



***Welcome
to the
Annual BRA
Customer Meeting***

***Phil Ford
GM/CEO***



Water Supply

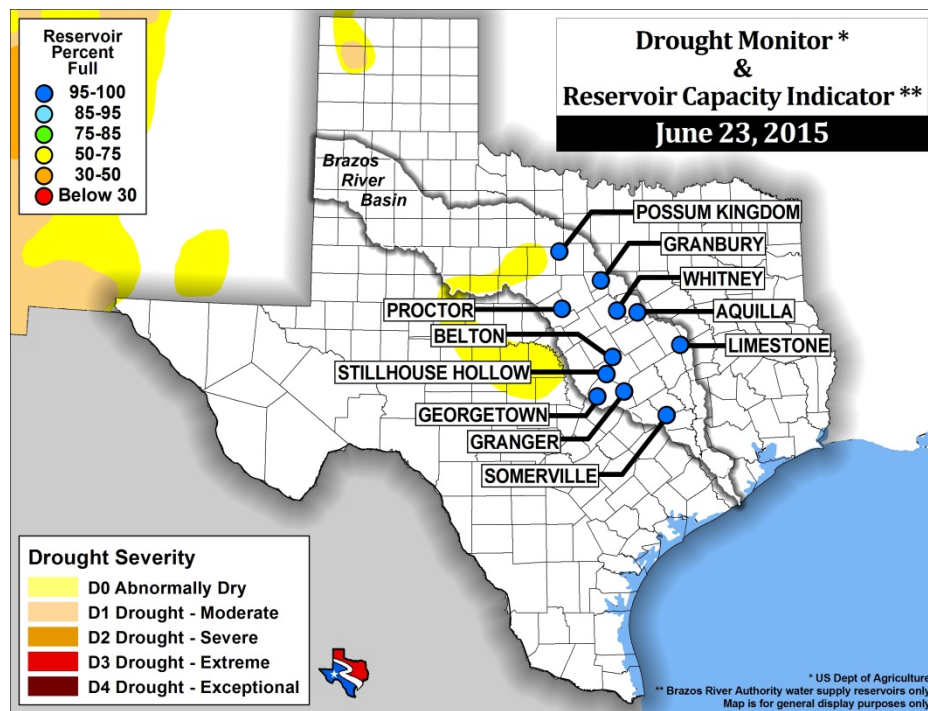
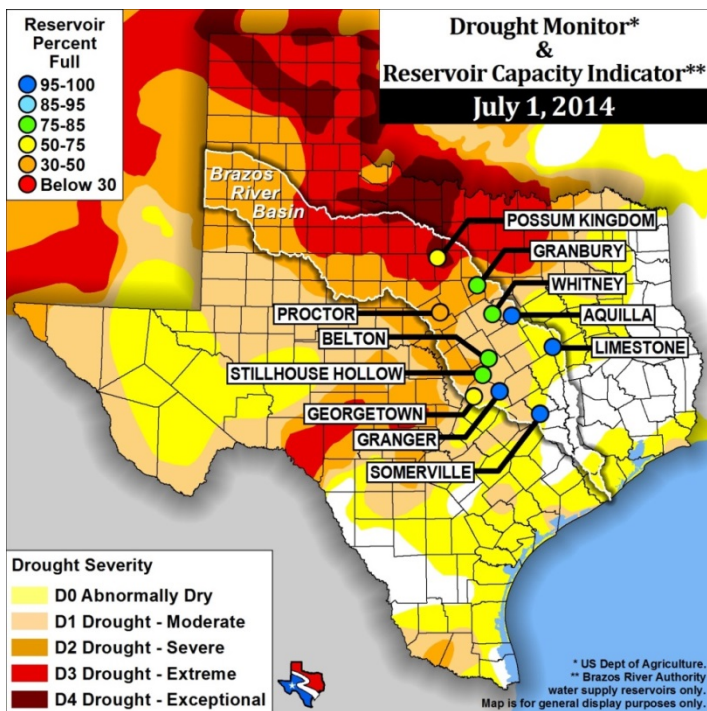
***Presented by
Brad Brunett
Water Services Manager***



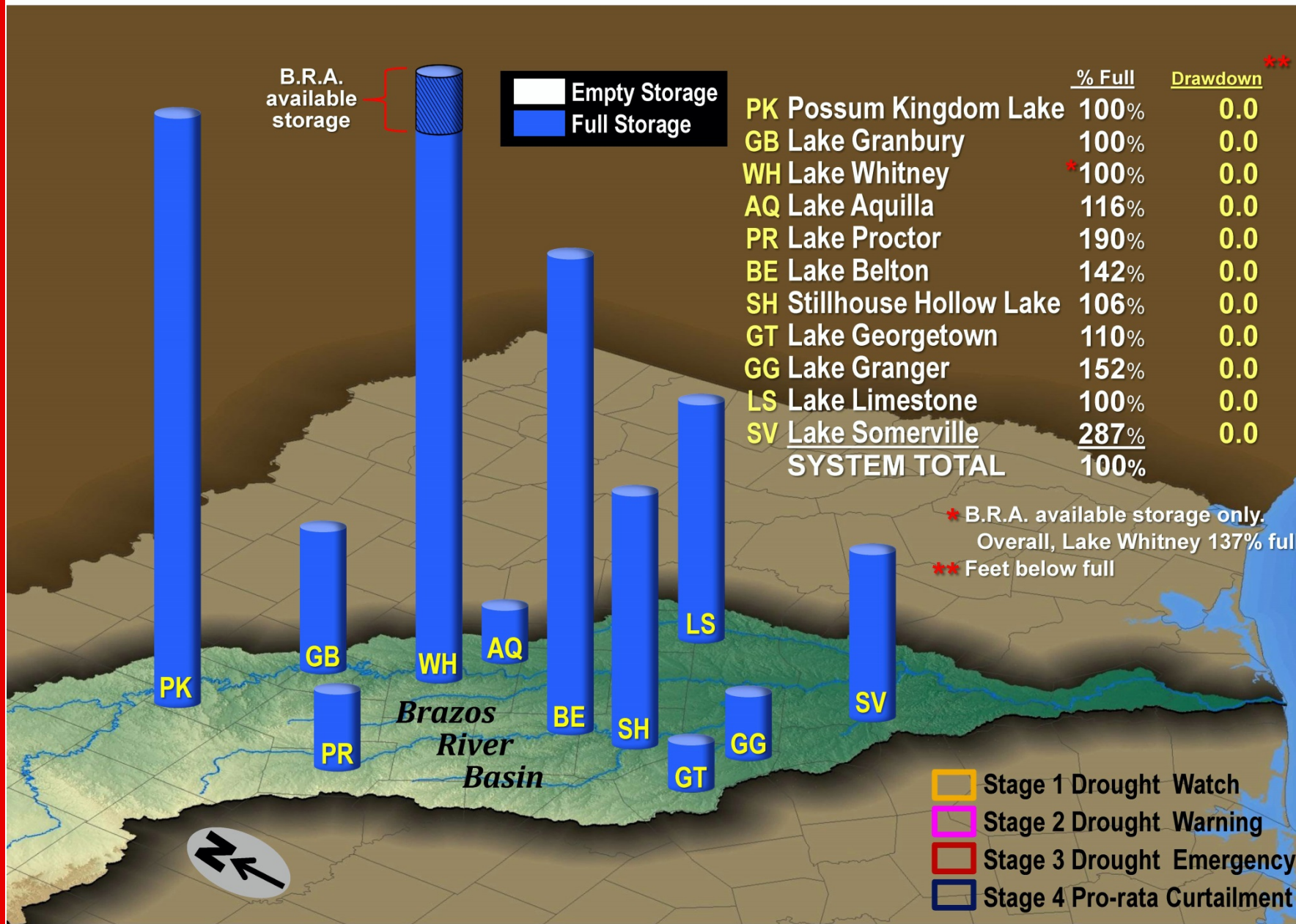
Drought Monitor & Reservoir Status

Then...

Now...



