

Control Number: 43891



Item Number: 11

Addendum StartPage: 0

House Bill (HB) 1600 and Senate Bill (SB) 567 83rd
Legislature, Regular Session, transferred the functions
relating to the economic regulation of water and sewer
utilities from the TCEQ to the PUC effective
September 1, 2014

49891

RECEIVED

2014 DEC -5 PM 1:23

EXHIBIT "C"

PUBLIC UTILITY COMMISSION
FILING CLERK

MINIMUM SPECIFICATIONS FOR TEST WELLS

Each test well shall have a casing of at least twelve inches (12") in diameter and a liner of no less than eight inches (8"). The wells shall be drilled to a depth of at least 900 feet (900'). If the well(s) do not appear to have adequate flow, at the time of drilling the maximum allowable quantity of acid will be utilized to maximize the production of water from the wells. Flow tests shall be conducted using the most efficient pump apparatus capable of being placed in or on top of the well structure, and having a minimum strength of at least 25 hp or other greater strength as may be required to meet flow requirements.

SAWS and/or its agent shall use their best efforts to cause all water produced during the flow test of the test well(s) to be conserved, and not to be wasted, by causing said water to be flowed or diverted into the existing stock tanks located within the existing boundaries of the BSR CCN. BSR represents that it has obtained, and SAWS hereby is given the right to enter onto the property located within the existing boundaries of the CCN for the purpose of drilling such test wells, conducting such flow tests, and taking other reasonable actions necessary for performing said activities.

FAE & A Files\2635\BSR-SAWS-FINAL-AGREEMENT 2-8-00.doc

FILING CLERK

2014 DEC -5 AM 7:00

BSR

FIRST AMENDMENT
TO THE WATER SUPPLY CONTRACT
AND SERVICE AREA SETTLEMENT AGREEMENT

The First Amendment to the Water Supply Contract and Service Area Settlement Agreement (the "Amendment") is made and entered into to be effective as of the 27th day of March, 2001 by and between the San Antonio Water System, an agency of the City of San Antonio, a Texas municipal corporation ("SAWS") and BSR Water Company, a Texas corporation ("BSR").

Recitals

Whereas, SAWS and BSR entered into that certain Water Supply Contract and Service Area Settlement Agreement, dated February 15, 2000 (the "Agreement") for the purchase of water by SAWS from BSR and the settlement of certain service area issues between SAWS and BSR; and

Whereas, SAWS and BSR now desire to amend the Agreement to allow SAWS additional time to drill and construct the required wells and to modify the Agreement as set forth below.

Agreement

NOW, THEREFORE, for and in consideration of the Agreement of BSR to extend the time for construction of wells, SAWS and BSR agree to the following amendments to the Agreement:

1. All capitalized terms used in this Amendment, to the extent not otherwise expressly defined herein, shall have the same meanings ascribed to such terms in the Agreement.
2. Section 5.07 of the Agreement is hereby amended and restated in its entirety as follows:
 - a. SAWS shall construct, at its sole cost, any and all pipelines that are necessary for delivery of water under this Agreement within or upon the property dedicated through easement or conveyance by BSR to SAWS within a reasonable time (not to exceed ninety (90) days) after the supply wells are operational.
 - b. SAWS, at its sole expense, shall extend a water line to the new residence being built within the BSR CCN. This water line will provide water to the new residence but the water will not be chlorinated. Chlorination is solely at the option and expense of BSR. Water will also be supplied to the two stock tanks located on

the property as shown in Exhibit "D", attached hereto and incorporated herein for all purposes. SAWS will determine the most economic method and line sizing to provide these services at adequate pressure and flows for the intended purposes and will install flow meters to determine the amount of water that is used for these purposes. Water flow meters shall be installed at the deviation point from any SAWS well installation or SAWS installed distribution line. BSR may install additional services and meters on the service line provided they are on the outlet side of the flow meter to be installed by SAWS. BSR explicitly understand and agrees that such provision of service to the residence does not infringe upon the "rights and privileges" of the BSR CCN. Additionally, BSR will pay SAWS for the water received by BSR for the new residence and two (2) stock tanks through the SAWS flow meters pursuant to the terms of Section 5.08 of the Agreement. BSR shall not pay SAWS for water received by BSR from the existing well(s) described in Subsection C below.

- c. On a temporary basis, until the water supply line to the new residence required in Subsection B, above can be constructed, SAWS will install a 2" diameter water line from the existing well(s) to the new residence on the BSR property. SAWS will verify that sufficient water production is available to supply both residences within the BSR CCN. SAWS, at its cost, will perform the actions required to provide temporary water to the residences. These temporary improvements will be used and maintained by SAWS until the facilities in Subsection B above are completed, after which the temporary improvements will be left in place and become the property and responsibility of BSR.

- 3. Section 5.06 of the Agreement is hereby amended and restated in its entirety as follows:

- a. SAWS shall apply to the Texas Natural Resource Conservation Commission (the "TNRCC") for a permit to drill the additional wells, as public drinking water supply wells, within sixty (60) days from the execution of this Agreement, however, SAWS will make all reasonable efforts to apply for such permits within thirty (30) days. SAWS shall have the additional wells under construction on or before August 24, 2001. SAWS shall drill, complete and construct test well(s) according to the minimum specifications on Exhibit "C", perform a flow test on the test well, and provided adequate flow exists, convert the test well into a production well. In the event the initial test well fails to provide adequate flow results when tested, SAWS shall be required to drill and complete a second test well at a location within the BSR CCN that is mutually acceptable to BSR

and SAWS. SAWS shall, likewise, be required to conduct a flow test on the second test well, if required, and convert the second test well to a production well contingent upon adequate flow indicating that the test well field contemplated by the Agreement (up to eight (8) wells) will maintain sustainable production of 1500 acre feet per year. SAWS shall use its best efforts to drill and construct the test wells in a manner to optimize production including, but not limited to, the completion of these wells into the Lower Trinity and Cow Creek Aquifers and the use of acid to enhance production.

- b. If the required test well(s) demonstrate the ability to produce adequate quantities, as described above, of Groundwater on a sustainable basis, SAWS shall drill, construct, and produce Groundwater from at least three (3) production wells located within the BSR CCN pursuant to this Agreement within twelve (12) months from the date the first successful test well is completed. SAWS shall supply BSR with copies of specifications and bids for all wells constructed under this Agreement in a timely manner.
 - c. In the event one or more of the water wells to be drilled on the property on behalf of SAWS do not provide adequate flow results to justify conversion into production wells, these wells shall be left in a usable condition and shall not be plugged or sealed. If BSR opts to have any such wells left open, BSR shall assume the responsibility for appropriately plugging or valving any such wells as well as any liability associated with these wells. If BSR opts to not leave the wells open, SAWS shall promptly plug the wells at SAWS expense.
 - d. SAWS shall drill the wells constructed by SAWS within the BSR CCN to at least a depth through the Cow Creek formation. SAWS shall use appropriate techniques to insure that sufficient efforts have been made to locate adequate supplies of groundwater from the Lower Glen Rose and Cow Creek Aquifers as part of the BSR well drilling project.
- 4. The Exhibit "D" which is referenced in Section 5.07b. above is attached to the Amendment since it is a new exhibit.
 - 5. Except as amended herein, the terms and conditions of the Agreement shall continue in full force and effect and are hereby ratified in their entirety.
 - 6. This amendment may be executed in one (1) or more counterparts, each of which when taken together shall constitute but one and the same Amendment. Counterparts bearing facsimile signatures shall be deemed to constitute originals.

Executed to be effective as of the date first written above.

BSR WATER COMPANY

SAN ANTONIO WATER SYSTEM

By: [Signature]

By: [Signature]

Printed Name: W.R. SNECKNER, JR.

Printed Name: Eugene E. Habigee

Date: 3-27-01

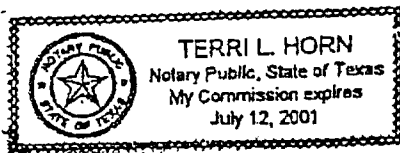
Date: May 31, 2001

STATE OF TEXAS

§
§
§

COUNTY OF BEXAR

This instrument was acknowledged before me on the 27th day of March, 2001, by W.R. Sneckner, Jr. of BSR Water Company, a Texas corporation, on behalf of said corporation.



