

**MINUTES OF MEETING OF BOARD OF DIRECTORS**  
**Board Room, Rio Grande Valley Partnership**  
**322 South Missouri, Weslaco, Texas**  
**11:30 a.m. Wednesday, March 12, 2008**



**Board Members Participating:**

Tony Aguirre, Broadway Hardware, McAllen  
Eva-Jean Radle, Re/Max RGV, McAllen, Board President  
Rick Ledesma, DataLogic Software, Inc., Harlingen, Board Vice President  
Gregg McCumber, CPA, Burton, McCumber & Cortez, L.L.P., Brownsville  
Sam O. Olivarez, Barrera's Supply Co., Inc., Mission  
Hector Ramos, South Texas Monitoring Systems, McAllen  
Ed Tamayo, First Community Bank (retired), Harlingen  
Dominique Halaby, D.P.A., Executive Director, VIDA, and Interim Executive Director,  
Rio Grande RCIC (ex officio Board member)  
Patricia G. (Pat) Bubb, Executive Director, Tech Prep RGV (ex officio Board member)

**Board Members Absent:**

Cleve Breedlove, Inn at Chachalaca Bend, Los Fresnos  
Morris Libson, Texas State Natural Gas, Inc., Eagle Pass  
Derrick Swanberg, Swanberg Farms Partnership, Lyford

**Guests Participating:**

Leticia Flores, Governor's Office of Economic Development and Tourism, Harlingen  
Larry Peabody, Consulting Meteorologist, San Antonio  
John Sossi, Program Manager, Business Incubator Services, International Innovation  
Center, the University of Texas at Brownsville, Brownsville

**Staff Participating:**

Fernando Gonzalez, Rio Grande RCIC Director of Investment Services

Pursuant to notice duly given, a meeting of the Rio Grande RCIC Board of Directors was held at the above time and place with the above individuals participating. Eva-Jean Radle and Rick Ledesma shared meeting chair responsibilities. Pat Bubb and Fernando Gonzalez recorded notes.

Welcome, Introductions, Opening Remarks

Rick Ledesma welcomed everyone to the meeting. Introductions and opening remarks followed.

First Action Item: Approve Minutes of Board Meeting of January 8, 2008

Minutes of the January 8 meeting were approved on motion made by Gregg McCumber, seconded by Sam Olivarez, and unanimously carried.

### Discussion Item: Status of Applicants' Presentations to ETF

Dominique Halaby and Fernando González provided a status report of applicants' presentations to ETF. The applications of both Medical Safety Technologies, Inc., and Scan-Tech Sciences LLC received a favorable review at the state ETF Advisory Committee meeting and have been forwarded to the state leadership team (Governor, Lt. Governor, and Speaker of the House). Barring unforeseen developments, it appears both applications will be funded—Medical Safety Technologies (based in McAllen) for \$2.5 million and Scan-Tech (location to be determined, but probably Harlingen) for \$2 million. There was a discussion of the state review process during the presentation of information about these candidates.

### Discussion Item: Funding from State ETF and Local Matches

The state's local match requirements have now been met, and a contract has been issued. Fernando González presented a State Funding & Local Match Summary that had been included in the packet. The state's initial disbursement is \$104,300, with a balance of \$115,700 yet to be disbursed. Local matches secured to date include \$95,575 of in-kind (\$70,000 from VIDA, \$4,075 from Tech Prep, and \$21,500 from the Harlingen EDC/Harlingen Chamber) and \$54,500 of cash match (\$50,000 from the Harlingen EDC and \$4,500 from the UTB ITEC). Local matching of \$122,000 from the Brownsville EDC (\$100,000 in cash and \$22,000 in-kind) is pending at this time.

Discussion followed. During the discussion, there was a discussion of the reimbursement due to VIDA for operations while negotiations on the ETF contract were continuing, of the Harlingen EDC's requirement that a separate RCIC legal entity be created, and of other potential sources of local match.

The Board requested that staff prepare an operating budget that could be considered and approved. There was a review of the Bylaws and it was noted that Bylaws Section 2.10 authorizes the Board to act by unanimous consent.