B.R.A. Water Supply Reservoirs "PERCENT FULL" July 1, 2015

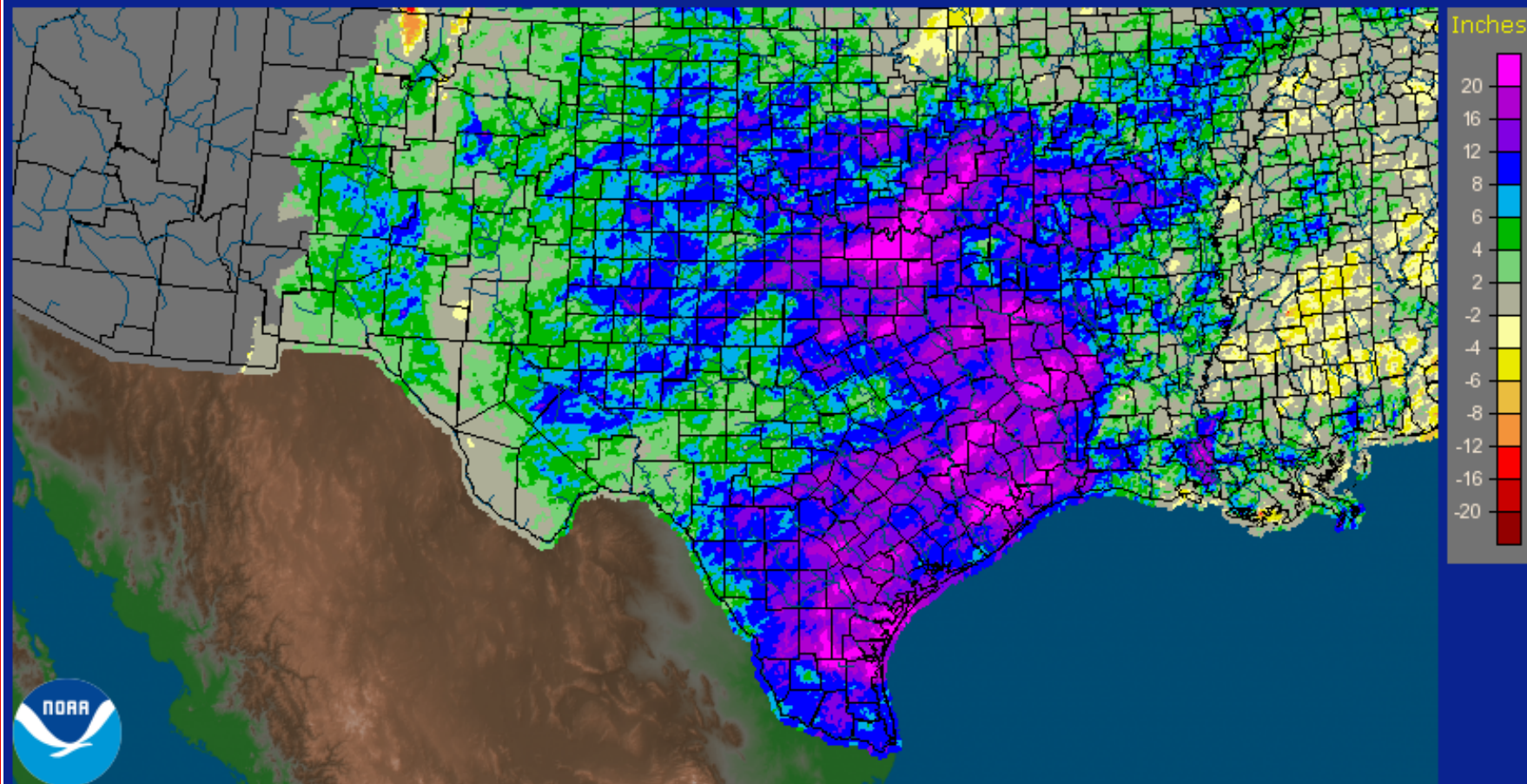




Departure from Normal Rainfall

January 1 – June 11, 2015

Texas: Current Year to Date Departure from Normal Precipitation
Valid at 6/11/2015 1200 UTC - Created 6/11/15 14:28 UTC





Possum Kingdom Dam – 3 Gates “Floating” & 3 Gates Releasing





Lake Granbury – Releasing About 20,000 cfs



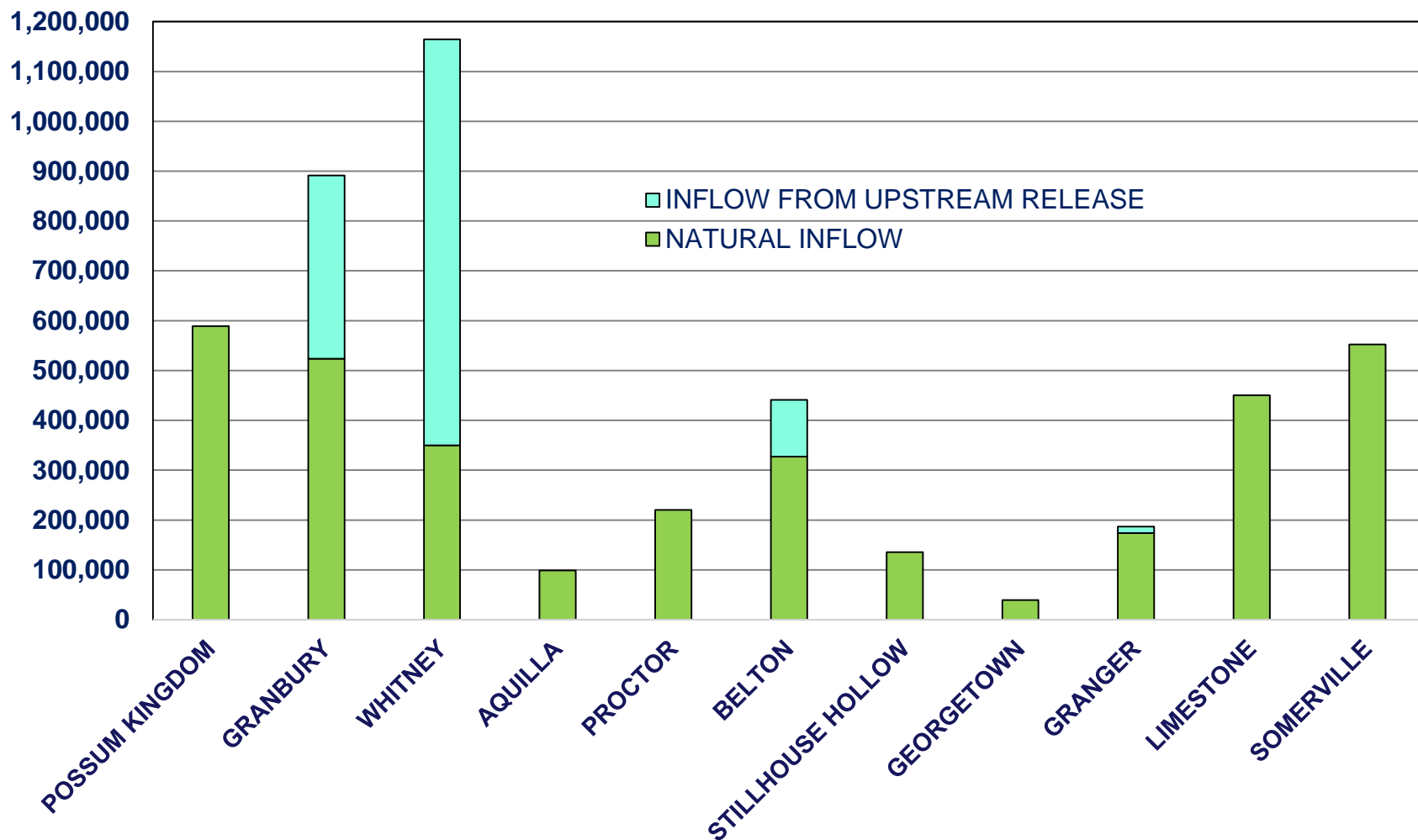


Lake Limestone – Releasing About 43,000 cfs





Reservoir Inflow, March 1 – June 26, 2015 (acre-feet)



Grand total for all reservoirs = 3,459,421 acre-feet (does not include inflow from upstream releases)



TCEQ Brazos Watermaster

- **Program officially started June 1**
- **New metering & reporting requirements for all water right holders and BRA customers**
- **Preliminary FY 2016 Budget \$942,883**
- **Cost allocated to BRA approx. \$410,000**

