

OFFICE OF RURAL COMMUNITY AFFAIRS

Executive Committee Meeting

Omni Austin Hotel Southpark

4140 Governor's Row

Austin, Texas

June 2-3, 2005

MINUTES

The Executive Committee of the Office of Rural Community Affairs convened at the Omni Austin Hotel Southpark in Austin, Texas at 1:30 p.m. on Thursday, June 2, 2005. The meeting recessed at 5:25 p.m. that afternoon, and reconvened at 8:42 a.m. the morning of Friday, June 3, 2005. The Committee adjourned at 1:45 p.m. that same afternoon of June 3, 2005.

Executive Committee Members in Attendance

Present

William M. Jeter, III, Chairman

Carol Harrell, Vice Chair

Michael Waters, Secretary

David Alders

Nicki Harle

Wallace G. Klussmann

Lydia Saenz

Ike Sugg

Not present

Pat Wallace

Others Registered in Attendance *(in alphabetical order by last name)*

Last Name	First Name	Organization
Aguillon	Pablo	Zavala County
Alvarez	Jaime	Commissioner, Starr County
Armstrong	Gale	El Jardin Water Supply
Badeaux	Debra	MCS
Blanks	Randy	
Brisbin	Jake	Rio Grande Council of Gov'ts
Cardenas	Clarita	City of La Grulla
Cardenas	Oralia	Office of Rural Community Affairs
Cardiff	Sandy	Office of Rural Community Affairs

Last Name	First Name	Organization
Colina-Vargas	Carlos	Consultant
Cruz	Theresa	Office of Rural Community Affairs
Davis	Tres	Grant Works
Dillon	Pat	Consultant, SWC
Flores	David	Office of Rural Community Affairs
Gallegos	Nick	Judge, Edwards County
Garcia	Silver	Mayor, City of Combes
Garza	Armando	South Texas Development Council
Garza	Norberto	Commissioner, Zapata County
Gonzalez	Oscar	Mayor, City of La Grulla
Gonzalez-Davis	Mario	Zapata County
Gutierrez	Judith	Commissioner, Webb County
Hairston	Terrie	Office of Rural Community Affairs
Hardin	Margaret	Langford Community Management Services
Hernandez	Celestino	City of Eagle Pass
Hill	Jerry	Office of Rural Community Affairs
Jones	Robert	RIM Enterprises
Kennedy	Pat	City of Yoakum
Kibbe	Karen	Managing Partner, RK Vann & Associates
Langford	Judy	Langford Community Management Services
Longoria	Conrado	Middle Rio Grande Development Council
Martinez	Leodoro	Middle Rio Grande Development Council
McFarren	Jill	Office of Rural Community Affairs
McVey	Robert	Chief of Staff, Rep. Ryan Guillen
Mendez	Javier	City of Santa Rosa
Molina	Agapito	Judge, Jim Hogg County
Morales	David	Judge, Zapata County
Osborne	David	Mayor, City of Primera
Parks	Chisholm	Commissioner, Edwards County
Rathmell	Joe	Commissioner, Zapata County
Reyes	Raul	Mayor, El Cenizo
Ruiz	Philip	Project manager
Sanchez	Yvette	Secretary of State's Office
Spitzengengel	Bruce	President, Grantworks
Stone	Charles	Office of Rural Community Affairs
Swango	Steve	Office of Rural Community Affairs
Vargas	Juan	Webb County
Vera	Eloy	Judge, Starr County
Vistein	Jeff	Office of Rural Community Affairs

Last Name	First Name	Organization
Weaver	Bea	City of Los Indios
Wood	Robert	Asst. Commissioner, Texas Dept of Agriculture
Wyatt	Mark	Office of Rural Community Affairs

Chairman William Jeter called the meeting to order and asked Michael Waters, Secretary, to call the roll. A quorum was present.

