### SOAH DOCKET NO. 582-05-1005 TCEQ DOCKET NO. 2004-1384-UCR

PETITION OF BEXAR METROPOLITAN	§	BEFORE THE STATE OFFICE
WATER DISTRICT TO COMPEL RAW WATER COMMITMENT FROM	§ §	OF
GUADALUPE-BLANCO RIVER	§ §	ADMINISTRATIVE HEARINGS

### ORDER NO. 8 EXTENDING DEADLINE FOR REPORT

On May 2, 2006, Guadalupe-Blanco River Authority ("GBRA"), an intervenor in the captioned action, submitted to the State Office of Administrative Hearings ("SOAH") a scheduled status report, indicating that the parties have been prevented from fully discussing the appropriate level of GBRA's reimbursable expenses in this proceeding, because of out-of-town personal commitments on the part of one party representative. GBRA proposed leaving the record open for an additional two weeks to allow the parties further opportunity to resolve questions regarding the appropriate expenses.

Based upon the parties' representations, the ALJ hereby extends until May 23, 2006, the deadline to propose an appropriate amount of case expenses for Petitioner to defray in order to qualify for dismissal without prejudice under 30 TAC § 80.25(e). By that date, Petitioner shall submit to the ALJ a brief written status report, indicating whether the parties have reached an agreement regarding expenses or expect to be able to do so within a reasonably short time thereafter. If no agreement is then anticipated, the report should include a proposal for a procedural mechanism that will enable the ALJ to make an efficient determination of reimbursable expenses. Other parties may also submit status reports by May 23, if desired.

### PROCEDURAL QUESTIONS

Routine procedural and logistical questions may be directed to Rita McBride at (512) 475-3419; however, please note that SOAH support personnel are not authorized to provide general advice or the interpretation of regulations or policy.

**SIGNED May 8, 2006.** 

MIKE ROGAN

ADMINISTRATIVE LAW JUDGE

STATE OFFICE OF ADMINISTRATIVE HEARINGS

### WILLIAM P. CLEMENTS BUILDING, Jr.

300 West Fifteenth Street Austin, Texas 78701 Phone (512) 475-4993 Facsimile (512) 475-4994

#### SERVICE LIST

**AGENCY:** 

**Environmental Quality, Texas Commission on (TCEQ)** 

STYLE/CASE:

BEXAR METROPLITIAN WATER DISTRICT

SOAH DOCKET NUMBER:

582-05-1005

**REFERRING AGENCY CASE: 2004-1384-UCR** 

STATE OFFICE OF ADMINISTRATIVE

ADMINISTRATIVE LAW JUDGE

**ALJ MIKE ROGAN** 

REPRESENTATIVE / ADDRESS

**PARTIES** 

MOLLY CAGLE ATTORNEY

**HEARINGS** 

2801 VIA FORTUNA, STE. 100

**AUSTIN, TX 78746** 

(512) 542-8400 (PH)

(512) 542-8612 (FAX)

**GBRA** 

PAUL TERRILL

**ATTORNEY** 

810 W 10TH STREET

**AUSTIN, TX 78701** 

(514) 474-9100 (PH)

(512) 474-9888 (FAX)

BEXAR METROPOLITAN WATER DIST.

**ROGER NEVOLA** 

**ATTORNEY** 

BEXAR COUNTY COURTESY COPY

PO BOX 2103

**AUSTIN, TX 78767** 

(512) 499-0500 (PH)

(512) 499-0575 (FAX)

MARK ZEPPA

SCOTT HUMPHREY

ATTORNEY

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

OFFICE OF PUBLIC INTEREST COUNSEL

P.O. BOX 13087

AUSTIN, TX 78711-3087

(512) 239-6960 (PH)

(512) 239-6377 (FAX)

**TCEQ** 

TODD GALIGA'
STAFF ATTORNEY, EXECUTIVE DIRECTOR
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
, MC-173 PO 13087
AUSTIN, TX 78711-3087
(512) 239-0600 (PH)
(512) 239-0606 (FAX)