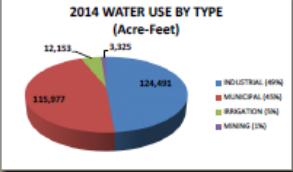


Annual Water Use & Reservoir Accounting Summary now Available on BRA Website

Brazos River Authority 2014 Customer Water Use and Reservoir Accounting Summary

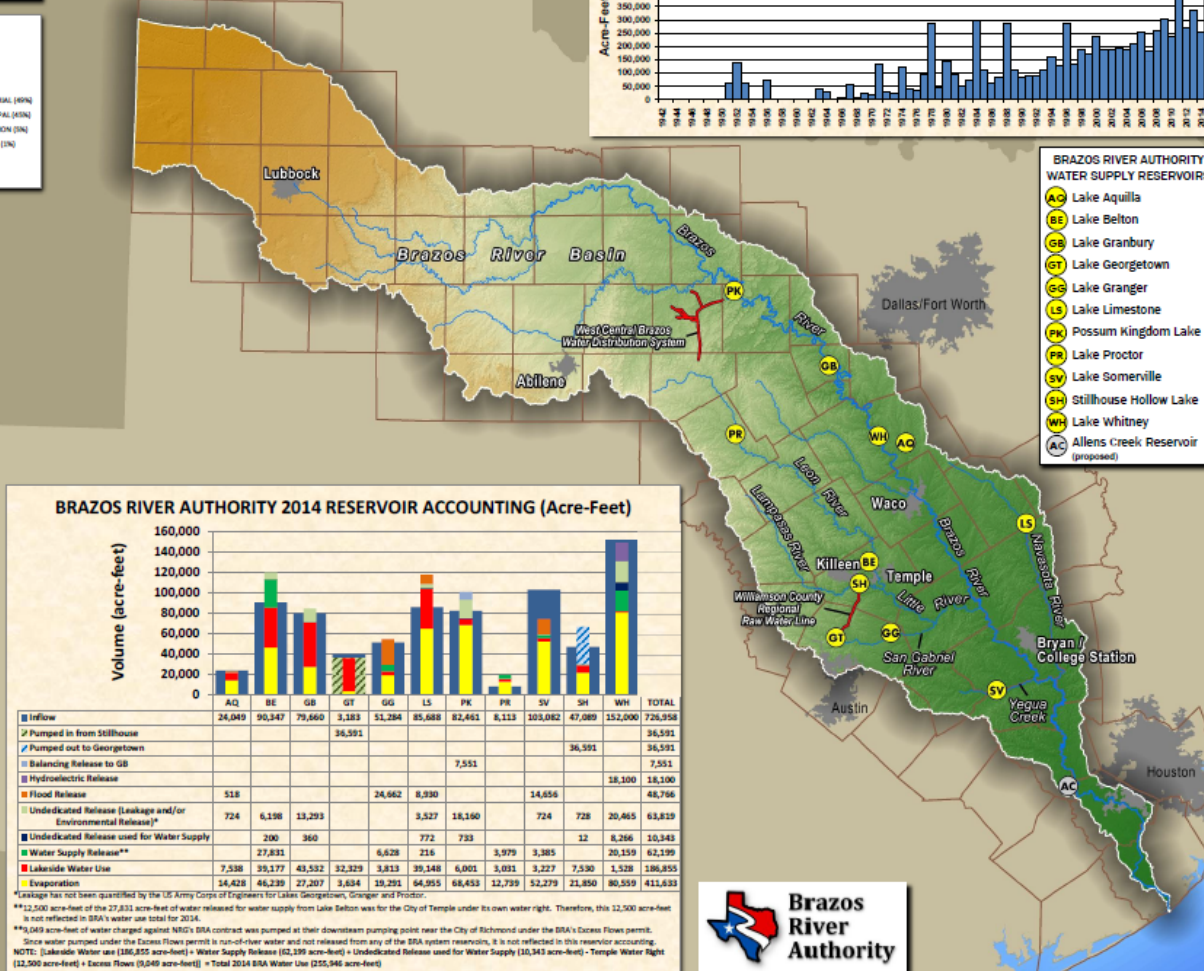
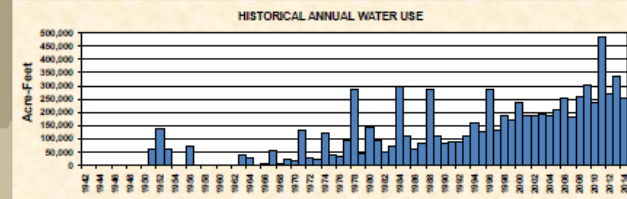
2014 WATER USE BY FIRM WATER CUSTOMERS	VOLUME (ACRE-FEET)
POSSUM KINGDOM LAKE	
DOUBLE DIAMOND PROPERTIES, INC	525
POSSUM KINGDOM WIC	1,292
SPORTSMAN'S WORLD MUD	133
TEXAS PARKS & WILDLIFE DEPT	1,119
WEST CENTRAL BRAZOS PIPELINE	404
SUBTOTAL:	3,473
BRAZOS RIVER BELOW POSSUM KINGDOM LAKE	
CARR-THOMAS RANCH	
PAUL RINDO CO. WARD NO. 1	513
SUGAR TREE, INC	105
FARMER COUNTY GUD	86
SUBTOTAL:	710
LAKE GRANBURY	
ACTION MUNICIPAL UTILITY DISTRICT	33
BRAZOS REGIONAL PUBLIC UTILITY AGENCY	4,569
COUNTY OF SOMERVELL	234
DECORADO BOND ESTATES OWNERS	68
GRANBURY RECREATIONAL ASSOC	27
GRANBURY, CITY OF	273
KINGS RANCH TURF&GRASS, LP	113
LENZO INC	2,736
LSP DEVELOPMENT CORP	46
MORANCOH UTILITIES, LP	468
PECAN PLANTATION OWNER'S ASSOC	238
TXU - LUMINANT ELECTRIC COMPANY	33,937
WOLF HOLLOW SERVICES, LLC	851
SUBTOTAL:	43,205
BRAZOS RIVER BELOW LAKE GRANBURY	
EOG RESOURCES INC - WESTERN DIV	63
SUBTOTAL:	1,088
LAKE WHITNEY	
WHITE BLUFF PROPERTY OWNERS ASSOC	1,088
BRAZOS RIVER BELOW LAKE WHITNEY	
CALPINE BOSQUE ENERGY CENTER LLC	3,506
LORNA, CITY OF	118
MARLIN, CITY OF	597
SELECT ENERGY SERVICES LLC	815
NRG TEXAS, LLC	32,058
GULF COAST WATER AUTHORITY	11,208
VULCAN CONST. MATERIALS, LP	897
SUBTOTAL:	49,138
LAKE AQUILLA	
AQUILLA WATER SUPPLY DISTRICT	2443
CLEBURNE, CITY OF	5085
SUBTOTAL:	7,528
LAKE PROCTOR	
LAKE PROCTOR IRRIGATION AUTHORITY	304
UPPER LEON RIVER MUNICIPAL	1,716
SUBTOTAL:	3,020
LAKE BELTON	
LEON RIVER BELOW LAKE PROCTOR	771
LAKE PROCTOR IRRIGATION AUTHORITY	3,208
NORTH LEON RIVER IRRIGATION	3,879
SUBTOTAL:	7,858
LAKE GEORGTOWN	
439 WATER SUPPLY CORP	209
BELL CO. WATER CONTROL & IMPROVEMENT	30,807
BLUESHINET WATER SUPPLY CORP	2,860
GATEVILLE, CITY OF	6,479
SUBTOTAL:	38,355
LAKE LITTLE RIVER BELOW LAKE BELTON	
TEMPLE, CITY OF	6,626
WILLFLOWER COUNTRY CLUB, INC	158
SUBTOTAL:	6,784
LAKE STILLHOUSE HOLLOW	
CENTRAL TEXAS WATER SUPPLY CORP	3,883
KEMPER WATER SUPPLY CORP	1,387
LAMPASAS CITY OF	1,379
SUBTOTAL:	6,649
LAMPASAS RIVER BELOW LAKE STILLHOUSE HOLLOW	
COUNTRY HARVEST	2
SUBTOTAL:	2
LAKE GEORGTOWN	
GEORGTOWN, CITY OF	8,250
ROUND ROCK, CITY OF	18,848
BRUSHY CREEK MUD	3,757
CHRISTIAN TRAIL MUD	3,308
SUBTOTAL:	34,203
LAKE GRANGER	
EAST WILLIAMSON CO WATER	3,813
SUBTOTAL:	3,813
LITTLE RIVER BELOW SAN GABRIEL-LITTLE CONFLUENCE	
ALCOA INC-REGIONAL OPERATION	2,348
LAKE LIMESTONE	
NRG TEXAS, LLC	30,886
SJC WATER SUPPLY	80
TXU - LUMINANT ELECTRIC COMPANY	18,886
SUBTOTAL:	49,852
NAVASOTA RIVER BELOW LAKE LIMESTONE	
SELECT ENERGY SERVICES LLC	24
HOLLOWAY SPECIAL UTILTY DISTRICT	528
SUBTOTAL:	552
LAKE SOMERVILLE	
BREUNING, CITY OF	3,527
SUBTOTAL:	3,527