[Signature]
Notary Public, State of Texas

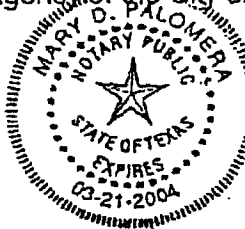
My commission expires: 7/12/01

STATE OF TEXAS

§
§
§

COUNTY OF BEXAR

This instrument was acknowledged before me on the 31st day of May, 2001, by Eugene E. Habigee of San Antonio Water System, an agency of the City of San Antonio, Texas, on behalf of said agency.



[Signature]
Notary Public, State of Texas

My commission expires: 3-21-2004

BSR

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AND SERVICE AREA SETTLEMENT AGREEMENT

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Executed to be effective as of the date first written above.

BSR WATER COMPANY

SAN ANTONIO WATER SYSTEM

By: [Signature]

By: [Signature]

Printed Name: W.R. SNECKNER, JR.

Printed Name: Eugene E. Habigee

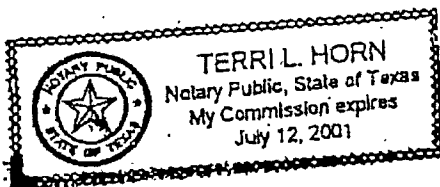
Date: 3-27-01

Date: May 31, 2001

STATE OF TEXAS

COUNTY OF BEXAR

This instrument was acknowledged before me on the 27th day of March, 2001, by W.R. Sneckner, Jr. of BSR Water Company, a Texas corporation, on behalf of said corporation.



[Signature]

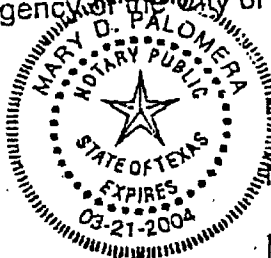
Notary Public, State of Texas

My commission expires: 7/12/01

STATE OF TEXAS

COUNTY OF BEXAR

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[Signature]

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My commission expires: 3-21-2004

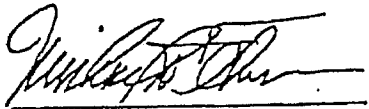
INTERLOCAL OPERATIONAL AGREEMENT
CCN SERVICE AREAS
SAN ANTONIO WATER SYSTEM
&
BEXAR METROPOLITAN WATER DISTRICT

1. Between June 1998 and January 1999 the San Antonio Water System (SAWS) filed multiple applications to amend its Certificate of Convenience and Necessity for potable water service with the Texas Natural Resource Conservation Commission (TNRCC). Some of these applications resulted in conflicting areas of interest for both utilities.
2. Recognizing that prolonged legal proceedings are in neither utility's best interests, SAWS and Bexar Met initiated a series of negotiations to try and resolve their differences without legal action.
3. This agreement recognizes those efforts and delineates the agreement reached by the respective staffs of SAWS and Bexar Met. The principles underlying this agreement were endorsed by executive management at both utilities and by the Water Resources Committee of the SAWS Board of Trustees.
4. Application No. 32243-C (area along IH 10 W). SAWS will amend its existing application to exclude everything east of IH 10 as depicted in the attached map (Map 1). Bexar Met will then be free to file a CCN application for that area. SAWS agrees not to oppose Bexar Met application. Bexar Met agrees to withdraw its opposition to SAWS Application No. 32243-C, as amended, and to Application No. 32244.
5. Application No. 32248-C (area along U.S. 281 N). SAWS agrees to amend its existing application to exclude the currently uncertificated areas west of U.S. 281. SAWS further agrees to rescind its Application No. 32249-C. SAWS further agrees to decertify that portion of its existing certificated service area that is bounded by the western property line of the Mountain Lodge subdivision and south of Wilderness Oaks Drive (Map 2). Bexar Met will then be free to file an application with TNRCC to include those properties in its CCN. In return, Bexar Met will rescind its protest pending at TNRCC for SAWS Application No. 32248-C, as amended, and to Application Numbers 32251-C, 32295-C, 32250-C, 32252-C, 32253-C.
6. Application No. 32246-C (area along FM 471 and State Highway 211 in western Bexar County). SAWS agrees to amend its existing application to include the area in Map 3. SAWS will not oppose any application that

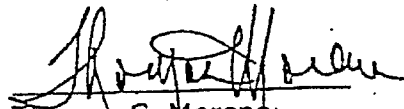
EXHIBIT "4"

Bexar Met may file for the remaining portion of that application in the future. Bexar Met will decertify the area covered by Application No. 32247-C to SAWS and will decertify its portion of the existing dual certification with SAWS for the area adjacent to Application No. 32247-C, except that subdivision developed by Mr. Gordon Hartman that is presently being served by Bexar Met.

ACCEPTED AND AGREED TO THIS 22^d DAY OF September, 2000.



Michael F. Thuss, P.E.
President/CEO
San Antonio Water System



Thomas C. Moreno
General Manager/CEO
Bexar Metropolitan Water
District

NO. 2004-CI-02288

BSR WATER COMPANY, A Texas Corporation; SNECKNER PARTNERS, LTD, A Texas Limited Partnership; and DEBRA SNECKNER KENNEDY, SHERRI MARTINEAU SNECKNER, WILLIAM KENDRICK SNECKNER, and LOVA CATHERINE SNECKNER BUCKNER,

Plaintiffs,

VS.

THE CITY OF SAN ANTONIO,
As Owner of SAN ANTONIO
WATER SYSTEM,

Defendants.

IN THE DISTRICT COURT

BEXAR COUNTY, TEXAS

225TH JUDICIAL DISTRICT

ORAL AND VIDEOTAPED DEPOSITION OF

CHRISTOPHER J. POWERS

November 15, 2004

ORAL AND VIDEOTAPED DEPOSITION of CHRISTOPHER J. POWERS, produced as a witness at the instance of the Plaintiffs, and duly sworn, was taken in the above-styled and numbered cause on the 15th day of November, 2004, from 9:14 a.m. to 2:49 p.m., before SHIRLEY J. MORRISON, CSR in and for the State of Texas, reported by machine shorthand, at the Law Offices of Akin, Gump, Strauss, Hauer & Feld, 300 Convent, Suite 1500, San Antonio, Bexar County, Texas, pursuant to the Texas Rules of Civil Procedure and the provisions stated on the record or attached hereto.

1 Q. Oh, you're telling me or the jury now that
2 after the interlocal, after you'd given up the
3 expansion area to BexarMet, you would have supported
4 BSR's application in that area? Are you telling me
5 that we could have counted on you, Chris, for your
6 support?

7 A. If you'll read that, we would not actively
8 support BexarMet.

9 Q. I'm talking about the BSR.

10 A. I understand, sir.

11 Q. Well, let's -- just answer my question.

12 A. Yes, sir.

13 Q. You understand my question?

14 A. Yes, sir.

15 Q. Then answer it, please.

16 A. We would have supported BSR. I say we
17 would have. From my standpoint we would have. I
18 don't know what SAWS would have done. From my
19 standpoint, we would have done it.

20 Q. And you don't think that Bexar -- BexarMet
21 would have come in raising holy hell with you for
22 supporting someone else in this area that you had
23 excluded?

24 A. BexarMet knew about the operational
25 agreement with BSR. We didn't make any contract with

1 BSR. So they knew that was out there. There
2 wouldn't have been any blind-siding of BexarMet in
3 that particular aspect.

4 Q. You remember SAWS did not put these wells
5 in on time as they agreed under the contract with
6 BSR, had they?

7 A. Sir, I can't discuss that because I don't
8 know anything about it. After the contract was
9 signed, I wasn't involved in that, in the execution
10 of it.

11 Q. All right. We'll take it a step at a time,
12 then. After the BSR contract was signed, who at SAWS
13 was responsible for the administration of the
14 contract to see that SAWS performed?

15 A. Administration of the contract was turned
16 back over to the Department of Water Resources.

17 Q. Can you give me a name?

18 A. Yes, sir. Gary Guy was assigned -- I
19 believe was assigned by the department director, who
20 I think was still Greg Rothe, but it may have been
21 Susan Butler, to execute their --

22 Q. And what -- what -- I'm sorry. I didn't
23 mean to interrupt you. Go ahead.

24 A. No, sir. To execute their contract.

25 Q. What were you doing after the contract was



Comment: Water district soaks residents

Web Posted: 06/13/2004 12:00 AM CDT

Lesley Wenger

On May 24, despite opposition from its own finance committee, the Bexar Metropolitan Water District board voted 4-3 for an 8 percent rate increase.

