



Quarterly Board Actions October 26, 2009

The Brazos River Authority's Board of Directors held their quarterly meeting Monday, October 26, 2009. The following actions were taken.

APPROVAL OF RETIREMENT FUND INVESTMENT POLICY

The Brazos River Authority's Retirement Committee passed a resolution adopting the Investment Policy of the Retirement Plan for Authority employees. The action updates a plan that was adopted in January 1996 and amended once in 2001.

EXTEND BANKING SERVICES CONTRACT FOR TWO YEARS

The Board authorized the General Manager/CEO to extend the banking services contract with Wells Fargo for two years based on the rates submitted in the organization's proposal and containing such terms and conditions as the General Manager/CEO determines to be in the best interest of the Authority.

SURPLUS PERSONAL PROPERTY

The Board gave the General Manager/CEO the authorization to dispose of surplus personal property, including computer equipment ranging from fax machines to laptop computers, under terms and conditions that are in the best interest of the Authority.

WATER CONTRACT LANGUAGE

The Board adopted new language for Authority water contracts for agricultural use. The updated wording allows the Authority to cease issuing supplemental letter agreements.

DETERMINATION OF INTERRUPTIBLE WATER AVAILABLE FOR 2010

The Board determined that 112,747 acre-feet of interruptible water will be made available for sale in calendar year 2010. The Board also authorized the General Manager/CEO to enter into interruptible water availability agreements at the current system rate per acre-foot.

WATER CONSERVATION PLAN FOR IRRIGATION USE

The Board adopted the Brazos River Authority Water Conservation Plan for Irrigation Use in conformance with requirements of the Texas Commission on Environmental Quality (TCEQ). The Board also directed the General Manager/CEO to submit the adopted plan to TCEQ for approval and to incorporate provisions into all water sales contracts that require water buyers to implement a water conservation program in accordance with the Authority plan.

HOUSTON WILDERNESS MEMORANDUM OF UNDERSTANDING

The Board authorized the General Manager/CEO to enter into a memorandum of understanding with Houston Wilderness. The memorandum will allow the Authority to

share information and cooperate on common goals, such as environmental education and responsible stewardship of natural resources.

AUTHORIZE TEMPLATE OF FINANCIAL TERMS FOR WATER AND WASTEWATER OPERATIONS CONTRACTS

The Board authorized the General Manager/CEO to incorporate the following schedule of charges into contracts for the operation and maintenance of water treatment and wastewater treatment facilities by the Authority:

Management fee -- 5 percent of annual operations and maintenance expenses, capital outlay and repairs and replacements and an amount equal to a half-percent of the annual debt service requirement, when applicable.

Interest on past due payment – All amounts due and owing the Authority, if not paid when due, shall bear interest at the lesser of the highest rate allowed by applicable law or 18 percent per year from the date when due until paid.

ALLIANCE CONTRACTS

The Board authorized the General Manager/CEO to negotiate and enter into any agreements necessary to dissolve wastewater agreements with the Lower Colorado River Authority (LCRA/BRA Alliance) for the Brushy Creek Regional Sewerage System and city of Hutto.

The Board also authorized the General Manager/CEO to negotiate and contract with the customers of the facilities formerly known as LCRA/BRA Alliance wastewater facilities for the continued operations of those facilities by the Authority.

AMENDMENTS TO THE PERSONNEL POLICIES MANUAL

The Board approved changes to the Authority's human resources policies, to be effective November 1. The amended policies cover information security and use of Authority and personal communication devices and audio or video recording devices.

CLARIFICATION OF POSSUM KINGDOM RESIDENTIAL LEASE RATE METHODOLOGY

The Board adopted the following clarification to the residential lease rate methodology adopted at the July 27, 2009 Board meeting for Possum Kingdom residential leases:

For leases entered into, renewed or subject to rental rate adjustments on or after January 1, 2010, but on or before December 31, 2012, the annual rate shall be the greater of (i) 1 percent of the then current assessed value, or (ii) the most recent rental rate paid prior to the date such lease was renewed or the rate was adjusted, if applicable; provided, however, such annual rate shall not be less than \$667. The remainder of the residential lease rate methodology as adopted on July 27, 2009, shall remain in place and not be affected by this resolution.

ELECTION OF BOARD OFFICERS

The Board, pursuant to the authority granted by Article 4 of the Authority bylaws, elected Salvatore A. Zaccagnino of Caldwell to serve as Assistant Presiding Officer and Robert M. Christian of Jewett to serve as Secretary. The officers shall serve for two years or until a successor is selected.