2014 TOTAL WATER USE
255,946 Acre-Feet

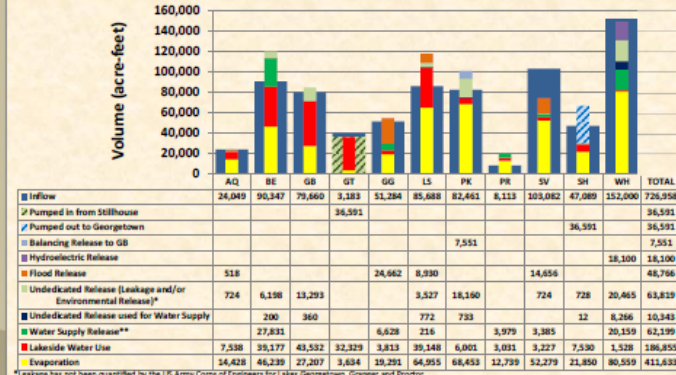


2014 WATER USE OF WATER-SUPPLYABLE AND LAKE/SIDE LOCAL WATER CUSTOMERS

2014 WATER USE OF WATER-SUPPLYABLE AND LAKE/SIDE LOCAL WATER CUSTOMERS	VOLUME (ACRE-FEET)
POSSUM KINGDOM LAKE	
BR AT POSSUM KINGDOM LTD	34
DAVID ANDREWS	0.3
JAMES MAROUS	0.5
LAKE/SIDE LOCAL USE	
VERITAS ENERGY, LLC	0.3
WEST CENTRAL BRAZOS PIPELINE	3366
SUBTOTAL:	3,407
BRAZOS RIVER BELOW POSSUM KINGDOM LAKE	
BRIDGEMAN OPERATING CO, LLC	7
FORTUNE BEND RIVER RANCH	0.3
VERITAS ENERGY, LLC	6
WACO BEND RANCH LTD	6
JBU LAND & LIVESTOCK CO	6
SUBTOTAL:	23
LAKE GRANBURY	
BRAZOS RIVER BELOW LAKE GRANBURY	
INGRAM CONCRETE LLC	86
LATTIMORE MATERIALS	206
LOWELL UNDERWOOD	7
SUBTOTAL:	299
LAKE WHITNEY	
DOUBLE DIAMOND PROPERTIES, INC	427
LAKE/SIDE LOCAL USE	
SUBTOTAL:	640
BRAZOS RIVER BELOW LAKE WHITNEY	
CHARLES R. MATTHEWS	32
JAMES K. BOYD	6
STEVE SAUGH	0.04
W. T. HERBERT FAMILY TRUST	250
BIG CREEK CONSTRUCTION	0.2
CLIFF STILES	485
HORIZON TURF GRASS, INC	505
S-D FARMS	46
BRAZOS FARMS LTD, INC	148
ANADARCO PETROLEUM CORPORATION	32
KNIFE RIVER CORPORATION	105
JAMES CONSTRUCTION GROUP, LLC	1
CREXIDE NURSERY, LLC	76
VULCAN CONST. MATERIALS, LP	500
DOW PIPELINE COMPANY	617
HOP INVESTMENTS LLC	193
SUBTOTAL:	2,051
LAKE PROCTOR	
LAKE/SIDE LOCAL USE	
GRAS BROTHERS	11
SUBTOTAL:	12
LAKE BELTON	
LAKE/SIDE LOCAL USE	
LEON RIVER BELOW LAKE BELTON	22
LAKE GEORGTOWN	
CRAG WHEELER	4
STRABLAGER ENTERPRISE	39
SUBTOTAL:	43
LAKE STILLHOUSE HOLLOW	
LAKE/SIDE LOCAL USE	1
SUBTOTAL:	1
LAKE LIMESTONE	
LAKE/SIDE LOCAL USE	
SUBTOTAL:	6,749



BRAZOS RIVER AUTHORITY 2014 RESERVOIR ACCOUNTING (Acre-Feet)



*Leakage has not been quantified by the US Army Corps of Engineers for Lakes Georgetown, Granger and Proctor.
 **12,500 acre-feet of the 27,831 acre-feet of water released for water supply from Lake Belton was for the City of Temple under its own water right. Therefore, this 12,500 acre-feet is not reflected in BRA's water use total for 2014.
 ***648 acre-feet of water charged against NRG's BRA contract was pumped at their downstream pumping point near the City of Richmond under the BRA's Excess Flows permit. Since water pumped under the Excess Flows permit is not-of-the-water and not released from any of the BRA system reservoirs, it is not reflected in this reservoir accounting.
 NOTE: Lakeside Water Use (18,855 acre-feet) + Water Supply Release (62,139 acre-feet) + Undeducted Release used for Water Supply (10,343 acre-feet) + Temple Water Right (12,500 acre-feet) + Excess Flows (6,449 acre-feet) = Total 2014 BRA Water Use (255,946 acre-feet)





Legislative Update



***Presented by
Matt Phillips
Government and Customer Relations Manager***



Water Supply

- **HB 30—Brackish groundwater development**
- **HB 655—Aquifer storage and recovery**
- **HB 2031—Marine seawater desalination**
- **SB 991—Wind/Solar power for brackish groundwater desalination**



Groundwater

- **HB 200—Overall groundwater regulation**
- **HB 1232—Study of groundwater mapping**
- **HB 2179—Groundwater district permit hearings**
- **SB 854—Permit renewals by groundwater districts**



Transparency

- **HB 283—Audio/Video recordings of open meetings**
- **HB 1378—Reporting of debt information**
- **HB 3357—Open meeting posting methods**
- **SB 523—Sunset review of river authorities**
- **SB 1812—Reporting eminent domain authority/eminent domain database**



Ethics/Contracting

- **HB 23—Disclosure of relationships with local govt. officers and vendors**
- **SB 20—State agency contracting overhaul**



Finance/Bonding

- **HB 114—Issuance of certain capital appreciation bonds by political subdivisions**



Real Estate Disclosures

- **HB 1221—Required disclosure of property in groundwater conservation district**
- **HB 1665—Required notice of lake level fluctuations in connection with sale of lakeside property**



Security

- **HB 1481—Prohibiting operation of drones over certain critical infrastructure**



Environment

- **HB 1919—Applicability of certain invasive species laws**
- **SB 912—Volume based exemption for certain accidental spills or discharges from wastewater facilities**



***System Operation Permit
And
Long Range Financial Plan***

***Presented by
Jim Forte'
Planning and Development Manager***



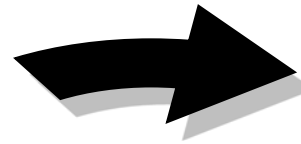
Updated SB3 System Operation Permit/Water Management Plan

- **SOAH Hearing on Merits – Feb. 16-26, 2015**
- **Proposal for Decision –July 17, 2015**
- **TCEQ Commission Consideration – Oct./Nov./Dec. 2015 or Jan./Feb. 2016**

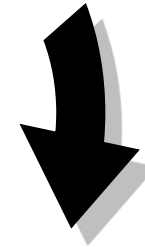


Financial Planning Process

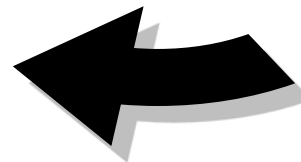
- Annual Operating Budget
- Water Contracts Portfolio
- Current Debt Schedules
- Inflation Indexes
- Long Range Projects Plan
- Projects O&M



Insert New Scenario, Compare Results to Board Policies and Bond Covenants regarding Debt Service Coverage and Reserve Balances



Review System Water Rate Forecast. Stabilize Rate using Reserves and/or Debt



Re-evaluate System Rate Forecast, Coverage Ratios, and Reserve Balances.
Modify Assumptions and Project Timelines, if needed





