

SECTION 1. Chapter 13, Impact Fees, of the Water Service Regulations is amended by repealing Chapter 13 and replacing it with the following provisions, to read:

13 IMPACT FEES

13.1 IMPACT FEES

Impact fees may be used only to fund or recoup the cost of water distribution mains and related facilities installed or expanded to serve new development transmission mains and production and storage facilities.

13.2 MUST BE PAID PRIOR TO SERVICE CONNECTION

Impact fees shall be assessed at the time of plat recordation. Impact fees as assessed must be paid prior to the first meter being set. This shall apply to all EDUs proposed for the particular unit(s) being built. Under rare circumstances, as determined by BMWD, a customer, either single or developer, may desire service without payment in full of impact fees. That customer must pay a portion of the impact fees due and execute a development agreement with BMWD detailing when impact fees will be paid, as well as the reason(s) for seeking an exception to the requirement that impact fees be paid in advance. Such development agreement shall include interest payable to BMWD which shall not exceed the maximum allowed by law.

13.3 TIMING OF IMPACT FEE FEES PAYMENT

The customer will be required to pay all required impact fees due prior to setting of the water meter. At the time a customer submits a plat application to BMWD, the customer must state in writing on the plat application whether the customer elects to pay impact fees either (i) before the plat is recorded, or (ii) at the time the water meter is set.

13.3.1 PAYMENT AT TIME OF RECORDATION

If the impact fees are to be paid at the time of platting, the Letter of Certification issued by BMWD will state both the current impact fees and the number of EDU's to be used. The impact fees to be paid will be those in effect at the time of plat recordation and may be different from the fees shown in the Letter of Certification. BMWD will not approve the release of a plat for recordation unless all required impact fees have been paid and either (a) all required improvements have been constructed and accepted by BMWD or (b) a performance guarantee has been provided to and accepted by BMWD.

13.3.2 PAYMENT AT TIME OF APPLICATION FOR WATER METER SET

BMWD will approve the release of the plat for recordation after either (a) all required improvements are constructed and accepted by BMWD, or (b) a performance guarantee in a form acceptable to BMWD that guarantees the cost of completing the required improvements. In the event that, the following notation must be stated on the plat:

IMPACT FEE PAYMENT DUE: WATER IMPACT FEES WERE NOT PAID AT THE TIME OF PLATTING FOR THIS PLAT. ALL IMPACT FEES MUST BE PAID PRIOR TO WATER METER SET.

13.4 DETERMINATION OF IMPACT FEES AND EDUs

The number of EDUs for assessment of impact fees are based upon water meter size, as set forth in Impact Fee Table 1. The impact fee per EDU is set forth in Impact Fee Table 2.

13.5 INCREASE IN WATER DEMAND

Following impact fee assessment, additional development that increases the number of EDUs on a property will result in additional impact fee assessment. Such assessment may be made at any time during the development or building process, and will be limited to assessment for increased service units being developed.

13.6 RECOGNITION OF COMMITMENT TO PROVIDE WATER CAPACITY

For a customer who has a utility service agreement, BMWD will recognize its commitment to set-aside water system capacity in infrastructure servicing the tract for the time period the agreement is in effect. System capacity is guaranteed if the developer has paid the associated impact fees at the appropriate impact fee rate either in the form of a direct payment to BMWD or by previously earning impact fee credits pursuant to Section 13.10 of these regulations. In addition to impact fee payments, the customer must have paid all water development fees, completed construction of all infrastructure (excluding on-site mains not required to be oversized) required in the utility service agreement and the infrastructure must have been accepted by BMWD.

13.7 USE OF WATER CAPACITY

BMWD reserves the right to use set-aside water system capacity in on-site and off-site water supply systems that service existing developments regardless of whether such water supply was oversized.

13.8 MAINTAIN RECORDS

BMWD will maintain records regarding a developer's capacity in on-site and off-site systems. In the event the developer exceeds the amount of set-aside capacity as a result of any subsequent development of the property, the developer will be required to obtain a new utility service agreement reflecting the additional EDUs required for the development or request an amendment to the developer's existing utility service agreement.

13.9 EXCLUSIVE OWNERSHIP OF CAPACITY

BMWD retains exclusive ownership of the capacity in all facilities under its control. However, BMWD will continue to serve a development for which capacity has been guaranteed and all requirements of the utility service agreement are being met. A development will not be denied service solely on the basis that the remaining capacity for such development is insufficient to accommodate anticipated flows to be generated by the development when such insufficiency is the result of BMWD connecting another development's flows to the system serving the initial development for which capacity was committed.

13.10 AWARD OF IMPACT FEE CREDITS

A developer is eligible for impact fee credits for funding a project or a portion of a project included in the Impact Fee Capital Improvement Plan or based on oversizing requirements by BMWD. Credits for oversizing will be earned based on the incremental cost of oversizing as indicated in Section 12.2.1 including engineering fees up to ten percent (10%) as provided for in Section 12.3. In no event may the sum of the dollar value of the impact fee credit and the dollar value of any reimbursement be greater than the total as-built construction cost for that portion of the project. To be awarded credits under this section, construction projects must be competitively

bid in coordination with BMWD and in accordance with state law and BMWD policies. Impact Fee credits earned under this section will not have an expiration date and may be transferred to another development owned by the same developer. For credits earned under this section, there is not a minimum number of credits that must remain with the property. Impact fee credits must be used at the time of platting or first meter set.

13.11 IMPACT FEES FOR SCHOOL DISTRICTS

In accordance with Section 395.022 of the Texas Local Government, a school district is not required to pay impact fees to BMWD unless the board of trustees of the school district consents to the payment of impact fees by entering into a contract with BMWD.

13.12 IMPACT FEE REDUCTION OR WAIVER FOR AFFORDABLE HOUSING

In accordance with Section 395.016(g) of the Texas Local Government Code, the BMWD Board of Directors may, at its sole discretion, reduce or waive an impact fee for any EDU that would qualify as affordable housing under 42 U.S.C. Section 12745, as amended, once the EDU is constructed. If affordable housing as defined by 42 U.S.C. Section 12745, as amended, is not constructed, the BMWD Board of Directors may reverse its decision to waive or reduce the impact fee, and BMWD may assess an impact fee at any time during the development approval or building process or after the building process if an impact fee was not already assessed.

13.13 VARIANCES

Any customer may request a variance from the payment of impact fees by submitting a written request for a variance to the BMWD General Manager on or before the 30th day after the assessment of the impact fees. Within thirty (30) days of receipt of the written request for variance, the General Manager shall forward the variance request along with a recommendation to the BMWD Board of Directors. After the variance request and recommendation are sent to the BMWD Board of Directors, the variance request shall be placed on the agenda for the earliest available regularly scheduled meeting of the BMWD Board of Directors.

13.14 UPDATES

BMWD shall update the land use assumptions and capital improvements plan at least every five (5) years, commencing from the date of adoption of such plans, and shall recalculate the impact fees based thereon with the procedures set forth in Chapter 395 of the Texas Local Government Code.

13.15 ADVISORY COMMITTEE

The BMWD Board of Directors shall appoint an Advisory Committee to perform the functions of an advisory committee as set forth in Section 395.058 of the Texas Local Government Code. The BMWD Board of Directors shall set the terms for the committee members and shall adopt other procedural rules for the Advisory Committee to follow in carrying out its duties.

13.16 IMPACT FEE ACCOUNT

BMWD shall establish and maintain an account for impact fees. All impact fees will be deposited in interest-bearing accounts. The interest earned is a fund of the account and is subject to all use restrictions placed on the balance as set out herein. The impact fees collected may be used to finance or recoup the costs of any capital improvements or facility expansion identified in the capital improvements plan.

SECTION 2.

The District shall adopt the following impact fees and exhibits as referenced in Chapter 13 of the Water Service Regulations:

Impact Fee Table 1

Meter Size (in inches)	EDUs
5/8 to 3/4	1
1	2
1 1/2	5
2	8
3	18
4	32
6	70
8	120
10	190

Impact Fee Table 2

Service Area	Impact Fee
Hill Country	\$4,488
Northwest	\$3,612
Southside	\$1,390
Southeast	\$1,291
Northeast	\$666

SECTION 3.

A. This Resolution repeals and replaces previous Board resolutions setting impact fees, except that the amounts of water impact fees and the method for calculating service units described in those divisions shall be in effect for each new development for which a subdivision plat was approved and in effect prior to the effective date of this resolution.

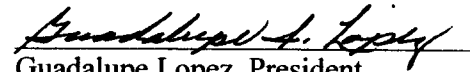
B. This Resolution is cumulative of all other rules and regulations of the District, and this resolution shall not operate to repeal or affect any of such other rules or regulations except as to provisions that are in conflict with the provisions of this resolution, in which event the conflicting provisions are hereby superseded.

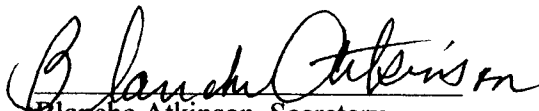
SECTION 4. If any word, phrase, clause, sentence, or paragraph of this resolution is held to be unconstitutional or invalid by a court of competent jurisdiction, the other provisions of this resolution will continue in force if they can be given effect without the invalid portion.

SECTION 5. This Resolution will take effect on January 1, 2010. The District will publish notice of its adoption in newspapers of general circulation as required by law.

THE ABOVE RESOLUTION was introduced and duly passed at the Board of Directors of the Bexar Metropolitan Water District held on 22nd day of June, 2009 and is to become effective immediately upon adoption.

Approved this 22nd day of June, 2009


Guadalupe Lopez, President
Bexar Metropolitan Water District


Blanche Atkinson, Secretary
Bexar Metropolitan Water District



MEMORANDUM

To: Management Team

From: Rogelio Placencia.
Director of Operations

Date: August 27, 2009

Re: Legislative Oversight Committee (LOC) Response

The following responses are specific to questions requested by Senator Uresti from the Bexar Metropolitan Water District Legislative Oversight Committee (LOC) sent via facsimile on August 25, 2009. The Operations Department has summarized these responses to the specific questions outlined in the letter:

Item "e"

Q: BexarMets situation with water supplies and water pressure in the current drought

A: Currently BexarMet (the "District") has been moderately impacted by the current drought conditions. The District currently operates twenty active public water systems (PWS), of these systems Timberwood Park PWS has been the most impacted by current drought conditions. This is due primarily to the decreasing water levels in the Trinity Aquifer which is the sole source for our Timberwood Park PWS.

Although Timberwood Park PWS system has experienced periodic low tank levels, the supplies have not impacted the pressure in the Timberwood Park PWS related to low tank levels.

F

BEXAR METROPOLITAN WATER DISTRICT

Water Resource Inventory

2009

WATER SOURCE	INVENTORY	SERVICE AREA	NOTES
EDWARDS AQUIFER	36,288.984 AF	Castle Hills Hill Country Northwest Northeast Southside Southeast	Primary source for Castle Hills Hill Country and Northwest. Secondary source for Northeast, Southside, and Southeast.
TRINITY AQUIFER	800 AF WSA (17,750 AF)	Hill Country	Primary source for Anaqua Springs, and Timber Wood. Secondary source for Stone Oak.
CARRIZO AQUIFER (Bexar County)	968 AF 5600 AF (Staggs I)	Southeast Southside	Staggs Water Project; Phase I (5 MGD); Phase II (10 MGD); Phase II (15 MGD)
CARRIZO AQUIFER (Gonzales County)	2800 AF (2010) 8250 AF (2018)	Northeast Southside	Water provided by Canyon Regional Water Authority water supply agreement
MEDINA LAKE	19,974 AF	Southside Southeast	Water secondary source for all. Water not considered firm by Region L. Study currently funded by the Texas Water Development Board for making firm. (Reservoir/ASR)
MEDINA RIVER	9,522 AF	Southside Southeast	Water primary source for all.
LAKE DUNLAP (Guadalupe County)	4,000 AF	Northeast	Water provided by Canyon Regional Water Authority.
CANYON LAKE (Comal County)	560 AF	Comal System	Water withdrawn and treated from
MEDINA and SAN ANTONIO RIVER	1,177.07 AF	Unused	Water currently unused due to location of current diversion point.

BEXAR METROPOLITAN WATER DISTRICT

Interconnects

2009

ENTITY	TYPE of INTERCONNECT	COUNTY	SOURCE OF WATER	AMOUNT
ATASCOSA RURAL WATER SUPPLY	Water Supply	Bexar	Edward's	Min. 120 AF
CANYON REGIONAL WATER AUTHORITY	Water Supply	Guadalupe	Lake Dunlap	3500 AF
CITY OF CIBOLO	Water Supply	Guadalupe	Lake Dunlap	500 AF
CITY OF CONVERSE	Water Supply	Bexar	Edward's Lake Dunlap	1,000 AF
CITY OF LIVE OAK	Water Supply	Bexar	Edward's Lake Dunlap	1000 AF
EAST CENTRAL WATER SPECIAL UTILITY DISTRICT	Water Supply	Bexar	Edward's Lake Dunlap	500 AF -1,400 AF
SAN ANTONIO WATER SYSTEM	Emergency Interconnect	Bexar	Edward's	
SOUTHWEST WATER COMPANY	Emergency Interconnect	Bexar	Trinity	
YANCEY WATER SUPPLY CORPORATION	Emergency Interconnect	Medina	Edward's	

BEXAR METROPOLITAN WATER DISTRICT

POTENTIALLY FEASIBLE WATER MANAGEMENT STRATEGIES

2011 Regional Water Plan

ID	WATER SOURCE	WATER PROVIDER	DESCRIPTION
Potentially Feasible Water Management Strategy #1	WATER CONSERVATION & DROUGHT MANAGEMENT		
Potentially Feasible Water Management Strategy #2	EDWARDS AQUIFER Bexar County Medina County Uvalde County	BexarMet	Water withdrawn from wells located in Edwards Aquifer. Treated water distributed to Retail and Wholesale Customers of BexarMet.
Potentially Feasible Water Management Strategy #3	SURFACE WATER Medina Lake Stored Water	BMA	Surface Water withdrawn from Medina Lake and transported by bed and banks of Medina River to BexarMet water treatment plant. Treated water distributed to BexarMet retail and wholesale customers.
Potentially Feasible Water Management Strategy #4	SURFACE WATER San Antonio River Medina River Run-of-River	BexarMet	Surface Water withdrawn from the San Antonio and Medina rivers using run-of-river water rights owned or leased by BexarMet. Treated water distributed to BexarMet Retail and wholesale customers.
Potentially Feasible Water Management Strategy #5	SURFACE WATER Aquifer Storage and Recovery	BMA/BexarMet	Surface Water withdrawn from Medina Lake and transported by bed and banks of Medina River to BexarMet water treatment plant. Treated water piped to Carrizo Aquifer Storage and Recovery project(s) located in Bexar, Atascosa, Frio and/or Wilson County. Water distributed to BexarMet retail and wholesale customers.

Potentially Feasible Water Management Strategy #6	TRINITY AQUIFER Comal County Bexar County	BexarMet	Water withdrawn from wells located in Trinity Aquifer in Bexar and/or Comal County. Treated water distributed to retail and wholesale customers of BexarMet.
Potentially Feasible Water Management Strategy #7	CARRIZO AQUIFER Atascosa County Bexar County	BexarMet	Water withdrawn from wells located in Carrizo Aquifer in Bexar and/or Atascosa County. Treated water distributed to retail and wholesale customers of BexarMet.
Potentially Feasible Water Management Strategy #8	CARRIZO AQUIFER Bexar, Atascosa, Frio, Wilson, Guadalupe, Gonzales, Caldwell	WHOLESALE GROUNDWATER ONLY PROVIDER	Water withdrawn and treated from Carrizo Aquifer wells including, but not limited to, wells owned by Benton City Water Supply Corporation, Canyon Regional Water Authority, Texas Water Alliance and/or Schertz-Seguin LGC. Treated groundwater delivered to BexarMet take-out points. Treated groundwater distributed to BexarMet retail and wholesale Customers.
Potentially Feasible Water Management Strategy #9	SURFACE WATER Canyon Lake GROUNDWATER Trinity Aquifer Carrizo Aquifer	Canyon Lake Water Service Company	Wholesale Water Contract with Canyon Lake Water Service Company to deliver surface water and/or groundwater to BexarMet take-out points. Treated water delivered to BexarMet retail customers and wholesale customers.
Potentially Feasible Water Management Strategy #10	SURFACE WATER Canyon Lake Guadalupe River GROUNDWATER Trinity Aquifer Carrizo Aquifer	Canyon Regional Water Authority	Wholesale Water Contract with Canyon Regional Water Authority to deliver surface water and/or groundwater to BexarMet take-out points. Treated water delivered to BexarMet retail and wholesale customers.
Potentially Feasible Water Management Strategy #11	GROUNDWATER Brackish Wilcox	Canyon Regional Water Authority	Wholesale Water Contract with Canyon Regional Water Authority to deliver brackish Wilcox water to BexarMet take-out points. Treated water delivered to BexarMet retail and wholesale customers.

Potentially Feasible Water Management Strategy #12	SURFACE WATER Cibolo Creek	Canyon Regional Water Authority	Wholesale Water Contract with Canyon Regional Water Authority to deliver interruptible diversions from Cibolo Creek in Wilson County along with effluent from wastewater treatment facilities and/or brackish groundwater as raw water sources for treatment and distribution
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MEMORANDUM

To: Management Team

From: Humberto Ramos
Assistant Director of Water Resources

Date: August 28, 2009

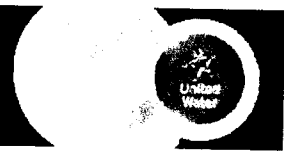
Re: Oversight Committee Response

The following is in response to item f. Staggs Ranch and other BexarMet water supplies.



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1.0 EXECUTIVE SUMMARY

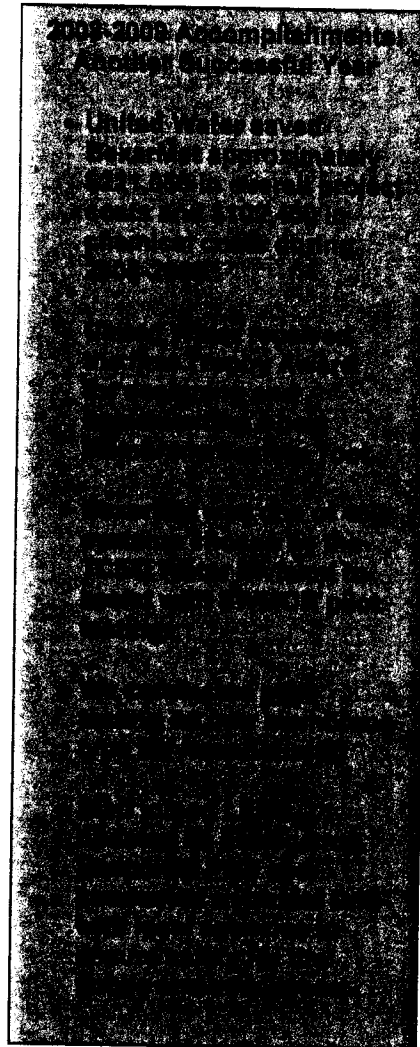
On May 1, 2009, United Water completed the ninth year of a 10-year Agreement with the Bexar Metropolitan Development Corporation (BexarMet) to design, build, manage and operate its state of the art surface water treatment system.

The BexarMet International Business Park Water Treatment Plant (Water Treatment Plant) is one of the most modern facilities of its kind in the world, garnering national and international attention. The Water Treatment Plant was San Antonio's first surface water treatment facility and the first ultrafiltration membrane water treatment plant to operate in Texas. Fully automated, the Water Treatment Plant uses a compact high-rate, pulsed-bed sedimentation process to pre-treat the water prior to final treatment using ultrafiltration membranes. Innovation was also a key component in bringing the project online as the first water treatment plant in the State of Texas to use the design, build and operate (DBO) project delivery process. In both the design/build approach and performance, this system is a model for the State of Texas.

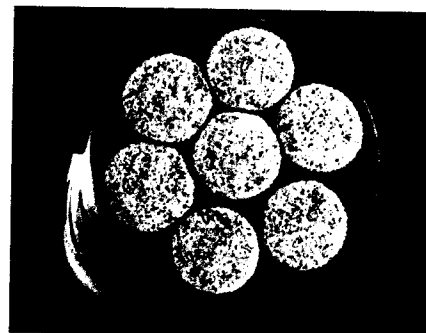
Accomplishments

The primary goal of the United Water-BexarMet partnership is to increase water supply reliability and improve water quality while maintaining a cost effective operation and providing superior customer service. Together, BexarMet and United Water have achieved the following accomplishments during the ninth year of contract operations:

- The San Antonio Staff received the first United Water Innovation Trophy award for designing and implementing a new membrane sealing tool. This tool reduces down time (4 hours per module) and repair costs for membrane maintenance (\$189 per unit). With this new system in place, the estimated annual savings is \$26,323.



The BexarMet Water Ultrafiltration Facility uses more than 5.2 million membranes to produce more than 10,800 gallons of crystal clear water per minute.





- BexarMet was one of 450 systems chosen by the Texas Commission for Environmental Quality (TCEQ) Water Division to assist with pilot testing of a new Surface Water Monthly Operating Report (SWMOR) for the state of Texas. United Water completed this pilot testing study from April 4th to April 20th. The new SWMOR will be mandatory for all systems in January 2010.
- United Water successfully completed membrane pilot testing on new membrane technology for AquaSource. However, we determined these membranes would not be practical for use at the BexarMet facility due to the poor water quality results and the necessary skid modifications costing more than \$500,000. We will continue to search for new membrane technologies.
- To maintain a safe environment for employees and the public and update our Emergency Response Plan (ERP) and Hazardous Materials (HazMat) response procedures, United Water joined Bexar County's Local Emergency Planning Committee (LEPC). The staff attended several Weapons of Mass Destruction (WMD) and First Responder classes.

The BexarMet Water Ultrafiltration Facility helps protect and preserve scarce water resources in the San Antonio area.



As a result of the BexarMet and United Water partnership, BexarMet reduces dependency and environmental stress on the Edwards Aquifer. In 2008-2009, the plant withdrew only 13,086.68 acre feet from the Medina River instead of the Edwards Aquifer, allowing BexarMet to utilize its water rights in other areas of San Antonio.

This Annual Operating Report summarizes United Water's project costs, chemical usage, process control laboratory data, water production and quality, operations, maintenance and community involvement activities for the contract year May 30, 2008 to June 1, 2009.

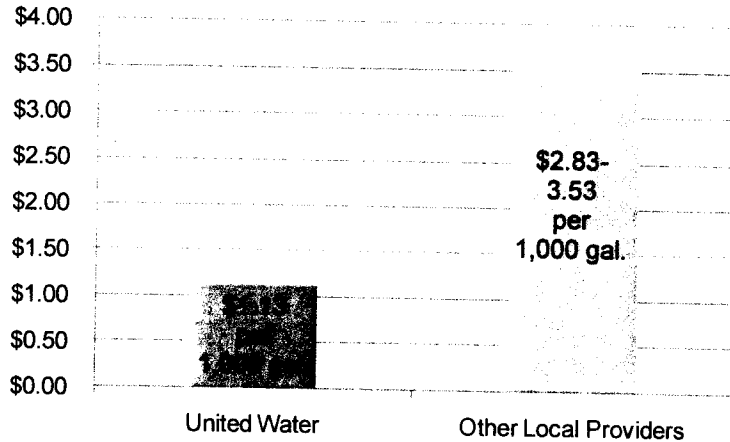


Project Costs

Plant operation costs for 2008-2009 were \$1.13/1,000 gallons. This cost is significantly below other local providers which range \$2.83 - \$3.53 per 1,000 gallons. United Water's cost for operations and maintenance was \$0.439/1,000 gallons and remains highly efficient. United Water and BexarMet set a record on best production year since start-up of 4.2 billion gallons, a production increase of 700 million gallons. Other highlights include:

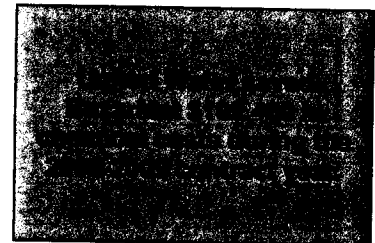
- A total of 4.264 billion gallons delivered to the distribution system
- Average production was 11.667 million gallons per day (MGD)
- Production cost is \$367/acre foot.

