

# OFFICE OF RURAL COMMUNITY AFFAIRS

## **Executive Committee Meeting**

Employees Retirement System

1801 Brazos Street

Austin, Texas

## **MINUTES**

The Executive Committee of the Office of Rural Community Affairs convened in the Employees Retirement System Building Auditorium in Austin, Texas at 10:40 a.m. on Thursday, September 29, 2005. The meeting recessed at 5:30 p.m., and reconvened at 8:40 a.m. the morning of Friday, September 30, 2005. The Executive Committee entered into Executive Session at 12:24 p.m. on September 30, 2005, and adjourned at 12:45 p.m.

### **Executive Committee Members in Attendance**

#### **Present**

William M. Jeter, III, Chairman

Carol Harrell, Vice Chair

Michael Waters, Secretary

David Alders (*arrived at 2:05 pm on September 28*)

Nicki Harle

Wallace G. Klussmann

Pat Wallace

#### **Not present**

Ike Sugg

Lydia Saenz

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

<b>Last Name</b>	<b>First Name</b>	<b>Organization</b>
Arriaga	Amanda	Office of the Governor, Budget, Planning & Policy
Boruff	Scott	TX Parks and Wildlife ( <i>Agenda Item C3 (a)</i> )
Cardenas	Oralia	Office of Rural Community Affairs
Cardiff	Sandy	Office of Rural Community Affairs
Carrillo	Victor	TX Railroad Commission ( <i>Agenda Item C3 (c)</i> )
Carrington	Edwina	TX Dept of Housing & Community Affairs ( <i>Agenda Item C3 (a)</i> )
Cazales	Chuck	Neueces County Commissioner ( <i>Agenda Item C1</i> )
Chatham	Donna	Assn of Rural Communities in Texas
Conditt	Becky	Capitol Area Health Education Center

<b>Last Name</b>	<b>First Name</b>	<b>Organization</b>
Crawford	Bruce	TX Water Development Board ( <i>Agenda Item C3 (c)</i> )
Cruz,	Theresa	Office of Rural Community Affairs
Demerson	Aaron	Governor's Office, Economic Development and Tourism ( <i>Agenda Item C3 (a)</i> )
Dennis	Wayne	TX Dept of Transportation ( <i>Agenda Item C3 (a)</i> )
Flores	David	Office of Rural Community Affairs
Gardner	David	TX Higher Education Coordinating Board ( <i>Agenda Item C3 (b)</i> )
Gilliam	Alison	TX Office of the Comptroller
Hairston	Terrie	Office of Rural Community Affairs
Hardin	Margaret	Langford Community Management Services
Hartzell	Eric	GrantWorks
Hill	J. Randel	Office of Rural Community Affairs
Horn	Adelaide	TX Dept of Aging and Disability Services ( <i>Agenda Item C3 (b)</i> )
Hoytz	Don	TX Office of the Comptroller ( <i>Agenda Item C3 (a)</i> )
King	Doug	Bandera County Commissioner ( <i>Agenda Item C1</i> )
Langford	Judy	Langford Community Management Services
McDonald	Ronnie	Bastrop County Judge
McFarren	Jill	Office of Rural Community Affairs
Pearson	David	TX Organization of Rural & Community Hospitals
Radeaux	Don	City of Lyford
Ramón	Lisandro	City Commissioner, Lyford
Ramsey	Sharon	TX Workforce Commission ( <i>Agenda Item C3 (a)</i> )
Seuhs	Tom	Health and Human Services Commission ( <i>Agenda Item C3 (b)</i> )
Silverman	Tracey	TX Historical Commission ( <i>Agenda Item C3 (a)</i> )
Spitzengel	Bruce	President, GrantWorks
Spurgin	Dale	Jones County Commissioner ( <i>Agenda Item C1</i> )
Stone	Charles	Office of Rural Community Affairs
Swango	Steve	Office of Rural Community Affairs
Taylor	Greg	TX Coop Extension ( <i>Agenda Item C3 (a)</i> )
Totten	Jess	Public Utility Commission ( <i>Agenda Item C3 (c)</i> )
Tucker	Dave	GrantWorks
Whittington	Pam	Public Utility Commission ( <i>Agenda Item C3 (c)</i> )
Wood	Robert	TX Dept of Agriculture
Wyatt	Mark	Office of Rural Community Affairs

Chairman William Jeter called the meeting to order at 10:40 a. m. 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 August 4-5, 2005, Executive Committee meeting.

The Executive Committee, with all members present voted yes.

Chairman Jeter then recognized Amanda Arriaga from the Governor's Office, who was in the audience.

**2 Agenda Item C1**

Michael Waters introduced members of the State Review Committee (SRC) who were present. Mr. Waters presented a brief history of the SRC and its purpose and led a discussion regarding the SRC'S responsibilities under the Community Development Block Grant Program.