1 Agenda Item A1

Michael Waters offered and Nicki Harle seconded the motion to approve the [minutes](#) of the March 31 – April 1, 2005, Executive Committee meeting.

2 Agenda Item C4

ORCA Executive Director Charles S. (Charlie) Stone briefed the Executive Committee on recent [agency staff retirements](#).

Lydia Saenz seconded Nicki Harle's motion that these employees be recognized for their hard work and dedication to serving Texas.

Chairman Jeter presented certificates honoring each of the retirees for their dedication and service to Texas:

Joe Ramos	11 years	Present
Alice Watson	17 years	Present
Gus Garcia	20 years	Present
Joe Midura	26 years	Not present
May Ann Medel	30 years	Not present

3 Agenda Item D2

David Alders, Chair of the Subcommittee on the [Internal Audit](#), introduced to the Executive Committee Mr. Don McPhee of the internal auditing firm of Helin, Donovan, Trubee and Wilkinson (Internal Auditor). Mr. McPhee reported that there were no findings in the internal audit.

Mr. McPhee also addressed the subcommittee's prior request to provide an additional audit to reconcile the agency's IDIS fund

balances with those of the US Department of Housing and Urban Development (HUD, estimating that the firm would require 55 hours to conduct the reconciliation.

Mr. Alders offered and Mr. Waters seconded the motion to approve an amendment to the existing contract with the firm of Helin, Donovan, Trubee and Wilkinson on the terms discussed regarding the reconciliation task.

The Executive Committee, with all members present voted yes.

4 Agenda Item H2

Mr. Robert Wood presented the [annual report from the staff of the Texas Department of Agriculture on the administration and activities of the Texas Capital Fund Program](#).

Mr. Wood introduced Texas Capital Fund recipient, Mr. Patrick Kennedy of the City of Yoakum, who discussed the value of the program to his community.

No action was taken.

5 Agenda Item D1

ORCA Finance Division Director, David Flores, briefed the Executive Committee on the across-the-board [reduction in budgeted administrative costs in the Community Development Block Grant Program for Program Year 2005](#) resulting from the US Housing and Urban Development 2005 grant award.

No action was taken.

6 Agenda Item H1

Mr. Robert Wood presented to the Executive Committee the [adoption of revisions to Section 255.7 of Title 10 of the Texas Administrative Code concerning the allocation of the Texas Capital Fund](#).

Carol Harrell offered and Nicki Harle seconded the motion to approve

the revisions as presented.

The Executive Committee, with all members present voted yes.

7 Agenda Item H3

Jerry Hill, ORCA General Counsel, presented to the Executive Committee the [Interagency Contract with the Texas Department of Agriculture for the administration of the Texas Capital Fund](#), and suggested that the contract be changed, and be retroactive, to be consistent with the program year, starting February 1, 2005 through January 31, 2006.

Lydia Saenz offered and Carol Harrell seconded a motion to amend the existing contract to be extended to January 31, 2006. The Executive Committee, with all members present voted yes.

8 Agenda Item H4

ORCA General Counsel, Jerry Hill, briefed the Executive Committee on the [Memorandum of Understanding with the Texas Department of Housing and Community Affairs \(TDHCA\) for the operation of the Office of Colonia Initiatives and the Colonia Self-Help centers](#), and recommended the interagency contract go along with the fiscal year beginning September 1 and ending August 31.

Nicki Harle offered and Lydia Saenz seconded a motion to approve that ORCA Executive Director initiate an interagency contract with TDHCA.

David Alders requested that ORCA Executive Director follow up with TDHCA to ensure that ORCA is recognized on all self help center information, signs, materials, and the like.

The Executive Committee, with all members present voted yes.