In the past five years the district has sharply raised water rates, generating 100 percent more revenue between 1999 and 2004. During that same period there was only a 10 percent increase in its customer base.

Aside from the shock of skyrocketing bills, these unprecedented rate increases have caused financial hardship for many customers. More than 2,000 residential users had their water shut off for late payment in April — a figure that was consistent with prior months.

The cost to each household to turn the water back on is \$35 on a weekday before 4 p.m.

After that, there is an additional \$25 fee on top of the bill payment and late charge.

As board member Jose Gallegos pointed out, cutoff fees generated more than \$2 million for Bexar Met in the past fiscal year. This would explain the method Bexar Met uses to notify ratepayers that their bill is past due.

Rather than a call, customers receive the next month's bill with a notice to pay in full within three days. That bill may arrive after the three-day period if the mail is slow, but typically it arrives on a Friday with the due date being the following day, when offices are closed.

Many customers do not understand they must drop everything and race down to Bexar Met headquarters to avoid a turnoff.

About 80 percent of Bexar Met's customers live on the South Side.

The utility's hard-nosed attitude toward late payment and its unforgiving water shutoff policy reflect past voter apathy in the water district's board of director elections.

Even South Side Director Jim Lopez of District 5 stated at the board's April meeting that he thought the management's proposed rate increase might be low and he was prepared to vote to increase rates up to 25 percent if General Manager Tom Moreno asked for it.

North Side Director Dean Perry of District 6 felt comfortable at the same meeting, stating he wanted management to "crack down" on the late payers lest his own water bill go up 3 percent.

By his own admission, Perry did not receive a copy of the proposed budget till the Friday before the meeting on May 24, yet he threw a few figures together during a 15-minute recess to come up with what he claimed would be a 7.9 percent increase.

No one in the audience of angry ratepayers knew what he was talking about.

The driving factor behind the rate increase has been excessive spending by the district to purchase water companies that do not now and never will be able to service Bexar County ratepayers.

This expansion, like those of overextended companies that end up going bankrupt, had put Bexar Met \$206 million in debt by April 2003. No wonder the bankers attend the board meetings.

And there is more good news for the bankers: The new budget provides for \$14 million in additional debt during the next 11 months.

While Bexar Met's management has a great regard for the banking community, many of its policies exhibit a total lack of compassion and, indeed, disrespect for the Bexar County community it was created to serve.

Last November disgruntled customers elected two new directors: Gallegos and Victor Villarreal who, together with veteran Director Ysidro Solis, proposed no rate increase and have been working to change the district's financial policies.

This November two more seats are on the ballot: Perry's in District 6 and Lopez's in District 5.

It will be up to the voters to elect new directors to finally force Bexar Met's management to respect and properly serve their Bexar County customers.

Lesley Wenger is treasurer of the Committee to Reduce Water Rates.

Online at: <http://www.mysanantonio.com/opinion/stories/MYSA061304.5H.BexarMetcomment.15265d467.html>

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Commentary

Instant Message this story
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Comment: Bexar Met flouts law, voting rights

Web Posted: 08/08/2004 12:00 AM CDT

Bob Anderson

Is it still legal for some Americans to be denied their right to vote in 2004? According to the Bexar Metropolitan Water District board of directors and their "voting rights" attorneys, 27,000 people who were scheduled to vote in the water district elections this November will be denied this right.

They claim that the Federal Voting Rights Act of 1965, the Civil Rights Division of the Department of Justice and, to top it off, U.S. District Court have forced Bexar Met to disenfranchise all 27,000 individuals.

Like so many other Bexar Met claims, this too is a canard — a device of their own construction to violate the primary right granted by the Constitution, alleging "federal protection" as a cover.

Bexar Met's record on law enforcement brings forth a mighty groan from beleaguered ratepayers, other state water agencies, city governments and the press.

Bexar Met has violated state law each time it has raised its water rates in the past six years by failing to provide timely notice of the increases to its 77,000 customers.

U.S. District Judge Orlando Garcia noted last month that since 1997 Bexar Met has continued to elect its directors for six-year terms, in violation of a state mandate that required four-year terms. He has ordered Bexar Met to obey the law.

The Guadalupe-Blanco River Authority, in documents filed with Judge Garcia, has outlined a pattern of abusive behavior and clear violations of state law by Bexar Met in its aggressive attempts to expand its service into Comal County.

Included in the court documents are charges from the city of Bulverde of Bexar Met's coercive efforts to provide service within its city limits without permission from the

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Promotions	municipality — another violation of state law.
Horoscope	
SPECIAL INTEREST	The Express-News has long been aware of the secrecy practiced by Bexar Met in violation of the state Public Information Act with, for example, its annual failure to provide a copy of its proposed budget to the public or to the press.
Lottery	
Celebrations	
Crimebase	Most of Bexar Met's unlawful actions arise from a 1996 "consent decree" in U.S. District Court on single-member district elections of directors.
Legal Resources	
Personals	
What's Happening	Using that decree like a fake passport, the utility has trampled on Texas law governing its operations and has used the power of the federal court to bludgeon any and all opposition from its critics.
TV Listings	
E-cards	
MARKETPLACE	For instance, in June 2003 the Texas Legislature passed SB 1494, which redefined Bexar Met's geographic boundaries and froze further expansion into Comal County. The board's response at its October 2003 meeting was to ignore the Legislature and proceed with a \$4 million purchase of new water service areas in Comal County.
Classifieds	
Yellow Pages	
Newspaper Ads	
Video Ads	Those of us suffering under the heavy extractions of a water monopoly, which has been without effective state oversight, have now been denied our voting rights.
Coupons	
Shopping	
E-N Subscriptions	Our situation is a classic one: taxation without representation. The Bexar Met board is seeking to simultaneously deny us due process and suspend equal protection under the law.
E-N Archives	
E-N Store	
Great Day S.A. Store	
ABOUT US	It is time now for the Department of Justice's Civil Rights Division to mete out some justice and protect our voting rights. It is time for the federal court to put a stop to the unlawful use of its powers. It is time for the press to protest the secret proceedings of this "public utility." And it is time for the voters to throw the rascals out.
Express-News	
KENS 5	
MySanAntonio.com	
Corrections	

Bob Anderson is former mayor of Castle Hills.

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Editorials

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Comment: Bexar Met expansion plans unlawful

Web Posted: 09/05/2004 12:00 AM CDT

San Antonio Express-News

In his Aug. 22 comment, "Bexar Met redistricting protects voters' rights," Rolando Rios advocates "transparency," which certainly includes public disclosure of all relevant facts. Mr. Rios neglects to mention two very important facts, however.

First, Mr. Rios fails to mention he is the named plaintiff suing the Bexar Metropolitan Water District in the federal Voting Rights Act lawsuit. Bexar Met and the plaintiff (Mr. Rios) curiously agree on all issues — the so-called adverse parties jointly proposed to the court a consent decree that purports to expand Bexar Met's boundaries beyond those defined by the Texas Legislature; Bexar Met agreed to pay the plaintiff's (Mr. Rios') legal expenses in pursuing the lawsuit he filed; and the plaintiff (Mr. Rios) gave and continues to give his unqualified support for Bexar Met's unlawful expansion plans.

Second, Mr. Rios, who is a lawyer, also fails to mention he is on Bexar Met's payroll — to provide "legal services" to the very same governmental entity he is suing.

The things Mr. Rios says in his comment are predictable, given his and Bexar Met's highly questionable conduct in their contrived lawsuit. He tries to deflect the public's attention from Bexar Met's "pattern of abusive behavior" by wrongly attacking the Guadalupe-Blanco River Authority, or GBRA.

In evaluating Mr. Rios' comments, citizens should take into account the contrived lawsuit and the relationship between Bexar Met and Mr. Rios. The public should also consider the following:

While it is true that the GBRA board is appointed by the governor, it is wrong for Mr. Rios to insinuate this somehow makes GBRA less accountable or that GBRA's board does not fairly represent our service area. GBRA is accountable to the Legislature, and our board members live in the areas they represent.

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Corrections

GBRA serves the 10-county district the Legislature authorized us to serve. We do not solicit business in Bexar County where Bexar Met has been authorized to do business. Our conflict with Bexar Met is in Comal County. This was initiated by Bexar Met's unlawful encroachment into our service territory.