Figure 1: United Water's operation costs for the 2008-2009 contract year averaged \$1.70-2.40/1,000 gallons less than other local providers, resulting in significant savings for BexarMet.



Chemical Usage

By reviewing market rates and obtaining competitive bids for facility chemicals, United Water maintains savings on process chemicals. Last year, BexarMet spent \$324,688 on chemicals. Based on current open market rates for process chemicals, United Water saved BexarMet \$102,400 on chemicals during this period.



Process Control Laboratory Data

United Water conducts daily and weekly tests on the Raw Water, Membrane Water and Distribution Water for compliance and quality. United Water conducted over 21,900 analyses such as turbidity, pH+, alkalinity, hardness, THMs and TOC to name a few.

Water Production and Quality

United Water continues to set the state standard for membrane operations in Texas and exceeded regulatory and contract standards for plant turbidity 100% of the time for the last nine years. In fact, the standard required in the Agreement is one-third of that allowed by the TCEQ. Our actual performance is even better than Agreement requirement, as shown in **Figure 2** on the following page.



Figure 2: Water Production and Quality Results for 2008-2009.

Category	TCEQ or AWWA Recommendations	Contract Deliverable	Actual Results
Unaccounted-for Water	Less than 10%	Not Applicable	0.004% or 192,993 gallons
Water Production	Not Applicable	3.285 Billion Gallons	4.265 Billion Gallons Average: 11.67 MGD
Water Quality	0.30 NTU	0.10 NTU	0.014 NTU

Operations and Maintenance

To ensure the facility is operating at optimum efficiency and properly maintained, United Water tracks all maintenance work orders (corrective, preventive, routine, safety, change orders, emergency, and inventory). Of the 561 work orders processed in 2008-2009, corrective maintenance work orders were closed within 30-45 days on average. United Water staff completed 4,158 hours of maintenance activities this year.

Community Involvement

Through tours and other community activities, United Water staff educates the public on the value of the BexarMet facility and its technology that provides reliable, safe drinking water. Annually, United Water conducts between 25 to 30 plant tours. Our staff members also serve as volunteer members of the Advisory Committee for the David H. Pall Water Treatment Program at Northwest Vista College. Since 2005, the company has supported this associate degree program which was developed to prepare students for careers in water treatment.



We participate in a variety of other community activities including the Greater Chamber of Commerce Water Committee, the Southwest Buyers Club, which supports the Future Farmers of America (FFA) and 4-H Club.

In addition, United Water bottled water at the plant and delivered it to the cancer survivors during the "Race for Life" in 23 races across 12 counties: Atascosa, Bandera, Bexar, Frio, Gonzales, Hay, Kendall, Kerr, Kinney, Medina, Real and Wilson counties.

Summary

Together, United Water and the BexarMet Development Corporation have exceeded our project goals, produced safe and affordable drinking water, significantly reduced operating costs, and preserved a scarce natural resource. United Water will continue to work diligently to meet the needs of the BexarMet Development Corporation and the San Antonio community into the future.



2.0 SUMMARY OF PROJECT COSTS

2.1 Total Project Costs

As demonstrated in **Figure 3**, plant operation costs for 2008-2009 were \$1.13/1,000 gallons. However, this cost is still significantly below other local providers which range \$2.83-\$3.53 per 1,000 gallons. United Water's cost for efficient operations and maintenance was \$0.439/1,000 gallons.

United Water and BexarMet produced 4.2 billions gallons during the 2008-2009 contract year, a record-setting 700 million gallons or 2,148 acre feet more treated water than any year since 2000. Other highlights include:

- A total of 4.264 billion gallons was delivered to the distribution system
- Average production was 11.667 MGD
- Project production cost is \$367/acre foot.

Figure 3: United Water continues to provide BexarMet with efficient and cost effective operations and maintenance services.

Month	Operating Costs	Plant Costs	Plant Maintenance	Total	Cost per Gallon	Cost per Acre Foot	Cost per Gallon
Budgeted	\$ 2,086,628	\$ 824,214	\$ 18,000	\$ 1,638,200	NA	NA	NA
May-08	\$ 173,889	\$ 68,685	\$ 1,500	\$ 112,838	\$ 1.058	\$ 337.25	\$ 343.98
Jun-08	\$ 173,889	\$ 68,685	\$ 1,500	\$ 234,054	\$ 1.249	\$ 382.74	\$ 407.10
Jul-08	\$ 173,889	\$ 68,685	\$ 1,500	\$ 166,077	\$ 1.139	\$ 360.03	\$ 370.22
Aug-08	\$ 173,889	\$ 68,685	\$ 1,500	\$ 169,020	\$ 1.152	\$ 358.52	\$ 377.58
Sep-08	\$ 173,889	\$ 68,685	\$ 1,500	\$ 188,787	\$ 1.213	\$ 356.95	\$ 396.87
Oct-08	\$ 173,889	\$ 68,685	\$ 1,500	\$ 172,382	\$ 1.124	\$ 370.63	\$ 364.60
Nov-08	\$ 173,889	\$ 68,685	\$ 1,500	\$ 116,318	\$ 1.047	\$ 344.20	\$ 342.87
Dec-08	\$ 173,889	\$ 68,685	\$ 1,500	\$ 135,721	\$ 1.110	\$ 342.06	\$ 359.65
Jan-09	\$ 173,889	\$ 68,685	\$ 1,500	\$ 142,476	\$ 1.131	\$ 341.75	\$ 368.51
Feb-09	\$ 173,889	\$ 68,685	\$ 1,500	\$ 129,914	\$ 1.173	\$ 318.87	\$ 382.14
Mar-09	\$ 173,889	\$ 68,685	\$ 1,500	\$ 168,474	\$ 1.140	\$ 361.79	\$ 371.56
Apr-09	\$ 173,889	\$ 68,685	\$ 1,500	\$ 137,411	\$ 0.979	\$ 389.51	\$ 319.15
Annual Total	\$ 2,086,668	\$ 824,220	\$ 17,996	\$ 1,873,473	\$ 1.126	\$ 4,264	\$ 367.02
				Monthly Ave.	\$ 1.126	\$ 355.36	\$ 367.02
				Monthly Max.	\$ 1.249	\$ 389.51	\$ 407.10
				Monthly Min.	\$ 0.979	\$ 318.87	\$ 319.15
Total Cost	\$ 2,086,668	\$ 824,220	\$ 17,996				



2.2 Chemical Costs

By reviewing market rates and obtaining competitive bids for facility chemicals, United Water achieves savings on process chemicals. Please reference **Figure 4** for a summary of chemical costs. Last year, BexarMet spent \$324,688 on chemicals. Based on current open market rates for process chemicals, United Water saved BexarMet \$102,400 on chemicals during this period. A more detailed analysis of chemical usage is presented in **Section 3**.

Figure 4: United Water continually reviews market rates and obtains competitive bids on process chemicals, resulting in significant savings for BexarMet.

Chemical	2008-2009 Usage	2008-2009 Price	Market Price	Estimated Savings
Ferric Sulfate	818,779	\$122,905	\$155,568	\$32,663
Hypochlorite	135,034	\$127,212	\$182,295	\$55,083
Fluoride	150,282	\$29,930	\$37,826	\$7,896
Ammonia	156,306	\$15,112	\$15,361	\$519
Citric Acid	8,788	\$34,184	\$40,423	\$6,239
Total Savings				\$102,400



2.3 Summary of Monthly Invoices and Production Rates

BexarMet's monthly invoices and production rates are presented in Figure 5.

Figure 5: Summary of BexarMet's monthly invoices and production rates.

Month	Base Invoice (\$)	Effluent Invoice (\$)	Sludge Invoice (\$)	Power Invoice (\$)	Avg. Cost (\$/GAL) (\$/GAL)	Dist. Water Prod. (\$/GAL)
Budgeted	\$ 904,430	\$ 218,020	\$ 85,000	\$ 430,750	NA	NA
May-08	\$ 74,765.42	\$ 13,964.86	\$ -	\$ 24,107.61	\$ 0.335	337.254
Jun-08	\$ 74,765.42	\$ 17,573.44	\$ 83,520.00	\$ 58,195.13	\$ 0.612	382.740
Jul-08	\$ 74,765.42	\$ 23,895.95	\$ 2,703.00	\$ 64,712.91	\$ 0.461	360.033
Aug-08	\$ 74,765.42	\$ 29,537.79	\$ 2,703.00	\$ 62,013.60	\$ 0.471	358.518
Sep-08	\$ 74,765.42	\$ 67,774.87	\$ -	\$ 46,246.47	\$ 0.529	356.948
Oct-08	\$ 74,765.42	\$ 29,732.17	\$ 24,000.00	\$ 43,884.71	\$ 0.465	370.627
Nov-08	\$ 74,765.42	\$ 10,219.24	\$ -	\$ 31,333.41	\$ 0.338	344.196
Dec-08	\$ 74,765.42	\$ 26,186.97	\$ -	\$ 34,768.63	\$ 0.397	342.060
Jan-09	\$ 76,725.56	\$ 26,720.48	\$ -	\$ 39,030.06	\$ 0.417	341.754
Feb-09	\$ 76,725.56	\$ 10,770.92	\$ -	\$ 42,417.98	\$ 0.407	318.874
Mar-09	\$ 76,725.56	\$ 49,136.46	\$ -	\$ 42,612.24	\$ 0.466	361.789
Apr-09	\$ 76,725.56	\$ 19,174.36	\$ -	\$ 41,511.54	\$ 0.353	389.514
Annual Total	\$ 905,026	\$ 324,688	\$ 112,926	\$ 530,834	\$ 0.439	4,264.31
Monthly Ave.					\$ 0.438	355.359
Monthly Max.					\$ 0.612	389.514
Monthly Min.					\$ 0.335	318.874



2.4 Schedule of BexarMet's Receivables/Payments

As required by Section 5.4 of the Contract Agreement, **Figure 6** provides a summary of BexarMet's receivables/payments for base services fees and chemicals and **Figure 7** provides a summary of payments on change orders and additional services for the 2008-2009 contract year.

Figure 6: Summary of BexarMet's receivables/payments for base services fees and chemicals.

Base Service Fees and Chemicals			
Service Fee Month of	Invoice Number	Invoice Amount	Payments
Apr-08	6926	\$ 94,973.93	\$ 94,973.93
May-08	6953	\$ 89,824.46	\$ 89,824.46
Jun-08	6969	\$ 176,953.04	\$ 176,953.04
Jul-08	6987	\$ 103,268.03	\$ 103,268.03
Aug-08	6997	\$ 109,697.23	\$ 109,697.23
Sep-08	7014	\$ 143,812.50	\$ 143,812.50
Oct-08	7027	\$ 129,709.59	\$ 129,709.59
Nov-08	7046	\$ 88,201.75	\$ 88,201.75
Dec-08	7056	\$ 100,952.39	\$ 100,952.39
Jan-09	7073	\$ 105,583.12	\$ 105,583.12
Feb-09	7089	\$ 84,279.39	\$ 84,279.39
Mar-09	7103	\$ 125,862.02	Not received
Apr-09	7118	\$ 100,725.48	Not received



Figure 7: Summary of BexarMet's payments on change orders and additional services.

Change Orders - Additional Services			
Change Order Number	Invoice Number	Invoice Amount	Invoice Payment
Cap Proj 17	6925	\$ 23,271.87	\$ 23,271.87
Major Maint 13	6934	\$ 9,993.85	\$ 9,993.85
Major Maint 13	6999	\$ 44,909.52	\$ 44,909.52
Major Maint 14	6929	\$ 3,959.00	\$ 3,959.00
Major Main 15	6928	\$ 13,815.00	\$ 13,815.00
Major Main 16	6888	\$ 20,514.65	\$ 20,514.65
Major Main 17	6930	\$ 256,747.81	\$ 256,747.81
Major Maint 18	6956	\$ 4,714.98	\$ 4,714.98
Major Maint 19	7029	\$ 5,934.87	\$ 5,934.87
Major Maint 19	7057	\$ 4,098.10	Not received
Major Maint 19	7130	\$ 23,207.25	Not received
Major Maint 21	7047	\$ 9,404.93	Not received
UC #1	7070	\$ 30,737.31	Not received



3.0 CHEMICAL USAGE SUMMARY

This section details the monthly usage for water pretreatment, disinfection and membrane cleaning chemicals. A summary of BexarMet's chemical usage during the 2008-2009 contract year is provided in **Figures 8 and 9**.

Figure 8: BexarMet's summary of ferric sulfate and aqueous ammonia chemical usage.

Month	Volume (Gallons)	Concentration (%)	Price (\$/Gallon)	Volume (Gallons)	Concentration (%)	Price (\$/Gallon)	Volume (Gallons)	Concentration (%)	Price (\$/Gallon)	Volume (Gallons)	Concentration (%)	Price (\$/Gallon)
May-08	88,245	30.2	\$ 25.40	\$ 9,048	10,112	0.89	\$ 3.19	\$ 1,077				
Jun-08	73,055	23.2	\$ 19.29	\$ 7,695	15,222	0.91	\$ 4.24	\$ 1,621				
Jul-08	93,918	30.4	\$ 25.40	\$ 9,610	14,795	0.94	\$ 4.38	\$ 1,576				
Aug-08	131,610	44.1	\$ 60.65	\$ 22,265	14,022	0.89	\$ 3.65	\$ 1,308				
Sep-08	63,867	22.3	\$ 30.89	\$ 11,081	13,464	0.86	\$ 3.52	\$ 1,256				
Oct-08	59,565	19.9	\$ 27.53	\$ 10,216	14,086	0.86	\$ 3.55	\$ 1,314				
Nov-08	48,023	17.4	\$ 24.02	\$ 8,265	12,494	0.83	\$ 3.39	\$ 1,165				
Dec-08	41,657	15.4	\$ 21.27	\$ 7,209	12,234	0.81	\$ 3.34	\$ 1,141				
Jan-09	48,941	18.3	\$ 25.22	\$ 8,356	11,997	0.80	\$ 3.27	\$ 1,119				
Feb-09	44,268	18.3	\$ 25.27	\$ 7,660	11,121	0.79	\$ 3.25	\$ 1,037				
Mar-09	53,459	19.2	\$ 26.65	\$ 9,136	13,073	0.82	\$ 3.37	\$ 1,219				
Apr-09	72,170	24.4	\$ 33.59	\$ 12,365	13,686	0.80	\$ 3.28	\$ 1,277				
Annual Total	818,779			\$ 122,905	156,306			\$ 15,112				
Monthly Avg.	68,232	23.6	\$ 28.77	\$ 10,242	13,025	0.8	\$ 3.53	\$ 1,259				
Monthly Max.	131,610	44.1	\$ 60.65	\$ 22,265	15,222	0.9	\$ 4.38	\$ 1,621				
Monthly Min.	41,657	15.4	\$ 19.29	\$ 7,209	10,112	0.8	\$ 3.19	\$ 1,037				



Figure 9: BexarMet's summary of sodium hypochlorite for disinfection, citric acid for membrane cleaning and hydrofluorosilicic acid for fluoride addition.

Month	Sodium Hypochlorite Disinfection				Citric Acid Membrane Cleaning		Hydrofluorosilicic Acid Fluoride Addition			
	Actual Use (Gals)	Average (Gals)	Cost (\$)	Volume (Gals)	Actual Use (Gals)	Cost (\$)	Actual Use (Gals)	Average (Gals)	Cost (\$)	Volume (Gals)
May-08	11,798	3.1	\$ 28.98	\$ 10,382	790	\$ 3,074.34	16,895	1.59	\$ 4.23	\$ 1,428
Jun-08	13,953	4.1	\$ 30.78	\$ 12,279	601	\$ 2,338.36	18,248	1.43	\$ 4.03	\$ 1,542
Jul-08	14,024	4.3	\$ 32.58	\$ 12,342	865	\$ 3,364.16	12,062	1.00	\$ 2.83	\$ 1,019
Aug-08	13,712	4.2	\$ 36.22	\$ 13,274	580	\$ 2,256.33	10,171	0.85	\$ 7.14	\$ 2,560
Sep-08	13,242	3.7	\$ 35.54	\$ 12,818	565	\$ 2,196.67	12,906	1.08	\$ 9.10	\$ 3,248
Oct-08	11,926	3.7	\$ 31.15	\$ 11,545	590	\$ 2,293.42	13,409	1.08	\$ 9.11	\$ 3,375
Nov-08	9,788	3.7	\$ 27.42	\$ 9,475	536	\$ 2,084.89	12,427	1.08	\$ 9.09	\$ 3,127
Dec-08	9,154	3.7	\$ 26.05	\$ 8,861	861	\$ 3,349.42	12,861	1.13	\$ 9.46	\$ 3,237
Jan-09	8,289	3.4	\$ 24.09	\$ 8,024	591	\$ 2,299.13	12,616	1.11	\$ 9.29	\$ 3,175
Feb-09	8,141	3.4	\$ 25.82	\$ 7,880	644	\$ 2,504.58	4,327	0.95	\$ 3.41	\$ 1,089
Mar-09	9,839	3.5	\$ 27.59	\$ 9,524	1,301	\$ 5,061.75	12,027	1.03	\$ 8.37	\$ 3,027
Apr-09	11,166	3.8	\$ 29.37	\$ 10,808	864	\$ 3,360.60	12,334	0.95	\$ 7.97	\$ 3,104
Annual Total	135,034			\$ 127,212	8,788	\$ 34,184	150,282			\$ 29,930
Monthly Ave.	11,253	3.7	\$ 29.63	\$ 10,601	732	\$ 2,849	12,523	1.11	\$ 7.00	\$ 2,494
Monthly Max.	14,024	4.3	\$ 36.22	\$ 13,274	1,301	\$ 5,062	18,248	1.59	\$ 9.46	\$ 3,375
Monthly Min.	8,141	3.1	\$ 24.09	\$ 7,880	536	\$ 2,085	4,327	0.85	\$ 2.83	\$ 1,019



4.0 PROCESS CONTROL LABORATORY DATA

Within this section, we provide detailed charts on raw water, pretreatment and distribution water quality from the BexarMet ultrafiltration facility and chlorine levels from Station 16 (Golden Pump Station) as monthly averages. BexarMet's process control laboratory data for 2008-2009 is summarized in **Figures 10, 11 and 12** below and on subsequent pages.

Figure 10: Raw Water Quality Data Summary.

Month	Ca	Mg	Total Hardness	Alkalinity	Total Solids	Total Dissolved Solids	Chlorine	Chlorine Demand
May-08	3.8	8.1	5.2	215	260	0.0400	199	0.006
June-08	4.7	8.2	8.2	220	266	0.0386	192	0.013
July-08	5.4	8.2	10.0	210	256	0.0385	189	0.017
August-08	6.7	8.1	48.6	205	251	0.0530	195	0.070
September-08	4.6	8.0	11.9	220	265	0.0294	196	0.015
October-08	4.0	8.1	9.1	221	267	0.0795	195	0.023
November-08	5.0	8.0	6.4	237	279	0.0710	225	0.016
December-08	4.8	8.0	5.7	246	286	0.0840	220	0.006
January-09	3.5	8.0	6.3	232	278	0.0818	219	0.000
February-09	4.0	8.0	9.3	227	270	0.0953	212	0.001
March-09	5.2	8.0	11.7	225	263	0.1332	204	0.005
April-09	4.7	8.0	7.8	220	266	0.1420	214	0.008

Figure 11: Distribution Water Quality Data Summary.

Month	Ca	Mg	Total Hardness	Alkalinity	Total Solids	Total Dissolved Solids	Chlorine	Chlorine Demand	Chlorine Residual	Chlorine Demand	Chlorine Residual	Chlorine Demand	
May-08	0.5	7.7	0.040	198	0	0.026	187	2.776	0.577	0.202	24.1	1.15	2.78
June-08	0.9	7.6	0.039	210	0	0.025	191	3.354	0.636	0.113	31.2	0.58	3.35
July-08	0.7	7.6	0.045	189	0	0.020	180	3.140	0.604	0.178	25.8	0.56	3.14
August-08	0.7	7.5	0.049	187	3	0.021	189	3.191	0.604	0.177	32.0	0.53	3.19
September-08	0.6	7.7	0.062	204	0	0.016	195	3.190	0.612	0.160	28.5	0.52	3.19
October-08	0.7	7.6	0.036	203	2	0.027	189	3.274	0.630	0.216	32.2	0.53	3.27
November-08	0.7	7.7	0.037	212	2	0.027	199	3.216	0.623	0.143	35.5	0.46	3.22
December-08	0.6	7.7	0.038	215	0	0.027	205	3.200	0.624	0.139	33.8	0.43	3.20
January-09	0.4	7.8	0.048	203	2	0.067	199	3.164	0.632	0.154	30.2	0.42	3.16
February-09	0.5	7.7	0.048	194	0	0.074	190	3.225	0.629	0.214	22.3	0.47	3.22
March-09	0.6	7.8	0.050	198	0	0.086	194	3.253	0.630	0.178	32.9	0.44	3.25
April-09	0.6	7.7	0.047	196	0	0.094	193	3.194	0.618	0.208	23.5	0.43	3.19



Figure 12: Settled Water Quality Data Summary.

Month	2.0	77	8.1	0.89	201	258	196	0.014	0.200
May-08	2.0	77	8.1	0.89	201	258	196	0.014	0.200
June-08	2.7	83	8.1	0.79	210	266	183	0.012	0.166
July-08	2.5	82	8.0	1.18	195	253	188	0.008	0.186
August-08	2.6	83	7.7	1.03	189	256	191	0.010	0.209
September-08	2.2	79	7.8	1.07	207	263	196	0.009	0.202
October-08	2.3	72	7.8	0.70	208	265	198	0.006	0.195
November-08	2.4	65	7.8	0.77	220	270	219	0.025	0.230
December-08	2.4	58	7.9	0.88	226	268	219	0.036	0.298
January-09	1.8	57	7.9	0.98	212	260	209	0.027	0.216
February-09	1.9	62	7.8	0.61	206	256	203	0.010	0.184
March-09	2.2	67	7.8	0.81	204	256	205	0.007	0.147
April-09	2.2	70	7.8	0.99	203	256	212	0.007	0.197

Month	2.6	1.8	1.5	2.36	1.44	1.16	76	332	2.00
May-08	2.6	1.8	1.5	2.36	1.44	1.16	76	332	2.00
June-08	2.4	1.8	1.5	2.44	1.20	1.11	80	347	2.65
July-08	3.0	2.0	1.7	3.92	1.63	1.15	79	312	2.73
August-08	4.0	2.4	2.0	4.44	1.83	1.04	82	315	3.01
September-08	2.9	2.2	2.0	2.75	1.80	1.09	78	312	2.77
October-08	2.6	2.1	1.9	1.75	1.29	1.26	68	314	2.92
November-08	2.6	2.0	1.8	2.20	1.40	1.12	65	325	2.91
December-08	2.6	2.0	1.8	1.84	1.33	1.17	52	320	2.91
January-09	2.1	1.7	1.5	2.05	1.46	1.24	50	301	2.86
February-09	2.0	1.6	1.5	3.40	2.23	0.64	55	307	2.90
March-09	2.3	1.8	2.0	2.05	1.46	1.09	63	319	2.84
April-09	2.4	1.8	1.6	2.05	1.46	1.13	69	319	2.86



5.0 WATER PRODUCTION AND QUALITY RESULTS

This section summarizes water usage from the Medina River, diverted water returned to the River, membrane feed flow, Super Pulsator flow and distribution water. We have also included the averages for the online water quality analyzers in the Facility and Station 16.