9 Agenda Item H6

Chairman Jeter reviewed the schedule and the location of future Executive Committee Meetings, as follows:

August 4-5, 2005	Columbus (Colorado County)
September 29-30, 2005	Austin (Travis County)
December 1-2, 2005	Brady (McCulloch County)

Other communities interested in hosting ORCA's Executive Committee include:

Graham (Young County) per Michael Waters and David Alders
Ballinger (Runnels County) per Michael Waters
Linden (Cass County) per Carol Harrell
Brownsville (Cameron County) per Lydia Saenz

Wallace Klussmann requested that further discussions be postponed until the next Executive Committee meeting.

The Committee members requested that ORCA Executive Director Charlie Stone, provide a map of the locations of where the Committee has met to date, with locations identified by year, for the next meeting.

No action was taken.

10 Agenda Item G1

David Alders, Chairman of the [Housing Task Force Subcommittee](#), briefed the Executive Committee on the subcommittee's prior meeting and discussions regarding soft cost and administration fee issues raised by HUD related to housing programs.

Mr. Alders noted that the scope of issues relating to the justification of soft costs and administration fees and the reasonableness thereof are under review in partnership with the Texas Department of Housing and Community Affairs.

No action was taken.

11 Action Item B1

[Comments](#) were received by the Executive Committee from the following persons at 2:50 p.m.:

Pat Dillon

Karen Kibbee
Gale Armstrong

12 Agenda Item C1

ORCA Research and Policy Team members, Mr. Erice Beverly and Ms. Kim White, briefed the Executive Committee on the [legislation adopted in the 79th Regular Session of the Texas Legislature affecting rural Texas and the Office of Rural Community Affairs](#).

Wallace Klussmann commended and recognized Mr. Beverly and Ms. White for their promptness in responding to inquiries and their professionalism displayed throughout the session.

Carol Harrell noted that she consistently heard that ORCA had a professional, positive staff during the session.

No action was taken.

13 Agenda Item C2

ORCA Executive Director Charles S. (Charlie) Stone briefed the Executive Committee on the [candidates for appointment of Directors to the Texas Rural Foundation](#). The candidates included:

John Anderson	Plainview (Hale County)
Tyane Thomas Dietz	Lufkin (Angelina County)
Richard (Dick) Dobie	Carrizo Springs (Dimmit County)
Gayle Earls	Dallas (Dallas County)
Bobby Gierisch	Austin (Travis County)

[Nicki Harle requested that Mr. Stone be sure to work to expand the purpose of the Foundation and change the names of the articles of incorporation to include the purpose of the Foundation.](#)

Lydia Saenz offered and Carol Harrell seconded a motion to approve the five candidates as members of the board.

Michael Waters requested that Ms. Saenz' motion be amended to designate Mr. Gierisch as the Chairman Protem until the Board gets established and names their own officers.

The Executive Committee, with all members present voted yes.

14 Agenda Item C3

ORCA Executive Director Charlie Stone presented the Executive Committee with the results of the [Classification Reviews by the State Auditor's Office](#), noting that 21 staff had been misclassified. Of the 21 misclassifications, 20 will be promoted and one will be reclassified at a lateral level. The agency is in the process of redrafting the job descriptions.

No action was taken.

15 Agenda Item E1

The Rural Health Subcommittee Chairman, Carol Harrell, noted to the Executive Committee that the subcommittee did not have a quorum for its June 2, 2005 meeting. However, Ms. Harrell did discuss rural health items with staff who were available for the meeting.

16 Agenda Item E2

Carol Harrell offered and Michael Waters seconded the motion to accept [Grant Awards for Rural Access To Emergency Devices to the Office of Rural Community Affairs from the federal Health Resources and Services Administration](#).

The Executive Committee, with all members present voted yes.

17 Agenda Item E3

Carol Harrell offered and Michael Waters seconded the motion to approve the [proposed Rural Health Work Plan pursuant to Section 487.057 of the Texas Government Code](#).

The Executive Committee, with all members present voted yes.

18 Agenda Item D3

ORCA Finance Division Director David Flores briefed the Executive Committee on the [agency's fiscal year 2005 budget](#).

No action was taken.