The law in Texas for years has been clear that the statutes governing water districts do not authorize districts to roam at large and solicit customers wherever they wish. In 2003, Bexar Met sought an amendment to its governing act that, if passed by the Legislature, would have granted Bexar Met that very power. Sen. Frank Madla filed the bill desired by Bexar Met.

The Texas Legislature, however, rejected Madla's attempt and made significant changes to the bill he filed. The bill, as finally passed by the Legislature in 2003, does just the opposite of what Madla's original bill would have done.

The final legislation fixes Bexar Met's boundaries to coincide with Bexar Met's current boundaries. It clarifies that Bexar Met can develop, transport, deliver, distribute, store and treat water only within the existing Bexar Met district.

In complete disregard of that recent legislation, Bexar Met has continued to buy water systems, solicit customers and apply for service areas outside its jurisdiction, thereby infringing on the rights of Bulverde and GBRA. These efforts by Bexar Met are not only illegal, they also are fraudulent because Bexar Met has no long-term, firm water supply to properly service areas outside its boundaries.

Bexar Met's "solution" was to file a petition with the Texas Commission on Environmental Quality, or TCEQ, asking that state agency to force GBRA to provide Bexar Met the water it wants in Comal County.

Against this backdrop, Bulverde and GBRA sued Bexar Met in Comal County, seeking a judgment from State District Judge Gary Steel that essentially would require Bexar Met to honor the boundaries the Legislature imposed.

Bexar Met and Mr. Rios also were less than candid with U.S. District Judge Orlando Garcia in their recent joint request for "clarification" of the consent decree entered in their Voting Rights Act litigation. The joint request for "clarification" did not disclose the ongoing Comal County lawsuit. And the "clarification" sought jointly by Bexar Met and Mr. Rios would have made Judge Garcia an unwitting ally of Bexar Met's in that Comal County litigation.

What Bexar Met and Mr. Rios sought was a decree that Bexar Met is free to expand wherever and whenever it wants, regardless of the legislative limitations that water districts face regarding expansion areas. Judge Garcia appropriately declined to enter such a decree.

GBRA got involved in Bexar Met's and Mr. Rios' voting rights litigation because our water contract with the city of Bulverde and its attendant financial considerations, as well as the impact to regional water resources, can be significantly affected by the outcome of this case.

GBRA sought intervenor status to protect those interests that depend on GBRA to ensure their future water resources — which is exactly what the Legislature has charged us to do.

W.E. West Jr.

W.E. West Jr. is the general manager of the Guadalupe-Blanco River Authority.

More headlines

Editorial: During WWII trip, Bush confronts Russia paradox
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Editorial: School board turnout dismal
Editorial: Bending enrollment rules for local campus wrong
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Major overspending cited at Bexar Met

Web Posted: 09/15/2004 12:00 AM CDT

Jerry Needham
San Antonio Express-News

The Bexar Metropolitan Water District spent \$8.2 million more than it budgeted last year, a new audit has found. Managers blamed the overspending on unforeseen events that probably won't be repeated.

An independent audit of the water utility, released Tuesday, found that spending for the fiscal year that ended in April was 24 percent over budget.

The auditor, Garza/Gonzalez & Associates, said that Bexar Met's management attributed the excessive spending to unscheduled needs that included expansion of its treatment plant and repair of Medina Dam, higher fuel costs, flood debris cleanup that threatened the quality of water used by the treatment plant, and professional fees related to lawsuits.

The utility also collected more money than it expected, with total operating revenues 5.1 percent higher than projected at \$43.9 million, according to the audit.

Water sales were only 2.6 percent higher than budgeted, at \$37.3 million. Most of the extra revenue came from an unanticipated 83 percent jump, of \$1.2 million, in customer penalties and fees collected.

That has been a sore point with many customers, who claim the utility is too quick to turn off service for slow payment, and is balancing its books on the backs of its mainly low-income customers.

The auditing firm, in a separate letter on management of the utility, also made a number of recommendations to bring things in line with generally accepted accounting practices.

It noted that the utility has not conducted a physical inventory of its capital assets in

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EXHIBIT "9"

Mideast Battlefield	at least five years and recommended that one be conducted every two years.	
Great Day S.A.		Ne
DIVERSIONS	The firm also said that real estate appraisals generally are not obtained before property is purchased, and they should be.	Se
Comics & Games		
Contests & Promotions	The current operating budget is \$39.2 million, with a projected bottom line of \$3.8 million.	
Horoscope		
SPECIAL INTEREST		
Lottery	The utility would have shown a significant loss for the year, if not for taking in one-time extra revenues of \$3.8 million from an interest rate swap transaction on some of its debt, and \$6.4 million in capital assets from developers who handed over water systems they had built in new neighborhoods.	
Celebrations		
Crimebase		
Legal Resources		
Personals	Instead, the utility posted a profit of \$1.5 million, which was almost 80 percent below projections, and added \$5.2 million to its net assets. Even though Bexar Met owes \$213 million in debt, its assets exceed debts by \$48.2 million.	
What's Happening		
TV Listings		
E-cards	Jose Gallegos Jr., one of four members who have joined the seven-member board in the past year or so, said the panel is turning things around.	
MARKETPLACE		
Classifieds		
Yellow Pages	"I think the management letter pointed out a lot of areas the company needs to look at," said Gallegos, who added that he is bothered by the overspending. "Certainly, we will be correcting those areas."	Ho
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Roddy Stinson: Bexar Met bad? Dreadful? Horrid? Rotten? Pick your poison

Web Posted: 09/23/2004 12:00 AM CDT

San Antonio Express-News

San Antonio's premier public-sector basket case — Bexar Metropolitan Water District — has gone from bad to dreadful.

Or dreadful to horrid.

Or horrid to unspeakably rotten.

(Pick your adjectival poison.)

Pundits who monitor the goings-on at the ineptly managed utility will soon run out of words to describe the depths to which it has sunk.

Here is the latest stinking news about the public agency:

An independent audit of Bexar Met's books, covering the period of May 2003 through April 2004, was released last week.

In a "management letter" addressed to Bexar Met officials, the auditing firm, Garza/Gonzalez & Associates, described in no-nonsense terms the "material weaknesses" and "reportable conditions" that its staff uncovered:

"A physical inventory count of capital assets has not occurred within the last five years."

"Capital assets are not tagged for accountability and inventory purposes."

"Documentation was unavailable to support \$2 million of land recorded in the general ledger."

"Real estate appraisals are generally not obtained prior to real property being purchased."

"Board approval was not obtained for the extension of an existing contract, for the awarding of several construction projects or for change orders for two different construction projects."

"There is no control or accountability of the receipt books maintained or issued."

"Total expenditures for the year ended April 30, 2004, exceeded the total budgeted expenditures, and item expenditures exceeded the item budget by more than 25 percent in various budget areas, without Board approval."

"... issuance of blank checks is not controlled."

"Of the 55 items selected for physical inventory counts from all locations, including the truck and stock inventory, there were 23 instances in which the physical count differed from the quantity reflected in the inventory system."

EXHIBIT "10"

Space limitation forces me to end the list of horrors with that 42 percent inventory "error." But those examples should be sufficient to leave the most cynical public-agency critics shaking their heads in disbelief.

Those same cynics will probably not be surprised to learn that the telling audit report will lead to little change at Bexar Met.

During an interview about the auditor's findings, I asked Bexar Met Board Chairman John Longoria if he felt that longtime CEO Tom Moreno was incapable of managing the utility.

His response: "I consider him competent."

Longoria also insisted that "we've changed quite a few things, and we'll continue to do that until we get things as they should be."

I asked him specifically if the board planned to do anything about the lax control of employee vehicles.

"Hell, yes," he said.

Yet similar laxity was described in the 2003 audit. ("There is nothing to prevent an employee from taking a District vehicle on an extended vacation.") And at that time, CEO Moreno promised: "Those employees who exceed the established mileage limits will pay for those excess miles."

One year later, auditors discovered:

"Vehicles are provided to the CEO, all deputies and most managers for their exclusive use. ... Employees do not maintain or report their business or personal use of vehicles to the District as required by Board Administrative Policies."

So nothing has changed.

Bexar Met mismanagement continues.

And the abuse of ratepayers goes on.

To contact Roddy Stinson, call (210) 250-3155 or e-mail rstinson@express-news.net. His column appears on Sundays, Tuesdays and Thursdays.