5.1 Water Production Results

Figure 13 summarizes water production results for the BexarMet Ultrafiltration Facility for the 2008-2009 contract year.

Figure 13: United Water produced an average of 355.36 million gallons of superior quality water for BexarMet customers during 2008-2009.

Month	Medina River	Diverted Water	Membrane Feed	Super Pulsator	Distribution	Total
May-08	338.10	-	358.31	356.18	337.25	
Jun-08	382.70	-	398.87	398.82	382.74	
Jul-08	361.00	-	378.75	378.41	360.03	
Aug-08	356.50	-	366.44	367.10	358.52	
Sep-08	355.40	-	360.65	358.77	356.95	
Oct-08	372.20	-	370.56	371.10	370.63	
Nov-08	342.50	-	345.61	344.10	344.20	
Dec-08	344.10	-	340.12	338.84	342.06	
Jan-09	341.80	-	333.07	331.30	341.75	
Feb-09	318.90	0.0000	305.16	303.12	318.87	
Mar-09	361.80	-	345.14	342.79	361.79	
Apr-09	389.50	-	367.94	368.15	389.51	
Annual Total	4,264.50	0.0000	4,270.62	4,258.69	4,264.31	
Monthly Ave.	355.38	0.0000	355.89	354.89	355.36	
Monthly Max.	389.50	0.0000	398.87	398.82	389.51	
Monthly Min.	318.90	-	305.16	303.12	318.87	



5.2 Water Quality Results

BexarMet's water quality results for the 2008-2009 contract year are summarized in Figure 14.

Figure 14: Water quality results that meet and/or exceed TCEQ standards are the utmost importance to United Water as demonstrated by a distribution turbidity below 0.1 nephelometric turbidity unit (NTU).

Month	Water Quality Parameters								
	Alkalinity (mg/L)	Calcium (mg/L)	Chloride (mg/L)	Conductivity (µmhos/cm)	Dissolved Solids (mg/L)	Iron (mg/L)	Phosphate (mg/L)	Total Hardness (mg/L)	Total Solids (mg/L)
May-08	7.9	7.9	2.8	0.0106	0.47	7.8	77.9	2.12	7.9
Jun-08	7.6	11.5	3.4	0.0128	0.47	7.8	83.1	2.72	7.9
Jul-08	7.7	17.9	3.2	0.0131	0.35	7.7	82.3	2.66	7.9
Aug-08	7.8	34.2	3.2	0.0133	0.26	7.5	82.9	2.60	7.5
Sep-08	7.8	21.4	3.2	0.0156	0.51	7.8	78.9	2.68	7.8
Oct-08	7.8	13.4	3.3	0.0136	0.34	7.7	72.0	2.80	7.9
Nov-08	7.8	9.9	3.3	0.0150	0.39	7.7	64.7	2.70	7.8
Dec-08	7.9	8.2	3.2	0.0149	0.39	7.8	58.0	2.76	7.8
Jan-09	7.9	7.8	3.2	0.0134	0.39	7.8	57.5	2.79	8.1
Feb-09	7.9	12.4	3.1	0.0145	0.34	7.8	62.4	2.82	8.4
Mar-09	7.9	14.0	3.3	0.0150	0.48	7.8	67.2	2.81	8.1
Apr-09	7.8	11.1	3.2	0.0163	0.45	7.7	70.7	2.69	7.9
Monthly Ave.	7.8	14.1	3.2	0.0140	0.40	7.7	71.5	2.68	7.9
Monthly Max.	7.9	34.2	3.4	0.0163	0.51	7.8	83.1	2.82	8.4
Monthly Min.	7.6	7.8	2.8	0.0106	0.26	7.5	57.5	2.12	7.5



6.0 OPERATIONAL SUMMARY

As demonstrated in this section, United Water is proud of its commitment to superior water quality and compliance, capturing unaccounted-for water, and providing low costs to rate payers while maintaining high production levels.

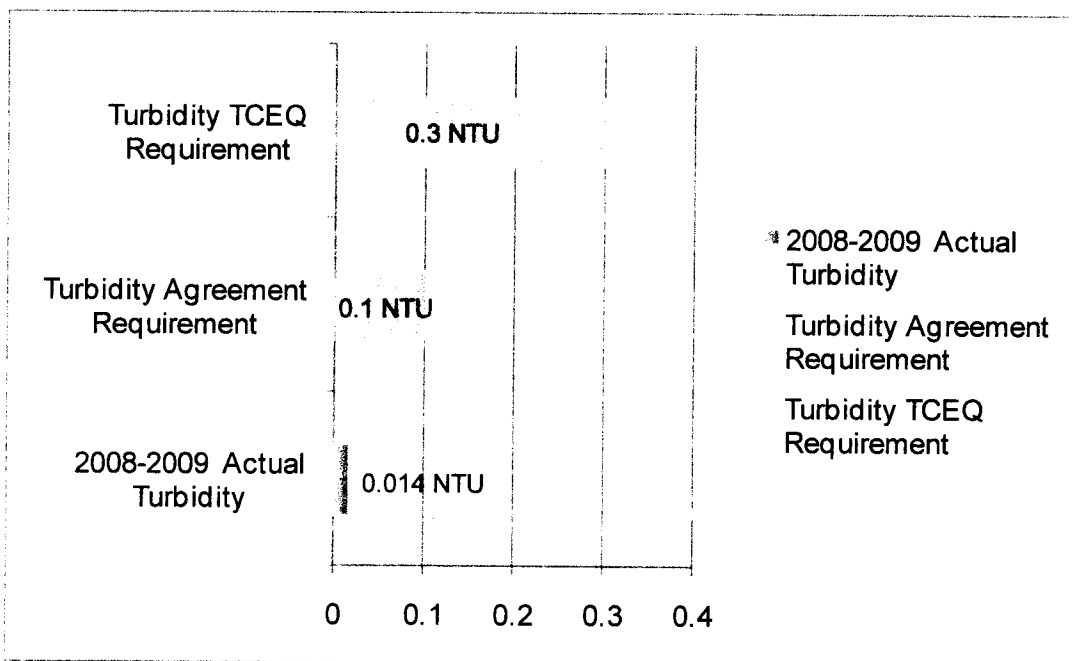
6.1 Commitment to Compliance

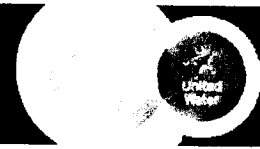
The BexarMet Agreement requires United Water to produce finished water delivered to the distribution system with less than 0.1 NTU turbidity 95% of the time. The TCEQ's requirement is a nephelometric turbidity unit (NTU) of 0.3. United Water has consistently outperformed these requirements, maintaining less than 0.1 NTU 100% of the time, every year for the past nine years. Average finished water turbidity for the 2008-2009 year was 0.0140 NTU, as demonstrated in **Figure 15** below.

In January 2006, the United States Environmental Protection Agency (USEPA) required Cryptosporidium, Giardia and E Coli testing for a 24-month period under the new LT2 rules. United Water completed the EPA-requested testing on the Medina River. We have decided to continue sampling the River once a month and added a Point of Entry (POE) sampling at Station 16 (Golden Pump Station) to the plan. We anticipate the next EPA-required sampling in 2012.

The plant maintains a 100% regulatory compliance for state and federal drinking water quality standards. The plant treats and delivers 99.996% of "Raw Water" pumped from the Medina River.

Figure 15: United Water's turbidity performance for finished water delivered to the distribution system during 2008-2009 was 0.014 NTU, outperforming the Agreement requirement of 0.1 NTU and the TCEQ requirement of 0.3 NTU.

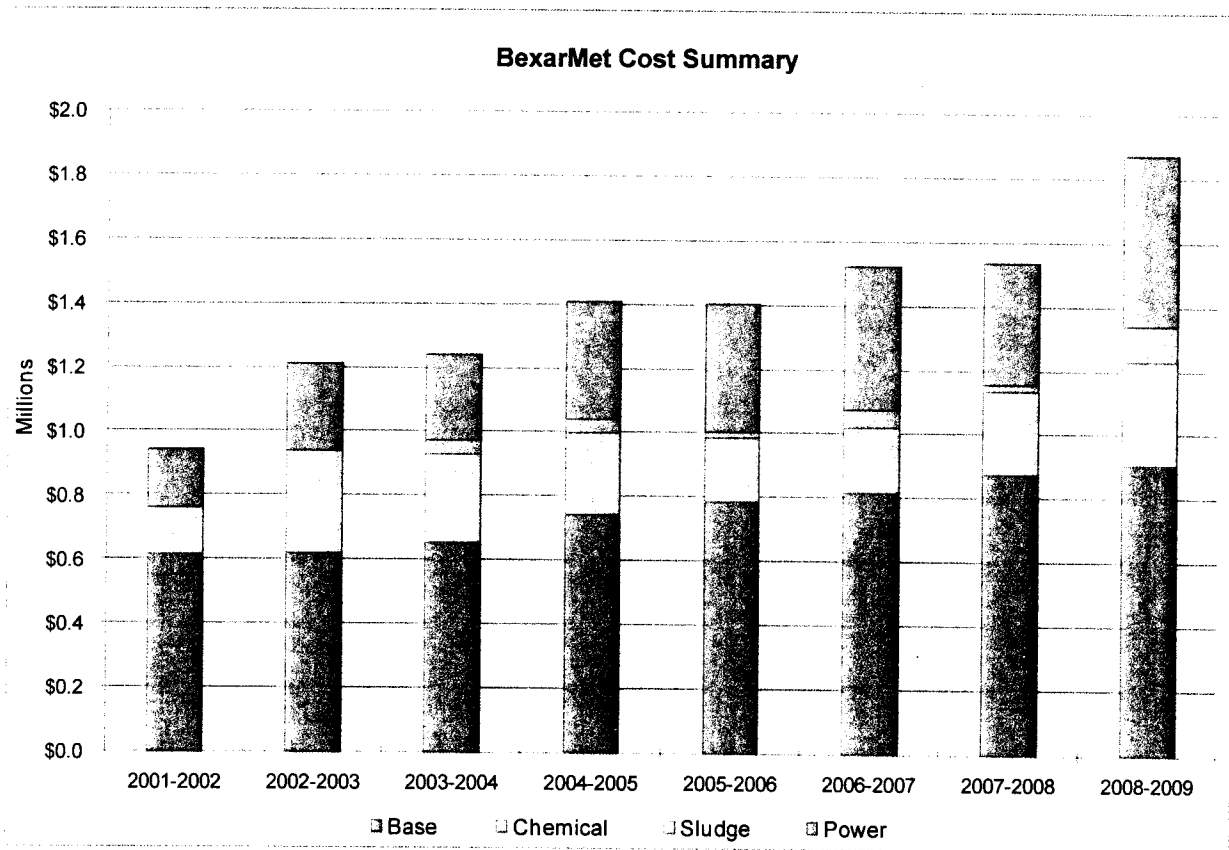




6.2 Cost Effective Production

United Water continues to provide excellent service in a fiscally responsible manner. Including all costs for Debt Service, Major Maintenance, Sludge, Power, Base Fee, Trustee Fee and Miscellaneous Fees, total plant operations cost was \$ 4,802,357 this year, \$1.13 per 1,000 gallons, or \$367 per acre foot. This is significantly below other local providers which are at \$2.83 per 1,000 gallons for Jose Water Company and \$3.53 per 1,000 gallons from Canyon Regional Water Authority (CRWA) approved in January 2009 by the BexarMet Water District.

Figure 16: United Water operates the BexarMet Ultrafiltration Facility in a manner that is not only operationally efficient, but fiscally responsible. In 2008-2009, United Water saved BexarMet approximately \$221,050.



6.2.1 Production Results

United Water’s 2008-2009 cost to BexarMet was \$0.439 per 1,000 gallons delivered. United Water utilizes a cutting-edge membrane ultrafiltration process to produce a high quality drinking water from a surface water source. Production highlights include:

- Delivered 4.265 billion gallons from the Medina River to Station 16
- Annual daily average production was 11.67 million gallons per day (MGD)

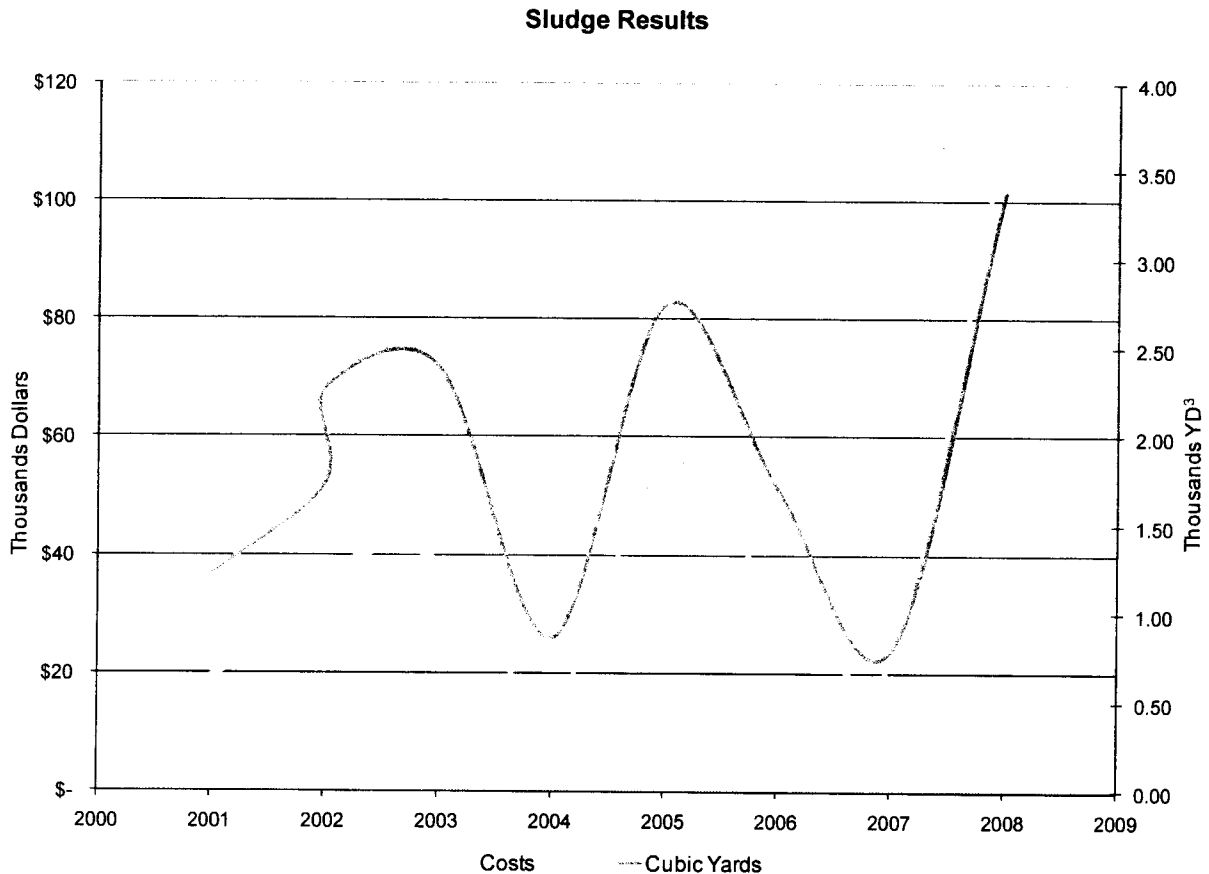


- Unaccounted water measurement for the production year is 0.004% or 192,993 gallons
- Delivered an average of 355 million gallons per month
- Maximum monthly production of 389 MG occurred in April of 2009
- Lowest monthly production of 318 MG occurring in February 2009.

6.2.2 Sludge Results

United Water continues to successfully convert waste sludge from the Ultra-Pulsator sedimentation basins into a beneficial reuse product. In 2008-2009, United Water land applied 3,390 cubic yards of material to Verstuyft Farms, a TCEQ licensed and approved application site. This year's costs of \$112,926 are higher for sludge removal due to the high rainfalls in 2007 that prevented removal of sludge from the lagoons. Avoiding landfill costs for this material resulted in savings of \$118,650 for BexarMet. **Figure 17** illustrates historic sludge disposal amounts and costs. The peaks and valleys reflect weather conditions that limit or facilitate land application of the sludge. Note that we have experienced three 200-year and one 500-year rain events since the project started in 2000.

Figure 17: Historic Sludge Results. The peaks and valleys reflect weather conditions that limit or facilitate land application of the sludge.

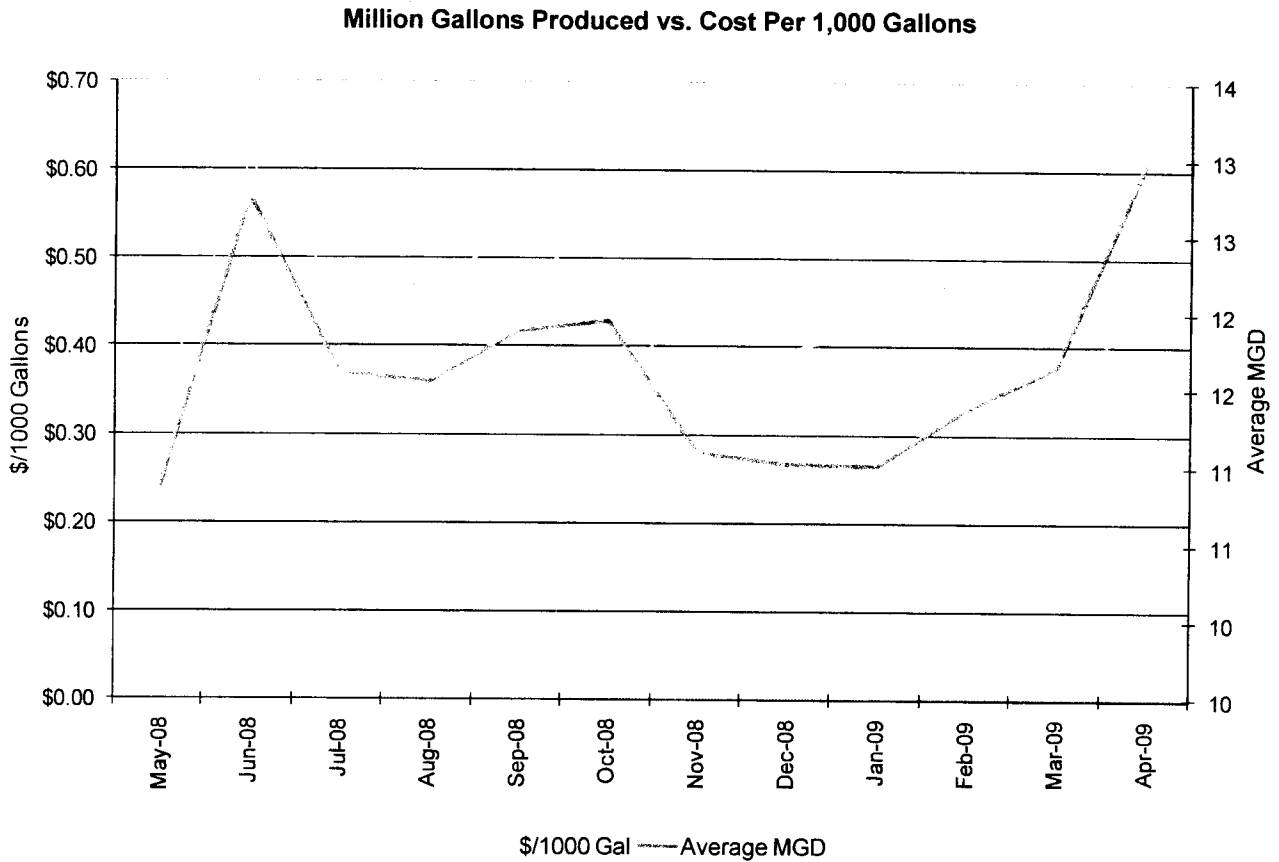




6.3 BexarMet Plant Flows

Figure 18 illustrates the monthly variation in water production in millions of gallons per day (MGD) and the cost per 1000 gallons.

Figure 18: United Water provides the required 11 MGD production level while maintaining the lowest possible costs for rate payers.

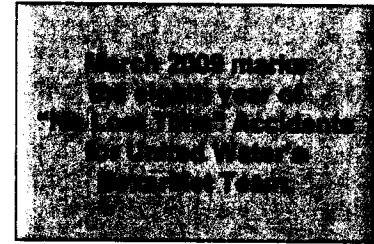




6.4 Training

6.4.1 Health and Safety Training

Frequent employee technical and safety training are important elements in meeting federal and state regulatory requirements as well as client expectations. United Water's safety and development training programs meet these standards.



In compliance with the United Water standard of biweekly safety training sessions, employees lead training sessions for their fellow employees, completing 417.4 hours of safety training during the eighth contract year. United Water required each employee to receive 2 hours per month or 96 hours for the San Antonio Staff. All employees are trained in basic:

- Accident Prevention
- Fit Test for Self-contained Breathing Apparatus
- Fire Safety
- General Plant Safety
- Safe Chemical Handling
- Hazard Communications and Right-to-Know
- Electrical Safety Lockout/Tag out and other United Water-required safety topics.

In addition, The United Water staff achieved the following:

- In March 2009, United Water presented its employees with a plaque for achieving one year with "No Lost Time" Accidents. This is the eighth year of "No Lost Time" for the United Water BexarMet Team.
- Staff members also attended, First Responder training, HazMat training and tactical commander's course to assist Local Emergency Planning Committee (LEPC).
- United Water staff completed several Weapons of Mass Destruction and terrorism classes to improve security and response to possible local threats. Topics included physical plant, cyber, and video security. The program allows United Water to keep expanding its Risk Management Plan (RMP) and its Emergency Response Plan.

Annual audits are conducted by Corporate United Water staff to ensure that the plant is compliant with contractual and regulatory requirements. Annually, the BexarMet County Fire Marshall conducts a fire audit focusing on fire extinguishers, fire alarm system, safety showers and emergency lightening. Additional audits are conducted on:

- OSHA Compliance
- Ground Storage Tank
- Fire Extinguishers
- Super Pulsator
- Chemical Tank Inspections
- Emergency Power and Lighting.



6.4.3 Employee Development

All United Water employees continue to earn Continuing Education Units (CEUs) toward their Surface Water and Wastewater Operator Certifications and Computer Software Skills. In addition, employees received a total of 278.2 hours of Process Control Training and Computer Software Skills during the past year. The consistent training helps us to easily maintain and renew our certifications.

Project Manager and Team Leader Joseph R. Thaxton

More than 28 years of experience in the water and wastewater Industry and Computer Technology fields. In addition, Mr. Thaxton:

- Serves as an active member of AquaSource Membrane Research Team. This team is comprised of membrane experts throughout the SUEZ ENVIRONNEMENT organization, is working to improve membrane operations of existing facilities worldwide. The project manager also attends conferences at the SUEZ ENVIRONNEMENT headquarters in Paris, France. In addition, he takes part in teleconference with CIRCEE (the SUEZ ENVIRONNEMENT research group) on project status and new research. Participation with this research group provides global expertise at no cost to BexarMet that is used to improve our operation.
- Maintains an “AA” (Double “A”) Water and Wastewater Operator License. The Project Manager also holds a Wastewater Class 3 License in Indiana.
- Maintains a Bottled Water License in Texas – FDA/TDH.
- Serves as a Major of the Disaster Response Team for the Texas State Guard.

Operations and Maintenance Technicians:

Our multi-disciplined staff is streamlined and cross-trained on operations, laboratory and maintenance.

United Water’s state-certified electrician is trained in operations, laboratory, and maintenance:

- Holds a “B” Surface Water License
- Bottled Water License – FDA/TDH.

Our experienced mechanical technician is trained in operations, laboratory and maintenance:

- Holds a “B” Surface Water License
- “B” Ground Water License.

United Water’s experienced administrative assistant is trained in operations, laboratory and maintenance:

- Holds a “C” Surface Water License
- Bottled Water License – FDA/TDH.