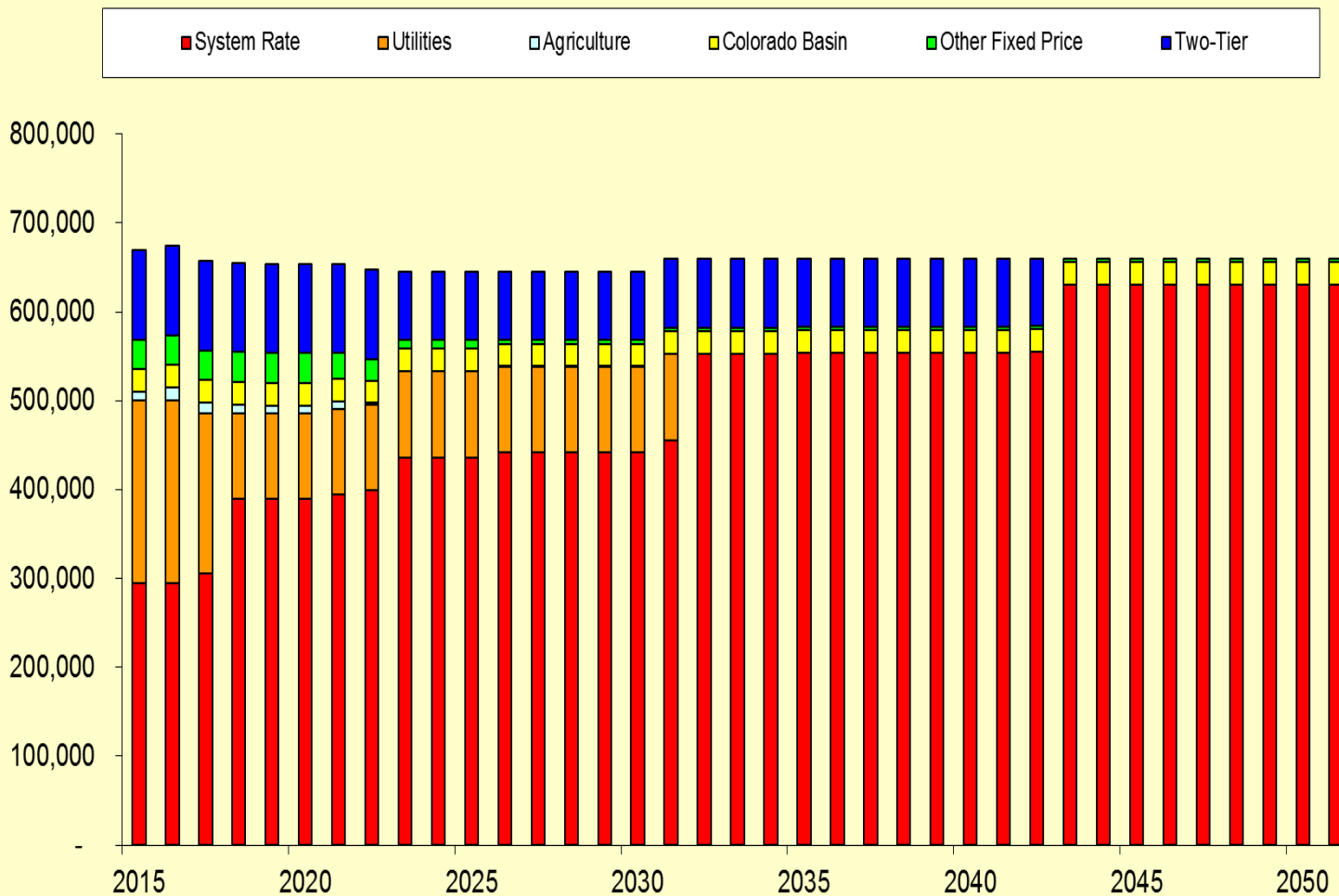
Long Range Planning Factors

- **2016 State Water Plan**
 - 2010 Census
 - 2011-15 Drought
 - New Projects
 - New Decades
 - New Costing
- **Initially Prepared Plans – May 2015**
- **BRA FY 2016 Budget Approved – July 27, 2015**
- **Regional Plans Adopted – November, 2015**
- **State Water Plan Adopted – December, 2016**



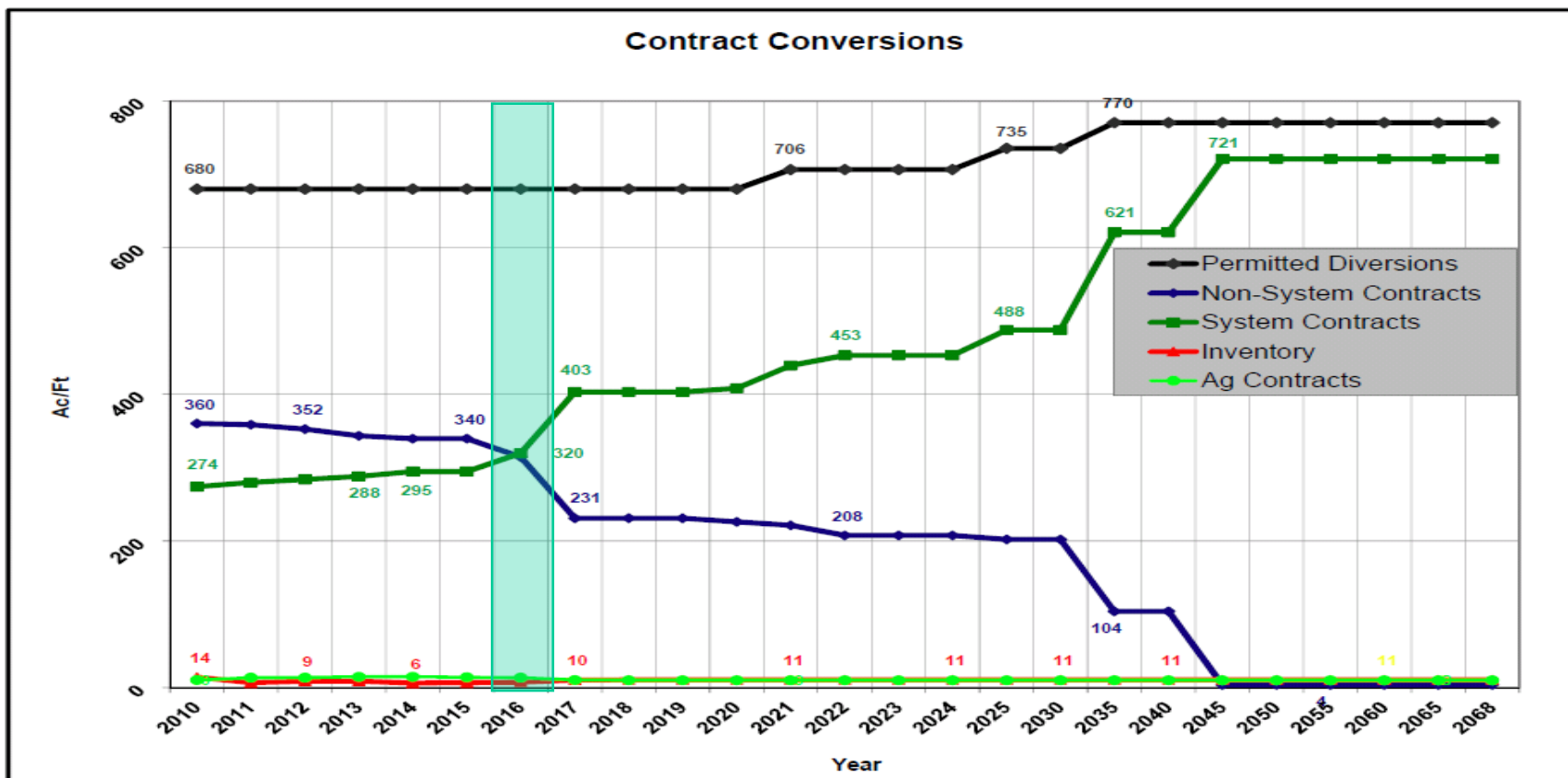
Long Range Financial Plan

Long Term Contract Conversions





Long Range Financial Plan



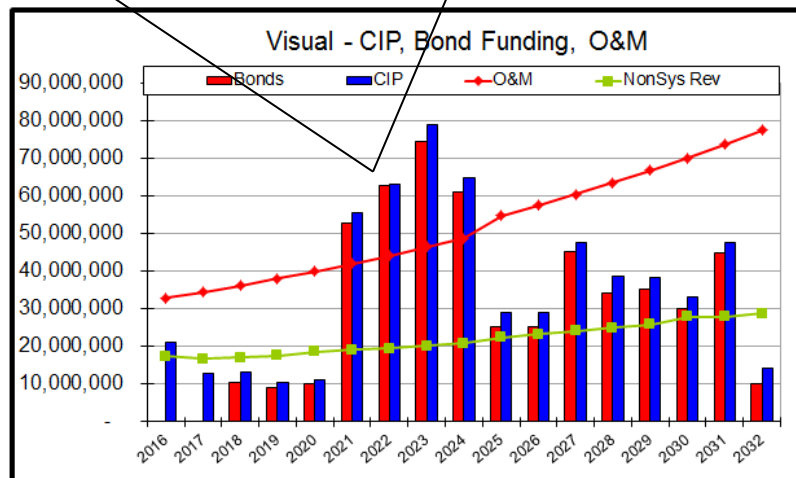
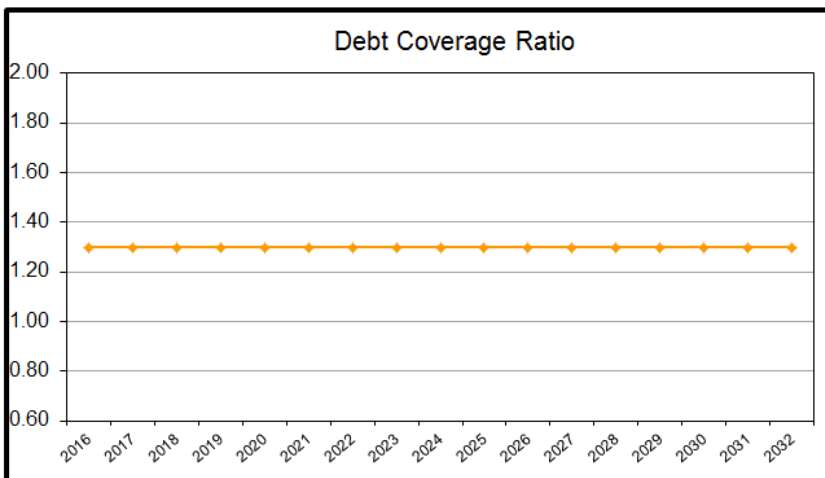
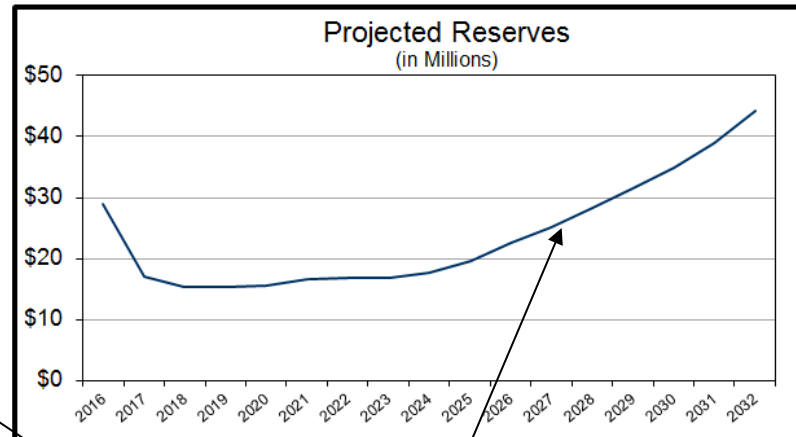
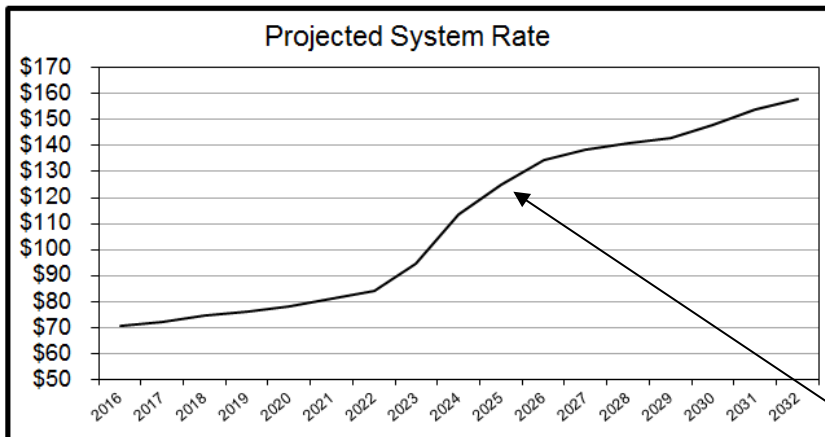