Online at: <http://www.mysanantonio.com/columnists/stories/MYSA092304.3A.Stinson.abcbfa34.html>



Editorial: Bexar Met taking too many missteps

Web Posted: 10/06/2004 12:00 AM CDT

San Antonio Express-News

The Bexar Metropolitan Water District's misguided attempt to draw new districts for the second time in less than a year has backfired.

In addition to creating a mess that resulted in delayed elections, the redistricting bid raised serious questions about the water agency's commitment to giving all voters a fair say in electing board members.

The U.S. Justice Department rejected the latest redistricting plan until Bexar Met provided thorough information about the impact and origin of the plan. U.S. District Judge Orlando Garcia then stopped the effort in its tracks.

Garcia ordered Bexar Met to use already existing boundaries and delay elections for District 5 and District 6 board members until February.

Garcia's order, which was obeyed by the board Monday night, prevented Bexar Met from holding elections under new lines that would have deprived about 27,000 customers from voting for an additional two or four years.

The delay is necessary; it is too late for the district to hold a new candidate-filing period in time for the Nov. 2 election.

Garcia, who earlier ordered Bexar Met to follow state law by reducing board terms from six years to four years, also will determine whether board members now in the fourth year of six-year terms should be on the February ballot.

The judge's findings on that issue will be released in time to put two additional districts on the February ballot, if necessary.

None of these judicial actions would have occurred if Bexar Met officials hadn't attempted to pursue the late-hour and suspicious restricting plan, which critics say was designed to limit the voice of opponents of the board's status quo.

The redistricting mess shows the status quo could use some shaking up.

Bexar Met officials also have been hit with an embarrassing management letter from its new auditing firm revealing a series of bad management practices, as recently detailed by Express-News columnist Roddy Stinson.

Add the agency's recent state district court loss in its effort to force its services on the city of Bulverde, and the pattern of misguided actions by Bexar Met is devastating.

Bexar Met is a troubled agency woefully in need of a major housecleaning.

Online at: <http://www.mysanantonio.com/opinion/editorials/stories/MYSA100604.06B.bexarmet1ed.ee6dc029.html>

EXHIBIT "11"



Bruce Davidson: Bexar Met still awash in turmoil

Web Posted: 12/19/2004 12:00 AM CST

San Antonio Express-News

The Bexar Metropolitan Water District continues to be plagued by turmoil as February elections for two board seats approach.

In a marathon meeting last week, the utility's board failed to agree on an evaluation process for embattled General Manager Tom Moreno. A week earlier the board failed to get a quorum to address the issue.

Moreno, who has not been formally evaluated by the board since becoming general manager in 1985, returned to work in early December after a 30-day suspension.

Board President John Longoria said Moreno was suspended because he failed to present contracts to the board in a timely manner and other governance issues.

"Everything I've seen him do has been good stuff. He was used to doing it his way," said Longoria, noting that the historically weak board is attempting to do its job of setting policy.

"It's a new process," said Longoria, who has been a board member for a little more than a year. Longoria added that he can't stomach management by crisis.

Not all observers agree with Longoria's positive assessment of Moreno's performance, and the general manager is sure to be a major issue in the upcoming campaigns.

Board member Victor Villarreal said he hopes the board will adopt an evaluation process at its regular meeting Monday and that Moreno's evaluation is completed before the end of the year.

As board members debated the evaluation process, the biggest development at the meeting was District 6 incumbent Dean Perry's announcement that he will not seek re-election.

Perry is now supporting candidate Blanche Atkinson, a neighborhood activist who is seeking the post he has occupied for 10 years. She faces another activist, Leslie Wenger, who has been one of the most vocal critics of Bexar Met's management.

Atkinson said she is not willing to pass judgment until she is elected and sees the Bexar Met situation firsthand.

"I'm just a novice at this. Mr. Perry is helping me. He is an expert on this. He's teaching me," Atkinson said.

Wenger, treasurer of the Committee to Reduce Water Rates, helped lead the fight against Bexar Met's second redistricting plan of 2005.

"I just think that there has been poor management on every level," Wenger said, adding the Bexar Met spends big money in ways that don't benefit the ratepayers.

Wenger added that Bexar Met's meter fees are problematic. Earlier this year, Wenger said, she compared water rates and found that "if I were in the San Antonio Water System, I would be paying \$12.75 a month for the same meter that I'm paying \$75 for."

EXHIBIT "12"

The Committee to Reduce Water Rates is backing James Henry Clement in the District 5 race. Clement is challenging incumbent Jim Lopez. Nick Pena also is a candidate for the seat.

The election was originally scheduled for last month. However, U.S. District Judge Orlando Garcia ordered the board to cancel it and move the voting to Feb. 5 after the U.S. Justice Department rejected the agency's latest redistricting plan. That plan would have prevented some Castle Hills residents from voting for board members for an additional two to four years.

Garcia also ordered Bexar Met to start following state law by establishing four-year terms for board members instead of six-year terms. He had called for six-year terms when single-member districts were created, but state lawmakers later set water district terms at four years. Bexar Met ignored the change in state law.

Bexar Met desperately needs a high-profile election so voters can examine the massive problems at the agency and decide which candidates can best deal with them.

Voters have a lot at stake. Longoria noted that 10 years ago the agency's budget was \$6 million and has grown to \$48 million.

The wisdom of the rapid growth and Bexar Met's difficulties in coping with it are issues that candidates must address.

bdavidson@express-news.net

Online at: <http://www.mysanantonio.com/columnists/stories/MYSA121904.2H.davidson.139e7e46.html>



Editorial: Bexar Met needs new executive management

Web Posted: 12/28/2004 12:00 AM CST

San Antonio Express-News

An Express-News report on the latest turn of events at Bexar Metropolitan Water District exposed the staggering chaos that is hampering the agency.

Castro & Associates, a legal team hired to investigate leadership at Bexar Met, found the agency's human resources department has become "entirely dysfunctional," the newspaper revealed.

Tom Moreno, the agency's general manager, returned from his 30-day suspension and rehired Sylvia Gamez, the supervisor who oversaw the department. She had been fired by Moreno's interim replacement during his absence.

And Moreno's interim replacement, Gil Olivares, has been given a contract that places him outside of Moreno's supervision. Does the board not trust Moreno to deal fairly with Olivares?

According to copies of the Castro & Associates reports obtained by the Express-News, Gamez's behavior "has created a culture of fear and intimidation within the organization." The legal team recommended immediate termination of the deputy general manager.

Bexar Met board President John Longoria defended Moreno's decision to rehire Gamez, saying she had not had an opportunity to respond to the complaints from employees that are detailed in the Castro & Associates reports.

Meanwhile, after sputtering for weeks, the board has set a Jan. 3 date for Moreno's first evaluation since he became Bexar Met's general manager in 1985.

Clearly, Bexar Met is in shambles. The buck should stop at the top, and Moreno should be ousted.

It is difficult to imagine Moreno leading the agency out of the chaos that engulfs it. Bexar Met needs a fresh start with new executive leadership.

Online at: <http://www.mysanantonio.com/opinion/editorials/stories/MYSA122804.6B.ed.bexarmet.4bdb035f.html>

EXHIBIT "13"



Bruce Davidson: Bexar Met continues bad cycle

Web Posted: 01/09/2005 12:00 AM CST

San Antonio Express-News

The Bexar Metropolitan Water District is soaring to new heights of chaos.

In a jolting move last week, the Bexar Met board extended General Manager Tom Moreno's contract for an additional year.

The extension came on the heels of a 30-day unpaid leave that the water agency boss received from the same board in November because of contracts that were enacted without board approval.

First slap him. Then reward him.

The main change that occurred between the conflicting board decisions seems to be that the board developed an "evaluation tool" for measuring Moreno's performance.

Not to be forgotten: When Moreno returned from his unpaid leave, he rehired a manager whom his interim replacement had fired because a legal team reported her behavior created a culture of fear and intimidation. The controversial manager already had been replaced.

For the record, board members Jose Gallegos, Victor Villarreal and Dean Perry stubbornly stuck to reason and opposed the contract extension for Moreno.

Last week's contract extension evolved from Moreno's evaluation, the first he has received in his 20 years as general manager.

The extension follows a thoroughly disastrous year for Bexar Met that would lead almost any outsider to conclude that the agency is poorly managed.

Bexar Met attempted to redraw board district lines twice in a single year.

