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January 7, 2009

Honorable Rick Perry Office of the Governor Attn: Appointments P.O. Box 12428 Austin, Texas 78711

RE: Bexar Metropolitan Water District Legislative Oversight Committee

## Dear Governor Perry:

We appreciate the high priority that your administration has placed on providing quality potable water service to the citizens of our State and to the citizens of Bexar County I want to thank you for having appointed me to the Bexar Metropolitan Water District Legislative Oversight Committee. I believe that it was the intent of our committee to produce recommendations to the Legislature that would provide relief to the customers served by Bexar Metropolitan Water District (BexarMet) from a long list of problems. The membership of the committee includes Senator Carlos Uresti (Co-chair), Representative Frank Corte (Co-chair), County Commissioner Sergio (Chico) Rodriguez, Public Representative Don Durden, P.E. and I as Utility Expert Joe A. Aceves, P.E.

While the BexarMet Board promised the Legislature in the last session, major changes in its operation and management with a "new board and new management", the history over the last two years has been disastrous with the Public Relations Consultant and the General Manager both having been indicted by our District Attorney. Numerous newspaper articles have chronicled the problems at the BexarMet and inferred conflicts of interest. Two state audits conducted by the State Auditors Office and the Texas Commission on Environmental Quality provided detailed information on the mismanagement of the District and a clear indication that the Board was dysfunctional.

The Oversight Committee has met a total of seven times and discussed different ideas for presentation and recommendation to the Legislature on legislation to resolve the issues at BexarMet. There is general agreement that BexarMet should be put under a Conservator. I and two of our committee members have concluded that the final report will not contain critical recommendations and preferences for the structuring of the Conservator. I strongly believe that the Conservator appointed should be a board composed of elected officials that represent the

majority of the District customers rather than a single person. And the BexarMet Board should be set aside, during the term that the Conservator Board is charged with management of the District.

I have informed the Committee Co-chairs that I will not be signing the final report. I regret that as a result I should and am tendering my resignation from the Committee. Again thank you for the privilege of serving on this Committee.

Sincerely,

Jøe A. Aceves, P.E.

Executive Director Infrastructure Services

**Bexar County** 

cc: Senator Carlos Uresti

Representative Frank Corte

Commissioner Sergio (Chico) Rodriguez

Don Durden, P.E.