Members present included:

Cazales, H. C. "Chuck"	Neueces County Commissioner
Spurgin, Dale	Jones County Judge
King, Doug	Bandera County Commissioner

No action was taken.

ORCA Executive Director, Charles S. (Charlie) Stone, recognized three new agency employees:

Barnard, Suzanne  
Little, Sandra  
Yanez, Hector

**3 Agenda Item B1**

Comments were received by the Executive Committee from the following persons at 10:55 a.m. (in alphabetical order):

Chatham, Donna  
Hartzell, Eric  
Langford, Judy  
Ramón, Lisandro

**4 Agenda Item C2**

The agency's Executive Director, Charles S. (Charlie) Stone, introduced to the Executive Committee two retired state agency employees.

Nicki Harle offered a motion to present the retired employees with certificates, saying, “for your contributions to the state and ORCA, and for your hard work, the Executive Committee expresses its appreciation.” Wallace Klusmann seconded the motion to approve the presentation of the certificates and to recognize, Joe Midura (26 years) and Mary Ann Medel (30 years).

The Executive Committee unanimously approved the motion.

## **5 Agenda Item E1**

The agency’s General Counsel, J. Randel (Jerry) Hill, presented **proposed** revisions to rules establishing policies and procedures for the operation of the agency, the replacement of all references to Center for Rural Health Initiatives with Office of Rural Community Affairs, the deletion of rules addressing the inactive Community Scholarship and Rural Emergency Medical Services Scholarship Incentive (REMSIP) Programs (Sections 257.1 through 257.809 of Title 10, Part 6, of the Texas Administrative Code), general updating of the rules and revision to the rules to comport with current statutory language.

Patrick Wallace offered and Wallace Klusmann seconded the motion to approve to accept the rules.

The Executive Committee, with all members present voted yes.

## **6 Agenda Item E2**

The Director of the agency’s Rural Health Division, Theresa Cruz, briefed the Executive Committee on the staff’s recommendation to approve a grant award from the Department of Health and Human Services-Health Resources and Services Administration in the amount of \$27, 200.00

Wallace Klusmann offered and Patrick Wallace seconded the motion to accept the grant.

The Executive Committee, with all members present voted yes.

## 7 **Agenda Item E3**

The Director of ORCA's Rural Health Division, Theresa Cruz, briefed the Executive Committee on the staff's recommendation to approve the Small Rural Hospital Improvement Program (SHIP) grant in the amount of \$1,031,125.00.

Carol Harrell offered and Patrick Wallace seconded the motion to approve to accept the grant.

The Executive Committee, with all members present voted yes.

## 8 **Agenda Item E4**

The Director of ORCA's Rural Health Division, Theresa Cruz, briefed the Executive Committee on the Executive Committee appointing members to the Selection Committee of the Outstanding Rural Scholar Recognition and Loan Program for Rural Health Care pursuant to Section 487.103 of the Texas Government Code.

Michael Waters offered and Patrick Wallace seconded the motion to approve the appointment of Christopher C. Colenda, MD, MPH, Mary Jane Hamilton, Ph.D., RN, Texas Buckhaults, Tena Gray, and Linda Rasor to the Selection Committee.

The Executive Committee, with all members present voted yes.

## 9 **Agenda Item F5**

Robert Wood, Texas Department of Agriculture's Assistant Commissioner for Rural Development, briefed the Executive Committee on **proposed** revisions to Title 10, Chapter 255, Section 255.7 of the Texas Administrative Code relating to the allocation of program funds for the administration of the Texas Capital Fund.

Michael Waters offered and Carol Harrell seconded the motion to authorize the publication of the proposed rules in the Texas Register for public comment.

The Executive Committee, with all members present voted yes.

Panel Discussion and Possible Action with State Agency Heads pursuant to Section 487.054 of the Texas Government Code on existing policies affecting rural Texas and the development of a rural policy for the State of Texas.

## 10 Agenda Item C3 (a)

At approximately 2:00 p.m., September 29, 2005, the Executive Committee met with state agency heads responsible for providing **Economic Development** to rural Texas.

ORCA Executive Director, Charles S. (Charlie) Stone, welcomed the invited guests.

Attendees (in alphabetical order):

Boruff, Scott	TX Parks and Wildlife
Carrington, Edwina	TX Dept of Housing & Community Affairs
Demerson, Aaron	Governor's Office, Economic Development and Tourism
Dennis, Wayne	TX Dept of Transportation
Hoytz, Don	TX Office of the Comptroller
Ramsey, Sharon	TX Workforce Commission
Silverman, Tracey	TX Historical Commission
Taylor, Greg	TX Coop Extension
Wood, Robert	TX Dept of Agriculture

Nicki Harle posed a question to all present department representatives: "What are the biggest challenges your department faces when working with rural communities?"

