development Corporation (FRGRWAEDC), staff recommended the RGRWA acknowledge the action taken by the FRGRWAEDC on item 6. **Mr. Ricardo Gutierrez made a motion to acknowledge and approve the FRGRWAEDC's action taken regarding the Amending Documents to the Rio Grande Valley Sugar Growers, Inc. Project RE: Amending Resolution, Supplemental Trust Indenture, and Amendment to Loan Agreement. Mr. Frank Torres seconded the motion, and upon a vote the motion carried unanimously.**

Regarding item 7.E. – Update on 2025 Application Submitted to U.S. Bureau of Reclamation. Mr. Jones informed the Board that a letter had been received from the United States Department of the Interior that rejected the RGRWA's application to the Water 2025 Challenge Grant Program because it deemed that the RGRWA's organizational structure was most similar to that of a water conservancy district which was not eligible for funding under Task E. The letter also informed the Board of the opportunity to re-apply under Reclamation's new "System Optimization Reviews" sub-program of the Water 2025 Program. Upon conclusion of discussion **Mr. Tomas Rodriguez made a motion to re-apply under the System Optimization Reviews sub-program. Mr. Jimmie Steidinger seconded the motion, and upon a vote the motion carried unanimously.**

Regarding item 7.F. – RGRWA Legislation, 1. – Discussion and Possible Action RE: SB 707, a. – Establish Advisory Committee. Mr. Jones stated that the legislation had passed and would become effective as of September 30, 2007, and toward that end staff recommended that the RGRWA Board appoint the Executive Committee, President Jim Darling, Vice President Sonia Kaniger, and Secretary/Treasurer Joe Barrera, as the Advisory Committee as referenced in the legislation on page 2, Article 1A, Section 1A.02. Mr. Jones stated that as per the legislation, this advisory group would have the responsibility to advise the RGRWA Board on administering and implementing this act. **Ms. Kathie Reavis made a motion for approval of the Executive Committee to be the Legislative Advisory Committee. Mr. Jimmie Steidinger seconded the motion, and upon a vote the motion carried unanimously.**

Regarding item F.1.b. – Scheduled Initial Meeting of the Conference. Mr. Jones stated that he had been working with the TCEQ Watermaster's office to obtain a list of water right holders, who are the people who will be contacted regarding the Conference and would have a completed list by the October meeting. It was the consensus of the Board that the Advisory Committee confer to discuss this topic and report to the Board their recommendation(s) at the October meeting.

Mr. Halbert asked that the record reflect the arrival of President Jim Darling at 9:51 a.m. and

turned the chair over to him.

President Darling moved to item 7.G. – Brownsville PUB Pilot Regional Desalination Plant. Mr. Jones noted that a press release that mentioned the Pilot Regional Desalination Plant was included in the Board folders. On a related topic, President Darling informed the Board that the Texas Water Development Board had divided the state into 16 Groundwater Management Areas and that rules would be determined for each area. The majority of the counties in the RGRWA were assigned to Area 16, which also included the neighboring counties of Kenedy, Starr, Jim Hogg and Brooks. President Darling suggested that the RGRWA participate in activities regarding the development of these rules in order to protect the interests of the Rio Grande Valley region. The President then asked for volunteers to sit on a Groundwater Management Ad hoc Committee. The members will include: Mr. Charles Browning, Chair, and Mr. Ed Guerra and Mr. Tomas Rodriguez as committee members.

Regarding item 7. H. – USDA Genetic Investigation of Arundo donax, Carrizo Cane in the Rio Grande Basin, Mr. Jones informed the Board that Dr. John Goolsby was unable to attend today's meeting, but will hopefully be able to provide an update of his progress to the Board at the next meeting.

Upon conclusion of discussion and action on Status Reports, the President then moved to item 8. – Committee Reports.

Regarding item 8.A. – Community Outreach, there was nothing new to report.

Regarding item 8.B. – Finance and Planning, there was nothing new to report.

Regarding item 8.C. – Personnel and Professional Services, there was nothing new to report.

Regarding item 8.D. – Legislation, this topic was covered under item 7.F.

Regarding item 8.E. – El Morillo Drain, Mr. Charlie Rankin was recognized and informed the Board that construction was ongoing. Mr. Jones added that a group had toured the drain and were pleased by the progress made. Mr. Rankin added that the El Morillo Drain Committee was waiting for the contractual donations from Cameron and Hidalgo Counties. President Darling asked for copies of letters the Committee sent to both counties in order to provide assistance in the collection efforts.

President Darling then moved to item 9. – New or Old Business. There being no Older or New Business to discuss the meeting was adjourned at 10:23 a.m.

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Jim Darling, President, RGRWA

ATTEST:

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Joe Barrera, Secretary-Treasurer, RGRWA