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

xc: Docket Clerk, State Office of Administrative Hearings

### OFFICE OF ADMINISTRATIVE HEARINGS WILLIAM P. CLEMENTS BUILDING, J.

300 West Fifteenth Street Austin, Texas 78701 Phone (512) 475-4993 Facsimile (512) 475-4994

DATE:

05/08/2006

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REGARDING:

ORDER NO. 8 - EXTENDING DEADLINE FRO REPORT

DOCKET NUMBER:

582-05-1005

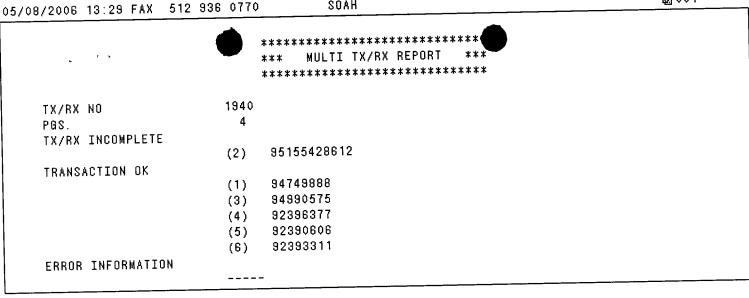
JUDGE MIKE ROGAN

	<del>-</del>
FROM:	FAX TO:
FAX TO:	(512) 474-9888
PAUL TERRILL	(512) 542-8612
MOLLY CAGLE	(512) 499-0575
ROGER NEVOLA	(512) 239-6377
SCOTT HUMPHREY (TEXAS COMMISSION ON ENVIRONMENTAL QUALITY)	(512) 239-0606
TODD GALIGA (TEXAS COMMISSION ON ENVIRONMENTAL QUALITY)	

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582-05-100<u>5</u>

FROM:

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FAX TO:	FAX TO:
PAUL TERRILL	(512) 474-9888
MOLLY CAGLE	(512) 542-8612
ROGER NEVOLA	(512) 499-0575
SCOTT HUMPHREY (TEXAS COMMISSION ON ENVIRONMENTAL QUALITY)	(512) 239-6377
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ORDER NO. 8 - EXTENDING DEADLINE FRO REPORT

ET NUMBER:

582-05-1005 JUDGE MIKE ROGAN

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FAX TO:	(512) 474-9888
PAUL TERRILL	(512) 542-8612
MOLLY CAGLE	(512) 499-0575
ROGER NEVOLA	(512) 239-6377
SCOTT HUMPHREY (TEXAS COMMISSION ON ENVIRONMENTAL QUALITY)	(512) 239-0606
TODD GALIGA (TEXAS COMMISSION ON ENVIRONMENTAL QUALITY)	(312) 237 0000

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# Vinson&Elkins





Moily Cagle mcagle@velaw.com Tel 512.542.8552 Fax 512.236 3280

		Date:		
P. T. Iler Co.	gle	May 2, 2006		
Molly Ca	gie	Number of Pages:		Hard Copy Follows.
Regarding:		5		No
	Mike Rogan, SOAH Administrativ	e FAX:	(512) 4	75-4994
TO:	TO: Mike Rogan, SOATT Administration Law Judge	PHONE	(512) 4	75-4993
	Docket Clerk, TCEQ	FAX:		239-3311
/TO:	Docket Clork, 1024	PHONE	(512) 2	239-3300
m 11 Calico Staff Attorney	Todd Galiga, Staff Attorney	FAX:	(512)	239-0606
TO:	1000 Cangu, Start	PHONE	: (512)	239-0600
	Scott Humphrey, Office of the Pu	blic FAX:	-	239-6377
TO:	Interest Counsel	PHONE	E: (512)	239-6363
TO: Paul M. Terrill	FAX:	(512)	474-9888	
	Paul W. Tellin	PHONI		474-9100
PAGES:	(including this transmittal page	) CLIEN	T/MATT	ER: GUA160/2300