The U.S. Justice Department shot down the second attempt, causing U.S. District Judge Orlando Garcia to order the agency to move its board elections from November to February.

The agency also lost a state district court battle after it filed a lawsuit to force its way into serving Bulverde in Comal County.

Express-News staff writer Jerry Needham recently reported that an audit released last year showed Bexar Met overspent its budget by 24 percent.

Other audit findings reported by Needham: The agency failed to conduct an inventory of assets for the past five years and has purchased hundreds of acres of property without getting appraisals.

Showing a unique brand of leadership, a majority of the board rewarded Moreno with another year on his contract, which now runs through March 2007.

Moreno's board supporters are Jim Lopez, Herman Sanchez, Ysidro Solis and John Longoria, the board

EXHIBIT "14"

president.

Eight-year veteran Lopez is the lone incumbent on the Feb. 5 ballot. Perry opted not to seek re-election.

Lopez made the motion to extend Moreno's contract. He said he supported the November unpaid leave as a concession to other board members, but he didn't believe it was justified.

"I think Mr. Moreno was prejudged. I think mostly by our new board members," Lopez said, referring to Villarreal and Gallegos.

Jim Clement, who is challenging Lopez, said Bexar Met is "like a train out of control."

He said Moreno's actions "put a scar on that company that shouldn't be there."

Lopez acknowledged that Bexar Met has some flaws. "There are some things that we need to work on. Some of these changes that we need to make cost money," Lopez said.

But Lopez warned against micromanaging by the board.

In the race for Perry's seat, Lesley Wenger is facing Blanche Atkinson.

Wenger said last week that she would support firing Moreno. Atkinson said in a recent interview that she wouldn't judge the situation until she was on the board to see it firsthand.

Nobody will be watching the Bexar Met election results more closely than Moreno.

bdavidson@express-news.net

Online at: <http://www.mysanantonio.com/columnists/stories/MYSA010905.2H.davidson.7f9ce21e.html>



Roddy Stinson: S.A.'s worst prodigal agency rewards top squandermaniac

Web Posted: 01/09/2005 12:00 AM CST

San Antonio Express-News

No more Mr. Nice Guy ...

Par for the chorus. Despite back-to-back annual audits that revealed dumbfounding mismanagement and staggering financial prodigality, Bexar Metropolitan Water District's off-key board of directors — conducted by Chairman John Longoria — rewarded the utility's general manager, Tom Moreno, by adding a year to his employment contract.

Ergo: Bexar Met's customers have nothing to look forward to except months and months and more months of rising water bills and deplorable service from San Antonio's hands-down worst public agency.

The plague spreads. Longoria, a longtime Democratic kingpin, has been in the news recently for another reason. Last month, he announced that he would back a fellow Democratic loyalist, Phil Hardberger, in the upcoming mayoral campaign.

"(Hardberger) has spent his life fighting for justice," the Bexar Metropolitan Water District board chairman declared in his endorsement of the man he believes can instill Bexar Met-esque virtues at San Antonio City Hall.

Tell him you want 'justice'. A Bexar Met customer reports: *"Roddy, I took an extended out-of-town holiday and was surprised to see the following figures on my Bexar Met water bill: 'Gallons used: 0 ... Charges: \$60.01.' HELP!"*

Heaven knows I wish I could do something, but there is no help in sight for Bexar Met ratepayers. The only thing I can do is encourage all customers with billing problems and service complaints to call board chairman Longoria at his law office (223-9422). Last week, he carved "inept status quo" in stone, and only he can erase it.

Fiddling while S. A. burns. After a FOUR-MONTH investigation by her staff and the Texas Rangers, District Attorney Susan Reed has determined that Mayor Ed Garza did NOT violate the state's Open Meetings Act in the process of firing former City Manager Terry Brechtel last August.

My effort to determine the amount of man-hours spent on the witch hunt produced only a curious explanation that the investigation was "relatively short." Meanwhile, across the community, homes were being burgled, stores were being robbed, citizens were being murdered and government officials were playing fast and loose with public money at a relatively standard clip.

Dry Ideal. The waste of crime-stopping time and public money was initiated by City Councilwoman Patti Radle, who filed the complaint against Garza. On learning of the DA's decision, Radle did not apologize to the mayor, the council or taxpayers, thereby sparing her friends, family members and faithful acolytes the pain of watching a saint sweat.

I'm still laughing. An ongoing investigation by the Dallas Morning News has uncovered *"strong evidence of organized, educator-led cheating on the TAKS test in dozens of Texas schools."* In a particularly intriguing Dec. 31 report, the newspaper identified one of the schools: *"Houston's Wesley Elementary."*

On putting the name of the school into an Internet database, I found this article from the Nov. 15, 2001, issue of

EXHIBIT "15"

the Houston Chronicle: *"Seven Houston Independent School District schools received five-star and 'top' ratings in the November issue of Texas Monthly magazine. The list of top schools includes ... Wesley Elementary."* How divivable. How droll. How deliciously — and priggishly — perfect.

Post-Christmas Howl. On the morning of Dec. 21, I mailed a check to my three grandchildren in Williamsville, N.Y. To make certain it arrived by Christmas, I paid a few bucks for "priority" delivery — "two days" the nice man at the downtown post office assured me. He was off by only five days. The check was delivered 168 hours later, on Dec. 28.

In an attempt to determine what method of travel was used, I divided the number of miles between San Antonio and Williamsville by 168 and learned that the check traveled at approximately 9.8 miles per hour.

I then put "10 miles an hour" into the Yahoo Internet search engine and found this telling piece of information:

"Wolves can trot at speeds of 10 miles an hour indefinitely."

A mailbag would probably slow them to about 9.8 miles.

United States Lobo Service.

It's good to see a public agency benefit from the nation's success in saving endangered species.

To contact Roddy Stinson, call (210) 250-3155 or e-mail rstinson@express-news.net. His column appears Sundays, Tuesdays and Thursdays.

Online at: <http://www.mysanantonio.com/news/metro/stories/MYSA010905.3A.stinson.8a71b101.html>



NEW: Reform-minded Bexar Met board suspends general manager

Web Posted: 02/18/2005 02:34 PM CST

Jerry Needham
Express-News Staff Writer

The controversial general manager of the Bexar Metropolitan Water District was slapped with an unpaid 60-day suspension today as a new, reform-minded board majority signaled its disapproval with his job performance.

Tom Moreno received his second suspension in just over three months after an audit found \$155,000 in questionable spending at the utility over the past two years.

And despite the fact Moreno was recently granted a five-year contract extension by the previous board, the suspension put a cloud over his future with the water utility he has run for two decades.

The newly formulated board, holding its first meeting with its own agenda in place, also hired a special attorney and told BexarMet's 30-year general counsel to stop any work for the district pending further notice.

The suspension of Moreno came after certified public accountant Rene Gonzalez presented to the board the results of a special audit that looked at certain areas the board had requested.

"There are some checks and balances, but in some cases policy wasn't being followed and in some cases they were being circumvented," Gonzalez told the board.

After a closed-door session with the new special attorney, board member Jose Gallegos Jr. moved to suspend Moreno "in the interests of the ratepayers, the employees and the district as a whole. I think the audit reveals some very serious findings."

Although the questionable spending of petty cash, credit cards and overpayment of salaries was not done directly by Moreno, Gallegos said the general manager was ultimately responsible and that he didn't want the opportunity for "a continuation of this mismanagement to occur."

Two reformers were elected to the seven-member board on Feb. 5, joining two others who had been elected 15 months earlier. They elected themselves as officers after the new members were sworn in Monday and set out to make changes.

John Longoria, a former state legislator and Bexar County judge who was ousted as board president, opposed Moreno's suspension, calling it a breach of contract without giving Moreno any due process to respond and without any specific allegations.

Longoria also said he was disturbed that the two members-elect met last weekend with two other members, apparently to plan out an agenda that they're now following.

jneedham@express-news.net

Online at:

<http://www.mysanantonio.com/news/environment/stories/MYSA021805.bexarmeten.online.be9b1ce1.html>

EXHIBIT "16"



NEW: Bexar Met boss put on leave pending investigation

Web Posted: 02/18/2005 01:22 PM CST

Marvin Hurst
KENS 5 Eyewitness News

The general manager of Bexar Metropolitan Water District has been put on administrative leave without pay pending the outcome of an investigation into the possible misuse of funds, the agency's board announced today.

