



Amendments to the Bylaws and the Operations Policies Manual

***Presented by
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Proposed Revisions to BRA Bylaws

1. **New Section 6.06:** Update Bylaws by adding the following new Section 6.06
Content of Budgetary Meeting Notices:

Notices of any meeting of the Board of Directors, or of any Committee of the Board of Directors, that includes discussions or potential adoption of a budget for the Brazos River Authority shall include a physical copy of the proposed budget, unless the Brazos River Authority has made the proposed budget clearly accessible on the home page of the Brazos River Authority's website.

2. **Section 6.07. Posting of Meeting Notices:** Update this section (formally Section 6.06) by changing the posting period for meeting notices from 72 hours to three business days.



Proposed Revisions to Operations Policies Manual

1. **Section 2.18 Severance Pay:** Added a new provision that limits severance pay agreements for employees and contractors in accordance with the new statute and requires posting of any severance pay agreements on the BRA website.
2. **Section 2.19 Publishing Notice:** Added a new provision that provides for default posting requirements for publishing notices required by law when the law does not specify the requirements for such posting.
3. **Section 2.20 Designation of Private Spaces:** Added a new provision based upon a new statute requiring governmental entities to designate each multiple-occupancy private space for use only by individuals of one sex.
4. **Section 3.1 Procurement, Generally – Historically Underutilized Businesses:** Update this provision to provide that BRA must comply with the provisions and intent of Texas Government Code Chapter 2161 relative to contracting with underutilized businesses and providing equal employment opportunities.



5. **Section 3.1 Procurement, Generally – Prohibition on Contracts with Companies Boycotting Certain Entities:** Add to this provision the statutory prohibitions relating to contracting with companies headquartered in or owned by citizens/companies of China, Iran, North Korea, Russia or other countries designated as a threat to critical infrastructure.
6. **Section 3.2 Procurement and Requirements of Professional Services:** Updated the Limitation on Indemnification of the Brazos River Authority by Engineer or Architect to include land surveying.
7. **Section 3.3 Procurement and Requirements of Construction Contracts:** Updated this policy by opting to allow Government Code Chapter 2269 to supersede and replace use of Water Code Chapter 49 for procurement of construction contracts for public works projects.
8. **Section 3.7 High Technology Procurement and Requirements:** Changed the monetary threshold for when the BRA must advertise the letting of a contract from \$25,000 to \$100,000. Changed the monetary range for when the BRA must contact at least two historically underutilized businesses from \$3,000-\$50,000 to \$3,000-\$100,000.



9. **Section 5.3 Open Records:** Added new provision requiring BRA to notify the Office of the Attorney General by October 1st of each year with our current mailing and electronic address where open records requests can be received.
10. **Section 5.5 Employee Cybersecurity and Artificial Intelligence Training:** Updated this policy to include artificial intelligence training as required by statute.
11. **Section 5.6 Artificial Intelligence and Security Incident Reporting:** Updated this policy to include a prohibition on language in a contract that restricts the BRA's compliance with Department of Information Resources security incident reporting requirements. Added a provision that sets forth the statutory requirements in relation to BRA developing and deploying an artificial intelligence system.
12. **Miscellaneous:** Miscellaneous policy title changes in order to more accurately reflect the content of the policy.



Proposed Revisions to Financial Policies

1. Section 4.1 Budget:

- a. Deleted redundant language in policy purpose statement.
- b. Generally: Clarified that the Annual Operating Plan (AOP) includes two separate budget components, the Annual Operations & Maintenance Budget and the Annual Capital Improvement Plan Budget and defined each.
- c. Added language that the budget will be prepared on the full accrual basis and defines this basis.
- d. Added language that the GM/CEO shall not recommend and the Board shall not adopt an AOP that is not balanced, in other words, where current revenues do not cover current expenses.
- e. Added language that the GM/CEO may amend a Capital Improvement Plan (CIP) project budget only to address timing issues and only if the funds were previously approved by the Board of Directors and the amendment does not increase the total budget for the project as approved by the Board of Directors and stipulates that all other amendments to CIP budgets must be approved by the Board of Directors.



2. Section 4.7 Debt:

- a. Added language to indicate that the BRA will utilize uncommitted reserves for funding capital improvements whenever financially sound.
- b. Clarified that the GM/CEO is authorized to approve “statements”, not resolutions, expressing official intent to reimburse costs of projects from debt financing.
- c. Added language that the BRA will not issue debt to finance current operations and maintenance costs.
- d. Added language that the services of an independent financial advisor will be used for advice on structuring new debt, financial analysis of various options, rating review process, preparation of documents, marketing of debt, identifying refunding opportunities, and any other services as needed.
- e. Added language that an independent bond counsel will be used for legal and procedural advice on all debt issues.



- f. Added language that BRA will generally issue bonds with a thirty-year maturity period on a fixed rate basis, but that variations to these guidelines would be considered if they provide a favorable financial outcome.
- g. Added language that when eligible, the BRA may seek funding through the Texas Water Development Board if it is economically advantageous.
- h. Replaced the term “Debt Reserves” with “Reserves” to encompass all types of borrowing instruments that might require reserves to be established.
- i. Added language that bond proceeds will be invested in accordance with the Public Funds Investment Act and managed to minimize negative arbitrage and adhere to the spend-down provisions of the Internal Revenue Code to the extent possible.
- j. Added language that periodic arbitrage calculations will be performed by an external firm and, when necessary, reports will be timely filed along with any arbitrage rebate payments.
- k. Clarified that the debt service coverage ratios will only apply to debt that is subject to coverage.



3. Section 4.8 Asset Management Policy

- a. Defines an Asset for use with this policy and notes BRA's responsibility to act as a good steward of these assets. Specifies that BRA will use a risk-base approach to asset management, which is a strategy that prioritizes and allocates resources to assets based on the level of risk they pose due to age, condition and other factors.
- b. BRA will acquire and dispose of assets in accordance with all applicable laws and BRA's adopted Purchasing Procedure and Asset Management Procedure and account for them using Generally Accepted Accounting Principles. Assets will be properly insured, maintained and safeguarded. Databases will be maintained to track pertinent asset data



“BE IT RESOLVED by the Board of Directors of the Brazos River Authority that the revisions to the Bylaws and to the Operations Policies Manual of the Brazos River Authority be accepted as presented at its November 17, 2025 meeting, to be effective November 17, 2025.”



Brazos River Authority



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