RE: SOAH Docket No. 582-05-1005; TCEQ Docket No.2004-0384-UCR

MESSAGE: Please see attached GBRA's Status Report in response to SOAH Order No. 7

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Vinson & Elkins LLP Attorneys at Law Austin Beijing Dallas Dubai Houston London Moscow New York Shanghai Tokyo Washington 2801 Via Fortuna, Suite 100, Austin, TX 78746-7568
Tel 512.542.8400 Fax 512.542.8612 www.velaw.com

### Vinson&Elkins

Molly Cagle mcagle@velaw.com Tel 512.542.8552 Fax 512.236.3280

May 2, 2006

Via Facsimile 475-4994

Mr. Mike Rogan Administrative Law Judge State Office of Administrative Hearings 300 West 15th Street, Suite 502B Austin, Texas 78701

Re:

SOAH Docket No. 582-05-1005 TCEQ Docket No. 2004-1384-UCR Status Report in Response to Order No. 7

Dear Judge Rogan:

Guadalupe-Blanco River Authority ("GBRA") encloses with this letter its Status Report in the above referenced case.

Thank you for your time and attention to this matter.

Very truly yours,

Molly Corgle

**Enclosure** 

cc:

LaDonna Castañuela (Via Facsimile)

Service List (Via Facsimile)

05/02/2006 16:47 FAX

### TCEQ DOCKET NO. 2004-1384-UCR SOAH DOCKET NO. 582-05-1005

IN RE THE PETITION OF	<b>§</b>	BEFORE
BEXAR METROPOLITAN WATER DISTRICT	§ §	THE TEXAS COMMISSION
TO COMPEL RAW WATER	§ 8	ON ENVIRONMENTAL
COMMITMENT FROM GUADALUPE-BLANCO	8 8	OUALITY
RIVER AUTHORITY	8	QUALITI

#### STATUS REPORT

This status report is submitted on behalf of Guadalupe-Blanco River Authority ("GBRA") in response to Order No. 7, Directing Parties to Determine Expenses, and request for status report.

Because of extended, out-of-town personal commitments, counsel for GBRA was not able to confer with Bexar Metropolitan Water District ("Bexar Met") during the period proposed for conference in Order No. 7. The undersigned advised Mr. Paul Terrill via phone message yesterday that a summary of expenses would be forthcoming today, and that GBRA would file a status report with the Judge taking responsibility for the lack of activity regarding resolution of expenses. A summary of expenses has now been sent to Mr. Terrill for his consideration. We apologize to Your Honor and to BexarMet for any inconvenience our delay in conferring regarding expenses, or submission of this status report may have caused.

Under the circumstances, GBRA respectfully requests that the Judge leave the record open in this matter for at least two weeks, to allow GBRA to file any papers which may be appropriate. We are hopeful that reimbursement of expenses will be resolved by that date as well.

Respectfully submitted,

Molly Cagle/State Bar No. 0359 800

David P. Blanke/State Bar No. 02453600

VINSON & ELKINS L.L.P.

The Terrace 7

2801 Via Fortuna, Suite 100

Austin, Texas 78746

Telephone: (512) 542-8552 Facsimile: (512) 236-3280

Roger Nevola/State Bar No. 14937500

LAW OFFICES OF ROGER NEVOLA

P.O. Box 2103

Austin, Texas 78767-2103 Telephone: (512) 499-0500 Facsimile: (512) 499-0575

ATTORNEYS FOR GUADALUPE- BLANCO RIVER AUTHORITY

### CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing Guadalupe-Blanco River Authority's Status Report was served on the following person(s) via electronic mail and/or facsimile on May 2, 2006.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY Docket Clerk