The announcement came at a morning meeting where board members discussed a recent audit that reported alleged misuse of funds by general manager Thomas Moreno and members of his staff.

Some of the financial expenditures in question include credit card use, overpayment of payroll, unauthorized salary increases and misuse of petty cash, according to the audit.

Moreno will be on administrative leave for 60 days while the board investigates the claims.

Moreno would not comment on today's board meeting .

Online at: <http://www.mysanantonio.com/news/metro/stories/MYSA0218bexarmet.kens.be4dbe17.html>



Bexar Met board hires 2 new lobbying firms

Web Posted: 04/09/2005 12:00 AM CDT

Jerry Needham
Express-News Staff Writer

The board of the Bexar Metropolitan Water District has its back covered again in the Texas Legislature.

After firing its three legislative lobbyists early last week, the board hired two more teams of lobbyists Friday to watch out for its interests for the remainder of the session that ends May 30.

Former U.S. Rep. Ciro Rodriguez, who has joined with his former chief of staff, Jeff Mendelsohn, to form a firm called the Rio Strategy Group, was hired as one of the lobbyists to represent the district.

The Loeffler Group was hired as the other team. It's composed of San Antonio attorney Mary Q. Kelly, Rob Finney and Jennifer Modgling, who was chief clerk for the Texas House Natural Resources Committee for seven years.

The board selected the two firms unanimously from seven firms or individuals that applied for the position. Each will get \$6,000 a month for the next three months.

"Everybody was very impressive," said board member Lesley Wenger. "From the presentations, they seemed to be the best fit for us. They are looking forward to working together."

The board fired its previous lobbyists, claiming it was not getting any indication about what was being done for the district since they had been hired last September. They were being paid \$23,000 a month.

More Texas Legislature coverage

- Bexar Met board hires 2 new lobbying firms
- Internet hunters ordered to log off
- **Video:** Officials pull the trigger on Internet hunting
- **79th Legislature:** News, video, information

jneedham@express-news.net

Online at: <http://www.mysanantonio.com/news/environment/stories/MYSA040905.4B.bexarmet.1bc366e5b.html>

EXHIBIT "17"



BexarMet board fires its general manager

Web Posted: 04/19/2005 12:00 AM CDT

Jerry Needham
San Antonio Express-News

Tom Moreno's 20-year reign as general manager of the Bexar Metropolitan Water District ended Monday night when the district's board voted to terminate the remaining five years of his employment contract for cause.

Moreno was making \$180,000 a year, potentially subjecting the district to a \$900,000 payout unless the contract was ended with good cause.

The board voted 4-3 to end the contract and, again, by the same margin, to appoint Gil Olivares, chief financial officer and acting general manager, as interim general manager.

Moreno's attorney, Thad Harkins, spent 45 minutes responding to a list of alleged deficiencies, oversights and wrongdoings laid out by the board in an April 6 notice of termination.

"Tom Moreno wants to resolve any issues he has with this board," Harkins said. "Tom Moreno wants to continue to serve."

But without discussion, board member Lesley Wenger made a motion to terminate Moreno's contract for cause, and it drew a quick second from Jose Gallegos Jr.

Moreno, a 35-year employee who oversaw the district as it grew from a sleepy rural water provider into a four-county behemoth that has been racking up debt while swallowing dozens of small companies, has been on unpaid leave for almost two months.

Dissatisfaction with the district's tactics grew as water rates for its mostly poor customers increased rapidly while the district filed lawsuits to grab more customers and water. Four new board members were elected to the seven-member board over a 15-month period ending in February.

Moreno was placed on leave Feb. 18 — his second suspension in three months — after a special audit found \$155,000 in questionable spending over the past two years. That included alleged salary overpayments of \$100,000 for 15 employees for 2003 and 2004, including almost \$30,000 for Moreno and \$13,550 for Sylvia Gámez, Moreno's now-fired former chief deputy.

Another special audit released earlier this month found alleged excess salary payments of almost \$60,000 to Moreno and \$21,143 to Gámez, from 1999 through 2002, for buyback of unused vacation time.

Other allegations against Moreno included entering into contracts without board approval, not giving employees annual evaluations, questionable handling of BexarMet property, continued payments to lobbyists whose contracts had been canceled and deferment of impact fees without board approval.

"I think that a majority of the board saw fit to move forward and to make BexarMet accountable and to make the leadership, the management of BexarMet, responsible for their actions or inactions," Gallegos said after the meeting.

Harkins said the complaints about Moreno were dead issues dredged up for political reasons. He said Moreno

EXHIBIT "18"

had not made any missteps since the board gave him a good job evaluation and a year's extension on his contract in January.

"If you decide for political reasons, which are the reasons that we're seeing here, to get rid of Tom Moreno, at least have the common sense as public servants to honor the contract that's in place instead of trying to find some fiction to continue to injure my client," Harkins said.

In opposing the motion, board member John Longoria said Moreno had been given abbreviated due process.

"I do not agree with the procedures that have occurred," said Longoria, a former state legislator and Bexar County judge. "I do not agree with the conclusions that have been drawn."

Longoria was joined by Herman Sanchez and Ysidro Solis in voting against the motion.

jneedham@express-news.net

Online at: <http://www.mysanantonio.com/news/metro/stories/MYSA041905.1A.moreno.1effc79c6.html>



New bill would rein in BexarMet

Web Posted: 04/22/2005 12:00 AM CDT

Jerry Needham
Express-News Staff Writer

Now that a new board has fired the attorneys and general manager who masterminded the rapid expansion of the Bexar Metropolitan Water District, a lawmaker has filed a bill to hobble any future growth plans.

The bill filed Tuesday by state Rep. Robert Puente, D-San Antonio, would turn BexarMet from a municipal corporation into a special utility district with limited powers. Such a district also can be taken over by a city.

But at least one observer charged that the bill is motivated by personal politics.

"This is not about an orderly process for developing public policy to deal with water problems in South Texas," said Bob Anderson, former mayor of BexarMet customer Castle Hills and husband of BexarMet board member Lesley Wenger, who was in Austin and unavailable for comment Thursday.

"This is angry men using their power to try to punish people because they didn't like the way an election turned out," Anderson said. "It's not about reason and logic."

Puente, who is chairman of the House Natural Resources Committee, denied any ulterior motives.

"What prompted it was the continuing problems that BexarMet has in trying to deliver water at a reasonable rate and in a quality condition," he said. "So I'm helping them along."

Leaders at river authorities and cities in the region for years have expressed concern about BexarMet's broad powers and its willingness to use them, along with lawsuits, to expand its territory into surrounding counties.

The district has bought dozens of smaller companies and expanded into three adjacent counties over the past 10 years, more than doubling its number of connections to 80,000.

That threat seemed to have been dissipated when the district's 20-year general manager, Tom Moreno, was fired Monday after two new board members took office in February, making a new majority on the seven-member board.

The new majority also voted itself into the four officers' positions, ousting John Longoria as president. Longoria, who's been on the board for almost three years, claimed he was on a slower course for reform.

Anderson said he believes the snub of Longoria is behind Puente's attempt to throttle BexarMet.

"He's angry about the fact that his friend John Longoria is not the president and is not going to be the leader," he said.

Puente wouldn't respond to the comments of Anderson, who he said testified recently in his committee against an open meetings bill aimed at Wenger without disclosing that he is her husband.

And even though the proponents for expansion may be gone, Puente said "this reform movement is only good as long as there are quote — reformers — unquote in place."

EXHIBIT "19"

Longoria said he had no knowledge that the bill was even being considered and he had not seen it late Thursday.

Anderson said turning "BexarMet into a special utility district makes no sense.

"SUDs were never designed to operate within cities. They were designed for water cooperatives in rural areas, to help them get better financing arrangements and to avoid certain fees and taxes," he said.

Anderson said a SUD operating within a city would have to get permission to build a pump, put in a water tower, or drill a well and the city can say no.

Another feature of special utility districts is that they can be taken over by cities, and it would be possible for the San Antonio Water System to one day absorb BexarMet.

jneedham@express-news.net

Online at: <http://www.mysanantonio.com/news/environment/stories/MYSA042205.3B.bexarmet.1feb122f0.html>



News Roundup: Longoria walks out on BexarMet board

Web Posted: 04/29/2005 12:00 AM CDT

San Antonio Express-News

SAN ANTONIO

Longoria walks out on BexarMet board

Former state Rep. John Longoria followed through Thursday on his promise to resign from the board of the Bexar Metropolitan Water District after his latest disagreement with the board majority.

