

MINUTES
BEXAR METROPOLITAN WATER DISTRICT
2047 W. MALONE, SAN ANTONIO, TEXAS 78225
P.O. BOX 245994, SAN ANTONIO, TEXAS 78224

FINANCE / AUDIT COMMITTEE MEETING
August 19, 2009

In accordance with Chapter 551 of the Texas Government Code, Vernon's Annotated Civil Statutes, Section 31, the Board of Directors for the BEXAR METROPOLITAN WATER DISTRICT held a **Finance / Audit Committee Meeting at 5:15 p.m. on the 19th day of August 2009**, in Conference Room B of Bexar Metropolitan Water District, 2055 W. Malone, San Antonio, Texas 78225.

COMMITTEE MEMBERS PRESENT: John Shackelford, Debra Eaton; Guadalupe Lopez.

STAFF MEMBERS PRESENT: Jesse Morin; Edward Garza; Deena Borden; Robert Pina; Gary Lofthouse; Liliana Oranday; Carl Daylong; Kerry McCullough.

GUESTS PRESENT: Rogelio Rodriguez (Frost Bank).

MINUTES

The meeting was tape recorded. These minutes are a summary record of the Committee's discussions at the meeting. For a detailed record of discussions and statements made by persons speaking at the meeting, please consult the audio files at the District's office.

Item 1. Meeting Called to Order.

Mr. Shackelford called the meeting to order at 5:20 PM.

Mr. Shackelford suspended the orders of the day and moved to Item 5.

Item 5. Receive briefing to declare all items on the Surplus Property List – 1 as surplus and authorize the Director of Finance to dispose of surplus District-owned property in accordance with Chapter 49 of the Texas Water Code .

As a courtesy to the Finance/Audit Committee this presentation is being made. Ms. Borden stated that at the August 13, 2009 meeting of the Real Estate Committee, the properties under Item 5 were presented. The BexarMet surplus property team, consisting of representatives from each department, reviewed all property currently labeled, but not declared as, surplus. It was determined that these properties were of no use to BexarMet except for the revenue the company could derive from their sale. They are all "ready for sale." The Real Estate Committee will recommend to the Board on Monday to declare these properties as surplus so they can be sold.

Item 2. Approval of July 20, 2009 Meeting Minutes.

Minutes for July 20, 2009 meeting have not yet been prepared.

Item 3. Receive briefing on a Resolution in support of amending Chapter IV on Financial Management, of the Bexar Metropolitan Water District's Board Administrative Policies, adding provisions for greater transparency and accountability with respect to the Budget Process and Rate Increases.

Kerry McCullough states there have been a number of changes in the Finance Management Policy and the language has been taken from the House substitute of Senate Bill 2440. Mr. Morin emphasized these additions to the policy will strengthen the Finance Management Policies of the District, adding on to it and not subtracting from it and allowing more oversight and control of the financial aspects of the business. This is being done as a recommendation from the legislature. A review of these changes followed.

This resolution will be presented to the Board at the next regular scheduled meeting with the recommendation of the Finance/Audit Committee.

Item 4. Receive briefing to declare thirty-nine computers and thirty eight monitors as surplus and authorize the Director of Finance to dispose of surplus District-owned property in accordance with Chapter 49 of the Texas Water Code.

Mr. Pina presented this item to the Committee. The computers and monitors are of no benefit to BexarMet. BexarMet will contract with Chronovision to ensure that the computers are disposed of correctly for both data security and environmental reasons. It was recommended that we hold a public auction to auction off the monitors. Each monitor is valued at approximately \$20.

Item 6. Receive briefing on the Internal Audit Charter.

Edward Garza, the Internal Auditor, provided a briefing on the Internal Audit Charter.

Item 7. Receive briefing on the FY 2009 – 2010 Internal Audit Plan.

Edward Garza, the Internal Auditor, provided a briefing on the FY 2009-2010 Internal Audit Plan.

Item 8. Receive briefing on monthly update from the Internal Auditor.

Edward Garza, the Internal Auditor, provided a briefing on monthly update.

Item 9. Receive briefing to approve a term sheet for the Extension of a Letter of Credit and Reimbursement Agreement with Bank of America and authorize the director of Finance to execute the third amendment.

Rogelio Rodriguez, Financial Analyst from Frost Bank, provided an overview of the Letter of Credit and Reimbursement Agreement.

Item 10. Receive briefing on Financial Report for the month of July 2009.

Ms. Oranday presented the financial reports for the month of July 2009.

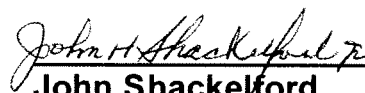
Executive Session

The committee did not adjourn into Executive Session.

Item 9. The meeting will adjourn.

Business concluded, the meeting adjourned at 7:35 PM

Minutes approved this 21 day of October, 2009



John Shackelford
Chair