Office of the Chief Clerk

P. O. Box 13087

Austin, Texas 78711-3087

PH: 239-3300

FAX: 512/239-3311

TEXAS COMMISSION ON **ENVIRONMENTAL QUALITY**  Todd Galiga, Staff Attorney

Texas Commission on Environmental Quality

P. O. Box 13087, MC-173 Austin, Texas 78711-3087

PH: 512/239-0600 FAX: 512/239-0606

Email: tgaliga@tceq.state.tx.us

OFFICE OF PUBLIC INTEREST COUNSEL, TEXAS COMMISSION ON ENVIRONMENTAL QUALITY Scott Humphrey

Office of the Public Interest Counsel

Texas Commission on Environmental Quality

P. O. Box 13087, MC-103 Austin, Texas 78711-3087

PH: 512/239-6363 FAX: 512/239-6377

Email: shumphre@tceq.state.tx.us

BEXAR METROPOLITAN WATER DISTRICT

Paul M. Terrill Hazen & Terrill, P.C. 810 W. 10th Street Austin, Texas 78701-2785

PH: 512/474-9100 FAX: 512/474-9888

Email: pterrill@hazen-terrill.com

Molly Cagle

### SOAH DOCKET NO. 582-05-1005 TCEQ DOCKET NO. 2004-1384-UCR

PETITION OF BEXAR METROPOLITAN S	§ BEFORE THE STATE OFFICE	
WATER DISTRICT TO COMPEL RAW	§ § OF	
CHADALUPE-BLANCO RIVER	§ ADMINISTRATIVE HEARING	S

# ORDER NO. 7 DIRECTING PARTIES TO DETERMINE EXPENSES

On April 14, 2006, Bexar Metropolitan Water District, Petitioner in the captioned action, submitted to the State Office of Administrative Hearings ("SOAH") a letter clarifying that it seeks to dismiss the captioned action *without prejudice*. Accordingly, Petitioner stated that it is also seeking "an accounting of GBRA's expenses, not including its attorney's fees, in this proceeding." Under the rules of the Texas Commission on Environmental Quality ("TCEQ"), at 30 TAC \$80.25(e), the party initiating an action is entitled to withdraw it without prejudice if it reimburses other parties for all expenses, not including attorney's fees, that those other parties have incurred in the case.

The ALJ directs the parties (primarily the Petitioner and GBRA) to confer and determine whether they can agree upon the appropriate amount of case expenses for Petitioner to defray in order to qualify for dismissal without prejudice under 30 TAC § 80.25(e). By May 1, 2006, Petitioner shall submit to the ALJ a brief written status report, indicating whether the parties have reached an agreement regarding expenses or expect to be able to do so within a reasonably short time thereafter. If no agreement is then anticipated, the report should include a proposal for a procedural mechanism (hearing, submission of affidavits, or other process) that will enable the ALJ to make an efficient determination of reimbursable expenses.

Other parties may also submit status reports by May 1, if desired. Any proposed procedural schedules should reflect consultation with other parties in an effort to reach agreement on an acceptable process of accounting for expenses.

Order No. 7

Page 2

## PROCEDURAL QUESTIONS

Routine procedural and logistical questions may be directed to Rita McBride at (512) 475-3419; however, please note that SOAH support personnel are not authorized to provide general advice or the interpretation of regulations or policy.

SIGNED April 19, 2006.

MIKE ROGAN

ADMINISTRATIVE LAW JUDGE

STATE OFFICE OF ADMINISTRATIVE HEARINGS

# WILLIAM P. CLEMENTS BUILDING, Jr.

300 West Fifteenth Street Austin, Texas 78701 Phone (512) 475-4993 Facsimile (512) 475-4994

#### SERVICE LIST

**AGENCY:** 

**Environmental Quality, Texas Commission on (TCEQ)** 

STYLE/CASE:

BEXAR METROPLITIAN WATER DISTRICT

SOAH DOCKET NUMBER:

582-05-1005

**REFERRING AGENCY CASE: 2004-1384-UCR** 

ADMINISTRATIVE LAW JUDGE

STATE OFFICE OF ADMINISTRATIVE **HEARINGS** 

ALJ MIKE ROGAN

REPRESENTATIVE / ADDRESS

**PARTIES** 

MOLLY CAGLE **ATTORNEY** 2801 VIA FORTUNA, 100 AUSTIN, TX 78746

(512) 542-8552 (PH) (512) 236-3280 (FAX)

**GBRA** 

PAUL TERRILL **ATTORNEY** 810 W 10TH STREET

**AUSTIN, TX 78701** (514) 474-9100 (PH)

(512) 474-9888 (FAX)

BEXAR METROPOLITAN WATER DIST.