Long Range Projects Plan

PROJECTS	2016	2017	2018	2019	2020	2021-26	2027-31	2032-36	2037-41	2042-47	2047-65	2016-2065
Infrastructure/ Maintenance	\$ 7,196	\$ 10,956	\$ 8,159	\$ 2,818	\$ 2,760	\$ 17,150	\$ 7,350	\$ 11,043	\$ 7,362	\$ 58,320	\$ -	\$ 133,114
New Water	8,028	11,596	16,418	46,984	29,817	303,814	202,542	39,870	65,902	43,934	401,099	\$ 1,170,004
Operations and Maintenance	1,343	589	268	256	327	315	300	300	300	300	960	\$ 5,258
Treatment Contracts	-	-	-	-	-	-	-	-	-	-	-	\$ 0
Central Services	2,935	1,187	750	1,500	1,500	100	-	-	-	-	-	\$ 7,972
Infrastructure/ Security	1,649	508	523	-	-	-	-	-	-	-	-	\$ 2,680
Water Quality	30	1,197	1,162	1,197	1,167	16,042	16,044	2,137	-	-	-	\$ 38,976
TOTAL PROJECTS	<u>\$ 21,181</u>	<u>\$ 26,033</u>	<u>\$ 27,280</u>	<u>\$ 52,755</u>	<u>\$ 35,571</u>	<u>\$ 337,421</u>	<u>\$ 226,236</u>	<u>\$ 53,350</u>	<u>\$ 73,564</u>	<u>\$ 102,554</u>	<u>\$ 402,059</u>	<u>\$ 1,358,004</u>

