

SENATOR CARLOS I. URESTI, CO-CHAIR
SENATE DISTRICT 19

REPRESENTATIVE FRANK CORTE, JR., CO-CHAIR
HOUSE DISTRICT 122



COMMISSIONER SERGIO "CHICO" RODRIGUEZ
BEXAR COUNTY, PRECINCT 1

JOE A. ACEVES
DON DURDEN

BEXAR METROPOLITAN WATER DISTRICT OVERSIGHT COMMITTEE

November 25, 2008

Ms. Guadalupe Lopez
President of the Board and District 1 Director
Bexar Metropolitan Water District
Post Office Box 245994
San Antonio, Texas 78224-5994

VIA FACSIMILE

Dear President Lopez:

Please be advised that the Bexar Metropolitan Water District Oversight Committee (the "Committee") will meet on Monday, December 15th at ten o'clock in the San Antonio City Council Chambers. This shall be the last hearing before the 81st Texas Legislature convenes on Tuesday, January 13, 2009.

Issues to be discussed regarding HB 1565 will include among other things:

1. The provision found in Article I, Section 1.02, Sec. 27D(e) that states,
"...the District shall adopt a uniform rate structure with rates that are equal to or lower than the rates of other large retail water providers in the region, except that the District may adopt higher rates if necessary to meet debt service obligations or debt coverage obligations."
2. The provision found in Article I, Section 1.04, Sec. 27A(b) that states,
"...evidence that the District has completed its three-year plan of improvements as adopted by the board of directors of the District prior to the effective date of this Act within one and one half years from the date the texts of this Section becomes effective."
3. The provision found in Article I, Section 1.04, Sec. 27A(e) that states,
"...a report summarizing the District's efforts to facilitate transition of service areas outside of Bexar and Atascosa Counties to other qualified local water utility service providers."

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4. The provision found in Article II, Section 2.01, Sec. 33A(f) that states,
"The District shall provide staff support for the oversight committee."
5. The Committee will request that Bexar Metropolitan Water District (the "District") and the State Auditor's Office submit an assessment of the District's current financial status and a forecast of the District's anticipated fiscal performance over the next 12 months; and,
6. Discussion of the Committee's final report and recommendations to the Legislature.

Relating to points 4 and 6, the Committee strongly recommends that the District postpone any further actions related to the hiring of a permanent general manager until discussion and direction is provided at the upcoming hearing.

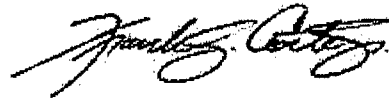
Thank you for your service and your attention to this matter.

If I can be of further assistance, please contact me in my San Antonio district office at 210.932.2568.

Sincerely,



CARLOS I. URESTI
State Senator, District 19



FRANK J. CORTE, JR.
State Representative, District 122

CIU/ng

cc: Mr. Jesse Morin; Interim General Manager, Bexar Metropolitan Water District
Members, Bexar Metropolitan Water District Oversight Committee
Mr. John Keel, Texas State Auditor