ROGER NEVOLA **ATTORNEY** BEXAR COUNTY COURTESY COPY PO BOX 2103 **AUSTIN, TX 78767** (512) 499-0500 (PH)

(512) 499-0575 (FAX)

MARK ZEPPA

SCOTT HUMPHREY

ATTORNEY

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

OFFICE OF PUBLIC INTEREST COUNSEL

P.O. BOX 13087

AUSTIN, TX 78711-3087

(512) 239-6960 (PH)

(512) 239-6377 (FAX)

**TCEQ** 

TODD GALIGA STAFF ATTORNEY, EXECUTIVE DIRECTOR TEXAS COMMISSION ON ENVIRONMENTAL QUALITY , MC-173 PO 13087 AUSTIN, TX 78711-3087 (512) 239-0600 (PH) (512) 239-0606 (FAX)

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

xc: Docket Clerk, State Office of Administrative Hearings

### STATE OF FICE OF ADMINISTRATIVE HEARINGS WILLIAM P. CLEMENTS BUILDING, Jr.

300 West Fifteenth Street Austin, Texas 78701 Phone (512) 475-4993 Facsimile (512) 475-4994

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REGARDING:

ORDER NO. 7 - DIRECTING PARTIES TO DETERMINE EXPENSES

DOCKET NUMBER:

582-05-1005

**JUDGE MIKE ROGAN** 

FROM:	FAX TO:
FAX TO:	(512) 236-3280
MOLLY CAGLE	(512) 474-9888
PAUL TERRILL	(512) 499-0575
ROGER NEVOLA	(512) 239-6377
SCOTT HUMPHREY (TEXAS COMMISSION ON ENVIRONMENTAL QUALITY)	(512) 239-0606
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## WILLIAM P. CLEMENTS BUILDING, Jr.

300 West Fisteenth Street Austin, Texas 78701 Phone (512) 475-4993 Facsimile (512) 475-4994

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# ORDER NO. 7 - DIRECTING PARTIES TO DETERMINE EXPENSES

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ERROR INFORMATION

<u>582-05-1005</u>

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OM:	FAX TO:
FAX TO:	(512) 236-3280
MOLLY CAGLE	(512) 474-9888
PAUL TERRILL	(512) 499-0575
ROGER NEVOLA	(512) 239-6377
SCOTT HUMPHREY (TEXAS COMMISSION ON ENVIRONMENTAL QUALITY)	(512) 239-0606
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REGARDING:

ORDER NO. 7 - DIRECTING PARTIES TO DETERMINE EXPENSES

DOCKET NUMBER:

<u>582-05-1005</u> JUDGE MIKE ROGAN

04/19/2006

FROM: FAX TO: FAX TO: (512) 236-3280 **MOLLY CAGLE** (512) 474-9888 PAUL TERRILL (512) 499-0575 ROGER NEVOLA (512) 239-6377 SCOTT HUMPHREY (TEXAS COMMISSION ON ENVIRONMENTAL QUALITY) (512) 239-0606 TODD GALIGA (TEXAS COMMISSION ON ENVIRONMENTAL QUALITY)

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M.Rogani

# HAZEN & TERRILL A PROFESSIONAL CORPORATION

810 West 10<sup>th</sup> Street Austin, Texas 78701-2005 Tel (512) 474-9100 Fax (512) 474-9888

April 14, 2006

Via Facsimile: (512) 475-4994

The Honorable Mike Rogan Administrative Law Judge State Office of Administrative Hearings William P. Clements Building, Jr. 300 West 15<sup>th</sup> Street Austin, Texas 78701