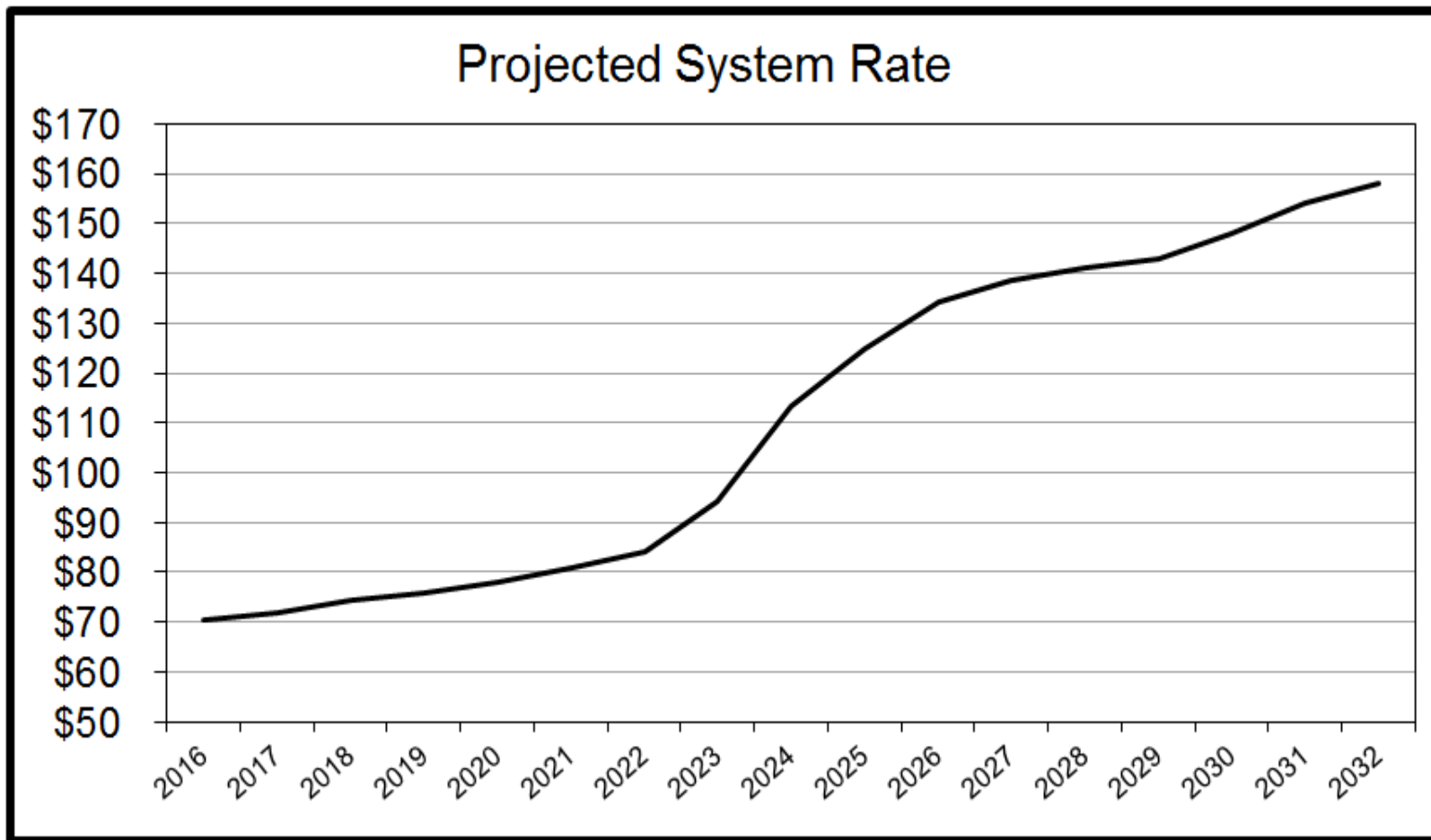


Long Range Financial Plan





Long Range Financial Plan



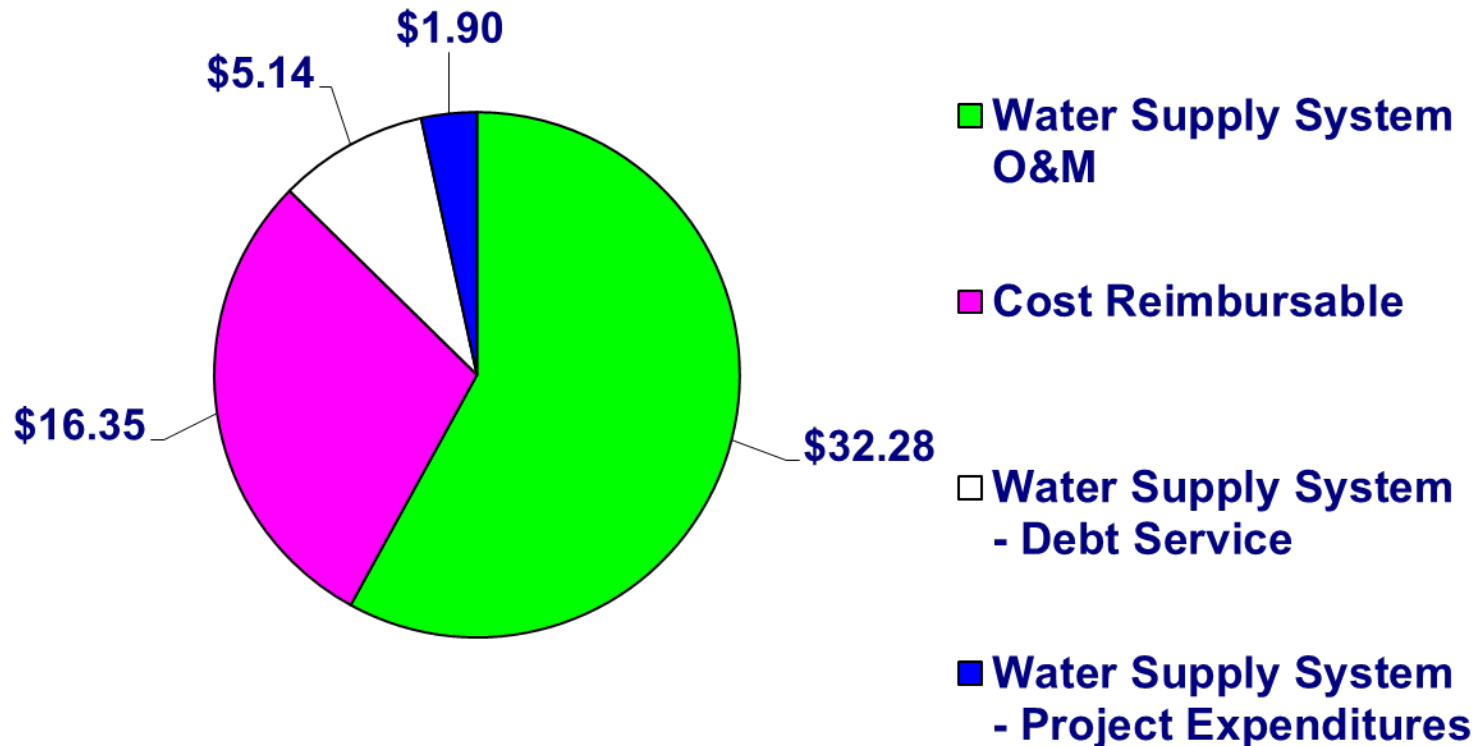


Financial Overview

***Presented by
Jim Forte'
Interim Chief Financial Officer***



FY2016 Proposed Operating Expenses \$55.7M





FY2016 Operations Projects

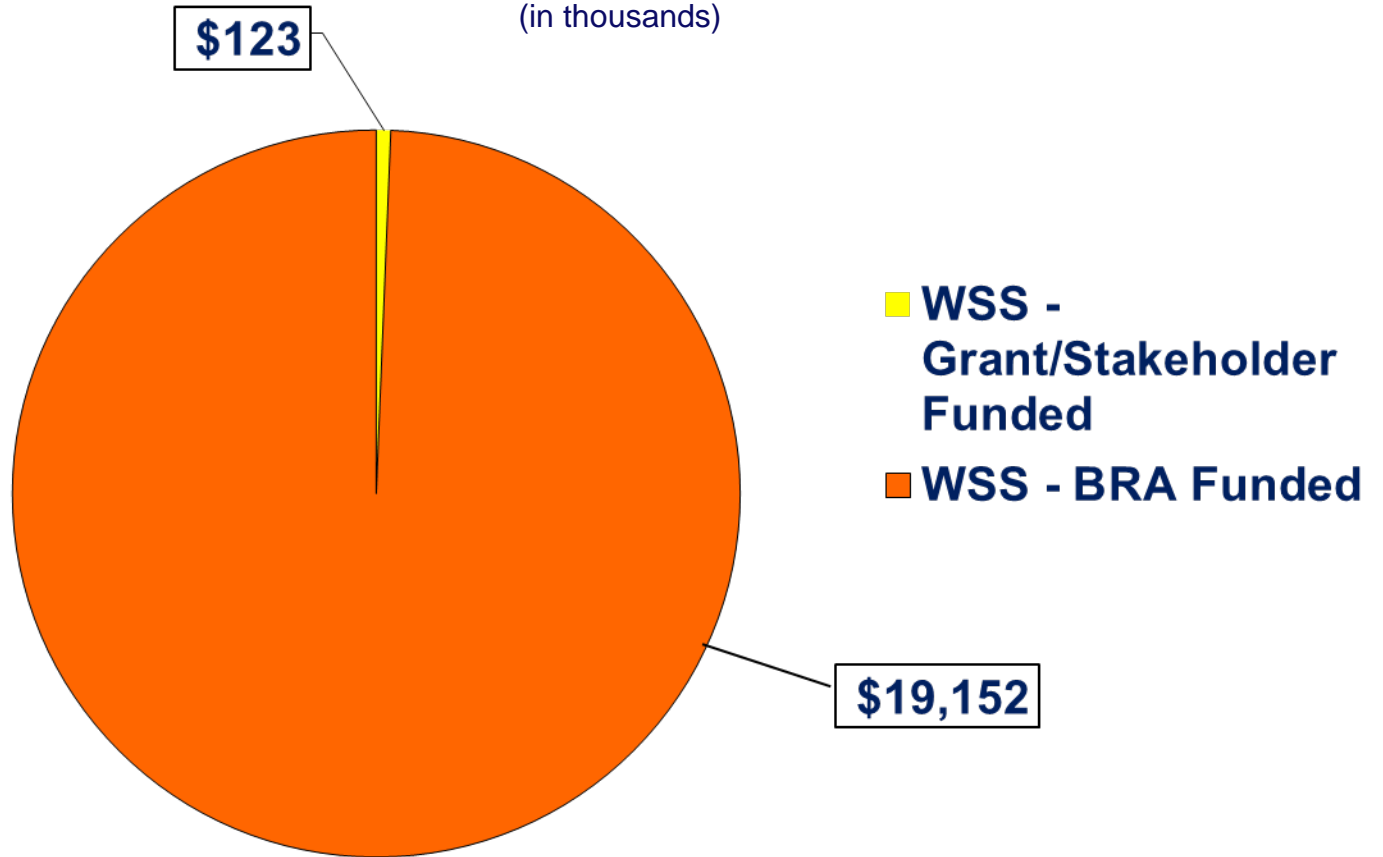
(in thousands)

<u>BRA Funded</u>	<u>Total Project Cost</u>	<u>FY2016 Projected Expenditures</u>	<u>Est. Completion Date</u>
Reservoir Volumetric Surveys	3,016	260	2020+
Lower Basin Floodplain Protection Study (I & II)	1,616	823	2017
PK Recreation Development	1,236	200	2020+
Corps of Engineers Pool Rise - Feasibility Study	1,216	179	2017
HB 1437 No Net Loss	200	200	2016
East Williamson County WWTP Study	175	25	2017
Duck Creek Aquatic Life Assessment	104	52	2018
IT Clearwell E-Discovery Software	100	100	2016
Replace Boardroom Projector	65	65	2016
Total		\$ 1,904	



FY2016 Capital Projects \$19.3M

(in thousands)





FY2016 Capital Projects

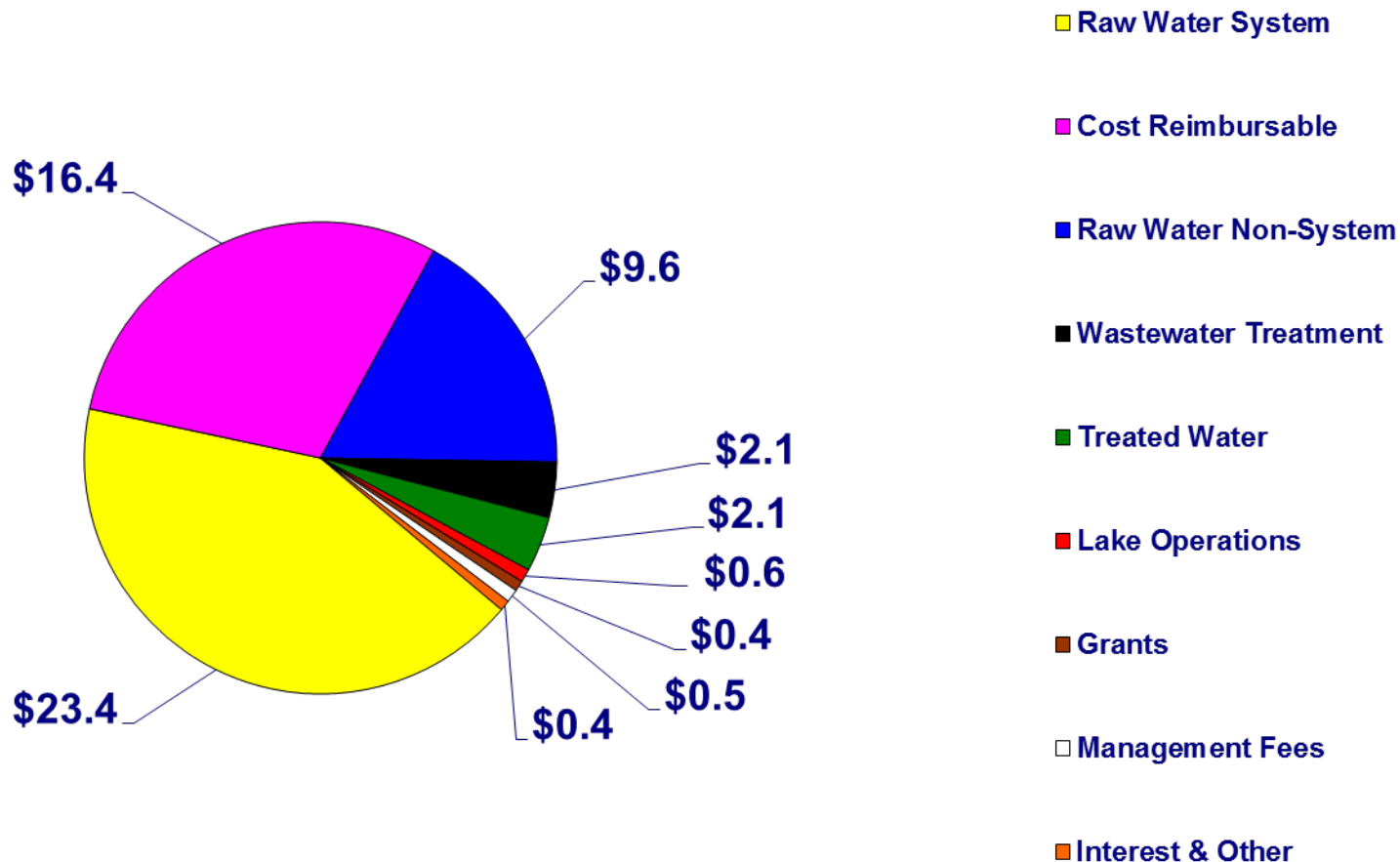
(in thousands)