7.0 MAINTENANCE SUMMARY

United Water's proven maintenance management program focuses on extending the life of the equipment and infrastructure. In addition to daily operational activities, the staff also completes corrective, routine, preventive, and predictive maintenance programs. These efforts, along with major equipment rehabilitation, can effectively extend the useful life of the plant. United Water tracks all maintenance work orders (corrective, preventive, routine, safety, change orders, emergency, and inventory). As demonstrated in **Figure 19**, of the 561 work orders written in 2008-2009, corrective maintenance work orders were closed within 30-45 days on average unless the repair exceeds the \$5,000 major maintenance requirement. United Water also tracks staff time spent on all maintenance activities. In addition, preventive maintenance procedures are fully documented and updated or updated as required.

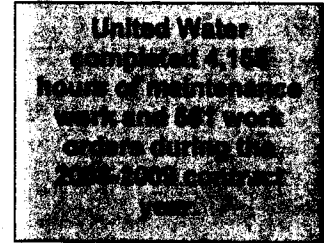
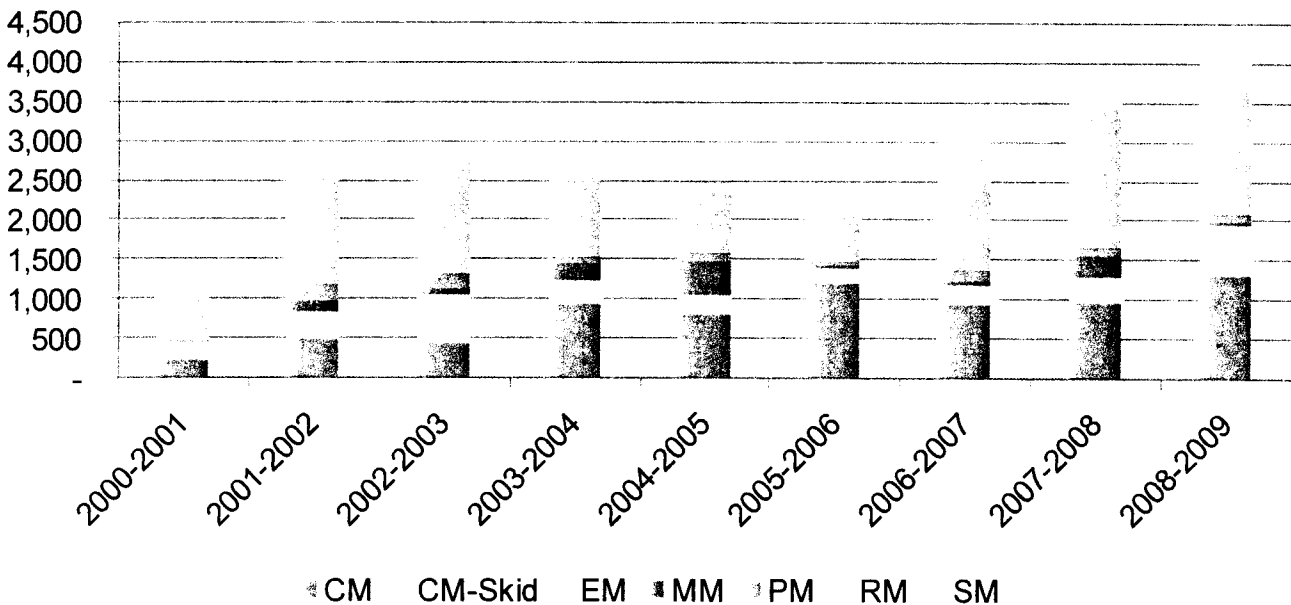


Figure 19: United Water completed 4,158 hours of maintenance activities and 561 work orders this year.

Work Order Type	Description	Work Order Type	Description
RM	Routine Maintenance	PM	Preventive Maintenance
SM	Safety Maintenance	CM	Corrective Maintenance
CM-Skid	Membrane Maintenance	MM	Major Maintenance

Hours of Maintenance Work Completed in 2008-2009





The increase in staff hours for 2006 through 2009 is due to the addition of an intern from Northwest Vista College Water Treatment Program. United Water continues to review all O&M manuals and work orders from 2000 to 2008. United Water improved the existing description and added new routine, safety, and preventive maintenance work orders to the program. We also include better documentation within this program. In 2007 United Water started to add “lock out / tag out” procedures to its work orders. United Water worked on and completed several Major Maintenance items and Change Orders for BexarMet during the 2008-2009 contract year.



Figure 20 below summarizes the number of work orders for each type of maintenance performed from May 2008 to April 2009.

Figure 20: Work Order Summary for Additional Service Items: 2008-2009.

Work Order Type	Hours	Number of Work Orders
Corrective Maintenance	1,351.50	150
Membrane Maintenance	457.00	9
Change Orders	13.00	4
Emergency Maintenance	156.00	29
Major Maintenance	48.50	9
Plant Phone Call-In	70.50	32
Preventive Maintenance	104.94	26
Routine Maintenance	1,694.30	231
Safety Maintenance	298.00	67
United Water Financed Modifications	288.00	4
Total	4,182.74	565

7.1 Major Maintenance Projects

United Water attempts to stay on or under budget regarding major maintenance repairs. The following is a list of the major maintenance projects completed by United Water during the 2008-2009 contract year:

Major Maintenance Request #12 – High Service Pump 4 Failure

- BexarMet Development Board approved on payment
- Project costs were \$20,322.46 and completed under emergency maintenance on budget.

Major Maintenance Request #13 – Raw Water Pump 4

- BexarMet Development Board approved \$87,990.75 for project
- Project costs were \$54,903.37 and completed under budget.



Major Maintenance Request #14 – Ferric Day Tank Replacement

- BexarMet Development Board approved \$9,226.71 for project
- Project costs were \$8,941.20 and completed under budget.

Major Maintenance Request #15 – Skid 3 Header Failure

- BexarMet Development Board approved \$20,657.90 for project
- Project costs were \$20,514.65 and completed under budget.

Major Maintenance Request #16 – Chemical Containment painting

- BexarMet Development Board approved \$13,915.00 for project
- Project costs were \$13,815.00 and completed under budget.

Major Maintenance Request #17 – 1 MG tank painting

- BexarMet Development Board approved 256,771.42 for project
- Project costs were \$256,747.81 and completed under budget.

Major Maintenance Request #18 – Backwash Pump 1

- BexarMet Development Board approved \$4,811.28 for project
- Project costs were \$4,714.98 and completed under budget.

Major Maintenance Request #19 – High Service Pump 4 Failure

- BexarMet Development Board approved \$35,647.92 for project
- Project costs were \$33,240.22 and completed under budget.

Major Maintenance Request #21 – Raw Water Pump 2

- BexarMet Development Board approved \$17,690.00 for project
- Project costs were \$9,404.93 and completed under on budget.

Uncontrollable Circumstance Request #1 – Raw Water Pumps VFD's

- BexarMet Development Board approved \$32,647.92 for project
- Project costs were \$30,737.31 and completed under budget.

7.2 Change Orders

The BexarMet Development Board approved one change order under the recommendation of Union Pacific engineers and United Water's technical staff.

Change Order #17 – Power monitor and surge suppressors

- BexarMet Development Board approved \$23,286.30 for project
- Project costs were \$23,271.87 and completed under budget.



7.3 Major Maintenance Plan (20-Year)

As required by Section 4.5 (C) of our Contract Agreement, Figures 21 and 22 outline United Water's suggestions for a 20-Year Major Maintenance Plan of the BexarMet facility.

Figure 21: Summary of the raw water and pretreatment repair needs.

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Raw Water System		15	475	150	235	150	600	0	0	50	57	685
Process Building	475	575	2675	590	75	100	175	3120	975	725	505	825
Annual Estimate	475	590	3150	740	310	250	775	3120	975	775	562	1510
Fund Balance Projection as 3/31/2009	2467	2822	617	822	1458	2153	2323	148	118	288	671	107
Average Yearly Costs	\$		945,143		Applied to Major Maintenance Fund Each Year							
Estimates shown are in thousands of US dollars	Monthly Amount		\$		78,761.90							

Raw Water and Pre-Treatment Item	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Rebuild Raw Pumps				150	150							250
HVAC System				25							10	
Rebuild UPS System	15											
Repair on Dam		400										
VFD Replacement												400
Air Compressor Replacement			50						50			
Replace Vacuum Pump System		75										
Replace Mixer			100								47	
Replacement of plates and influent/effluent tubes						600						
Replace sump pumps for sludge pumps				60								35
Annual Estimate	15	475	150	235	150	600	0	0	50	57	685	



Figure 22: Estimated repair needs for the Process Building and High Service Area.

Process Bldg. & High Service Year	8	10	11	12	13	14	15	16	17	18	19	20
Painting and Building Repair				125						125		
Roof Maintenance											350	
HVAC System								70				
Rebuild UPS System		50										25
Emergency Generator Overhaul				65								
Fire Pump											80	
Replace on Chemical Tanks				150					175			
Replace Chemical VFD's					75							
Membrane Replace and Aux Equipment			2500	250				3000	550			
Membrane Feed Pump Replacement		300										325
Replacement of Chemical Feed Pumps						100						
Replace Chemical Waste Sump Pumps											75	
Replace Main Control System										500		
Replace / Rehab High Service Pumps			175				175					175
Replace / Rehab Backwash Pumps									200			
Paint 1 MG tank and Hydro tank	250											300
Membrane Pre Filters Replacement	175	175								50		
Membrane Skid Feed Pump Replacement	50	50						50	50	50		
Annual Estimate	475	575	2675	590	75	100	175	3120	975	725	505	825



8.0 ANNUAL BUDGET PROJECTION FOR 2009-2010

The following is a reprint of the letter dated February 2, 2009 to Mr. David Wallace regarding the budget projection for the BexarMet Ultrafiltration Facility's 2009-2010 contract year.

February 2, 2009

Mr. David Wallace
 Director of Operations
 2047 W. Malone
 San Antonio, Texas 78225

Subject: Annual Budget Projection for 2009 - 2010

Dear Mr. Wallace:

In accordance with Operation and Maintenance Agreement Section 3.3 (A), Annual Operating Plan:

Month	Base Fee	Chemicals	Power	Sludge	Est MFG	Est S/MFG
May-09	\$ 76,726	\$ 13,750	\$ 28,077		310	\$ 382
Jun-09	\$ 76,726	\$ 33,550	\$ 32,997	\$ 40,000	310	\$ 591
Jul-09	\$ 76,726	\$ 16,170	\$ 45,172		310	\$ 445
Aug-09	\$ 76,726	\$ 13,750	\$ 49,114		310	\$ 450
Sep-09	\$ 76,726	\$ 13,750	\$ 49,114		310	\$ 450
Oct-09	\$ 76,726	\$ 20,680	\$ 35,538	\$ 45,000	300	\$ 593
Nov-09	\$ 76,726	\$ 31,790	\$ 34,716		300	\$ 477
Dec-09	\$ 76,726	\$ 13,750	\$ 33,873		300	\$ 414
Jan-10	\$ 79,411	\$ 17,930	\$ 33,873		300	\$ 437
Feb-10	\$ 79,411	\$ 11,990	\$ 27,739		280	\$ 426
Mar-10	\$ 79,411	\$ 11,990	\$ 34,548		300	\$ 420
Apr-10	\$ 79,411	\$ 18,920	\$ 25,991		300	\$ 414
Annual	\$ 931,448	\$ 218,020	\$ 430,750	\$ 85,000	3,630	\$ 459

Please let me know if you have any further questions.

Sincerely,

Joseph R. Thaxton
 United Water Project Manager



9.0 COMMUNITY PROGRAMMING

United Water believes it is important to go beyond the technical aspects of running the Water Treatment Facility. Through our corporate social responsibility program, we become a part of the communities we serve. Annually, the BexarMet Project actively participates and financially supports educational, environmental and civic programs that contribute to the community's quality of life.

9.1 Education

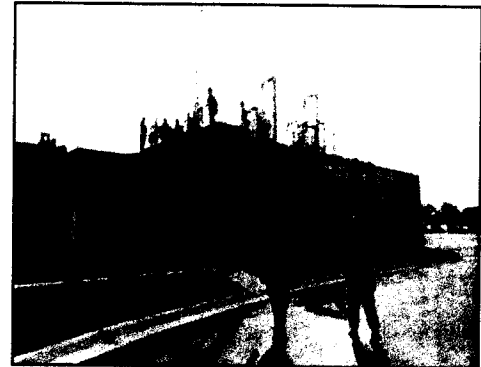
United Water serves as a volunteer member of the Advisory Committee for the David H. Pall Water Treatment Program at Northwest Vista College. Since 2005, the company has supported this associate degree program which was developed to prepare students for careers in water treatment. United Water is proud to support this program on the advisory board and by annually providing an internship for a student from the program. United Water utilized three interns from this program in 2008-2009.

United Water made a donation to the Southwest Buyers Club, which supports the Future Farmers of America (FFA) and 4-H Club. This donation is made to provide stipends for students in these programs with animal projects and to also provide scholarships for graduating seniors.

9.2 Plant Tours

The uniqueness and success of this facility attracts a wide range of interest. Through tours and presentations, United Water raises the awareness and value of the BexarMet solution for stable, safe drinking water. Annually, United Water conducts between 25 to 30 plant tours.

At the community college level we provide tours to the students enrolled in the Northwest Vista College, David H. Paul, and Advanced Water Treatment. At the college the students work on Reverse Osmosis membranes. The tour provides the students with first hand understanding how a large membrane plant operates and produces water.



Civil Engineering students from the University of Texas at San Antonio benefit from the plant tours and in-depth discussions with staff. United Water staff demonstrates real-world application of classroom water/wastewater theory in the plant.

United Water provides tours and training to the Environmental Branch at Brooks Air Force Base for military personnel involved in Bioenvironmental Engineering. United Water is providing training to officers and enlisted members of the United States Air Force (USAF) that monitor water quality for our troops throughout the world.



9.3 Donations of Bottled Water

United Water bottled water at the plant and delivered it to the cancer survivors during the “Race for Life” in 23 races across 12 counties: Atascosa, Bandera, Bexar, Frio, Gonzales, Hay, Kendall, Kerr, Kinney, Medina, Real and Wilson counties.





10.0 CONSOLIDATED FINANCIAL STATEMENTS

Audited financials for United Water Resources, Inc. are not yet available from Mazars for the 2008 summary year. These financial statements will be sent to the Bexar Metropolitan Development Corporation once completed.

G



MEMORANDUM

To: Management Team

Through: Jesse Morin
Director of Finance

From: Liliana Oranday
Accounting Manager

Date: August 27, 2009

Re: Oversight Committee Response

The following is in response to Item (g):

The management of the Bexar Metropolitan Water District (the District), provides this narrative overview of the financial activities of the District for the fiscal year ended April 30, 2009 as well as its current financial position as of July 30, 2009.

District Overview

The District has experienced several events affecting the structure and management of its operations, including changes in management, the implementation of a rate increase, as well as undergoing numerous audits. Nevertheless, District management maintained operations in good order and implemented the recommendations resulting from the various audits. Through changes in Board policy, implementation of new procedures, and reductions in operating costs, the District managed to not only move to streamlining operations and function more efficiently, but to build a more sound financial standing. The result of these improvements is reflected as follows:

Financial Highlights – Fiscal Year (FY) ended April 30, 2009 (unaudited)

- The assets of the District exceeded its liabilities at the close of the fiscal year by \$100,025,144. Of this amount, \$15,266,391 (Unrestricted Net Assets) may be used to meet the District's ongoing obligations.
- The District's total net assets increased by \$1,154,441 (before capital contributions) at the close of the fiscal year. This increase is primarily attributable to two factors. One factor is the increase in water revenue throughout the fiscal year, which changed from \$47,421,846 in FY 07-08 to \$62,191,413 in FY 08-09 due to the rate increase implemented in July 2008 as well as an increase in consumption. The second contributor to the increase was the set of organizational changes referenced in the District Overview, as well as other reductions in District-wide expenses implemented by management.

- The District's operating revenues increased by \$12,555,773 (22%) to 69,798,034 compared to the prior year's operating revenues of \$57,242,261.
- Debt service coverage ratio went from 1.28 in FY 07-08 to 1.62 at the end of the FY 08-09. Board policy for this ratio is 1.40.

Budget Reporting-FY 2009-2010

The District determined to make the transition from the FY 2008-2009 to the new fiscal year by incorporating the recommendations resulting from the various audits as well industry expertise from management and staff into the budget process. This course of action produced a budget document that was more effective, informative, and reasonable. The budget packet includes the operating budget, operating budget justification worksheets, the capital budget and the capital budget justification worksheets. Also, included are the debt service coverage ratio calculation, the annual business plan, and the historical operating budget statement. Together, these documents give the reader a thorough insight into the financial plan of District. This document includes the figures approved for the FY 2009-2010 budget as follows:

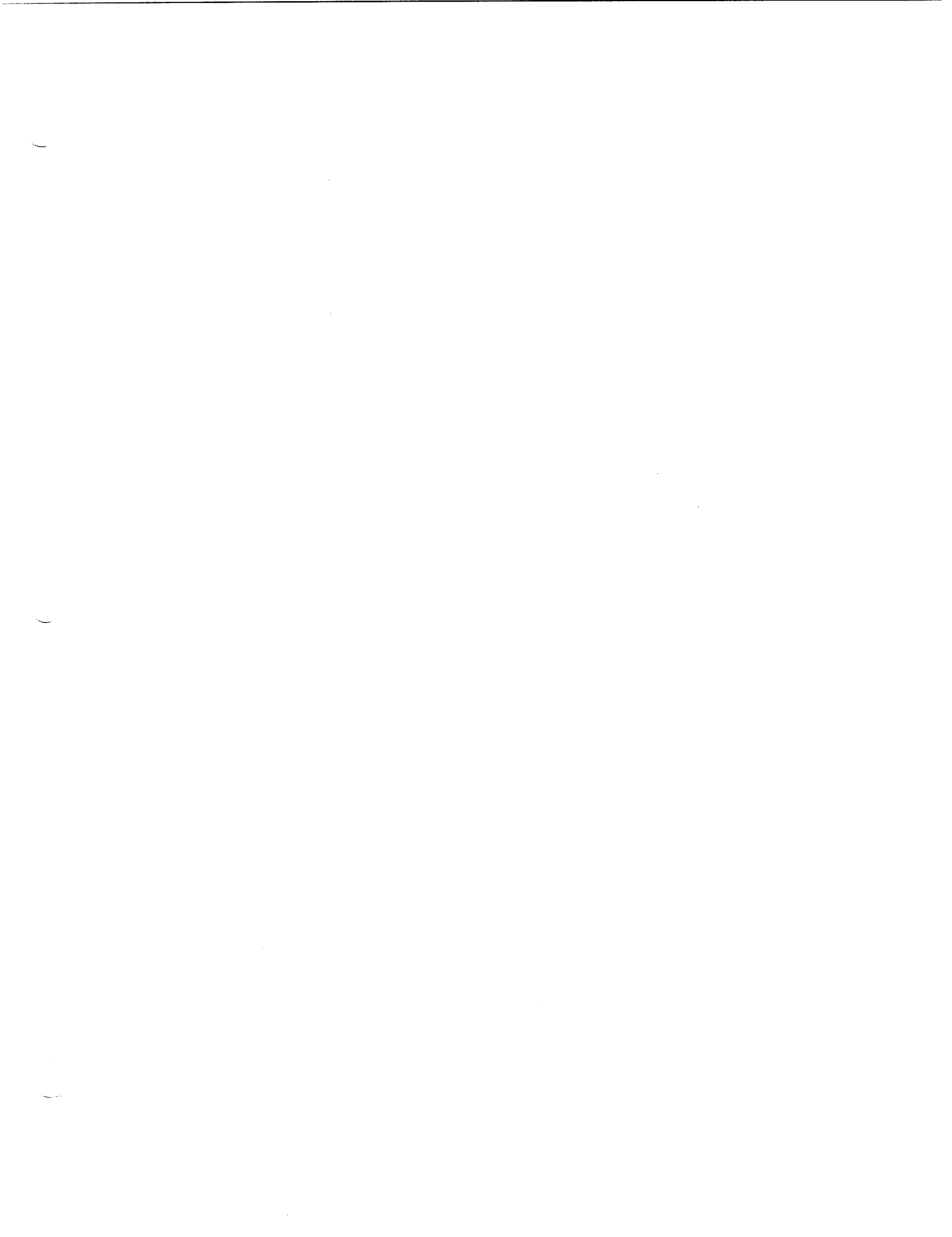
- The approved FY 2009-2010 total operating budget for the District is \$67,181,943, which represents an increase of approximately 9% over the previous year's total operating budget.
- In FY 2009-2010, it is projected that 84% of the District's revenue will be generated from water sales directly to customers or via agreements with wholesale water purveyors.
- The main source of the District's operational expenses in FY 2009-2010 are the water supply agreements, consisting of 27% of the overall operating budget. Further, salaries and benefits, which makes up about 24% of the FY 2009-2010 operations budget, also significantly affects the operations budget.
- The approved FY 2009-2010 budget capital improvement program budget is \$31,314,087. These expenditures will be funded with the District's operating revenues as well as short-term debt instruments.
- In developing the FY 2009-2010 budget, management reduced expenses sufficiently to allow for the efficient operation of the District while not increasing rates. Consequently, the operations budget was approved without the need for a rate increase.

Financial Highlights – Year-to-Date FY July 31, 2009 (unaudited)

- The District's current increase in net assets before capital contributions is \$2,655,701, which is excess of the projections to date of \$2,237 by approximately \$2,653,466.
- Total operating expenses of \$8,819,247.15 are 19% less than projected, which were expected to be \$10,952,692.13 year to date. Further, net administrative expenses were \$2,915,627.54, which represents 16% less than the \$3,458,293.61 projected expenses year to date.
- The current debt service coverage ratio went from 1.62 at the end of the FY 08-09 to 2.44 as of July 31, 2009.
- The District currently maintains a balance of \$9,858,167.59 operating reserve fund, contributing to the accumulation of 112 days of operations on hand.

Economic Outlook for the Future

The District's management has utilized all tools at their disposal to ensure that the progress of its operations and business strategy are evident. As illustrated above, the District is now in a new era and is making great strides toward cementing the perception of a water utility that operates with efficiency, effectiveness and responsibility for providing the highest quality of water to its ratepayers.