Thereafter, there was agreement that the approval of an initial operating budget will occur by unanimous consent as soon as possible after today's meeting.

### Discussion Item: Creating a Non-Profit Corporation for the RCIC

There was a discussion of creating a separate corporation for the Rio Grande RCIC. The consensus was that this action needs to be taken at the earliest possible time and a corporation created within the next 30 days.

It was noted that the services of an attorney and/or a CPA will be required to create the corporation and qualify it with appropriate IRS status. It was also noted that Section 2.09 of the Bylaws does not prohibit a Director from being compensated for professional services—which might become an option for the IRS qualification process. Gregg McCumber agreed to identify an appropriate attorney and to get that individual to donate his/her services if possible. Staff will be following up on this activity soon.

Directors who wish to be actively involved in creation of the corporation (which will involve creating a statement of purpose, if not a mission) should contact staff and communicate their desire to be actively involved.

All Directors will be advised of the recommended action to be taken—including an appropriate corporate name and statement of purpose—at the time the Board is requested to take action by unanimous consent.

#### State ETF Contract with RGRIC

The contract from the state ETF was included in the packet for the meeting. VIDA has signed this contract and returned it to the state. Even directors who did not participate in today's meeting can access a copy of that contract, which was emailed to all Board members in PDF format prior to today's meeting.

#### Summary of ETF Best Practices Conference

Fernando González shared a report from the ETF Best Practices Conference. Discussion followed.

#### Reports from Local Meetings

Eva-Jean Radle thanked Rick Ledesma for his work in getting the Harlingen EDC to agree to commit funding for RGRIC activities. Ledesma then shared a report about meetings in Harlingen, which were very positive. He complimented Dominique Halaby and Fernando González on the presentation they made to the Harlingen EDC.

Eva-Jean Radle and Tony Aguirre then shared comments about meetings with McAllen leadership. There were two meetings with McAllen leaders. Steve Ahlenius, Wanda Garza, Eva-Jean Radle, and Alan Kirchoff, State ETF Assistant Director, participated in the first meeting. Tony Aguirre, John Ingram, and Keith Patridge participated in the second meeting along with ETF Advisory Committee members John Shrock and Cesar Maldonado and ETF Director Mark Ellison. Tony Aguirre and Eva-Jean Radle both had discussions with various McAllen community leaders after the meetings. The ultimate outcomes were positive.

Sam Olivarez shared comments about his meeting with Pat Townsend of Mission, which was also positive.

All Board members expressed their strong desire to work collaboratively with Hidalgo County leadership and their pleasure with these favorable reports.

Leticia Flores stated she can assist with outreach to parts of the RGRIC region that have not yet become solidly engaged—especially Laredo—and the Board expressed its appreciation for this support from the Governor's staff.

#### RCIC Conference May 20, SPI Convention Center

Fernando González shared a report about the conference planned for May 20. He thanked John Sossi for providing support for this conference through the funding they have allocated for networking events. González stated that he will be asking Tech Prep RGV for assistance with conference planning and activities. All Board members will be actively involved and engaged. All Board members and guests were encouraged to submit ideas for presenters and presentations.

Action Item: Consider and Approve Contract Between RCIC Board and VIDA

A proposed contract to be signed by the RCIC Board and VIDA had been included in the meeting packet. There was a discussion about the necessity for a contract and the fact that a separate legal entity needs to be created for long-term RCIC operations. After discussion, the following action was taken:

On motion made by Tony Aguirre, seconded by Rick Ledesma, and unanimously carried, it was resolved that the contract between the RGRIC Board and VIDA be approved; provided, however, that the contract ending date will be changed to June 30, 2008. (The rationale for changing the contract ending date is that a separate corporation should have been created by that time and a more permanent agreement can be negotiated after the corporate entity has been established.)

Executive Session: Personnel Matters

The Board then moved into Executive Session to discuss the naming of a permanent Executive Director.