19 Agenda Item H5

David Alders offered and Carol Harrell seconded the motion to re-elect the existing [Executive Committee officers](#).

The Executive Committee, with all members present voted yes.

THE COMMITTEE RECESSED AT 5:25 P.M. ON JUNE 2, 2005 UNTIL 8:30 A.M JUNE 3, 2005.

THE EXECUTIVE COMMITTEE RECONVENED AT 8:42 A.M. ON FRIDAY, JUNE 3, 2005 AND CONTINUED WITH THE AGENDA.

Prior to commencing with the remaining agenda items, Chairman Jeter recognized Wallace Klussmann for attending legislative sessions and hearing on behalf of the agency and the agency's executive committee.

20 Agenda Item B1

[Comments](#) were received by the Executive Committee from the following persons beginning at 8:45 a.m.

Javier Mendez (who also asked the following to join him)
Judge Eloy Vera
Leodoro Martinez

ORCA Executive Director, Charlie Stone, also read resolutions in support of the Gentlemen's Agreement:

- 1 City of La Feria (Cameron County)
- 2 City of Los Indios (Cameron County)
- 3 City of Lyford (Willacy County)
- 4 City of Primera (Cameron County)
- 5 City of Rio Hondo (Cameron County)
- 6 City of San Perlita (Willacy County)
- 7 City of Santa Rosa (Cameron County)
- 8 Gilberto Hinojosa (Cameron County Judge)

- 9 Lower Rio Grande Valley Development Council
- 10 Town of Combes (Cameron County)
- 11 Town of Indian Lake (Cameron County)
- 12 Willacy County

21 Agenda Item F7

Charlie Stone presented and recommended to the Executive Committee, per staff, the approval of [the 2005 Community Development Fund and Community Development Supplemental Fund awards for the communities located in the South Texas Development Council, Middle Rio Grande Development Council, Lower Rio Grande Valley Development Council and Rio Grande Council of Governments areas.](#)

Michael Waters offered and Lydia Saenz seconded the approval of the awards.

The Executive Committee, with all members present voted yes.

22 Agenda Item F1

The [Regional Allocation Task Force Subcommittee](#) Chairman, Michael Waters, reviewed the past history of the subcommittee.

No action was taken.

23 Agenda Item F2

ORCA Community Development Division's Program Development Manager, Mark Wyatt, presented to the Executive Committee a [report related to scoring criteria used in the various funding categories of the Community Development Block Grant Program, per request by Patrick Wallace at the previous meeting in Athens.](#)

[The Committee members requested that Mr. Wyatt consolidate the Texas Capital Fund information he presented onto one page.](#)

[Members also requested that ORCA Executive Director, Charlie Stone, visit with legislators to discuss the Texas Capital Fund.](#)

No action was taken.

24 Agenda Item F3

ORCA Community Development Division Director, Oralia Cardenas, presented the Executive Committee with the staff's recommendation for the approval of an [award of the Colonia Economically Distressed Area Program \(CEDAP\) grant to Hidalgo County](#).

Lydia Saenz offered and Wallace Klussmann seconded a motion to approve the award.

The Executive Committee, with all members present voted yes.

25 Agenda Item F4

ORCA Community Development Division Director, Oralia Cardenas, presented the Executive Committee with the staff's recommendation for the approval of the [Housing Infrastructure Fund grant awards to the cities of: Burnet, Center, Cleveland, Combes, Hillsboro, Madisonville and Mathis](#).

Nicki Harle offered and Wallace Klussmann seconded a motion to approve the awards.

The Executive Committee, with all members present voted yes.

26 Agenda Item F5

Wallace Klussmann offered and Nicki Harle seconded a motion to accept the [Community Development Block Grant Program award for program year 2005](#).

The Executive Committee, with all members present voted yes.

27 Agenda Item F6

ORCA Community Development Division Director, Oralia Cardenas, presented the Executive Committee with the staff's recommendation

for the approval of [the Community Development Fund, and Community Development Supplemental Fund awards for 2005](#).