Un- Audited Financial Statements

Fiscal Year ended: April 30, 2009

Prepared by:

The Finance Staff

Bexar Metropolitan Water District

San Antonio, TX

BEXAR METROPOLITAN WATER DISTRICT
San Antonio, Texas

Statement of Net Assets

April 30, 2009

	Business-Type Activities
ASSETS	
Current Assets	
Unrestricted Current Assets	
Cash and Cash Equivalents	\$ 13,446,652
Accounts Receivable:	
District Customers (Net of allowance for uncollectible accounts of \$4,298,960)	6,736,890
Miscellaneous (Net of allowance for uncollectible accounts of \$541,990)	2,489,275
Prepaid Expenses	490,011
Inventory	1,747,982
Total Unrestricted Current Assets	24,910,810
Restricted Current Assets	
Cash and Cash Equivalents	21,604,656
Total Restricted Current Assets	21,604,656
Total Current Assets	46,515,466
Noncurrent Assets	
Unrestricted Noncurrent Assets	
Capital Assets	
Land	8,747,604
Construction In Progress	26,612,704
Capital Assets Being Depreciated	374,365,748
Less: Accumulated Depreciation	(103,051,832)
Total Capital Assets (Net)	306,674,224
Other Assets	
Unamortized Bond Issuance Costs	3,316,443
Deferred Charge - WECO/Stein	2,100,000
Net Pension Asset	212,971
Total Other Assets	5,629,414
Total Noncurrent Assets	312,303,638
Total Assets	\$ 358,819,104

(Continued)

BEXAR METROPOLITAN WATER DISTRICT
San Antonio, Texas

Statement of Net Assets

April 30, 2009

	Business-Type Activities
LIABILITIES AND EQUITY	
Current Liabilities	
Current Liabilities Payable from Unrestricted Assets	
Accounts Payable	\$ 7,560,968
Sewer and Garbage Collections	1,557,415
Accrued Wages/Payroll Taxes Payable	756,972
Prepaid Customer Accounts	351,089
Current Portion of Long Term Debt	933,745
Security Deposits	178,995
Accrued Vacation	528,190
Insurance Claims Liability	505,065
Unearned Revenue	130,000
Other Accrued Expenses	175,725
Total Unrestricted Current Liabilities	12,678,164
Current Liabilities Payable from Restricted Assets	
Revenue Bonds Payable Within One Year	5,260,000
Accrued Bond Interest Payable	4,484,054
Total Restricted Current Liabilities	9,744,054
Total Current Liabilities	22,422,218
Noncurrent Liabilities	
Noncurrent Portion of Long Term Debt	236,371,742
Total Noncurrent Liabilities	236,371,742
Total Liabilities	258,793,960
Net Assets	
Invested in Capital Assets, Net of Related Debt	67,425,180
Restricted Net Assets	
Restricted for Debt Service	8,769,357
Restricted for Construction	2,704,318
Restricted for Contingencies	5,646,927
Restricted for Employees' Pension Benefits	212,971
Total Restricted Net Assets	17,333,573
Unrestricted Net Assets	15,266,391
Total Net Assets	\$ 100,025,144

The accompanying notes to financial statements form an integral part of this statement.

BEXAR METROPOLITAN WATER DISTRICT
San Antonio, Texas

Statement of Revenues, Expenses, and Changes in Net Assets

Year Ended April 30, 2009

	Business-Type Activities
Operating Revenues	\$ 62,191,413
Water Sales	1,632,152
Customer Penalties and Fees	1,054,450
Impact Fees	1,670,800
Water Development Fees	461,418
Main and Service Extensions	
Collection Fees for Sewer, Garbage and Fire Protection	915,722
Fire Protection	236,761
Regulatory Fees	1,635,315
Total Operating Revenues	69,798,031
 Operating Expenses	 34,701,962
Production Expenses	14,397,974
Administrative and General Expenses	10,162,671
Depreciation	59,262,607
Total Operating Expenses	10,535,424
 Operating Income	 1,154,440
 Non-Operating Revenues (Expenses)	 538,651
Interest Earned	3,118
Bad Debts Recovered	317,636
Other Non-operating Revenues	830,035
Net Gain on Sale of Capital Assets	(10,614,850)
Bond and Other Interest Expense	(455,574)
Amortization of Bond Related Costs	(9,380,984)
Total Non-Operating (Expenses)	1,154,440
 Increase in Net Assets, before Capital Contributions and Special Items	 7,355,624
Capital Contributions	778,750
Special Items - Forgiveness of Debt	9,288,814
 Change in Net Assets	 9,288,814
 Net Assets - Beginning Balance(Restated)	 90,736,330
 Net Assets - Ending Balance	\$ 100,025,144

The accompanying notes to the financial statements form an integral part of this statement.



BEXAR METROPOLITAN WATER DISTRICT
San Antonio, Texas

Statement of Cash Flows

Year Ended April 30, 2009

	Business-Type Activities
Reconciliation of Operating Income to Net Cash	
Provided by Operating Activities	\$ 10,535,424
Net Income	
Adjustments to Reconcile Operating Income	
to Net Cash Provided by Operating Activities	10,162,671
Depreciation	1,399,277
Credit Losses	
(Increase) Decrease In:	
Accounts Receivable-District Customers	(1,393,041)
Accounts Receivable-Miscellaneous	(108,268)
Inventory of Materials and Supplies	(52,767)
Prepaid Expenses	(176,884)
Net Pension Asset	805
Increase (Decrease) in:	
Accounts Payable	(1,564,773)
Sewer & Garbage Collection Payable	226,465
Accrued Wages/Payroll Taxes	173,795
Credit Balances in Accounts Receivable	(131,808)
Security Deposits	66,086
Accrued Vacation	(101,757)
Deferred Revenue	130,000
Insurance Claims Liability	272,959
Accrued Expenses - Other	66,904
	\$ 19,505,088
 Total Provided by Operating Activities	

Noncash Operating Activities:

- a. Forgiveness of debt in the amount of \$778,750.
- b. Construction in progress receivable in the amount of \$1,219,640.

Noncash Capital and Financing Activities:

- a. The District received contributed capital assets from developers in the amount of \$7,355,624.
- b. Capitalized interest costs totaled \$338,270.
- c. Amortization of bond issue costs, original discounts and premiums, and loss on refunding totaled \$434,306.

The accompanying notes to financial statements form an integral part of this statement.



BEXAR METROPOLITAN WATER DISTRICT
FINANCIAL STATEMENTS
FOR THE PERIOD ENDING JULY 31, 2009

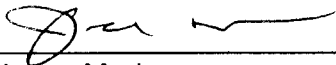
To: Board of Directors

We have compiled the monthly financial statements of the Bexar Metropolitan Water District for the Month Ending, July 31, 2009.

Our review of the monthly financial statements reasonably assure that the statements provides for a fair presentation of the financial position of the District. However, the review does not perform a detailed examination of all transactions, therefore, a risk that material errors, irregularities, or illegal acts, including fraud or defalcations may exist.

Pursuant to the requirements of the Texas Government Code Section 2256.023 (b)(8), Tab 4 of the Monthly Financial Statements describes the District's investment portfolio and this investment portfolio complies with both the District's Investment Policy and the relevant provisions of the Texas Public Funds Investment Act.

Sincerely,



Jesse Morin
Director of Finance
Investment Officer

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BEXAR METROPOLITAN WATER DISTRICT
COMBINING STATEMENT OF NET ASSETS

July 31, 2009

ASSETS:

CURRENT ASSETS:

UNRESTRICTED CURRENT ASSETS	
CASH AND CASH EQUIVALENTS	12,931,880.23
ACCOUNTS RECEIVABLE - DISTRICT CUSTOMERS (NET OF ALLOWANCE)	10,459,396.01
ACCOUNTS RECEIVABLE - MISCELLANEOUS (NET OF ALLOWANCE)	336,271.67
INTER-COMPANY RECEIVABLE - BMDC	150.00
PREPAID EXPENSES	967,234.78
INVENTORY	1,746,890.40
 TOTAL UNRESTRICTED CURRENT ASSETS	 <u>26,441,823.09</u>

RESTRICTED CURRENT ASSETS	
RESERVE FUND	329,295.67
U.S GOVERNMENT SECURITIES	2,372,261.04
INTEREST & SINKING FUND	3,468,396.23
CONSTRUCTION FUND	56,159.92
CONTINGENCY FUND	1,503,458.59
ESCROW ACCOUNTS	0.00
 TOTAL RESTRICTED ASSETS	 <u>7,729,571.45</u>

NON-CURRENT ASSETS:

CAPITAL ASSETS	
LAND	8,893,629.77
CONSTRUCTION IN PROGRESS	59,610,993.23
BUILDING/IMPROVEMENTS	6,109,626.23
EQUIPMENT	20,592,065.53
OFFICE FURNITURE	903,182.45
UTILITY PLANT AND DISTRIBUTION	294,255,969.68
LESS ACCUMULATED DEPRECIATION	(99,631,121.10)
TOTAL CAPITAL ASSETS (NET)	<u>290,734,345.79</u>

OTHER ASSETS	
NET PENSION ASSET	213,776.00
OTHER ASSETS - BOND ISSUANCE COST	2,737,024.73
DEFERRED CHARGE - WECO/STEIN	2,100,000.00
 TOTAL OTHER ASSETS	 <u>5,050,800.73</u>

TOTAL ASSETS	<u><u>329,956,541.06</u></u>
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BEXAR METROPOLITAN WATER DISTRICT
COMBINING STATEMENT OF NET ASSETS

July 31, 2009

LIABILITIES & EQUITY:

CURRENT LIABILITIES:

UNRESTRICTED CURRENT LIABILITIES

ACCOUNTS PAYABLE	6,006,047.93
SEWER & GARBAGE COLLECTION DUE	1,579,420.50
CREDIT BALANCES CUSTOMER ACCOUNTS	445,859.87
INTER-COMPANY PAYABLE	5,830.00
CAPITAL LEASE OBLIGATIONS - S/T	(106,499.04)
CONTRACTS PAYABLE - S/T	1,621,409.41
INSURANCE CLAIMS LIABILITY	179,016.34
ACCRUED EXPENSES	1,246,694.88

TOTAL UNRESTRICTED CURRENT LIABILITIES 10,977,779.89

CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS

ACCRUED BOND INTEREST PAYABLE (WITHIN ONE YEAR)	2,080,175.21
ACCRUED COMMERCIAL PAPER INTEREST	(5,149.09)

TOTAL LIABILITIES OF RESTRICTED FUNDS 2,075,026.12

TOTAL CURRENT LIABILITIES 13,052,806.01

NONCURRENT LIABILITIES:

ACCRETED INTEREST PAYABLE	4,712,015.63
REVENUE BONDS PAYABLE- 1995A/1998/2002/2006/2007	163,838,603.80
LESS UNAMORTIZED BOND PREMIUM	30,313.21
LOSS ON REFUNDING	(4,825,936.32)
COMMERCIAL PAPER NOTE	38,000,000.00
TAXABLE NOTE PAYABLE - SERIES 2008	10,000,000.00
CONTRACTS PAYABLE - L/T	500,000.00
CAPITAL LEASE OBLIGATIONS - L/T	945,407.79

TOTAL NONCURRENT LIABILITIES 213,200,404.11

TOTAL LIABILITIES 226,253,210.12

NET ASSETS:

INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	78,756,056.04
RESTRICTED ASSETS	
RESTRICTED FOR DEBT SERVICE	4,094,926.82
RESTRICTED FOR CONSTRUCTION	56,159.92
RESTRICTED FOR CONTINGENCY AND ESCROW	1,503,458.59
RESTRICTED FOR EMPLOYEES' PENSION BENEFITS	213,776.00
TOTAL RESTRICTED NET ASSETS	<u>5,868,321.33</u>
UNRESTRICTED NET ASSETS	19,078,953.57

TOTAL NET ASSETS 103,703,330.94

TOTAL LIABILITIES AND NET ASSETS 329,956,541.06

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BEXAR METROPOLITAN WATER DISTRICT
COMBINED STATEMENT OF REVENUES AND EXPENSES

July 31, 2009

	CURRENT BUDGET AMOUNT	CURRENT AMOUNT	VARIANCE AMOUNT	%
OPERATING REVENUES				
WATER SALES TO CUSTOMERS	5,364,416.67	6,723,559.30	(1,359,142.63)	125%
WHOLESALE WATER AGREEMENTS	107,567.67	53,440.37	54,127.30	50%
SEWER REVENUE	483.33	204.79	278.54	42%
CUSTOMERS PENALTIES & FEES	147,916.67	144,246.94	3,669.73	98%
COLLECTION FEES	26,159.00	73,433.92	(47,274.92)	281%
FIRE PROTECTION	17,333.33	19,838.47	(2,505.14)	114%
REGULATORY ASSESSMENT FEES	147,083.33	171,240.60	(24,157.27)	116%
IMPACT FEES/ WATER DEVELOPMENT FEE	467,068.00	449,805.80	17,262.20	96%
MAIN & SERVICE EXTENSION FEES	45,833.33	90,579.85	(44,746.52)	198%
ASSESSMENT FEES - TIMBERWOOD	291.67	0.00	291.67	0%
TOTAL OPERATING REVENUES	6,324,153.00	7,726,350.04	(1,402,197.04)	122%
OPERATING EXPENSES				
SALARIES	657,919.70	711,325.55	(53,405.85)	108%
PAYROLL TAXES & UNEMPLOYMENT TAX	50,330.86	63,091.58	(12,760.72)	125%
CONTRACT LABOR	833.33	0.00	833.33	0%
DISPOSAL FEES	742.67	1,389.05	(646.38)	187%
EQUIPMENT RENTAL	26,767.00	46,738.44	(19,971.44)	175%
FUEL	104,166.67	167,853.49	(63,686.82)	161%
OPERATION & MAINTENANCE - GARAGE	29,166.67	40,917.13	(11,750.46)	140%
INSURANCE - BENEFITS	195,116.30	111,358.71	83,757.59	57%
MAINTENANCE CONTRACTS OPERATING	57,536.33	119,792.44	(62,256.11)	208%
OPERATION & MAINTENANCE MATERIALS	254,452.53	266,169.38	(11,716.85)	105%
OPERATION & MAINTENANCE - FACILITY	583.33	926.79	(343.46)	159%
MAINTENANCE SERVICES	0.00	0.00	0.00	0%
OPERATION & MAINTENANCE - PRODUCTION	102,541.67	56,640.97	45,900.70	55%
SEWER PRODUCTION EXPENSES	0.00	0.00	0.00	0%
EDWARDS AQUIFER PERMIT FEE	121,466.00	111,891.03	9,574.97	92%
BEXAR METROPOLITAN DEVELOPMENT CORP. LEASE AGRMT	356,734.42	355,839.00	895.42	100%
BMA OPERATING WATER AGREEMENT '99	494,148.55	142,839.33	351,309.22	29%
CANYON REGIONAL AGREEMENT	179,876.08	408,203.10	(228,327.02)	227%
WEC _o WATER AGREEMENT	420,922.75	42,121.27	378,801.48	10%
WATER PURCHASE AGREEMENTS	235,902.53	149,317.77	86,584.76	63%
UNIFORMS	4,041.67	7,161.23	(3,119.56)	177%
UTILITIES	304,166.67	211,097.35	93,069.32	69%
WASTE SERVICES	1,933.33	679.79	1,253.54	35%
WATER TRANSPORTING EXPENSE	4,166.67	16,194.33	(12,027.66)	389%
WATER TREATMENT & TESTING	47,381.67	44,444.47	2,937.20	94%
TOTAL OPERATING EXPENSES	3,650,897.38	3,075,992.20	574,905.18	84%
ADMINISTRATIVE & GENERAL				
SALARIES	462,671.66	413,290.93	49,380.73	89%
PAYROLL TAXES & UNEMPLOYMENT TAX	35,394.38	30,410.79	4,983.59	86%
STATE SALES & USE TAX	0.00	0.00	0.00	0%
ADVERTISING AND PHOTOGRAPHY	17,977.67	17,149.30	828.37	95%
AGENCY ASSESSMENTS	38,155.42	27,943.56	10,211.86	73%
BANK FEES	29,416.67	26,613.68	2,802.99	90%
CONTRACT LABOR	875.00	10,427.50	(9,552.50)	1192%
COMMUNICATION EXPENSE	30,581.00	21,151.59	9,429.41	69%
COMPUTER SYSTEM SUPPORT	36,020.17	21,330.52	14,689.65	59%
DIRECTORS FEES	4,200.00	6,600.00	(2,400.00)	157%
DUES AND SUBSCRIPTIONS	6,385.17	1,891.31	4,493.86	30%
EMPLOYEE BENEFITS	5,828.33	3,290.94	2,537.39	56%
HIRING EXPENSE	435.42	5,513.14	(5,077.72)	1266%
INSURANCE - BENEFITS	136,204.50	69,756.36	66,448.14	51%
INSURANCE - GENERAL	100,000.00	31,431.87	68,568.13	31%
JANITORIAL SERVICES	1,666.67	3,392.73	(1,726.06)	204%
LICENSE AND PERMITS	15,925.00	18,415.20	(2,490.20)	116%
MISCELLANEOUS	58,750.00	12,732.79	46,017.21	22%
MAINTENANCE CONTRACTS	6,833.33	2,051.23	4,782.10	30%

BEXAR METROPOLITAN WATER DISTRICT
COMBINED STATEMENT OF REVENUES AND EXPENSES

July 31, 2009

	CURRENT BUDGET AMOUNT	CURRENT AMOUNT	VARIANCE AMOUNT	%
OFFICE SUPPLIES	21,404.70	15,499.78	5,904.92	72%
OVER/SHORT CASH	8.33	(4.54)	12.87	-54%
PAY STATION FEES	0.00	0.00	0.00	0%
POSTAGE	42,542.67	33,202.86	9,339.81	78%
PROFESSIONAL FEES	83,305.67	87,772.23	(4,466.56)	105%
PUBLIC EDUCATION & AWARENESS	5,063.13	280.00	4,783.13	6%
PUBLIC MEETING NOTICE FEES	16.67	0.00	16.67	0%
SAFETY EXPENSE	5,882.08	4,529.27	1,352.81	77%
SECURITY	12,791.67	19,553.20	(6,761.53)	153%
TRAINING	7,685.83	3,997.00	3,688.83	52%
TRAVEL AND ENTERTAINMENT EXPENSES	7,125.00	8,175.24	(1,050.24)	115%
UTILITIES	10,833.33	13,897.23	(3,063.90)	128%
PENALTIES & LATE CHARGES	208.33	209.35	(1.02)	100%
BAD DEBT EXPENSE	59,008.42	100,329.62	(41,321.20)	170%
WASTE SERVICES	2,083.33	2,738.15	(654.82)	131%
WATER EFFICIENCY PROGRAM ACTIVITIES	32,485.00	62,510.87	(30,025.87)	192%
TOTAL ADMIN & GENERAL EXPENSES	1,277,764.54	1,076,083.70	201,680.84	84%
OVERHEAD	125,000.00	55,634.25	69,365.75	45%
NET ADMIN & GENERAL EXPENSES	1,152,764.54	1,020,449.45	132,315.09	89%
NET OPERATING EXPENSES				
BEFORE DEPRECIATION	4,803,661.91	4,096,441.65	707,220.26	85%
DEPRECIATION EXPENSE	794,833.33	930,199.72	(135,366.39)	117%
NET OPERATING EXPENSE	5,598,495.25	5,026,641.37	571,853.88	90%
OPERATING REVENUE	725,657.75	2,699,708.67	(1,974,050.92)	372%
NON-OPERATING REVENUES				
INTEREST INCOME	51,250.00	15,427.43	35,822.57	30%
BAD DEBTS RECOVERED	250.00	0.00	250.00	0%
GRANT REVENUE	0.00	0.00	0.00	100%
OTHER NON-OPERATING REVENUE	149,986.33	7,251.44	142,734.89	5%
NON-OPERATING REVENUE	201,486.33	22,678.87	178,807.46	11%
NON-OPERATING EXPENSES				
INTEREST EXPENSE	4,666.67	3,554.46	1,112.21	76%
BOND INTEREST	810,532.83	748,170.38	62,362.45	92%
BOND ISSUANCE COSTS	29,166.67	300.00	28,866.67	1%
COMMERCIAL PAPER INTEREST	36,458.33	6,673.97	29,784.36	18%
COMMERCIAL PAPER ISSUANCE COSTS	13,750.00	2,590.00	11,160.00	19%
COMMERCIAL PAPER COMMITMENT FEE	31,824.34	0.00	31,824.34	0%
OTHER NON-OPERATING EXPENSES	0.00	0.00	0.00	-100%
TOTAL NON-OPERATING EXPENSE	926,398.84	781,288.81	165,110.03	82%
INCREASE/(DECREASE) IN NET ASSETS, BEFORE CAPITAL CONTRIBUTIONS	745.24	1,961,098.73	(1,960,353.49)	263149%

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BEXAR METROPOLITAN WATER DISTRICT

COMBINED STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS

FOR THE THIRD MONTH ENDING JULY 31, 2009

	YTD BUDGET AMOUNT	YTD AMOUNT	VARIANCE AMOUNT	%
OPERATING REVENUES				
WATER SALES TO CUSTOMERS	16,093,250.00	16,517,769.49	(424,519.49)	103%
WHOLESALE WATER AGREEMENTS	322,703.00	127,893.08	194,809.92	40%
SEWER REVENUE	1,450.00	1,217.66	232.34	84%
CUSTOMERS PENALTIES & FEES	443,750.00	387,211.10	56,538.90	87%
COLLECTION FEES	78,477.00	213,659.17	(135,182.17)	272%
FIRE PROTECTION	52,000.00	58,658.14	(6,658.14)	113%
REGULATORY ASSESSMENT FEE	441,250.00	429,061.04	12,188.96	97%
IMPACT FEES/ WATER DEVELOPMENT FEE	1,401,204.00	1,163,142.19	238,061.81	83%
MAIN & SERVICE EXTENSION FEES	137,500.00	233,355.01	(95,855.01)	170%
ASSESSMENT FEES - TIMBERWOOD	875.00	0.00	875.00	0%
TOTAL OPERATING REVENUES	18,972,459.00	19,131,966.88	(159,507.88)	101%
OPERATING EXPENSES				
SALARIES	1,973,759.09	1,880,923.43	92,835.66	95%
PAYROLL TAXES & UNEMPLOYMENT TAX	150,992.57	165,640.08	(14,647.51)	110%
CONTRACT LABOR	2,500.00	0.00	2,500.00	0%
DISPOSAL FEES	2,228.00	1,749.65	478.35	79%
EQUIPMENT RENTAL	80,301.00	77,339.17	2,961.83	96%
FUEL	312,500.00	311,702.28	797.72	100%
OPERATION & MAINTENANCE - GARAGE	87,500.00	106,567.20	(19,067.20)	122%
INSURANCE - BENEFITS	585,348.89	221,782.23	363,566.66	38%
MAINTENANCE CONTRACTS OPERATING	172,609.00	219,997.92	(47,388.92)	127%
OPERATION & MAINTENANCE MATERIALS	763,357.60	633,966.94	129,390.66	83%
OPERATION & MAINTENANCE - FACILITY	1,750.00	3,932.10	(2,182.10)	225%
MAINTENANCE SERVICES	0.00	0.00	0.00	0%
OPERATION & MAINTENANCE - PRODUCTION	307,625.00	218,446.83	89,178.17	71%
SEWER PRODUCTION EXPENSES	0.00	0.00	0.00	0%
EDWARDS AQUIFER PERMIT FEE	364,398.00	335,673.09	28,724.91	92%
BEXAR METROPOLITAN DEVELOPMENT CORP. LEASE AGRMT	1,070,203.25	1,067,517.00	2,686.25	100%
BMA OPERATING WATER AGREEMENT '99	1,482,445.65	506,047.99	976,397.66	34%
CANYON REGIONAL AGREEMENT	539,628.25	1,204,216.18	(664,587.93)	223%
WEC _o SURFACE WATER AGREEMENT	1,262,768.25	473,024.43	789,743.82	37%
WATER PURCHASE AGREEMENTS	707,707.59	371,848.56	335,859.03	53%
UNIFORMS	12,125.00	12,506.60	(381.60)	103%
UTILITIES	912,500.00	839,173.80	73,326.20	92%
WASTE SERVICES	5,800.00	2,000.12	3,799.88	34%
WATER TRANSPORTING EXPENSE	12,500.00	20,201.16	(7,701.16)	162%
WATER TREATMENT & TESTING	142,145.00	144,990.39	(2,845.39)	102%
TOTAL OPERATING EXPENSES	10,952,692.13	8,819,247.15	2,133,444.98	81%
ADMINISTRATIVE & GENERAL				
SALARIES	1,388,014.98	1,177,318.44	210,696.54	85%
PAYROLL TAXES & UNEMPLOYMENT TAX	106,183.15	85,232.51	20,950.64	80%
STATE SALES & USE TAX	0.00	0.00	0.00	0%
ADVERTISING AND PHOTOGRAPHY	53,933.00	36,454.40	17,478.60	68%
AGENCY ASSESSMENTS	114,466.25	67,045.80	47,420.45	59%
BANK FEES	88,250.00	86,112.11	2,137.89	98%
CONTRACT LABOR	2,625.00	35,675.00	(33,050.00)	1359%
COMMUNICATION EXPENSE	91,743.00	78,717.09	13,025.91	86%
COMPUTER SYSTEM SUPPORT	108,060.50	78,307.45	29,753.05	72%
DIRECTORS FEES	12,600.00	15,960.00	(3,360.00)	127%
DUES AND SUBSCRIPTIONS	19,155.50	9,370.43	9,785.07	49%
EMPLOYEE BENEFITS	17,485.00	11,747.18	5,737.82	67%
HIRING EXPENSE	1,306.25	5,958.64	(4,652.39)	456%
INSURANCE - BENEFITS	408,613.50	132,147.77	276,465.73	32%
INSURANCE - GENERAL	300,000.00	96,798.51	203,201.49	32%
JANITORIAL SERVICES	5,000.00	7,416.02	(2,416.02)	148%
LICENSE AND PERMITS	47,775.00	48,998.60	(1,223.60)	103%
MISCELLANEOUS	176,250.00	33,082.68	143,167.32	19%
MAINTENANCE CONTRACTS	20,500.00	16,946.54	3,553.46	83%

