



Quarterly Board Actions Jan. 25, 2010

The Brazos River Authority's Board of Directors held their quarterly meeting Monday, Jan. 25, 2010. The following actions were taken.

SELECTION OF UNDERWRITING TEAM

The Board of Directors authorized the General Manager/CEO to appoint an underwriting team of Cabrera Capital Markets, Citigroup Global Markets, Fidelity Investments, First Southwest Company, Morgan Keegan and Company, Raymond James, and Stephens Incorporated. The Board also authorized the General Manager/CEO to select members of the underwriting team on a rotating basis based on required expertise for each bond sale. Selection of the underwriting team is effective immediately and will remain in effect for five calendar years beginning Feb. 1, 2010.

ADOPTION OF FISCAL YEAR 2010 INTERNAL AUDIT PLAN

The Board adopted the FY 2010 Internal Audit Plan as presented to the Administration and Audit Committee. The Authority's Internal Audit Charter requires that each year's Plan be adopted by the Board.

ADOPTION OF FISCAL YEAR 2009 COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

The Board accepted the Authority's CAFR for FY 2009 and approved its filing with the Texas Commission on Environmental Quality (TCEQ). The chief financial officer is designated to file the report and the annual filing of the affidavit with the TCEQ executive director.

APPROVAL OF BRAZOS RIVER AUTHORITY INVESTMENT POLICY

The Board reviewed and adopted the Authority Investment Policy, including the Investment Strategy Statement, Approved Broker/Dealer List, and Approved Training Sources as presented to the Board.

POSSUM KINGDOM LAKE PROPERTY DIVESTITURE

The Board directed staff to include as part of the sale to Patterson PK Land Partnership Ltd. all undeveloped strips of property located between a surveyed block and a road, and available land adjacent to roads needed for county right-of-ways. These areas will be subject to the terms defined in House Bill 3031 and the Authority's contract for sale with Patterson. Property within the Federal Energy Regulatory Commission project area is excluded from transfer.

WILLIAMSON COUNTRY RAW WATER LINE PROJECT

The Board authorized the General Manager/CEO to execute a contract change with the engineering firm of Freese and Nichols Inc.'s for services related to the Williamson County Raw Water Line Project for a total not to exceed \$137,015.

COSTELLO ISLAND LEASE

The Board authorized the General Manager/CEO to enter into a residential lease agreement with Costello Island, Inc. The new lease provides the organization the right to lease up to 10 cottage sights for single-family residential use and is contingent upon updates to bring on-site sewerage facilities within state and local regulations.

The Board also authorized the General Manager/CEO to enter into a non-residential lease agreement with Costello Island Inc. to include areas currently occupied by an air strip, boat landing, and barn/grazing area. The lease is subject to FERC approval with Costello Island, Inc being responsible for all costs associated with FERC approval and requirements. The lease will run concurrent with the residential lease for a period of 20 years with one 10-year extension and is terminable by the Authority upon 365-day written notice.

Approval to enter such lease agreements is subject to termination of Costello Island, Inc current leases that extend to 2012. The leases are also subject to the sale option offer presented by Patterson PK Land Partnership, Inc at the Board's Jan. 25 meeting.

TWDB APPLICATION FOR TEXAS ENVIRONMENTAL INFRASTRUCTURE PROGRAM FUNDING

The Board adopted a resolution supporting construction of a saltwater barrier on the Brazos River near the Gulf of Mexico. The resolution included the approval to file a Statement of Interest with the Texas Water Development Board (TWDB) for federal funding through the Texas Environmental Infrastructure Program (TEIP) for a project feasibility study.

The Board also agreed to provide a 25 percent, non-federal cost share to match any funding obtained through TEIP in the form of cash and/or in-kind services directly from the Authority or project stakeholders.

AMENDMENTS TO WATER CONTRACT DEFINITIONS

The Board redefined the terms "Industrial Use" and "Municipal Use" in Authority water contracts to be consistent with TCEQ and Texas Administrative Code definitions and the Authority's water permits.

TRANSFER OF U.S. ENVIRONMENTAL PROTECTION AGENCY GRANT FUNDS TO THE RICHMOND-ROSENBERG LOCAL GOVERNMENT CORPORATION

The Board approved the transfer and release of funding from U.S. Environmental Protection Agency Grant numbers XP-97690601, XP-96644401, and XP-96644501 to the Richmond-Rosenberg Local Government Corporation. The agreement will be executed prior to the funds transfer and will release the Authority of all responsibilities from the grants.

IMPLEMENTATION OF SELECT PORTIONS OF THE LAKE GRANBURY WATERSHED PROTECTION PLAN

The Board authorized the General Manager/CEO to enter into a grant agreement with the TCEQ to implement select portions of the Lake Granbury Watershed Protection Plan. The total amount of the grant is \$828,345. The Authority's portion will be about 40 percent of this amount and will be executed through in-kind services.