Action Item: Name Executive Director for Rio Grande RCIC

On motion made by Ed Tamayo, seconded by Sam Olivarez, and carried it was unanimously agreed that the Board accept the recommendation made in Executive Session, which was that Fernando González be named Executive Director of the Rio Grande RCIC at an annual salary of \$55,000, with benefits to be as they are currently being paid with VIDA and long-term benefits to be negotiated after a separate corporation has been created for RGRIC operations.

Action Item: Consider and Approve Revisions to RCIC Board Membership

Cleve Breedlove has submitted his resignation as an RCIC Board member. (His written resignation was included in the meeting packet.) Breedlove's term ends in November 2010 (the record of term ending dates appears in the minutes of the November 27 RCIC Board meeting), and VIDA is responsible for appointing a replacement.

The resignation was accepted, and VIDA is requested to fill the vacancy at the earliest possible time. The board requested that VIDA give consideration to naming a representative from Laredo if possible.

Executive Session: Presentations from Applicants

The Board moved into Executive Session to consider presentations from applicants. Two pre-seed applicants made presentations.

Action Item: Select Companies to Promote to ETF

Both pre-seed applicants were requested to do additional work on their proposals and return to make amended presentations at the RGRIC's next board meeting.

Recommendations made to the applicants are included as attachments to these notes.

### Set Date for Next Meeting

No date was set for the Board's next meeting. A date will be agreed upon through email correspondence subsequent to today's meeting.

### Other Business

There was no further business to come before the Board.

### Adjourn

There being no further business, the meeting was adjourned at approximately 4:30 p.m.

Notes recorded by Pat Bubb and Fernando González

## RECOMMENDATIONS FOR SOUTHMOST MEDICAL RESEARCH, INC.

1. The planned use of funds should be very clear. Not only the numbers, but also the goals and objectives to be accomplished through use of ETF funding, need to be clear.
2. The project milestones need to be clear and realistic.
3. There were questions about the milestones in terms of the FDA approval process. There was some concern that the FDA approval process would require longer than 30 months of ETF funding. If some work has already been done that would help expedite the FDA-approval process. This needs to be very clear.
4. The committee would like to see more participation from practicing medical professionals, rather than researchers. It is recommended that a doctor or hospital leader be included in the presentation team.
5. Pricing seemed reasonable, although the \$25,000-\$50,000-\$75,000 pricing range was confusing as presented. Need to set goals and clarify.
6. There were questions regarding how close you are to a commercial product. We need some sense of what it will take to get you to the point of having a commercial product.
7. The questions noted above need to be addressed in your presentation.
8. The timing of the presentation itself was of concern. RCIC staff will work with you on this—you need to speed up the process.
9. For better or for worse, at the state level the weight placed on the presentation is enormous. The presentation needs to clearly delineated the business plan. In Austin, the business plan and the individuals who will be responsible for implementing that business plan carry 90% of the weight of the presentation. Make sure that you have a pithy presentation and that any slides you use during the presentation have the desired impact.
10. When you got to the questions and answers, you did well. Maybe trim some of the slides and capitalize on your ability to do a more captivating presentation.
11. Put your presentation more into “layman’s terms.” You lost a lot of the members of your audience because many of us did not understand what you were talking about.
12. Your core idea is great! Your presentation just needs to be refined—the presentation needs to be sharp, smart, and on target. If there is anything that is confusing people, it takes away from the core idea you are trying to present. It might be a good idea to get support from somebody who knows about the process and can help you with that. This will be very important when you move forward.
13. You need technical details, but you also need to understand that your audience is geared toward dollars and cents. Hit them with that and follow up with the technicalities.
14. We encourage you to return and make a new-and-improved presentation at our next meeting.

RECOMMENDATIONS FOR HURRICANE MITIGATION SERVICES, INC.

1. We encourage you to return and make a new-and-improved presentation at our next meeting.
2. We want to see you have a signed agreement with a university researcher before this proposal can move forward. We understand that the agreement would have to be made contingent on ETF funding.
3. Local individuals may be able to assist you with making university connections. Contact RCIC staff for referrals and assistance.