### Economic Development

The following topics were discussed:

All players in the rural picture must come/be brought to the table—  
 factions and divisiveness limit effective leadership  
 Build success through small projects, one at a time  
 Need for communications support during disasters  
 Community support for landowner/manager is needed—much  
 potential in communities working with private landowners  
 Economic impact of historic preservation

- Economic impact of parks and bird watching
- Lack of economies of scale for affordable housing
- Need for improved management of and enhanced financing for housing
- Getting people in touch with/raising awareness of existing resources/programs for economic development
- Linking communities through shared nature recreation resources
- Not taking full advantage of natural resources in rural Texas—jobs that fit resources
- Need to think regionally rather than as an individual community
- Need for economic impact data measuring impact of natural resource businesses
- Broadband is needed for rural economic development
- Important role that e-commerce will play in further developing the rural economy
- Importance of local elected officials as leaders/need for leadership training and mentoring
- Focus on rehabilitation of existing buildings rather than building new structures
- Strategic plans are needed that are clear cut and address future needs/goals
- Transportation for workers
- Need for brag signs/attraction, accommodation, food, and gas signage

No action was taken.

**11 Agenda Item C3 (b)**

At approximately 3:30 p.m., September 29, 2005, the Executive Committee met with state agency heads responsible for providing **Health Care** services to rural Texas.

Attendees (in alphabetical order):

- Gardner, David TX Higher Education Coordinating Board
- Horn, Adelaide (Addie) TX Dept of Aging and Disability Services
- Seuhs, Tom Health and Human Services Commission

Nicki Harle posed a question to all present department representatives, “What are the biggest challenges your department faces when working with rural communities?”

The following topics were discussed:

Number and location of medical, pharmacy, and health-related schools in Texas

Increased educational requirements for pharmacists

Attendance at pharmacy schools based on proximity to school

One model does not fit all for healthcare delivery

Need for regional health care plans that are flexible/can reach across state/regional lines

Transportation: getting patients in need of care to facilities remains a challenge

Uncompensated care—cost burden to hospitals because hospitals are not fully reimbursed for full cost of care

White House Conference on Aging (happens every ten years, and will take place this year)

Hospital reimbursement

Placement of call centers (some to be placed in rural areas)

Reluctance of medical school students to serve in rural areas

Tuition and fees at medical schools

Osteopaths are more inclined to work in rural areas

No action was taken.

THE COMMITTEE RECESSED AT 5:30 P.M. ON SEPTEMBER 29, 2005 UNTIL 8:30 A.M. SEPTEMBER 30, 2005.

THE EXECUTIVE COMMITTEE RECONVENED AT 8:40 A.M. ON FRIDAY, SEPTEMBER 30, 2005 AND CONTINUED WITH THE AGENDA.

## **12 Agenda Item D1**

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 reviewed the agency’s activities and reported on the status of the firm’s audit review.

David Alders offered and Carol Harrell seconded the motion to approve the Internal Audit for publication.

The Executive Committee, with all members present, except Patrick Wallace, voted yes.

**13 Agenda Item F1**

ORCA Community Development Division Director, Oralia Cardenas, presented the Executive Committee with the staff's recommendation for the approval of the award of the Small Towns Environment Program (STEP) grants to: Gregg County and the city of Roxton.

Chairman Jeter requested that for the next Executive Committee meeting, Ms. Cardenas prepare an update regarding the status of unused funds in the Revolving Loan Fund.

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

The Executive Committee, with all members present voted yes.

**14 Agenda Item F2**

ORCA Community Development Division Director, Oralia Cardenas, presented the Executive Committee with information regarding the award of the Colonia Construction Fund grants to: Brewster County, Cameron County, Crane County, Duval County, El Paso County, Hidalgo County, Hudspeth County, Jim Wells County, Presidio County, Reeves County, San Patricio County and Starr County.

David Alders requested that, in the future, Ms. Cardenas provide a map showing the location of proposed projects.

Wallace Klussmann offered and Michael Waters seconded the motion to approve the award.

The Executive Committee, with all members present voted yes.

## 15 Agenda Item F4

ORCA Community Development Division's Program Development Manager, Mark Wyatt, presented the Executive Committee with information regarding an Urgent Need Fund request from the city of Lyford and the use of de-obligated funds and/or program income.

David Alders requested a report on the expenditures and project description of grants awarded from the Urgent Need Fund.

Wallace Klussmann offered and Carol Harrell seconded the motion to authorize the staff to award up to \$1,000,000.00 of de-obligated and or program income funds under the Urgent Need Fund in the program year and that the authorized Urgent Fund Need amount is in addition to the amount previously set-aside in the Disaster Relief Fund program year reserve of \$6,500,000.00.

The Executive Committee, with all members present voted yes.