Re:

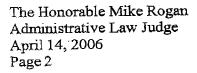
TCEQ Docket No. 2004-1384-UCR; SOAH Docket No. 582-05-1005; In re Petition of Bexar Metropolitan Water District to Compel Raw Water Commitment from Guadalupe-Blanco River Authority

#### Dear Judge Rogan:

In response to the Court's request for clarification regarding BexarMet's Motion to Withdraw its Petition to Compel Raw Water Commitment, please be advised that BexarMet requests dismissal of that Petition without prejudice. A review of the Water Code and the TCEQ's rules provides no guidance on the effects of a dismissal with prejudice in this matter. Because the potential consequences of a dismissal with prejudice are unknown, BexarMet must request a dismissal without prejudice of its Petition to Compel.

The purpose of BexarMet's Petition to Compel was to secure water for use in Comal County, Texas. BexarMet was forced to petition the TCEQ because of GBRA's monopolistic exercise of its dominant share of water rights in the Guadalupe River basin. Despite having almost 30,000 acre-feet of water available, GBRA refused to provide water to its competitor — BexarMet. Even given GBRA's anti-competitive refusal to provide BexarMet water, GBRA does not dispute that BexarMet may serve in four service areas in Comal County certificated to BexarMet by the TCEQ and confirmed and ratified by the Texas Legislature in Senate Bill 1494. Act of May 28, 2003, 78th Leg., R.S., ch. 375, 2003 Tex. Gen. Laws 1593 ("SB 1494"). However, GBRA has raised SB 1494 as a bar to BexarMet's hypothetical service in other areas of Comal County in this action. That service is purely hypothetical because BexarMet does not seek to provide water service to any Comal County areas other than its four CCN areas ratified by SB 1494 and a CCN application exempt from SB 1494. GBRA has urged these same SB 1494 claims in another forum — in Cause No. C2003-1201A, City of Bulverde, Texas, and Guadalupe-Blanco River Authority v. Bexar Metropolitan Water District, in the 22<sup>nd</sup> Judicial District Court, Comal County, Texas.

Given GBRA's past behavior, BexarMet's future water needs in the four Comal County CCN areas ratified by SB 1494 could theoretically necessitate another petition to compel against GBRA. BexarMet cannot risk GBRA raising a dismissal with prejudice in this matter as a bar to such further



requests. Such a claim by GBRA would be consistent with its monopolistic use of its control over the state-owned waters of the Guadalupe River basin to attempt to oust BexarMet from service in Comal County completely. Moreover, GBRA would likely attempt to use a BexarMet request for dismissal with prejudice in this case against BexarMet in GBRA's Comal County District Court suit. For those reasons, BexarMet must request that its Petition to Compel in this matter be dismissed without prejudice. Consistent with 30 Tex. ADMIN. CODE § 80.25, BexarMet is seeking an accounting of GBRA's expenses, not including its attorneys' fees, in this proceeding.

Thank you for your consideration in this matter.

Sincerely,

Paul M. Terrill III

HAZEN & TERRILL, P.C.

encl.

cc:

Docket Clerk Via fax to 239-3311 Todd Galiga Via fax to 239-0606 Scott Humphrey Via fax to 239-6377 Molly Cagle Via fax to 236-3280 Roger Nevola Via fax to 499-0575



810 West 10th Street Austin, Texas 78701 Tel (512) 474-9100 Fax (512) 474-9888

#### **FAX COVER SHEET**

**TIME:** 5:48pm DATE: April 14, 2006

#### PLEASE DELIVER TO:

NAME:	Mike Rogan, ALJ FA	X NUMBER: 475-4994
	Docket Clerk Office of the Chief Clerk	239-3311
	Todd Galiga	239-0606
	Scott Humphrey	239-6377
	Molly Cagle	236-3280
	Roger Nevola	499-0575
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#### REMARKS:

TCEQ Docket No. 2004-1384-UCR; SOAH Docket No. 582-05-1005; In re Petition of Bexar Metropolitan Water District to Compel Raw Water Commitment from Guadalupe-Blanco River **Authority** 

See attached April 14, 2006 correspondence from Paul M. Terrill, III.