<u>BRA Reserve Funded</u>	<u>Total Project Cost</u>	<u>FY2016 Projected Expenditures</u>	<u>Est. Completion Date</u>
Allens Creek Reservoir	74,696	2,727	2020+
Trinity Groundwater System Permit Application	29,864	2,906	2020+
DeCordova Bend Dam Improvements	25,303	1,691	2020+
Morris Sheppard Dam Improvements	9,987	2,049	2019
Sterling Robertson Dam Improvements	9,619	3,243	2020
Graham Flood Control	9,569	1,149	2020
Potential Future Water Management Strategies	6,840	1,649	2016
PK Property Management	5,005	500	2020+
Central Office - Improvements - HVAC, etc.	3,600	60	2016
Other	2,548	1,078	2018
Lake Granbury Improvements	1,189	423	2020
Enterprise Financial System Software	1,176	555	2018
Groundwater Study/Evaluation	860	811	2016
Brazos Basin Watermaster	757	25	2016
	410	410	2016
Total		\$ 19,276	



FY2016 Proposed Revenues

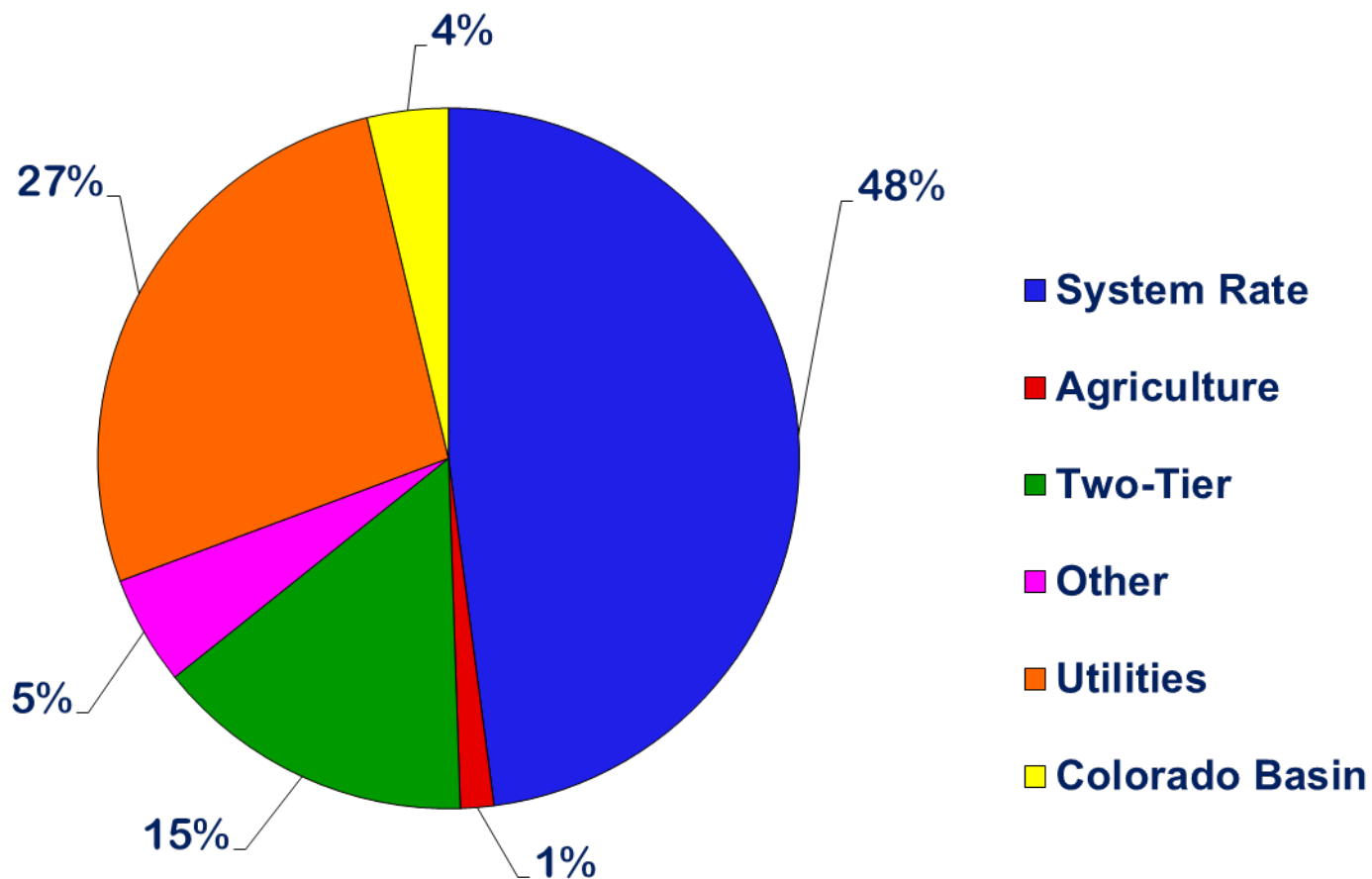
\$55.5M





FY2016 Long Term Raw Water Sales

669,294 AF





Long Term Billing Units & Average Price

	FY2015			FY2016		
	Units	Avg Price	%	Units	Avg Price	%
System Rate	294,546	\$69.50	44%	320,785	\$70.50	48%
Agricultural	10,285	\$48.65	1%	10,285	\$49.35	2%
Two-Tier	100,238	\$17.14	15%	98,999	\$17.32	15%
Other Fixed Price	33,778	\$18.66	5%	33,778	\$18.87	5%
Utilities	205,447	\$11.04	31%	180,447	\$12.61	27%
Colorado Basin	25,000	\$88.44	4%	25,000	\$88.61	4%
	<u>669,294</u>		<u>100%</u>	<u>669,294</u>		<u>100%</u>

NOTE: Short Term/Interruptible System Rate Units for FY2015 - 11,278 and FY2016 - 11,278



System Rate Requirement Water Supply System (in millions)

	<u>FY2015</u>	<u>FY2016</u>	<u>Variance</u>
<u>Expenses:</u>			
O & M	\$ 29.3	\$ 32.3	\$ 3.0
Debt Service	5.5	5.1	(0.4)
Project Expenditures	1.6	0.9	(0.7)
	<hr/>	<hr/>	<hr/>
Subtotal	36.4	38.3	1.9
	<hr/>	<hr/>	<hr/>
Debt Coverage and Reserve Requirements	0.8	0.8	0.0
	<hr/>	<hr/>	<hr/>
<u>Less Revenues:</u>			
Raw Water Non-System	8.8	9.6	0.8
Other	6.9	6.1	(0.8)
	<hr/>	<hr/>	<hr/>
Subtotal	15.7	15.7	0.0
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System Water Revenue Requirement	\$ 21.5	\$ 23.4	\$ 1.9
	<hr/>	<hr/>	<hr/>



System Rate Summary

System Revenue Requirement	\$23.4M
System Water Contracts	332,063 acre-feet
FY2016 System Rate (1.4% increase)	\$70.50/acre-foot



Water Rates

<u>System Rate</u>	<u>System Water</u>	<u>Agricultural Water</u>
FY2016 Proposed	\$70.50/ac ft (21.6¢ /1,000 gals)	\$49.35/ac ft (15.1¢ /1,000 gals)
FY2015 Current	\$69.50/ac ft (21.3¢ /1,000 gals)	\$48.65/ac ft (14.9¢ /1,000 gals)

<u>Two-Tier</u>	<u>Option</u>	<u>Election</u>
FY2016 Proposed	\$13.48/ac ft (4.1¢ /1,000 gals)	\$26.96/ac ft (8.3¢ /1,000 gals)
FY2015 Current	\$13.42/ac ft (4.1¢ /1,000 gals)	\$26.85/ac ft (8.2¢ /1,000 gals)



Watermaster Cost Summary

- **TCEQ Budget = \$801,000**
- **TCEQ Billings = \$942,883 (85% Collection Rate)**
- **FY 2016 Estimated BRA Cost = \$410,000**
- **FY 2016 Cost Funded from BRA Reserves, No Impact on FY 2016 System Rate**
- **FY 2017 Billings in Arrears**
- **Certain Categories of Contracts, other than System Rate Contracts, May be Effected**



Questions and Answers



Brazos
River
Authority