BEXAR METROPOLITAN WATER DISTRICT
 COMBINED STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS
 FOR THE THIRD MONTH ENDING JULY 31, 2009

	YTD BUDGET AMOUNT	YTD AMOUNT	VARIANCE AMOUNT	%
OFFICE SUPPLIES	64,214.09	56,139.64	8,074.45	87%
OVER/SHORT CASH	25.00	8.27	16.73	33%
PAY STATION FEES	0.00	0.00	0.00	0%
POSTAGE	127,628.00	131,207.36	(3,579.36)	103%
PROFESSIONAL FEES	249,917.00	231,999.36	17,917.64	93%
PUBLIC EDUCATION & AWARENESS	15,189.40	11,166.40	4,023.00	74%
PUBLIC MEETING NOTICE FEES	50.00	70.00	(20.00)	140%
SAFETY EXPENSE	17,646.25	13,261.15	4,385.10	75%
SECURITY	38,375.00	50,747.64	(12,372.64)	132%
TRAINING	23,057.50	11,032.20	12,025.30	48%
TRAVEL AND ENTERTAINMENT EXPENSES	21,375.00	23,765.53	(2,390.53)	111%
UTILITIES	32,500.00	32,976.02	(476.02)	101%
PENALTIES & LATE CHARGES	625.00	289.36	335.64	46%
BAD DEBT EXPENSE	177,025.25	247,288.98	(70,263.73)	140%
WASTE SERVICES	6,250.00	6,211.38	38.62	99%
WATER EFFICIENCY PROGRAM ACTIVITIES	97,455.00	182,288.08	(84,833.08)	187%
TOTAL ADMIN & GENERAL EXPENSES	<u>3,833,293.61</u>	<u>3,021,740.54</u>	<u>811,553.07</u>	<u>79%</u>
OVERHEAD	375,000.00	106,113.00	268,887.00	28%
NET ADMIN & GENERAL EXPENSES	<u>3,458,293.61</u>	<u>2,915,627.54</u>	<u>542,666.07</u>	<u>84%</u>
NET OPERATING EXPENSES				
BEFORE DEPRECIATION	14,410,985.74	11,734,874.69	2,676,111.05	81%
DEPRECIATION EXPENSE	<u>2,384,500.00</u>	<u>2,426,522.52</u>	<u>(42,022.52)</u>	<u>102%</u>
NET OPERATING EXPENSE	<u>16,795,485.74</u>	<u>14,161,397.21</u>	<u>2,634,088.53</u>	<u>84%</u>
OPERATING REVENUE	2,176,973.26	4,970,569.67	(2,793,596.41)	228%
NON-OPERATING REVENUES				
INTEREST INCOME	153,750.00	48,109.41	105,640.59	31%
BAD DEBTS RECOVERED	750.00	296.38	453.62	40%
GRANT REVENUE	0.00	0.00	0.00	0%
OTHER NON-OPERATING REVENUE	<u>449,959.00</u>	<u>46,062.07</u>	<u>403,896.93</u>	<u>10%</u>
NON-OPERATING REVENUE	<u>604,459.00</u>	<u>94,467.86</u>	<u>509,991.14</u>	<u>16%</u>
NON-OPERATING EXPENSES				
INTEREST EXPENSE	14,000.00	11,068.55	2,931.45	79%
BOND INTEREST	2,431,598.50	2,262,511.14	169,087.36	93%
BOND ISSUANCE COSTS	87,500.00	300.00	87,200.00	0%
COMMERCIAL PAPER INTEREST	109,375.00	44,262.50	65,112.50	40%
COMMERCIAL PAPER ISSUANCE COSTS	41,250.00	56,245.07	(14,995.07)	136%
COMMERCIAL PAPER COMMITMENT FEE	95,473.03	34,948.92	60,524.11	37%
OTHER NON-OPERATING EXPENSES	0.00	0.00	0.00	-100%
TOTAL NON-OPERATING EXPENSE	<u>2,779,196.53</u>	<u>2,409,336.18</u>	<u>369,860.35</u>	<u>87%</u>
INCREASE/(DECREASE) IN NET ASSETS, BEFORE CAPITAL CONTRIBUTIONS	<u>2,235.72</u>	<u>2,655,701.35</u>	<u>(2,653,465.63)</u>	<u>118785%</u>
CAPITAL CONTRIBUTIONS & SPECIAL ITEMS		<u>715,490.72</u>		
CHANGE IN NET ASSETS		3,371,192.07		
NET ASSETS - BEGINNING BALANCE - 5/1/09		<u>100,332,138.87</u>		
NET ASSETS - ENDING BALANCE		<u>103,703,330.94</u>		

4

**BEXAR METROPOLITAN WATER DISTRICT
INVESTMENT SUMMARY**

**LOGIC - LOCAL GOVERNMENT INVESTMENT COOPERATIVE
PRICE PER SHARE IS ALWAYS \$1.**

INTEREST AND SINKING FUND	July 31, 2009	CONSTRUCTION FUND	July 31, 2009
Beginning Market Value	1,100,159.39	Beginning Market Value	905,565.32
Interest/Dividend Reinvested	856.15	Interest/Dividend Reinvested	397.82
Transfer Out - from other accts.	0.00	Transfer In - Commercial Paper	0.00
Transfer In - Monthly Commitment	1,357,933.62	Transfer Out - to BOA	0.00
Transfer out - Principle & Interest Pmt	0.00	Transfer In -	0.00
Ending Market Value/Book Value	<u>2,458,949.16</u>	Ending Market Value/Book Value	<u>905,963.14</u>
RESERVE FUND	July 31, 2009	CONTINGENCY FUND	July 31, 2009
Beginning Market Value	125,167.38	Beginning Market Value	1,502,205.24
Interest/Dividend Reinvested	54.99	Interest/Dividend Reinvested	659.92
Transfer In	0.00	Transfer Out - Interest & Sinking Fund	
Transfer out - Interest & Sinking	0.00	Transfer In - (Monthly Commitment)	0.00
Ending Market Value/Book Value	<u>125,222.37</u>	Ending Market Value/Book Value	<u>1,502,865.16</u>

The average monthly rate was .5345%, the average weighted average maturity was 54 days and the net asset value for 6/30/09 was 1.000608.

**BEXAR METROPOLITAN WATER DISTRICT
INVESTMENT SUMMARY**

**LOGIC - LOCAL GOVERNMENT INVESTMENT COOPERATIVE
PRICE PER SHARE IS ALWAYS \$1.**

<u>IMPACT FEE ACCOUNT</u>	<u>July 31, 2009</u>	<u>July 31, 2009</u>
Beginning Market Value	1,589,085.45	0.00
Interest/Dividend Reinvested	698.09	0.00
Transfer In - Reserve Fund	0.00	0.00
Transfer out - BOA	0.00	0.00
Ending Market Value/Book Value	<u>1,589,783.54</u>	<u>0.00</u>

<u>OPERATING COVERAGE RESERVE FUND</u>	<u>July 31, 2009</u>	<u>July 31, 2009</u>
Beginning Market Value	9,849,949.38	0.00
Interest/Dividend Reinvested	4,327.12	0.00
Transfer In - BOA Revenue	0.00	0.00
Transfer out - Sinking Fund	0.00	0.00
Ending Market Value/Book Value	<u>9,854,276.50</u>	<u>0.00</u>

The average monthly rate was .5345%, the average weighted average maturity was 54 days and the net asset value for 6/30/09 was 1.0006608.

**BEXAR METROPOLITAN WATER DISTRICT
INVESTMENT SUMMARY**

**JP MORGAN/CHASE SECURITIES/
DEBT SERVICE RESERVE FUND
FORWARD PURCHASE CONTRACT**

For the Month of July-09

<u>SECURITY TYPE</u>	<u>CD EQUIVALENT YIELD</u>	<u>DATE OF MATURITY</u>	<u>PURCHASE PRICE</u>
FHDN DISCOUNT NOTE	4.560%	October 30, 2009	<u>\$2,345,522.10</u>
		<u>FACE VALUE</u>	<u>BOOK/MARKET VALUE*</u>
		<u>\$2,399,000.00</u>	<u>\$2,363,251.18</u>

* Amount includes purchase price plus accrued interest.

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BEXAR METROPOLITAN WATER DISTRICT
Budget to Actual Comparison - For 3rd month or 25% of the Budget Year.

	May-09	June-09	July-09	Total	Approved Budget	%
OPERATING REVENUES						
Water Sales to Customers	4,837,753.74	4,956,456.45	6,723,559.30	16,517,769	64,373,000	26%
Wholesale Water Agreements	68,652.56	5,800.15	53,440.37	127,893	1,290,812	10%
Sewer Revenue	545.75	467.12	204.79	1,218	5,800	21%
Customers Penalties & Fees	117,140.84	125,823.32	144,246.94	387,211	1,775,000	22%
Collection Fees	67,125.40	73,099.85	73,433.92	213,659	313,908	68%
Fire Protection	19,368.17	19,451.50	19,838.47	58,658	208,000	28%
Regulatory Assessment Fee	127,751.44	130,069.00	171,240.60	429,061	1,765,000	24%
Impact Fees & Water Development Fees	206,864.39	506,472.00	449,805.80	1,163,142	5,604,816	21%
Main & Service Extension Fees	43,543.90	99,231.26	90,579.85	233,355	550,000	42%
Assessment Fees - Timberwood	0.00	0.00	0.00	0	3,500	0%
TOTAL REVENUES	5,488,746.19	5,916,870.65	7,726,350.04	19,131,967	75,889,836	25%

OPERATING EXPENSES						
PRODUCTION:						
Salaries	515,076.54	654,521.34	711,325.55	1,880,923	7,895,036	24%
Payroll Taxes	45,094.23	57,454.27	63,091.58	165,640	603,970	27%
Contract Labor	0.00	0.00	0.00	0	10,000	0%
Disposal Fees	0.00	360.60	1,389.05	1,750	8,912	20%
Equipment Rental	18,518.84	12,081.89	46,738.44	77,339	321,204	24%
Fuel	48,988.15	94,860.64	167,853.49	311,702	1,250,000	25%
Operation & Maintenance -Garage	26,289.24	39,360.83	40,917.13	106,567	350,000	30%
Insurance - Benefits	39,507.43	70,916.09	111,358.71	221,782	2,341,396	9%
Maintenance Contract Operating	44,350.15	55,855.33	119,792.44	219,998	690,436	32%
Operation & Maintenance Materials	142,667.10	225,130.46	266,169.38	633,967	3,053,430	21%
Operation & Maintenance - Facility	1,281.22	1,724.09	926.79	3,932	7,000	56%
Maintenance Services	0.00	0.00	0.00	0	0	0%
Operation & Maintenance -Production	45,130.63	116,675.23	56,640.97	218,447	1,230,500	18%
Sewer Production Expenses	0.00	0.00	0.00	0	0	0%
Edwards Aquifer Permit Fee	111,891.03	111,891.03	111,891.03	335,673	1,457,592	23%
Bexar Metropolitan Develop. Corp. Lease Agrmr	355,839.00	355,839.00	355,839.00	1,067,517	4,280,813	25%
BMA Operating Water Agreement '99	129,356.33	233,852.33	142,839.33	506,048	5,929,783	9%
Canyon Regional Agreement	387,966.20	408,046.88	408,203.10	1,204,216	2,158,513	56%
WECO Water Purchase Agreement	163,887.81	267,015.35	42,121.27	473,024	5,051,073	9%
Water Purchase Agreements	119,202.89	103,327.90	149,317.77	371,849	2,830,830	13%
Uniforms	3,682.52	1,662.85	7,161.23	12,507	48,500	26%
Utilities - Operating	276,998.34	351,078.11	211,097.35	839,174	3,650,000	23%
Waste Services	305.13	1,015.20	679.79	2,000	23,200	9%
Water Transporting Expense	838.08	3,168.75	16,194.33	20,201	50,000	40%
Water Treatment & Testing	30,692.52	69,853.40	44,444.47	144,990	568,580	26%
TOTAL OPERATING EXPENSE	2,507,563.38	3,235,691.57	3,075,992.20	8,819,247	43,810,769	20%

ADMINISTRATIVE & GENERAL						
Salaries	346,633.36	417,394.15	413,290.93	1,177,318	5,552,060	21%
Payroll Taxes	24,263.22	30,558.50	30,410.79	85,233	424,733	20%
Ad Valorem Taxes	0.00	0.00	0.00	0	0	0%
Advertising and Photography	9,045.95	10,259.15	17,149.30	36,454	215,732	17%
Agency Assessments	18,504.78	20,597.46	27,943.56	67,046	457,865	15%
Bank Fees	29,773.26	30,555.78	26,613.68	86,943	353,000	25%
Communication Expense	25,082.62	32,482.88	21,151.59	78,717	366,972	21%
Contract Labor	12,588.56	12,658.94	10,427.50	35,675	10,500	100%
Data Processing Expense	28,340.63	28,636.30	21,330.52	78,307	432,242	18%
Directors Fees	2,160.00	7,200.00	6,600.00	15,960	50,400	32%
Dues and Subscriptions	6,646.12	833.00	1,891.31	9,370	76,622	12%
Employee Benefits	5,501.24	2,955.00	3,290.94	11,747	69,940	17%
Hiring Expense	364.00	81.50	5,513.14	5,959	5,225	100%
Insurance - Benefits	22,801.24	39,590.17	69,756.36	132,148	1,634,454	8%
Insurance - General	33,934.77	31,431.87	31,431.87	96,799	1,200,000	8%
Janitorial Services	2,461.14	1,562.15	3,392.73	7,416	20,000	37%
License & Permits	22,152.20	8,431.20	18,415.20	48,999	191,100	26%

BEXAR METROPOLITAN WATER DISTRICT
Budget to Actual Comparison - For 3rd month or 25% of the Budget Year.

	May-09	June-09	July-09	Total	Approved Budget	%
Miscellaneous Expense	8,482.47	11,867.42	12,732.79	33,083	705,000	5%
Maintenance Contracts	6,721.11	8,174.20	2,051.23	16,947	82,000	21%
Office Supplies	33,507.38	7,132.48	15,499.78	56,140	256,856	22%
Over/Short Cash	2.20	10.61	-4.54	8	100	8%
Pay Station Fees	0.00	0.00	0.00	0	0	0%
Postage	51,906.78	46,097.72	33,202.86	131,207	510,512	26%
Professional Fees	35,458.52	108,768.61	87,772.23	231,999	999,668	23%
Public Education & Awareness	10,886.40	0.00	280.00	11,166	60,758	18%
Public Meeting Notice Fees	70.00	0.00	0.00	70	200	35%
Safety Expense	5,720.40	3,011.48	4,529.27	13,261	70,585	19%
Security	14,556.64	16,637.80	19,553.20	50,748	153,500	33%
Training Expense	3,693.20	3,342.00	3,997.00	11,032	92,230	12%
Travel and Entertainment Expenses	7,974.60	7,615.69	8,175.24	23,766	85,500	28%
Waste Services	1,466.36	2,006.87	2,738.15	6,211	25,000	25%
Water Efficiency Program Activities	39,291.63	80,485.58	62,510.87	182,288	389,820	47%
Penalties & Late Charges	66.85	13.16	209.35	289	2,500	12%
Bad Debt Expense	72,154.04	73,974.71	100,329.62	246,458	708,101	35%
Utilities	9,151.13	9,927.66	13,897.23	32,976	130,000	25%
TOTAL ADMINISTRATIVE AND GENERAL EXPENSE	891,362.80	1,054,294.04	1,076,083.70	3,021,741	15,333,174	20%
Overhead	50,478.75	55,634.25	55,634.25	161,747	1,500,000	11%
NET ADMIN. & GENERAL EXP.	840,884.05	998,659.79	1,020,449.45	2,859,993	13,833,174	21%
Net Operating Exp. Before Depreciation	3,348,447.43	4,234,351.36	4,096,441.65	11,679,240	57,643,943	20%
Depreciation Expense	748,161.40	748,161.40	930,199.72	2,426,523	9,538,000	25%
Net Operating Expense	4,096,608.83	4,982,512.76	5,026,641.37	14,105,763	67,181,943	21%
NET OPERATING REVENUE	1,392,137.36	934,357.89	2,699,708.67	5,026,204	8,707,893	58%
NON OPERATING REVENUES						
Interest Income	16,966.16	15,715.82	15,427.43	48,109	615,000	8%
Bad Debt Recovered	19.01	277.37	0.00	296	3,000	10%
Grant Revenue	0.00	0.00	0.00	0	0	0%
Other Non Operating Revenue	17,794.26	21,016.37	7,251.44	46,062	1,799,836	3%
TOTAL NON OPERATING REV.	34,779.43	37,009.56	22,678.87	94,468	2,417,836	4%
NON OPERATING EXPENSE						
Interest Expense	3,824.40	3,689.69	3,554.46	11,069	56,000	20%
Bond Interest	757,170.38	757,170.38	748,170.38	2,262,511	9,726,394	23%
Bond Issuance Cost	0.00	0.00	300.00	300	350,000	0%
Commercial Paper Interest	17,903.61	19,684.92	6,673.97	44,263	437,500	10%
Commercial Paper Issuance Costs	40,500.00	13,155.07	2,590.00	56,245	165,000	34%
Commercial Paper Commitment Fees	31,091.42	3,857.50	0.00	34,949	381,892	9%
Other Non Operating Expenses	0.00	0.00	0.00	0		
TOTAL NON OPERATING EXP.	850,489.81	797,557.56	761,288.81	2,409,336	11,116,786	22%
NET REVENUE	576,426.98	173,809.89	1,961,098.73	2,711,336	8,943	

Bexar Metropolitan Water District
Days of Operation & Maintenance Expenses
on hand at
July 31, 2009

Water District Cash:

Unrestricted Cash	\$	12,931,880.23
Restricted:		
Contingency Fund	\$	1,503,458.59
Total	\$	<u>14,435,338.82</u>

Operation & Maintenance Expenses:

FY 2009-10 Budget	\$	57,643,942.97
FY 2009-10 YTD Forecast	\$	46,939,498.76

Days of Operation & Maintenance Expenses on Hand:

FY 2009-10 Budget	91 days
FY 2009-10 YTD Forecast	112 days

Bexar Metropolitan Water District
Debt Service Coverage - YTD
July 31, 2009

Operating Revenues	19,131,966.88
Non-Op Revenues	94,467.86
Subtotal	19,226,434.74
O&M Expense	(11,734,874.69)
Net	7,491,560.05
Interest Expense	11,068.55
Net Revenues	7,480,491.50
Prorated DS	3,025,163
Rev. Bond Coverage	2.47
Total DS Coverage	2.44
FY 2009 DS	12,100,652
CP Interest Expense	44,262.50
% Debt Service to Operating Revenues	15.81%

BEXAR METROPOLITAN WATER DISTRICT
July 31, 2009

	Audited <u>2006</u> \$	Audited <u>2007</u> \$	Audited <u>2008</u> \$	Unaudited <u>2009</u> \$	Unaudited <u>2010 YTD</u> \$
Current Assets:					
Inventory	1,742,232	1,930,457	1,646,818	1,779,807	1,746,890
Accounts Receivable (net of allowance)	9,258,557	6,807,908	7,638,493	8,794,260	10,795,668
All Other	8,132,594	5,299,132	8,513,705	10,914,801	13,899,265
Subtotal	19,133,383	14,037,497	17,799,016	21,488,869	26,441,823
Restricted Assets	16,755,446	16,006,701	18,416,265	15,354,007	5,357,310
Reserve Fund	0	208,969	2,380,444	0	2,372,261
Long-Term Investments					
PPE (Net)	218,301,225	233,882,151	277,177,376	289,403,385	290,734,346
Other Assets	2,677,186	3,239,560	2,998,425	5,050,801	5,050,801
Subtotal	220,978,411	237,121,711	280,175,802	294,454,186	295,785,147
Total Assets	<u>256,867,240</u>	<u>267,374,878</u>	<u>318,771,526</u>	<u>331,297,062</u>	<u>329,956,541</u>
Liabilities & Equity:					
Current Liabilities	7,774,107	11,545,696	12,174,355	10,144,256	10,977,780
Liabilities of Restricted Funds	7,068,498	7,765,020	5,351,449	4,180,296	2,075,026
Long-Term Debt:					
Commercial Paper	20,000,000	0	30,000,000	38,000,000	38,000,000
Revenue Bonds (Net)	155,409,223	171,836,655	181,198,967	177,443,648	173,754,996
Capital Lease Obligations - (L-T)	2,723,550	1,443,709	945,408	1,445,408	1,445,408
Subtotal L-T Debt	178,132,773	173,280,364	212,144,375	216,889,056	213,200,404
Total Liabilities	192,975,378	192,591,080	229,670,178	231,213,607	226,253,210
Equity	63,891,862	74,783,798	89,101,348	100,083,455	103,703,331
Total Liabilities and Equity	<u>256,867,240</u>	<u>267,374,878</u>	<u>318,771,526</u>	<u>331,297,062</u>	<u>329,956,541</u>
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009 YTD</u>	<u>2010 YTD</u>
Working Capital	11,359,276	2,491,801	5,624,661	11,344,613	15,464,043
Current Ratio	2.461	1.216	1.462	2.118	2.409
Quick Ratio	2.237	1.049	1.327	1.943	2.250
Total Debt to Equity Ratio	3.020	2.575	2.578	2.310	2.182
LT Debt to Total Assets Ratio	0.693	0.648	0.666	0.655	0.646
Debt Ratio = Total Liab to Total Assets	0.751	0.720	0.720	0.698	0.686

**Bexar Metropolitan Water District
Professional Fees Expense Detail*
FY 2009-2010 - YTD**

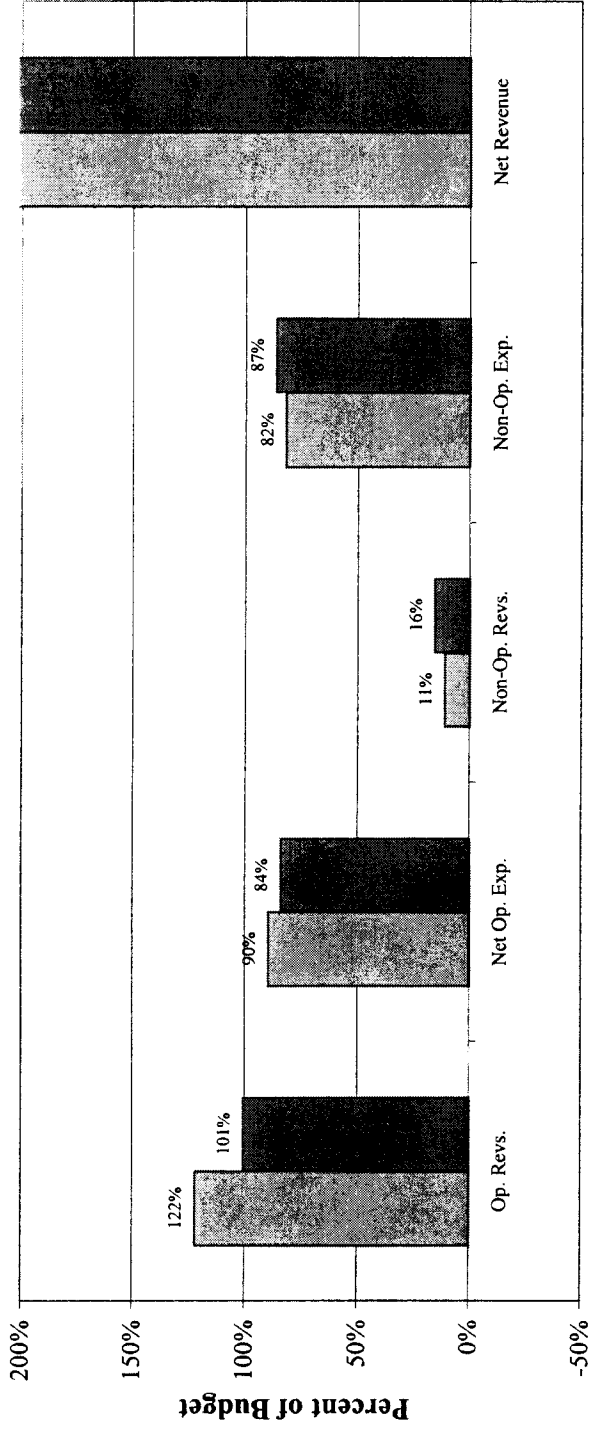
Name	Description of Services	May-09	Jun-09	Jul-09	Total Amount Paid
CFI Delivery	Delivery of Legal Information	131.96			131.96
Federal Court	Legal - Filing fees	3,527.00		2,245.00	7,433.00
Frank S. Manizas	Legal		10,250.00	12,525.00	12,525.00
Frost National Bank	Accounting Services		10,250.00		10,250.00
Garza/Gonzales	Audit		14,246.53	20,140.00	20,140.00
Gunn and Morrison	Legal		14,246.53		14,246.53
Jessica E. Ramos	Voter List	913.50			913.50
KRONOS	IT Consulting		(2,250.00)		(2,250.00)
Lloyd Gosselink	Legal		4,536.05	13,221.63	17,757.68
New Horizons	IT Consulting		19,200.00		19,200.00
Ogletree, Deakins, Nash	Legal	9,447.00		1,015.50	14,858.50
Robert Rios	Media Consulting		10,519.00		10,519.00
Rolando Rios	Legal		6,000.00	25,000.00	25,000.00
Shelton & Valadez, PC	Legal	8,000.00			14,000.00
Terreno Services	Legal	2,651.56			2,651.56
Texas Dept. of Transportation	Engineering Services		124.72		124.72
Texas Dunn Consulting	Legislative Consulting		2,500.00		2,500.00
The Gardner Law Firm	Legal		7,221.75	4,527.60	11,749.35
The Mercer Group	Legal		8,576.06		8,576.06
Verity National	Insurance Consulting	1,735.00			1,735.00
Wet Rock	Engineering Services	9,052.50	14,527.50	7,302.50	30,882.50
Winstead Sechrest & Mimick	Bond Counsel - Legal		7,260.00	1,795.00	9,055.00
Total		35,458.52	108,768.61	87,772.23	231,999.36

* This report provides information that has been expensed up to the indicated time period and not what has actually been paid, as is reflected in the 'Over \$5,000.00' report.