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810 West 10<sup>th</sup> Street Austin, Texas 78701-2005 Tel (512) 474-9100 Fax (512) 474-9888

April 14, 2006

Via Facsimile: (512) 475-4994

The Honorable Mike Rogan Administrative Law Judge State Office of Administrative Hearings William P. Clements Building, Jr. 300 West 15<sup>th</sup> Street Austin, Texas 78701

Re:

TCEQ Docket No. 2004-1384-UCR; SOAH Docket No. 582-05-1005; In re Petition of Bexar Metropolitan Water District to Compel Raw Water Commitment from Guadalupe-Blanco River Authority

#### Dear Judge Rogan:

In response to the Court's request for clarification regarding BexarMet's Motion to Withdraw its Petition to Compel Raw Water Commitment, please be advised that BexarMet requests dismissal of that Petition without prejudice. A review of the Water Code and the TCEQ's rules provides no guidance on the effects of a dismissal with prejudice in this matter. Because the potential consequences of a dismissal with prejudice are unknown, BexarMet must request a dismissal without prejudice of its Petition to Compel.

The purpose of BexarMet's Petition to Compel was to secure water for use in Comal County, Texas. BexarMet was forced to petition the TCEQ because of GBRA's monopolistic exercise of its dominant share of water rights in the Guadalupe River basin. Despite having almost 30,000 acre-feet of water available, GBRA refused to provide water to its competitor — BexarMet. Even given GBRA's anti-competitive refusal to provide BexarMet water, GBRA does not dispute that BexarMet may serve in four service areas in Comal County certificated to BexarMet by the TCEQ and confirmed and ratified by the Texas Legislature in Senate Bill 1494. Act of May 28, 2003, 78th Leg., R.S., ch. 375, 2003 Tex. Gen. Laws 1593 ("SB 1494"). However, GBRA has raised SB 1494 as a bar to BexarMet's hypothetical service in other areas of Comal County in this action. That service is purely hypothetical because BexarMet does not seek to provide water service to any Comal County areas other than its four CCN areas ratified by SB 1494 and a CCN application exempt from SB 1494. GBRA has urged these same SB 1494 claims in another forum — in Cause No. C2003-1201A, City of Bulverde, Texas, and Guadalupe-Blanco River Authority v. Bexar Metropolitan Water District, in the 22<sup>nd</sup> Judicial District Court, Comal County, Texas.

Given GBRA's past behavior, BexarMet's future water needs in the four Comal County CCN areas ratified by SB 1494 could theoretically necessitate another petition to compel against GBRA. BexarMet cannot risk GBRA raising a dismissal with prejudice in this matter as a bar to such further

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requests. Such a claim by GBRA would be consistent with its monopolistic use of its control over the state-owned waters of the Guadalupe River basin to attempt to oust BexarMet from service in Comal County completely. Moreover, GBRA would likely attempt to use a BexarMet request for dismissal with prejudice in this case against BexarMet in GBRA's Comal County District Court suit. For those reasons, BexarMet must request that its Petition to Compel in this matter be dismissed without prejudice. Consistent with 30 Tex. ADMIN. CODE § 80.25, BexarMet is seeking an accounting of GBRA's expenses, not including its attorneys' fees, in this proceeding.

Thank you for your consideration in this matter.

Sincerely,

Paul M. Terrill III

HAZEN & TERRILL, P.C.

encl.

cc:

Docket Clerk Via fax to 239-3311 Todd Galiga Via fax to 239-0606 Scott Humphrey Via fax to 239-6377 Molly Cagle Via fax to 236-3280 Roger Nevola Via fax to 499-0575