Ms. Cardenas also recognized staff and members of the State and Regional Review Committees for their dedication and hard work in reviewing and scoring this cycles applications.

Wallace Klussmann offered and Lydia Saenz seconded a motion to approve the awards.

The Executive Committee, with all members present voted yes.

28 Agenda Item F8

ORCA Community Development Division Director, Oralia Cardenas, presented the Executive Committee with the staff's recommendation for the approval of the [proposed Community Development Block Grant Action Plan for program year 2006](#).

Lydia Saenz offered and Michael Waters seconded a motion to approve the Plan for program year 2006 with the decrease in funding percentage to the Texas Capital Fund to 14.51% and an increase in funding percentage to the Community Development Supplemental Fund to 4.35%.

The Executive Committee, with all members present voted yes.

[The members also requested that Ms. Cardenas provide them with the final dates and locations of the upcoming public hearings.](#)

29 Agenda Item F9

ORCA Community Development Division's Program Development Manager, Mark Wyatt, presented the Executive Committee with the staff's recommendation to [adopt the revisions to the Texas Administrative Code, Title 10, Section 255.1, which would add area benefit requirements for street paving, Section 255.9, which would change the Colonia Construction Fund awards from annual competition to biennial competition and to describe Past Performance Scoring and 255.16 which would describe Past Performance Scoring](#)

for the Non-Border Colonia Fund of the Texas Administrative Code.

Wallace Klussmann offered and Nicki Harle seconded a motion to adopt the revisions.

The Executive Committee, with all members present voted yes.

30 Agenda Item F10

ORCA Executive Director, Charlie Stone, reviewed with the Executive Committee the background and historical funding levels, needs and uses of the [set aside for disaster relief for the Community Development Block Grant \(CDBG\) de-obligated funds](#).

Michael Waters offered and Nicki Harle seconded a motion to approve \$6.5 million be set aside out of deobligated funds to support the program.

The Executive Committee, with all members present voted yes.

31 Agenda Item F11

ORCA Community Development Division's Program Development Manager, Mark Wyatt, presented the Executive Committee with a [staff report on the provisions of the Section 108 \(Loan Guarantee\) of the Community Development Block Grant Program](#).

In his report, Mr. Wyatt presented and reviewed the status of Section 108 programs in the states of Alabama, Florida, and Washington, noting that Alabama's program is not doing well as compared to Florida, and Washington.

No action was taken.

32 Agenda Item F12

ORCA Community Development Division Director, Oralia Cardenas, presented the Executive Committee with the staff's recommendation to approve the [use of de-obligated funds to fully fund, up to an amount not to exceed the 2005 and estimated 2006 regional allocation, the](#)

2005 marginal Community Development and 2005 Community Development Supplemental funds applications and to fully fund the 2005 Planning/Capacity Building marginal application.

Wallace Klussman offered and Michael Waters seconded a motion to accept the staff's recommendations, and also move the remaining \$3.7 million to the Texas Small Towns Environment Program (STEP).

The Executive Committee, with all members present voted yes.

33 Agenda Item I

The Executive Committee went into Executive Session at 12:45 p.m. to:

1. Consult with the Executive Committee's attorney concerning contemplated litigation, and all matters identified in the agenda where the Executive Committee members seek the advice of their attorney as privileged communications under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas.
2. Evaluate the performance of the Executive Director.

The Executive Committee reconvened in public at 1:43 p.m.

Michael Waters offered and Wallace Klussman seconded a motion to increase the salary of ORCA Executive Director to the maximum salary of \$90,000 at the earliest possible date.

The Executive Committee, with all members present voted yes.

34 Agenda Item J

Wallace Klussmann offered and Ike Sugg seconded a motion to adjourn.

The Executive Committee, with all members present voted yes.

The meeting was adjourned at 1:45 p.m. on Friday, June 3, 2005.