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**PRESS STATEMENT
BRA RECEIVES AG OPINION ON DISCOUNTED LEASE RATES**

On Friday, January 25, the Brazos River Authority received an opinion from the Texas Attorney General's office regarding the potential of providing a lease rate discount or freeze for Possum Kingdom Lake lessees who are homesteaded and over the age of 65. The opinion was requested by the BRA Board after receiving advice from outside counsel that the granting of rate discounts or freezes possibly violates the constitution.

Prior to the constitutional question being raised, the Board had previously granted a 10 percent discount for lessees who are 65 or over and made their homestead at PK. The Board was also in the process of considering granting greater discounts or possibly a rate freeze for these individuals. Upon receiving outside counsel's advice, the Board opted to terminate the 10 percent discount and requested clarification from the Attorney General on the constitutionality of granting a discount or freeze.

In the opinion dated January 24, 2008, the Attorney General indicates that granting a discounted lease rate or freeze is not a constitutional violation **IF** it meets all of the following requirements:

1. the lease terms have as their predominant purpose the accomplishment of a public, rather than private, purpose of the BRA;
2. the BRA retains sufficient control to ensure accomplishment of the public purpose and to protect the public's investment; and
3. the public receives a return benefit.

A front page article in the [Lake Country Sun](#) newspaper recently provided an interpretation of the Attorney General's opinion. The headline of the story announced "AG SAYS OK TO DISCOUNTS." The article quotes portions of the opinion listing the three points of the public purpose test. However,

the article did not address the *ability to meet the requirement* of the public purpose test. Unfortunately, the result is a headline that is grossly misleading and not representative of the information presented in the article.

“The Board had indicated a desire to provide a discount or freeze to lessees over the age of 65 that hold homesteads,” said Matt Phillips, manager of Government & Customer Relations for the Brazos River Authority. As a result, the Board halted granting discounts and requested the AG opinion, hoping for some wiggle room on this issue.”

“In studying the three points of the test,” Phillips added, “the BRA Board and our outside legal counsel have determined that since a lease rate discount or freeze confers a benefit on *private individuals* and does not have as its predominant purpose the accomplishment of a public purpose of the BRA, a lease rate discount or freeze **does not** pass the public purpose test required by the Texas Constitution.”

Though the BRA Board had every intention of providing the homesteaded lessees over age 65 with a discount or freeze in lease rates, doing so is no longer prudent. Despite the opinion of the Lake Country Sun newspaper, the Attorney General’s opinion stressing the ability to meet the requirements of the public purpose test is consistent with the Board’s decision to eliminate the discount.

About the Brazos River Authority

The Brazos River Authority, with headquarters in Waco, is the oldest river authority in Texas. Created by the Texas Legislature in 1929, the Authority’s 42,000 square-mile territory includes all or part of 70 counties; extending from the Texas-New Mexico border west of Lubbock to the Gulf of Mexico near Freeport.

The Authority built, owns, and operates three reservoirs (Lakes Possum Kingdom, Granbury, and Limestone). In addition to these water supply reservoirs, the Authority contracts with the Corps of Engineers for the water supply storage space at eight federal multi-purpose flood control and water conservation reservoirs (Lakes Whitney, Belton, Proctor, Somerville, Stillhouse Hollow, Granger, Georgetown and Aquilla).

The Brazos River Authority owns and operates a regional wastewater system for the cities of Temple-Belton. The Authority also operates wastewater treatment plants for the cities of Georgetown, Dime Box, Clute-Richwood and Sugar Land. Through an alliance with the Lower Colorado River Authority, the Brazos River Authority operates wastewater treatment plants at Brushy Creek Regional Wastewater System in Round Rock, the city of Hutto and the city of Liberty Hill.

The Authority owns and operates water treatment systems at Lake Granbury (which supplies potable water to wholesale customers in Hood and Johnson Counties), and the City of Taylor. The Authority also operates a potable water treatment plant for the City of Dime Box. A water treatment plant for the City of Leander is operated by the Brazos River Authority through an alliance with the Lower Colorado River Authority.

The Authority also engages in water quality monitoring activities throughout the Brazos River basin. As a member of the Texas Clean River Program, the Authority samples and tests water from 157 locations throughout the basin on either a monthly or quarterly basis.

For further information on the Brazos River Authority, please contact Judi Pierce, Public Information Officer at 254-761-3103.