## 16 Agenda Item F3

ORCA Community Development Division's Program Development Manager, Mark Wyatt, presented the Executive Committee with information regarding the use of de-obligated funds and/or program income funds to fund additional Non-Border Colonia Fund applications.

The Executive Committee requested that, in the future, the staff include the total dollar amount of the proposed projects being presented to the Executive Committee for approval.

Wallace Klussmann offered and Patrick Wallace seconded the motion that de-obligated and or program income funds up to \$1,918,553 be used to fully fund the eight additional Non-Border Colonial Fund applications identified in the Agenda Books and to revise the 2006 proposed TCDP Action Plan to show zero funds allocated for the second year of the 2005/2006 Non-Border Colonia Fund competition and the amount originally proposed for the 2006 Non-Border Colonia Fund be allocated to the 2006 Urgent Need Fund. The motion also authorized the staff to present the revised 2006 proposed TCDP Action

Plan at public hearings.

Chairman Jeter called for a vote by raising their hands.

<u>For:</u>	<u>Opposed:</u>
William M. Jeter	David Alders
Carol Harrell	Michael Waters
Nicki Harle	
Wallace G. Klussmann	
Pat Wallace	

The Executive Committee, with the majority of members present voting yes, approved the award. Mr. Alders and Mr. Waters opposed only that portion of the funding being awarded to Travis County. They expressed the concern that although Travis County was eligible for this funding the county was too urbanized to be considered rural Texas and noted that in early 2006 Travis County will no longer be eligible. Mr. Waters and Mr. Alders would prefer to see the funding be utilized by truly rural areas of Texas. Mr. Alders and Mr. Waters supported the rest of the motion.

## 17 **Agenda Item C3 (c)**

At approximately 10:00 a.m., on September 30, 2005, the Executive Committee met with state agency heads responsible for the protection of the state's **Natural Resources** in rural Texas.

Attendees (in alphabetical order):

Carrillo, Victor	TX Railroad Commission
Crawford, Bruce	TX Water Development Board
Totten, Jess	Public Utility Commission
Whittington, Pam	Public Utility Commission

Nicki Harle posed a question to all present department representatives: "What are the biggest challenges your department faces when working with rural communities?"

The following topics were discussed:  
Alternative power development (wind, transmission constraints)

Lack of new refineries/current conditions of refineries  
Natural gas, refineries, gas production in Texas, well plugging  
Natural resources for economic development  
Impact of new regulations (arsenic, etc.)—more communities seeking loans  
Long-term prices and supply of oil, gas, and natural gas  
Growth potential for LNG facilities  
Public's increased awareness of energy infrastructure  
Water quality in domestic-use wells  
Changing irrigation practices to conserve water/enhance aquifers  
Increasing energy costs for consumers  
Need for enhanced financial management and operational skills  
Renewables portfolio standard  
Advanced services rule for telecommunications  
Statewide franchise for cable  
Phased in deregulation of major phone companies in communities of less than 30,000  
Lack of broadband and advanced services limits rural job growth

No action was taken.

## **18 Agenda Item D2**

ORCA Finance Division Director, David Flores, updated the Executive Committee on the agency's Fiscal Year 2006 internal budget and operating budget and the 2005 annual financial report.

No action was taken.

## **19 Agenda Item C4**

Jerry Hill, ORCA's General Counsel, briefed the Executive Committee on a Proposed Memorandum of Understanding between the Office of Rural Community Affairs and the Texas Rural Foundation.

The Executive Committee asked Mr. Hill to review the enabling legislation creating the Texas Rural Foundation with other similarly created non-profit corporations and advise the Executive Committee of its relationship with the Texas Rural Foundation at its next meeting. Once the relationship is clarified the Executive Committee can make a

decision on the proposed MOU.

No action was taken.

## **20 Agenda Item H2**

ORCA Executive Director, Charles (Charlie) S. Stone, briefed the Executive Committee on scheduling and the location of future Executive Committee Meetings.

No action was taken.

## **21 Agenda Item H1**

ORCA Executive Director, Charles (Charlie) S. Stone, requested that the Executive Committee approve a continuation on the delay of the submission of executive briefs in the Agenda Books.

The Executive Committee agreed without a formal vote.

## **22 Agenda Item I1**

The Executive Committee entered into Executive Session at 12:24 p.m. on Friday, September 30, 2005, pursuant to Government Code Section 551.074(a)(1) to deliberate the Executive Director of the Office of Rural Community Affairs' job performance and duties. The Executive Committee came out of Executive Session at 12:45 p.m. and announced that it was taking no action.

## **23 Agenda Item J**

Carol Harrell offered and Wallace Klussmann seconded the motion to adjourn.

The Executive Committee, with all members present, voted yes.

The meeting was adjourned at 12:45 p.m. on Friday, September 30, 2005.