

LOWER RIO GRANDE AUTHORITY (LRGA) REGULAR BOARD MEETING

as per Chapter 551, Texas Government Code

WEDNESDAY, JUNE 8, 2005 - 9:00 A.M.

Jones, Galligan, Key & Lozano, LLP Offices - Conference Room

2300 West Pike Boulevard, Suite 300

Weslaco, Texas

Presiding: Bobby Sparks, President

President Bobby Sparks called the meeting to order, and stated that there was a quorum present, consisting of the following:

Bobby Sparks, <i>President</i>	Valley Acres
Tito Nieto, <i>Vice-President</i>	United Irrigation Dist. #15
Gordon Hill, <i>Interim Secretary-Treasurer</i>	Bayview Irrigation Dist.
Paul Heller	Rio Queen Citrus
Joe Pennington	Delta Lake
Frank Ruiz	Cameron Co. ID #6
Harold Seiver Jr.	Donna Irrigation Dist.
Rick Smith	La Feria IDCC #3
Frank "Jo Jo" White	H&CCID #9

Also present were:

Chuck Browning, NAWSC
Sonia Kaniger, Cameron County Water Dist. #2
Nora Zapata, Donna Irrigation District;
Joe Barrera, Brownsville irrigation District
Jesus Flores, Engleman Irrigation District
Ricardo A. Perez, City of Mission
Bill Norris, NRS Consulting Engineers
Jesus Barba, Attorney
Ken Jones, Lower Rio Grande Valley Development Council
Anna Toye Bruton, Lower Rio Grande Valley Development Council

Present by telephone conference:

Linda Fernandez, Fernandez Group, Inc.
Mr. Greg Ellis, Houston-based Attorney, specializing in Water Law

The following agenda items were discussed: agenda item 2. - Discussion and Take Possible Action RE: Last Legislative Session Actions Affecting the Lower Rio Grande Authority (HB 2639 Relating to the Powers and Duties of the Tarrant Regional Water District and the Abolition and Distribution of the Assets of the Lower Rio Grande Authority). President Bobby Sparks informed the Board that Senator Lucio had attached a "repealer" to HB 2639, which would abolish the LRGA. Mr. Jesus Barba stated that this was a Committee Substitute presented to the Natural Resources Committee for consideration. Mr. Barba then addressed agenda item 3. - LRGA Assets. He stated that the options regarding this item were: 1) the LRGA could transfer its assets to another irrigation district or water improvement district. (The Water Code does allow for a transfer of assets between districts); and 3) the districts could consolidate if they entered into an interlocal cooperation agreements. Mr. Barba's immediate recommendations were: 1) Send a letter to the Governor asking him to veto the bill, and mention in the letter that the LRGA could pursue litigation on HB 2639; and 2) request opinions on various issues from the State Attorney General. (The law becomes effective September 1.)

At this time, Chairman Sparks recognized Mr. Bill Norris, NRS Consulting Engineers, who addressed agenda item 4. - Assignment of Projects, Regional Water Plan, Contracts and Assets. Mr. Norris informed the Board that TWDB had notified the LRGA that the Contract had been rescinded because no proof of local match had been provided. (The contract does not require local match interlocal agreements). Mr. Norris added that the decision to rescind the contract was based on erroneous information, and that he was informed by Mr. Kevin Ward that the LRGA could reapply for the funding. Mr. Norris stated that he would continue to contact the TWDB regarding the contract.

Mr. Gordon Hill, upon being recognized by the President, informed the Board that during a conversation he had with Mr. Paul Cowan of Senator Lucio's Office, Mr. Cowan stated that Mr. Wayne Halbert had agreed to dissolve the Authority during negotiations. Mr. Hill had informed Mr. Cowan that the two authorities had agreed to form a committee with representatives from both authorities to negotiate consolidation of both. (Mr. Cowan was unaware of the assets in the LRGA Treasury.) Mr. Cowan then stated that the bill had been brought to him 30 days previously by Messrs. David Mendez and Bill Summers; Mr. Cowan later recanted and said that he didn't know who had initiated the legislation.