**Bexar Metropolitan Water District
Customer Penalties & Fees
June-09**

Account Name	Description	Monthly Amount	YTD Amount
Penalty Fees	5% fee charged for late payment of water & sewer charges.	62,797.63	174,286.10
BMWWD System Improvement Fee - Penalty	5% fee charged for late payment of System Improvement Fee.	32,514.31	86,668.49
Turn On Fees	Fee charged to reconnect service and straight connection fee.	48,935.00	126,256.51
	Total Penalty & Fees	144,246.94	387,211.10

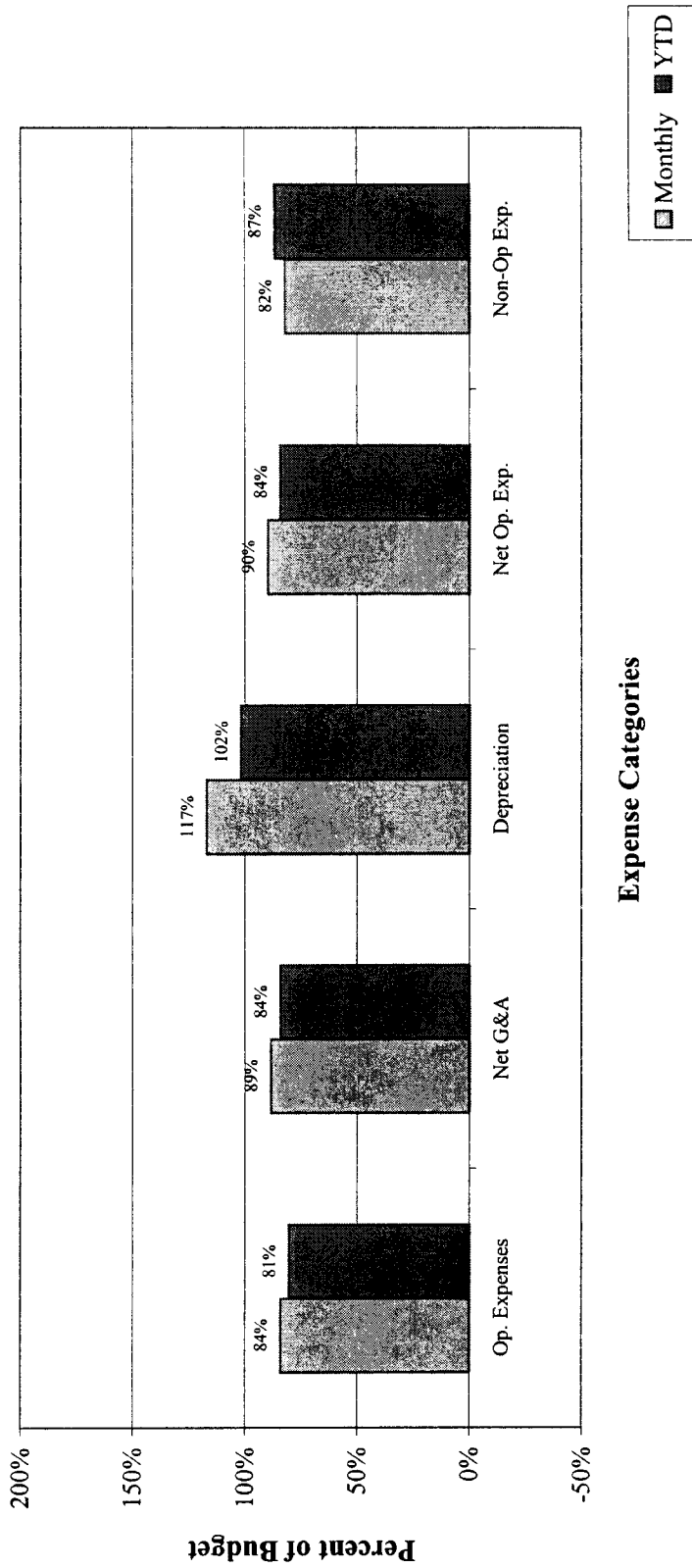
Comparison of Actual to Budgeted Revenues & Expenditures



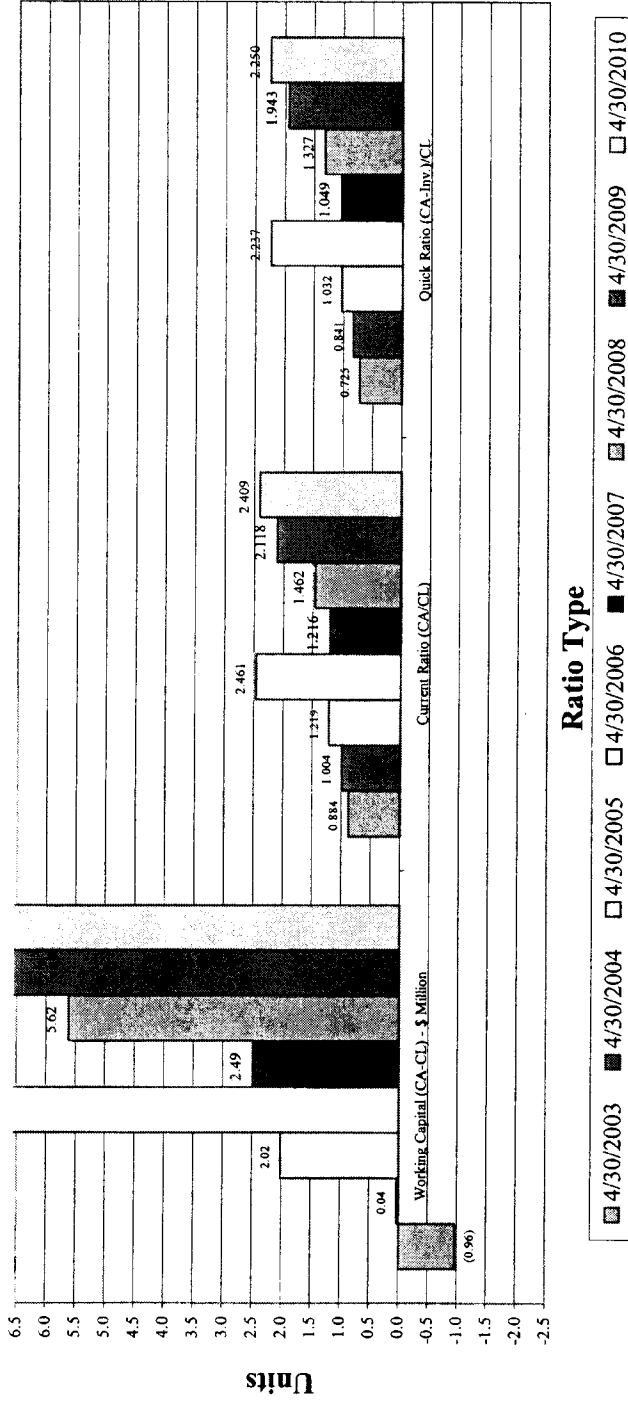
Revenue & Expense Categories

Monthly
 YTD

Comparison of Actual to Budgeted Expenditures



BMWWD Balance Sheet Ratios



H



MEMORANDUM

To: Management Team

From: Guadalupe I. Lopez
President
Board of Directors

Date: August 28, 2009

Re: Legislative Oversight Committee (LOC) Response

The following responses are specific to questions requested by Senator Uresti from the Bexar Metropolitan Water District Legislative Oversight Committee (LOC) sent via facsimile on August 25, 2009. The Operations Department has summarized these responses to the specific questions outlined in the letter:

Item "h"

Q: BexarMet's efforts to install a conservator

This will be addressed in person on September 1, 2009.

1



Memorandum

To: Management Team

From: Al Rocha
Senior Operations Analyst

Edward Garza
Internal Auditor

Date: August 28, 2009

Subject: Oversight Committee Response

The following is the response to 4i, BexarMet's efforts to address recommendations of State Auditor's Office.

**Audit Implementation Team (AIT) status on
the State Auditors Office Report issued Oct, 2008**

Task/Recommendation		Responsible Dept/Party		Deliverables		Update/Notes		Status
A. Management Structure, Policies and Procedures								
1	District will prepare a presentation for the Board to assist them in establishing measurable performance objectives for GM.	Legal Dept. - Melissa C. Killen	Board Administrative Policies Revisions	Adhoc committee created to address both GM and Board duties.				Completed
2	Management will recommend to the Board an amendment to the Board Administrative Policies that will recommend that GM's compensation must be based upon pre-established performance objectives.	Legal Dept. - Melissa C. Killen	Board Administrative Policies Revisions	Adhoc committee created to address both GM and Board duties.				Completed
3	Management to hire a qualified manager to oversee purchasing and contracting functions.	HR Dept	Positions to be filled	Hired new Purchasing Manager on April 27, 2009.				Completed
4	Address Audit finding: 1) set timeline 2) assign corrective action to departments or staff 3) hold that party accountable for complying with action .	AIT - AI Rocha	AIT Report	AIT Team has been meeting and is in process of finalizing report; All incomplete items will be added to department business plans and followed up by the Internal Auditor.				In Progress
B. Decision- Making Policies and Procedures								
5	Revise standard operating procedures for purchasing department.	Procurement Dept.	Procurement of Goods and Services Manual	Procurement Policy approved by BMWWD Board				Completed
6	Work on procedures to formally document internal controls and purchasing process.	Procurement Dept.	Procurement of Goods and Services Manual	Procurement Policy approved by BMWWD Board				Completed
7	Implement contracting policies to ensure proper solicitation of goods and services, evaluations to select, vendors, and communication with vendors that were not awarded.	Procurement Dept.	Contracting Policy	Contracting Policy approved by BMWWD Board				Completed
8	Contract Administrator will develop contracting procedures specifically outlining awarding of contract payments and invoices.	Procurement Dept.	Contracting Manual	Contracting Policy approved by BMWWD Board				Completed
9	Monitor Contracts to ensure that: 1) approves and makes payments according to contract terms 2) doesn't pay vendors above contracted amounts, 3) receives all contracted services before making a final payment.	Procurement Dept.	Contracting Manual	Contracting Policy approved by BMWWD Board				Completed
10	Contracts Administrator is developing procurement procedures in conjunction with existing purchasing procedures which define the documentation required for all categories of expenditures.	Procurement Dept.	Procurement of Goods and Services Manual	Procurement Policy approved by BMWWD Board				Completed
11	Develop & implement a record-keeping & record retention policy to ensure that contracting documentation is retained for the life of the contract.	Procurement Dept.	HR Records Retention Manager & Update to Record Retention Policy	Records Retention policy in place; will be updated in Sept. 2009 to comply with Texas Library Archives standards				Completed
12	Finance in conjunction with IT is revising existing IT procedures to address the security issues regarding the accounting software and level of access employees should have to all subsidiary ledgers.	IT/Finance Dept.	Standard Operating Procedures (SOP)	SOP completed and on file				Completed

**Audit Implementation Team (AIT) status on
the State Auditors Office Report issued Oct, 2008**

Task/Recommendation	Responsible Dept/Party	Deliverables	Update/Notes	Status
13 District to install implement new contracts database to assist with contracts/procurement functions.	Procurement Dept.	CIP Contracting Software	RFP issued for contracting database, Board Approved; Currently CIP software is being implemented will be fully integrated by end of Sept. 2009	In Progress
14 Through review of contracting policy to ensure compliance with all Board, State and Federal guidelines.	Procurement Dept.	Addition to contracting policy	All contracts are sent to legal department for compliance of all relevant guidelines	Completed
15 HR in collaboration with all District departments will establish a procedure to identify employees who qualify for stand-by duty and a process to notify Payroll to confirm whether this pay classification is applicable.	HR Dept.	Standard Operating Procedures (SOP)	SOP in place. Comprehensive review to follow	Completed
16 Payroll will complete the development of a manual outlining the correct coding of employee time and implement a training program for all supervisors signing off on time.	Finance Dept.	Standard Operating Procedures (SOP)	SOP in place	Completed
17 Require employees to sign an equipment accountability form and hold accountable for all equipment.	Operations (OPS) - Roger Placencia	Standard Operating Procedures (SOP)	SOP in place for Vehicles. Reviewing need for policy for district wide equipment.	Completed
18 Develop and implement policies and procedures to address lost or stolen items.	Engineering/Finance Dept.	Standard Operating Procedures (SOP)	SOP for lost and stolen property in place.	Completed
19 IT will evaluate its disaster recovery plan to ensure that appropriate testing is performed and documented.	IT - Robert Pina	Standard Operating Procedures (SOP)	IT has integrated Disaster Recovery Plan into their guidelines; will integrate with district-wide Emergency Response and Disaster Recovery Plan.	Completed
20 IT is examining current access policies and procedures to implement or modify those policies and procedures as needed to ensure all access to its online systems are as secure as possible.	IT - Robert Pina	Standard Operating Procedures (SOP)	Policy developed and adopted by Board; procedures drafted accordingly--all policy and procedure updates, development, and adoption are part of the draft Strategic Plan.	Completed
21 Est. an equipment disposal process that identifies disposed equipment by serial number and reason for disposal and approving authority.	Legal - Melissa Killen/Dan Garza	Standard Operating Procedures (SOP)	Currently Disposal Program is being drafted by Purchasing department. Vehicle and office equipment disposal procedures in place by Operations department.	Completed
22 HR in collaboration with the Payroll will review current policies in place make any necessary revisions to address all types of paid leave as well as documenting the authorization of additional employee pay.	HR/Finance Dept.	Standard Operating Procedures (SOP)	Additional Employee Pay SOP in place.	
D. Financial Policies and practices and Debt				
23 Finance Department has disabled all generic accounts as well as those of terminated employees.	Finance Dept.	Standard Operating Procedures (SOP)	SOP in place	Completed
24 Finance will provide brief descriptions to each budget account into the accounts payable procedures and accounts requiring more description will be set in the general ledger.	Finance Dept.	Standard Operating Procedures (SOP)	SOP in place Training to follow.	Completed

**Audit Implementation Team (AIT) status on
the State Auditors Office Report issued Oct, 2008**

Task/Recommendation	Responsible Dept/Party	Deliverables	Update/Notes	Status
25 Finance will ensure the budget document approved for FY2010 includes an acknowledgment that reflects board approval.	Finance Dept.	Standard Operating Procedures (SOP)	Standard Practice in place.	Completed
26 Establish & document specific responsibilities for the Board's Finance Committee to help ensure that the District addresses identifies internal control deficiencies in a timely manner.	Finance Dept.			
1) Document its meetings with detailed, written minutes.	Finance Dept.	Standard Operating Procedures (SOP)	Currently committee meetings are recorded and maintained for archives	Completed
2) Provide quarterly updates about the status of the budget to the full Board.	Finance Dept.	Finance Committee Updates	Finance Committee provides quarterly budget updates to the board	Completed
3) Management will install an independent Audit/Finance Committee to resolve all audit recommendations.	Finance Dept.	Board Recommendation	Audit Committee is currently in place all meeting details are archived.	Completed
27 District will propose an amendment to the Budget Policy to require amendments to the budget that are in excess by major category as opposed to by line item.	Finance Dept.	Board Administrative Policies, Chapter 4	Periodic budget amendments by line items. No changes to BAP.	Completed
28 Finance is documenting the District's standard operating practices & reviewing current processes to ensure that all duties are properly segregated.	Finance Dept.	Standard Operating Procedures (SOP)	SOP segregating all duties in place	Completed
29 Hire an internal auditor & establish an internal audit function that reports to the audit committee.	Finance Dept.	Hire Internal Auditor	Internal Auditor has been hired reports to Finance/Audit Committee and the BexarMet board.	Completed
30 Finance is developing procedures to explain the function of employee benefits provided to the district and how they are recorded as required by the Texas Water Code.	HR/Finance Dept.	Standard Operating Procedures (SOP)	SOP will be implemented	In Progress
31 Inventory of all IT department equipment.	IT - Steve Sandoval/Finance - Gilbert Herrera	Inventory List	Inventory completed and on file	Completed
32 Finance will incorporate a quarterly physical inventory and coordinate with the IT dept. to reconcile both lists.	IT - Steve Sandoval/Finance - Gilbert Herrera	Standard Operating Procedures (SOP)	"Quarterly Inventory" SOP in place	Completed
33 Finance is reviewing chart of accounts for all possibility of changing the number structure for the general ledger.	Finance Dept.	Standard Operating Procedures (SOP)	SOP will be implemented	In Progress

Completed
In Progress

BexarMet Water District
Internal Audit Plan
FY 2009 - 2010

Project #	Risk Area	Audit Source	Audit Objective	Corrective Action Plan Deadline	Audit Type	Status of Corrective Action Taken	Exhibit
1	Contract Management	State Auditor's Office	Determine if the corrective action plans/new procedures related to the management and monitoring of Contract Files, Evaluations, Approvals, Amendment processes are complete, adequate, and working as intended.	Jan-09	Follow-up	<ul style="list-style-type: none"> A Contracts Administrator was hired during November 2008. Contracting department has developed and implemented a contract database system. Each contract file contains a Contract File Checklist to ensure document completeness. Contract department has implemented contract check out procedures to mitigate lost or misplaced files. 	A
2	Compliance with District Informal Bidding Procedures	State Auditor's Office	Determine if the corrective action plan /new procedure related to the Contract Administration Informal Bid procedures is complete, adequate, and working as intended.	Dec-08	Follow-up	<ul style="list-style-type: none"> Procurement Manual was updated as of 12/18/08. A Purchasing Manager was hired during April 2009. The Purchasing department is in the process of centralization. The Purchasing Manager expects full centralization by October 2009. The Purchasing Manager plans on revising the current Procurement Manual. 	B
3	Credit Card Purchases	State Auditor's Office	Determine if the corrective action plan/new procedure related to Credit Card transactions is complete, adequate, and working as intended.	Dec-08	Follow-up	<ul style="list-style-type: none"> BexarMet is currently in possession of one American Express credit card. Director of Administration is the custodian of the American Express credit card. BexarMet does have a corporate credit card policy. Credit card procedures are also included in the Procurement Manual. Finance department created an additional expense account titled meals and entertainment account as recommended by the SAO's report. 	C
4	Recording of Travel and Meal Expenditures	State Auditor's Office	Determine if the corrective action plan /new procedure related to Travel / Meal expenses is in place, adequate, and working as intended.	Jan-09	Follow-up	<ul style="list-style-type: none"> Purchasing Manager oversees 100% of contracts requiring compliance with State Procurement Laws to ensure compliance while to the purchasing function is transitioning into a centralized function. Purchasing Manager has provided specialized training for departments required to follow State Procurement Laws when seeking competitive bids. Purchasing department obtained an electronic bid system. 	D
5	Compliance with State Procurement Laws	State Auditor's Office	Determine if the corrective action plans/new procedures related to Procurement Policies are complete, adequate, and working as intended.	Dec-08	Follow-up	<ul style="list-style-type: none"> Accounts payable user access controls have been modified to restrict or limit access to the Accounts Payable system. 	E
6	Accounts Payable Access Controls	State Auditor's Office	Determine if the corrective action plans/new procedures related to overtime and vacation leave and stand-by pay are complete and working as intended.	N/A	Follow-up	<ul style="list-style-type: none"> A Payroll Generalist was added to the payroll department staff during October 2008. The payroll department currently consists of 3 employees, including the Supervisor. Current procedures require departments to provide the payroll department stand-by reports on a weekly basis. Stand-by and overtime pay policies are currently being reviewed. 	F
7	Time Keeping	State Auditor's Office	Determine if the corrective action plans/new procedures related to overtime and vacation leave and stand-by pay are complete and working as intended.	Dec-08	Follow-up	<ul style="list-style-type: none"> Accounts payable user access controls have been modified to restrict or limit access to the Accounts Payable system. 	G

BexarMet Water District
 Internal Audit Plan
 FY 2009 - 2010

Project #	Risk Area	Audit Source	Audit Objective	Corrective Action Plan Deadline	Audit Type	Status of Corrective Action Taken	Exhibit
8	IT Equipment Management	State Auditor's Office	Determine if the corrective action plans/new procedures related to IT Equipment Inventory, Processes, Issues, and Retirements are adequate and working as intended.	Jan-09	Follow-up	<ul style="list-style-type: none"> An inventory of IT equipment was completed on 6/30/09. IS developed a separate electronic database for each category of IT equipment. IS department developed standard operating procedures for the inventory of information resources. IS department developed a mobile technology receipt form. 	H