Longoria, who had been appointed to the board in June 2003 and elected to a six-year term in November 2003, announced he would resign and left the board meeting late Wednesday.

He disagreed with a board vote to give interim General Manager Gil Olivares a one-year contract as general manager without opening the position to other applicants.

The board a week earlier had fired Tom Moreno, head of the agency for 20 years.

Longoria's term expires in November 2009, but the position would be filled through board appointment until an election in November.

"I was elected to represent a district and I am unable to continue to serve without violating my conscience," Longoria said in his letter of resignation. "The board majority chose to hire 'their buddy' without competition."

Longoria also was critical of the board's firing of the district's longtime attorney, "only to hire minimally qualified 'rookies' who are buddies of the new manager."

18-year-old faces child sex charge

An 18-year-old man was charged with aggravated sexual assault of a child after his mother reported finding him having sex with a 13-year-old male cousin.

The 18-year-old, held on a \$100,000 bond, is not being identified by the San Antonio Express-News to protect the identity of the cousin.

The man's mother told police she kicked her son out of her house after finding him engaging in sex with the teen, according to an arrest affidavit.

The 13-year-old told detectives the sexual encounters between him and his cousin began about a year ago and that he was not forced, the affidavit states.

After finding her son and nephew on Sunday, the 18-year-old's mother called the teen's father, who called police.

Woman sentenced for aid to escapees

A San Antonio woman who allowed some inmates who escaped from Frio County Jail to hide at her home was

EXHIBIT "20"

sentenced Thursday to nine months imprisonment and ordered to pay \$626 in restitution.

Debra Ann Ayala, 44, apologized to U.S. District Judge Orlando Garcia for her actions, which included clothing and feeding four of the five escapees during the week they were at her home last summer.

Ayala already has served 7 1/2 months, so she could be released in six weeks.

Court records state the inmates were brought to her home by an acquaintance, Randy Wayne Folsom, 42, who with Robert Lee Jack, 32, helped the inmates escape through holes in fences.

Folsom and Jack have pleaded guilty and await sentencing.

The Aug. 6 escape resulted in a manhunt for Manuel De La Fuente, Reymundo Alaniz Flores, Victor Hugo Nava Franco, Luis Angel Garcia and Jorge Arturo Castañeda Silva.

De La Fuente turned himself in Aug. 16 and was sentenced this week to 18 months in prison for escaping. Alaniz and Nava were recaptured Oct. 13 in Rio Bravo, near Laredo. Alaniz pleaded guilty in March to escape and Nava is awaiting trial.

Garcia and Castañeda remain free.

The U.S. Marshals Service is offering rewards of \$10,000 apiece for their recapture. Anyone with information is asked to call the Marshals Service at (866) 550-1717.

Cancer Society to host Relay for Life

Cancer survivors and their families are invited to attend the American Cancer Society's Relay for Life event.

The cancer survivor reception begins at 6:30 p.m. today followed by a luminaria ceremony at 9 p.m., both at the Mays Family YMCA at 21654 Blanco Road.

The event is free and open to all cancer survivors. Food and entertainment will be provided. For more information call (210) 887-7285.

Fitness events set for Maverick Park

Walk&Roll Fest, a series of events aimed at promoting fitness, air quality and transportation choices, is to take place Sunday at Maverick Park, Broadway at Jones Street.

Aimed at walkers and bicyclists, the event will feature refreshments, games, music, health screening opportunities, bike tune-ups and many educational exhibits.

For walkers, 5K and 10K routes will traverse downtown San Antonio. A fee of \$3 per person will be charged.

Bicyclists have two events to chose from.

A 5-mile Family Historical Bike Tour is designed for families with intermediate and beginner riders. Admission is free, and sign-in is at 8 a.m.

The Urban Assault Race is for two-person bicycle teams, with obstacles set up at checkpoints across the city.

Registration (online at www.urbanassaultrace.com) is required. Fee is \$60 per person, \$65 after Saturday. Sign-in, assembly and briefing is at 7:30 a.m. Sunday.

All bike riders must wear helmets.

For more information, call (210) 230-6902.

TEXAS

Mom is charged in child's death

RAYMONDVILLE — A 26-year-old woman was charged with capital murder Wednesday in the October death of her 2-year-old son.

Erica Kendall was charged after a supplemental autopsy on Adam Roldan showed he died as the result of trauma to his brain.

The autopsy ruled out illness and other natural factors as the cause of the boy's brain hemorrhage, District Attorney Juan Angel Guerra said.

Court records show the boy was hospitalized for a brain hemorrhage about two months before his death and that his mother said he had fallen while they were at the park.

Court records said there were no outward signs of trauma but that an autopsy showed an abrasion on his left cheek.

Municipal Judge Hector "Tiger" Huerta set bond of \$250,000 for Kendall, who was arrested at her home Tuesday night.

The child died Oct. 11, and Child Protective Services removed Kendall's other three children from her home the next day.

Drug smuggling suspect pleads guilty

MIDLAND — One of three brothers accused of leading a smuggling operation that imported from 100 to 200 pounds of cocaine a week into the United States has pleaded guilty to conspiracy.

Jesus Beltran, 29, formerly of Balmorhea, entered his plea in federal court Wednesday to a count of conspiracy to distribute and possess with intent to distribute more than 5 kilograms of cocaine.

Beltran and two of his brothers, Hernaldo Beltran and Raul Beltran, were indicted in April 2000 on the conspiracy charge.

Mexican federal investigators arrested the brothers in 2001 and turned them over to U.S. marshals in November.

Man guilty of killing rock band's manager

TEMPLE — A 27-year-old man has been convicted in the slaying of a former manager of the 1970s rock group Grand Funk Railroad.

A Bell County jury deliberated less than 40 minutes Wednesday before finding Donald Alan Fair guilty of murder in the Nov. 1 death of Richard Terrance "Terry" Knight.

Authorities said Fair stabbed Knight to death during a domestic dispute at an apartment complex.

In his closing argument, defense attorney Jim Hewitt said there was "strong evidence" Fair was high on methamphetamine when he stabbed Knight 17 times. Fair was the boyfriend of the victim's daughter.

Knight, 61, managed Grand Funk Railroad during the 1960s and early 1970s.

Compiled from staff and wire reports

Online at: <http://www.mysanantonio.com/news/metro/stories/MYSA042905.2B.roundup.222c5f2e9.html>



Two BexarMet seats vacant after another resignation

Web Posted: 05/07/2005 12:00 AM CDT

Jerry Needham
Express-News Staff Writer

Another member of the board of Bexar Metropolitan Water District has resigned, leaving two vacancies at the helm of the troubled water utility.

Herman Sanchez submitted his resignation in a letter delivered to the district Friday. Former state Rep. John Longoria resigned from the board last week.

Sanchez had been appointed by the board in June 2003 to fill a seat left vacant by the resignation of Robert "Tinker" Garza Jr., the alleged engineer of a series of bribes that led to corruption charges at City Hall and the Alamo Community College District. That term ends in November 2006.

Sanchez could not be reached for comment Friday, but a district spokesman confirmed that a resignation letter had been received from Sanchez.

Longoria, appointed to the board in June 2003 and elected in November 2003, said he disagreed with a board vote last week to give interim General Manager Gil Olivares a one-year contract as general manager without opening the position to other applicants. His term expires in November 2009.

The board two weeks ago fired Tom Moreno, the district's general manager for 20 years, citing a number of management problems.

The board will appoint replacements to serve out the terms of the two members.

Complaints about the district have made it all the way to Austin, where the district is the target of three special bills in the Texas Legislature.

House Bill 2046 by Rep. Robert Puente, D-San Antonio, would make it a violation of the open meetings law for directors-elect to meet in a quorum with sitting directors, as allegedly occurred earlier this year.

Another bill, HB 2445 by Rep. David Leibowitz, D- San Antonio, would require BexarMet to wait at least 31 days after notifying a customer of an overdue payment before disconnecting service, and then charging no more than \$25 to restore service.

A third bill, HB 3565 by Puente, would prohibit BexarMet from providing service or adding land outside its current boundaries unless it gets the consent of each city or county into whose jurisdiction it wants to expand.

jneedham@express-news.net

Online at: <http://www.mysanantonio.com/news/environment/stories/MYSA050705.4B.bexarmet.24c7adc76.html>

EXHIBIT "21"