It was felt that the bill was unconstitutional, and suggestions were made that the LRGA contact the Tarrant Regional Water District representatives and the authors of the bill. Mr. Sparks stated that a letter had already been sent to the Governor requesting a veto on the bill.

Following discussion, *it was the consensus of the Board that a Press Conference be scheduled for the next week.*

Mr. Tito Nieto, Vice-President, was asked to chair the meeting while the President was

temporarily out of the room. Mr. Nieto suggested that everyone who wrote a letter of request to the Governor, provide copies to Tarrant Regional Water District. Mr. Joe Pennington stated that representatives of the Produce Industry should be asked to write letters to the Governor requesting the veto, and it was agreed to contact representatives from this industry.

Mr. Paul Heller stated that a fact sheet should be developed so that information regarding the LRGA is not erroneous, *and it was the consensus of the Board that such a document be developed.*

Mr. Joe Barrera stated that Mr. David Mendez, attorney, had been asked not to return to meetings of the Rio Grande Regional Water Authority (RGRWA) at this time. Mr. Mendez had been working on legislation and other issues on behalf of the RGRWA.

Mr. Sparks stated that Mr. Jim Oliver, Tarrant Regional Water District, stated that another option regarding this issue is that the Governor call a special session. Mr. Sparks suggested that a letter be written to the Governor with this information included. Mr. Hill added that the LRGA needed the support of that water district, and that Mr. Oliver was to contact him the next day with further information. Mr. Sparks added that he was informed that if litigation were to be pursued, the LRGA should be willing to spend \$40,000 to \$50,000, and the suit would be tied up in court for a long period of time.

Mr. Sparks then suggested the following options:

- If for some reason this Authority dies, we should send the money back to the cities and the Water District Managers Association;
- We meet with the other authority and express our concerns about the political atmosphere in that body; and
- We ask the RGRWA if they will, within the next two years, pursue the same wording as HR 1817 to include municipalities as members.

Following discussion, ***Mr. Gordon Hill made a motion to authorize Linda Fernandez to develop a fact sheet on the LRGA. Mr. Frank Ruiz seconded the motion, and upon a vote, the motion passed unanimously.***

Mr. Jo Jo White then moved to approve the discussions with Jim Oliver, Tarrant Regional Water District, Mr. Paul Heller seconded the motion, and upon a vote, the motion carried unanimously.

The regular meeting was then recessed and an Executive Session was called on the following Item as per Sec. A551.071, Texas Government Code. Agenda item 5. - Consultation with Attorney on Litigation against HB 2639.

At the conclusion of the Executive Session, President Sparks reconvened the Regular Meeting, and the following action occurred:

Mr. Jo Jo White made a motion to authorize attorney to: 1) contact the Attorney General's Office regarding an opinion on the legislation, with a copy of that letter to the Governor and 2) send a second letter to the Governor, and 3) these letters be

approved by the Executive Committee. Mr. Rick Smith seconded the vote, and upon a vote, the motion passed unanimously.

With regard to the other authority, it was mentioned that there were five irrigation districts represented on the RGRWA. *It was ascertained that there are four representatives not appointed: one each from agriculture-related, public, water utilities, and municipalities.* During discussion, it was suggested that the LRGA ask to be placed on the other authority's meeting agenda with a request to consider merging the two authorities. *It was agreed that Ms. Sonia Kaniger, Vice-President, RGRWA, would ask that a special meeting of that Board be called.* Mr. Sparks then announced that Senator Lucio was going to be present at the next RGRWA Board Meeting. Following discussion, *it was also the consensus of the Board that a meeting of the Joint Committee of the two authorities for June 24th still be pursued.*

Then, there being no further business to be discussed, President Sparks adjourned the meeting..

Bobby Sparks, President

Tito Nieto, Vice-President