Exhibit A

CONTRACTS REGISTER
August 2009

Contract ID	Contract Description	Contract Type	ACME Security	none referenced	6/26/2008	professional services	\$/hr	Amendment to agreement, 9/02/2008
CTR-007	ACME Security Temporary Contract	Security Guard Services	ACME Security	none referenced	6/26/2008	professional services	\$14.00/hr	Amendment to agreement, 9/02/2008
CTR-013	Umbrella Insurance (Risk pool)	Insurance Agmt	Texas Municipal League (TML)	6/27/2005	7/31/2005	none referenced	\$6.38,303.60	Amendment renewal for 2008-2009, 5/28/08; Amendment 2, renewal for 2009-2010, 5/18/2009
CTR-066	Water Purchase Agreement (Lost Pond)	Water Agreement	Verstuyft Farms, LLC	8/22/2006	3/5/2007	N/A	\$3,000/mo	1st amendment 5/26/2008; 2nd amendment 8/04/2008
CTR-082	Fielder Development	USA	CIRI Development/Pape Dawson	1/26/2009	4/14/2009	N/A	N/A	
CTR-097	Straus Ranch	Grazing Lease	J.H. Uptmore	none referenced	10/1/1999	N/A	\$9,200,000/yr	3rd amendment 9/02/2008
CTR-162	East Central Water Supply	Potable Water Purchase Contract	East Central Water Supply Corp.	11/19/1998	11/19/1998	N/A	\$1.25/1000 gals	expires 11/19/2028; 3rd Amendment 6/22/2009 increasing rate to \$2.33 to \$2.66/1000 gals
CTR-175	Diamond T Ranch - Utility Services Agreement	USA	Diamond T Ranch Development Inc./Jacobs Carrier Burgess	6/30/2008	7/30/2008	N/A	N/A	
CTR-187	Brown & Caldwell - Stagg Consulting Contract	Professional Svcs Agmt	Brown & Caldwell	7/24/2006	11/10/2006	RFQ 06146	\$340,245.00	1st amendment 9/26/2007; 2nd amendment 8/11/2008
CTR-188	Brown & Caldwell - LAS Consulting Contract	Professional Svcs Agmt	Brown & Caldwell	7/24/2006	11/3/2006	RFQ 06146	\$123,000.00	1st amendment 7/03/2008 for \$5,000.00; 2nd amendment 1/12/2009 for \$7,684.00; third amendment 2/23/2009 for \$16,316.00
CTR-245	GBRA Excess Capacity Lease Agreement Aug 2005 (Conal City Pipeline)	Lease Agreement	Guadalupe-Blanco River Authority	8/29/2005	8/31/2005	N/A	\$4620.00/mo	2nd Amend, 2/05/2009
CTR-249	David Middlebrooks dba Alamo Buildings	Lease Agreement	Alamo Buildings	none referenced	2/1/2008	N/A	\$650.00/mo	One year lease; 1st amendment to extend lease to 2010, 2/1/2009

CONTRACT REGISTER
August 2009

CTR No.	Project Name	Contractor	Start Date	End Date	Contract Value	Contract Type	Contract Description	Contract Location	Contract Status	Contract Notes
CTR-260	North Park Enterprises / Toyota Dealership - Intercal	SAWS	7/30/2007	11/6/2007	N/A	Intercal Agreement		USA		Amendment 1 to extend agmt to 36 mos. approved 6/22/2009
CTR-272	Falcon Landing - The Orchard <i>aka</i> FREED - USA	Fieldstone Homes Texas LLC/Pape-Dawson	9/2/2008	10/22/2008	N/A	USA		USA		
CTR-281	Switch & Save Free Toilet Program - RFP 08031	Morrison Service Company	2/5/2008	3/5/2008	RFP 08031	Professional Svs Agmt		USA		Amendment 1 to extend agreement through March 2010; additional 500 toilets approved plus budget increase \$49,945.00, 10/27/08
CTR-302	GBRA, CRWA, and Others, & BMWD (1998)	Guadalupe-Blanco River Authority, et al	none referenced	10/13/1998	N/A	Water Purchase Contract		USA		6th Amend, 3/30/2009
CTR-315	Dym Tract - Water well development - construction	Holloman Corporation	4/30/2007	5/17/2007	RFP 07078A	Professional Svs Agmt		USA		Change order for \$242,765.77 approved, 5/28/08; Change order for \$9,824.21 approved, 4/27/2009
CTR-327	Stein Remote & Well Sites Construction Agreement	Alsay	5/14/2007	5/14/2007	RFP 07117C	Professional Svs Agmt		USA		\$1,344,000.00 paid out from Capital budget and O&M budget - no change order
CTR-336	Stonehill / 211 (Ina Milan Tract) - Utility Services Agreement	Medina Stonehill LLP	9/2/2008	12/23/2008	N/A	USA		USA		
CTR-368-A	Vernau Development	VTLM Texas LP	1/26/2009	1/26/2009	N/A	USA		USA		
CTR-377	Sandy Oaks - Utility Services Agreement	Benchmark Farms & Ranches	6/30/2008	see notes	N/A	USA		USA		Final executed copy on hold by Development company
CTR-389	Wolf Creek Retail Tract Utility Services Agreement	Concord West Corp	6/30/2008	4/13/2009	N/A	USA		USA		
CTR-395	Water Resources Investigations	U.S. Geological Survey, Dept of Interior	9/29/2008	10/1/2008	N/A	Joint Funding Agmt		USA		Agreement is for \$65,610,000; term date 9/29/2009
CTR-399	Aerial Mapping re South to Deep South Interconnecting Pipeline Project (BP 070837-C)	Geodetic, Inc.	3/31/2008	4/28/2008	none referenced	Professional Svs Agmt		USA		1st Am for \$3,075,000 - 8/04/08
CTR-401	Concrete work on Lost Pond (Color Spot Project) (BP #070837-E) and to allocate funds from BP 070837	Gilbert's Utility and Concrete, Inc.	3/31/2008	4/28/2008	none referenced	Contract		USA		Agreement not executed by Contractor
CTR-409	Geotechnical On-Call Firm (Indefinite Delivery/Indefinite Quantity)	Rabe-Kistner Consultants, Inc.	3/31/2008	3/31/2008	RFP 08041	Professional Svs Agmt		USA		Work Authorization 2 for \$6,050,000, 5/28/08; Work Authorization 3 for \$4,950,000, 8/18/08
CTR-410	Geotechnical On-Call Firm	Terracon Consultants, Inc.	3/31/2008	3/31/2008	RFP 08041	Professional Svs Agmt		USA		Work Authorization 1 for \$8,850,000, 5/28/08

CONTRACT REGISTER
August 2009

File No.	File Name	Type of Contract	Contract	Effective Date	RFP#	Agmt. Amount	Amendment/Notes
CTR-413	Master Water Plan - NW Service Area	Professional Svcs Agmt	Pape-Dawson	4/28/2008	RFP 07341	\$200,000.00	1st amendment for \$3,900.00, 4/22/2009
CTR-417	Canyon View - Utility Services Agreement	USA	Kestrel Development LLC	9/23/2008	N/A	N/A	
CTR-418	Oak Island Subdivision - Utility Services Agreement	USA	Oak Island Investment LLC/Sky Engineering	6/30/2008	N/A	N/A	
CTR-420	Holloman Corporation - Stein Tract electrical equipment re wells 190, 191, 193, 194 & 195 BP-08/0961 (D6)	Construction	Holloman Corp	6/30/2008	RFP 08149	\$884,280.00	No executed agreement in file
CTR-423	Senior Engineer	HR-Staffing Contract	Search Associates & Consultants	6/30/2008	RFQ 08122	18% of employees annual salary	No executed agreement in file
CTR-427	Election - November 2008: Bexar County Contract for Election Services (Districts 1,4,5&6)	Services Agmt	Bexar County	9/29/2008	Sole source	\$95,316.64	closed 12-31-08; one time event
CTR-428	La Catria - Utility Services Agreement	USA	JCM Entrepreneurs II LP	9/2/2008	N/A	N/A	
CTR-429	Moretti Subdivision - Utility Services Agreement	USA	Michael Moretti	9/2/2008	N/A	N/A	
CTR-430	Mission Hills (fla Dry Creek Ranch) - Utility Services Agreement	USA	Alliegance Stone Oak, LP	9/2/2008	N/A	N/A	
CTR-431	Franklin Park @ Sonterra - Utility Services Agreement	USA	Franklin Park Sonterra Ltd	9/2/2008	N/A	N/A	
CTR-433	Clock Purchase (Professional Services TKC Upgrade Fixed Cost)	Professional Svcs Agmt	Kronos, Inc.	5/28/2008	N/A	\$14,180.00	
CTR-434	Engineering Services re TAMUS (Verano hired them to do work) Jane Maconi, attorney	Professional Svcs Agmt	Pape-Dawson	5/28/2008	N/A	\$119,200.00	
CTR-435	Espada North - Utility Services Agreement	USA	WE Roosevelt LP/Kinley-Horn Assoc	4/27/2009	N/A	none referenced	
CTR-436	Monterrey Village Unit 6 - Utility Services Agreement	USA	BP Healthcare Properties LP/ Pape-Dawson	1/26/2009	N/A	N/A	
CTR-437	Skinner Nurseries - Utility Services Agreement	USA	Skinner Lands LLC/ MW Cude	1/26/2009	N/A	N/A	
CTR-439	The Palms Subdivision - Utility Services Agreement	USA	JCM Entrepreneurs II LP/Pape-Dawson	9/2/2008	N/A	N/A	36 mos from effective date
CTR-440	Kieberg Tract - Utility Services Agreement	USA	Medio Bailey Partners Ltd/ Pape-Dawson	1/26/2009	N/A	N/A	Agmt waiting for signature with developer
CTR-442	Appraisal Services - Indefinite Delivery/Indefinite Quantity	Professional Svcs Agmt	Property Acquisitions Services, Inc.	8/4/2008	RFQ 08161	based on task orders and work authorizations	Task Order 1, Marbach property, 7/02/2009; term of agmt based on task orders

**CONTRACT REGISTER
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File No.	File Name	Type of Contract	Contractor	Contract Award Date	Contracting Date	RFQ #	Amount awarded	Amount awarded based on task orders and work authorizations	Term of agmt based on task orders
CTR-443	Appraisal Services - Indefinite Delivery/Indefinite Quantity	Professional Svcs Agmt	Spitzer & Associates, Inc.	8/4/2008	2/9/2009	RFQ 08161			term of agmt based on task orders
CTR-444	Appraisal Services - Indefinite Delivery/Indefinite Quantity	Professional Svcs Agmt	Universal Field Services, Inc.	8/4/2008	9/26/2008	RFQ 08161		based on task orders and work authorizations	term of agmt based on task orders
CTR-445	Appraisal Services - Indefinite Delivery/Indefinite Quantity	Professional Svcs Agmt	Vickery & Associates, Inc.	8/4/2008	9/11/2008	RFQ 08161		based on task orders and work authorizations	term of agmt based on task orders
CTR-448	LAS Systems Hickory Hollow Fac 074, King Fac 003; La Rosa Fac 008 & Zarramora Fac 005	Construction Contract	Lamda Construction Ltd	8/4/2008	10/16/2008	REP 08173		\$1,740,000.00	First Amendment for \$5,000,000, 7/03/08; Second Amendment for \$7,684,000, 1/12/2009; Third Amendment for \$16,316,000, 3/19/2009
CTR-449	LAS Systems New World Facility #048	Construction Contract	Lamda Construction Ltd	8/4/2008	10/8/2008	REP 08174		\$522,000.00	TO BE TERMINATED
CTR-452	Fuel Delivery Contract	Services Agmt	Sun Coast Resources, Inc.	8/4/2008	10/27/2008	IFB 08176		\$4.83/gal; 4 storage tanks for \$31,027,500	1st Am - 10/24/2008
CTR-453	Vantage at Kitty Hawk - Utility Services Agreement	USA	Croton Properties LLC/Jacobs Engineers	3/30/2009	5/14/2009	N/A		N/A	
CTR-457	Bulk hydrofluoric acid (fluoride)	Services Agmt	Pencon, Inc.	6/30/2008	10/10/2008	REP 08158		\$7.03/gal; 2000 gal minimum purchase	expires 10/10/2010
CTR-458	Printing Services - Indefinite Delivery / Indefinite Quantity	Professional Svcs Agmt	Safeguard Enterprises, Inc.	9/29/2008	10/27/2008	REP 08231		\$12.99/in	one-year term with (2) one-year options
CTR-459	Printing Services - Indefinite Delivery / Indefinite Quantity	Professional Svcs Agmt	ProForma DCS	9/29/2008	10/22/2008	REP 08231		\$6816.00/per qtr 500,000	one-year term with (2) one-year options
CTR-461	Printing Services - Indefinite Delivery / Indefinite Quantity	Professional Svcs Agmt	Eagle Print	9/29/2008	10/28/2008	REP 08231		\$5707.36/per qtr 250,000	one-year term with (2) one-year options
CTR-462	City of Bulverde - Election Services, Nov 4, 2008	Joint-Election Agreement	City of Bulverde	9/29/2008	10/14/2008	Sole source		\$6,748.00	closed 12-31-08; one time event
CTR-463	Medina County - Election Services, Nov 4, 2008	Contract for Election Svcs	Medina County Elections Department	9/29/2008	9/8/2008	Sole source		\$4,000.00	closed 12-31-08; one time event
CTR-464	Comal County - Election Services, Nov 4, 2008	Contract for Election Svcs	Comal County Clerk	9/29/2008	9/3/2008	Sole source		\$2,300.00	
08207-CTR-466	New World Water Production Facilities Upgrade	Professional Svcs Agmt	Klotz Associates	12/29/2008	3/4/2009	REP 08207		\$253,472.00	Amendment 1, 8/26/2009, \$24,228.50
08235-CTR-467	Clayton EST plans and specs - District 5	Professional Svcs Agmt	HDR/Claunch & Miller	12/29/2008	3/18/2009	REP 08235		\$129,829.20	
08271-CTR-468	Design services for Somerset Facility #20 and HSP Station Project	Professional Svcs Agmt	TetraTech	12/29/2008	2/24/2009	REP 08271		\$257,715.00	

**CONTRACTS REGISTER
August 2009**

File No.	File Name	Type of Contract	Contract	Effective Date	Project Start	Project End	Amount	Notes
2009-CTR-469	Utility Easements	Purchase Agreement	Union Pacific Railroad	3/30/2009	4/7/2009	N/A	\$19,162.00	
CTR-470	Provident Center Development - Utility Services Agreement	USA	I-35@HWY 16 Partners, LLC/Pape-Dawson	3/30/2009	5/14/2009	N/A	N/A	
CTR-471	Notting Hill Manor - Utility Services Agreement	USA	1516/136 Ltd/ KPW Engineers	1/26/2009	4/6/2009	N/A	N/A	
CTR-474	Crestway Development - Utility Services Agreement	USA	Neighborhood Housing Svcs SA/ Ickery & Assoc	3/30/2009	see notes	N/A	N/A	Agmt waiting for signature with developer
CTR-476	Potranco/GLO Development - Utility Services Agreement	USA	Potranco Ltd/Pape-Dawson	4/27/2009	see notes	N/A	N/A	Agmt waiting for signature with developer
CTR-478	Generators for Dym Tract Facility (#185)	Purchase Agmt	Cummins Southern Plains LLC	3/30/2009	6/1/2009	RFP 09037	\$288,122.00	
CTR-480	Electronic payment systems; payment services advocate	Services Agmt	Merchant MultiServices, LLC (MMS); dba GOV. PAY	10/29/2007	3/10/2009	none referenced	1.5% of transaction amount	
CTR-481	Financial Analysis of Proposed Impact Fees	Professional Svcs Agmt	Carollo Engineers	12/29/2008	3/10/2009	RFP 08315	\$64,700.00	
CTR-483	Financial Advisor	Financial Advisory Services	Frost National Bank	2/23/2009	5/19/2009	RFP 09016	\$30,000 base fee	3-year term with (2) one-year optional extensions
CTR-486	Heritage Park Phase II - review and design of replacement of BearMet facilities	Professional Svcs Agmt	LVN Engineering	12/29/2008	2/12/2009	N/A	\$70,020.00	funds moved from Tamaron Budget
CTR-488	Zarzamora Drainage #83A - Interlocal	Funding Agmt for Joint Bid	City of San Antonio	3/31/2008	4/13/2009	N/A	\$2,741,484.00	agmt expires at end of project
CTR-489	McCollum Cowboys logo on Vestal Tank	Interlocal Agreement	Hardendale Independent School	9/2/2008	2/13/2009	N/A	N/A	20-year term with 20-year automatic renewal including 10% contingency
08238-CTR-490	Mogford Road 16-in Main Installation	Construction Agmt	Pronto Sandblasting & Coating and Oil-Field Service Co, Inc.	12/29/2008	2/5/2009	RFP 08238	\$1,316,466.10	
CTR-491	Rip-Rap #69, Phase II-D - Interlocal	Funding Agmt for Joint Bid	City of San Antonio	5/28/2008	4/28/2009	N/A	\$1,204,567.99	agmt expires at end of project
CTR-492	University Way (North-South Boulevard; East-West arterial) "TAMUS/Verano"	Funding Agreement	VTLM Texas LP	1/26/2009	2/1/2009	N/A	\$947,572.00	agmt expires at end of project
CTR-493	University Way (North-South Boulevard; East-West arterial) "TAMUS/Verano"	Support Agreement	Verano Land Group LP	8/4/2008	7/31/2008	N/A	N/A	no term limit referenced
CTR-495	Ansey Blvd Phase I - Commercial Ave to Moursand Blvd - Interlocal	Funding Agmt for Joint Bid	City of San Antonio	8/4/2008	4/28/2009	N/A	\$508,370.00	agmt expires at end of project
CTR-496	Legislative Lobbyist Services	Professional Svcs Agmt	Shelton & Valdez; Saenz Public Affairs; Walter Fisher ("the Team")	12/29/2008	1/2/2009	RFP 08175	\$6,000.00/mo prior and after legislation convenes; \$8,000.00/mo during legislation	2-year term; expires Jan 2011

CONTRACT REGISTER
August 2009

File No.	File Name	Type of Contract	Contractor	Renewal/Approval/Effective Date	REF ID#	Amount	Amendment/Notes
CTR-497	Repair of GST - Staggs Facility #094	Services Agmt	N.G. Painting LP	12/29/2008	PO 60858	\$7,000.00	45 days from NTP
CTR-498	Installation of chain link fence; Kallison-Culebra Facility	Construction	Wall Enterprises	12/29/2008	RFO 08274	\$36,624.00	45 days from NTP
CTR-499	EZ's directional sign	Encroachment Agreement	EZ's Brick Oven & Grill	none referenced	N/A	none referenced	no term limit referenced
CTR-500	STAGGS - Water tube vertical turbine pump and electrical components	Purchase/Sale Agmt	Peerless Equipment	5/18/2009	RFP 09101	\$139,565.00	Amendment 1, 8/01/2009
CTR-501	Installation of chain link fence; Texas Research Park	Construction	Wall Enterprises	10/27/2008	RFP 08273	\$23,112.00	45 days from NTP
CTR-502	Advance Reimbursement	Advance reimbursement Agmt	Union Pacific Railroad	none referenced	N/A	\$130,000.00	UPRR pays amt to BMWD; no term limit referenced
CTR-503	Medical/Dental Stop Loss Carrier	Insurance Agmt	ING	11/27/2006	none referenced	5% administrative fee; based on claims submitted	Extension of agmt as of Jan 01 2009, 12/29/08
CTR-504	Medical/Dental Stop Loss Carrier	Insurance Agmt	Verity National	11/27/2006	none referenced	\$21.20/employee/mo	Extension of agmt for three months, Jan 01 - Mar 31, 2009, 12/29/08; Agmt terminated
CTR-505	MS Enterprise license renewal	License Agmt	SHI Government Solutions	5/28/2008	PO 57985	\$65,512.00	3-year term totaling \$196,536.00
CTR-506	Commercial Pollution Legal Liability policy - Insurance agreement	Agmt	Victor O. Schinnerer & Co.	8/4/2008	none referenced	\$126,286.00	Policy term: Aug 15 2008 - Aug 15 2013
CTR-507	Western Union	Convenience Pay Service Agmt	Western Union Financial Svcs	8/4/2008	N/A	\$1.00/transaction	Board approved new agmt cancelling service fee (8-04-08) but prior mgmt did not follow through
CTR-508	Water Treatment plant	BeasMet Lease with Purchase Option*	Beasr Metropolitan Development Corp.	7/1/1998	N/A	\$30,296,423.75	2nd amendment 5/5/2009
CTR-509	Lone Star (Colorspot)	Non-Potable Raw Water Supply Agmt	Lone Star Growers, LP	12/29/2008	N/A	\$8,000.00	
CTR-510	Health insurance benefits package	Professional Svcs Agmt	Healthsmart	2/23/2009	RFP 08270A	5% administrative fee; based on claims submitted	expires 5/31/2011
CTR-511	City of Cibolo	Water Purchase Agmt	City of Cibolo	2/23/2009	N/A	current wholesale rate	Nine-year term, expires 2018
CTR-512	Executive Search services	Professional Svcs Agmt	Mercer	3/6/2009	RFP 08305	see Contract	Expires 8/01/2009

CONTRACT REGISTER
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File No.	File Name	Type of Contract	Contractor	Award Appraisal / Effective Date	RFQ/IFB	Professional Services	Award Amount	Amendment/Notes
CTR-513	Accounting/Audit Services	Professional Svcs Agmt	Garza/Gonzalez & Associates	3/30/2009	7/10/2009		\$110,000.00	6th Agmt with contractor; terminates w/ 2008-2009 audit
CTR-514	Purchase of 28.8 acre ft Edwards water rights	Water Purchase Agmt	Maurice P. DeCock Farms	3/30/2009	6/9/2009	N/A	\$151,200.00	scheduled to close 9/07/2009
CTR-515	Employee Assistance Program (EAP)	EAP Provider contract	Alliance Work Partners					
CTR-516	Marbach Oaks - Utility Services Agreement	USA	Marbach-Medio Partners/Vickery & Assoc	3/30/2009	see notes	N/A	N/A	
CTR-517	Hurst Property Acquisition	Purchase/Letter of Agmt	Frederico Hurst/First American Exchange Co.	4/20/2009	5/5/2009	N/A	\$145,000.00	closed 5/5/2009
CTR-518	Medina Dam Valve Repairs	Construction Contract	Forsythe Brothers	4/27/2009	7/6/2009	RFP 09038	\$456,125.00	
CTR-519	Water lube Turbine pump - Lemonwood	Installation Agmt	Fearless Equipment, Ltd.	4/27/2009	5/19/2009	IFB 09093	\$95,527.00	
CTR-520	Office supplies	CO-OP	Office Depot					LA County MA-IS-42595-10
CTR-521	Army Residence Community - Utility Services Agreement	USA	Army Residence Supporting Foundation/Vickery & Assoc	4/27/2009	see notes	N/A	N/A	Agmt waiting for signature with developer
CTR-522	HGAC Co-op	Cooperative Interlocal Agmt	Houston-Galveston Area Council	5/18/2009	5/1/2009	CO-OP	N/A	Expires 4/30/2010
CTR-523	Swann Water Production Facility #182 - design	Professional Svcs Agmt	Pape-Dawson	5/18/2009	7/10/2009	RFP 09087	\$425,040.00	agmt terminates on completion of work
CTR-524	Blowers - Sluggs Facility #94 / Panther Springs #114	Purchase Agmt	USA Bluebook	6/1/2009	6/26/2009	N/A	\$32,016.00	GSA contract no. GS-07F-0155M
CTR-525	Meadowood Acres Facility #169	Design & Construction Agmt	PSE Contracting	6/22/2009	6/29/2009	RFP 2009-004	\$142,520.00	Amendment 1, 8/13/2009
CTR-526	Nock Ave Interlocal	Interlocal Agreement	City of San Antonio	6/22/2009	see notes	N/A	\$76,979.12	waiting for COSA to sign
CTR-527	covered medical services	Letter of Agreement	Texas MedClinic	none referenced	6/1/2009	N/A	100% of billed charges	one-month agmt, expired 7/01/09; TMC now under PPO