



Quarterly Board Actions January 30, 2012

The Brazos River Authority's Board of Directors held their quarterly meeting Monday, January 30, 2012. The board took the following actions:

EXECUTIVE SESSION 1B, GRAHAM SALT CREEK PROJECT

The Board of Directors authorized the General Manager/CEO to notify the U.S. Army Corps of Engineers that the Brazos River Authority wishes to finish the Salt Creek Project in Graham as quickly and prudently as possible. The Board also authorized the General Manager to enter any contracts needed within the Fiscal Year 2012 Capital Projects Budget to complete the project.

EXECUTIVE SESSION 1C, SYSTEM OPERATION PERMIT

The Board authorized the General Manager/CEO to use \$450,000 from the FY 2012 Capital Projects Budget to cover costs to accelerate the Water Management Plan recommended by the Texas Commission on Environmental Quality (TCEQ).

REDEMPTION AND OTHER MATTERS RELATED TO BRAZOS RIVER AUTHORITY LAKE GRANBURY SURFACE WATER AND TREATMENT SYSTEM REVENUE

The Board authorized the General Manager/CEO to redeem all outstanding bonds that had been used to finance construction projects at the Lake Granbury Surface Water and Treatment System. The bond redemption is required in order to transfer the SWATS facility from the Authority to the SWATS Participants.

LONG-TERM SUPPORT FOR ENVIRONMENTAL FLOW INITIATIVES RELATED TO DEVELOPMENT OF WATER MANAGEMENT PLAN

The Board authorized the General Manager/CEO to enter into a contract to conduct an environmental water flow study needed to develop a Water Management Plan. The cost of the five-year project which was previously budgeted is for an amount not to exceed \$1,005,000.

FEDERAL ENERGY REGULATORY COMMISSION UPDATE

The Board authorized the General Manager/CEO to combine the budgets of two FY 2012 projects at Possum Kingdom Lake's hydroelectric plant. The PK Powerhouse Window Replacement Capital Project and the PK Hydro Decommissioning Capital Project are combined into the PK Hydro Decommissioning project. The Board authorized the General Manager/CEO to execute any needed contracts to complete the decommissioning within a budget of \$9,103,816.

ON-WATER FACILITY AND RESIDENTIAL PERMITTING REQUIREMENTS IN THE VICINITY OF HORSESHOE BEND AND PECAN PLANTATION AT LAKE GRANBURY

The Board directed the General Manager/CEO to end Authority on-water facility and residential water permit administration at Lake Granbury downstream from the dam and upstream from the lake's upper boundary on the Brazos River.

FISCAL YEAR 2011 COMPREHENSIVE ANNUAL FINANCIAL REPORT

The Board accepted the Authority's Comprehensive Annual Financial Report for FY 2011 and approved its filing with the TCEQ.

APPROVAL OF THE BRAZOS RIVER AUTHORITY INVESTMENT POLICY

The Board adopted the Authority's Investment Policy, including the Investment Strategy Statement, Approved Broker/Dealer List and Approved Training Sources.

SURPLUS PERSONAL PROPERTY

The Board authorized the General Manager/CEO to dispose of surplus personal property, ranging from vehicles to equipment, under terms and conditions that are in the best interest of the Authority.

RATIFICATION OF RETIREMENT COMMITTEE MEMBERSHIP

The Board approved Presiding Officer Dave Scott's appointments to the Retirement committee, including Peter Bennis, Chairman; LeRoy Bell, Vice Chairman; Bob Christian; Bill Rankin; David Collinsworth; Jim Forté and Matt Wheelis.

RESOLUTION AUTHORIZING THE REPAYMENT OF CAPITAL DEBT FOR WATER SUPPLY STORAGE AT AQUILLA LAKE

The Board authorized the General Manager/CEO to prepay debt to the U.S. Army Corps of Engineers for investments to store water at Aquilla Lake. The repayment of the \$8,956,251 principal balance (plus accrued interest) will save the Authority an estimated \$8.8 million in future interest costs.

RESOLUTION CALLING BONDS FOR REDEMPTIONS AND OTHER MATTERS RELATING TO THE BRAZOS RIVER AUTHORITY WATER SUPPLY SYSTEM REVENUE REFUNDING AND IMPROVEMENT BONDS

The Board authorized the General Manager/CEO to redeem \$11,145,000 of Authority Water Supply System Revenue Bonds. Prepaying these bonds will save the Authority an estimated \$5.1 million in future interest costs.

REPAIR AND REPLACEMENT FUND

The Board approved a Repair and Replacement Reserve Fund balance of \$5 million for five years, beginning with FY 2012.

OPERATIONS AGREEMENT WITH THE CITY OF LEANDER

The Board ratified the Interim Operation Agreement for the Sandy Creek Water Treatment Plant, dated Dec. 9, 2011.

GRANGER LAKE INTAKE PIPELINE CONSTRUCTION CONTRACT

The Board authorized the General Manager/CEO to negotiate and enter into a contract to build the Granger Lake Intake Pipeline for \$3,524,940.50. The Board also authorized the General Manager/CEO to execute change orders of no more than 10 percent ten percent or \$352,494 for a contingency fund for the contract.

GRANGER LAKE WATER SUPPLY MAINTENANCE CONTRACT

The Board Authorized the General Manager/CEO to enter an agreement with a firm for engineering design and construction oversight services and a firm for construction services if it becomes necessary to dredge or construct a temporary pipeline to maintain water supply at the existing East Williamson County Regional Water System intake at Granger Lake. In line with this possible requirement, the Board also authorized the General Manager/CEO to amend the FY 2012 Capital Projects Budget to establish a Lake Granger Water Supply Maintenance Project for \$2 million with funds from the current Lake Granger Intake Project.

AUTHORIZATION OF AN AMENDMENT TO THE BRAZOS RIVER AUTHORITY – JONAH WATER SPECIAL UTILITY DISTRICT WATER SYSTEM FACILITIES INSTALLMENT SALE CONTRACT AND AUTHORIZATION OF THE ISSUANCE OF BRAZOS RIVER AUTHORITY CONTRACT REVENUE BONDS, SERIES 2012 (JONAH WATER SPECIAL UTILITY DISTRICT WATER SUPPLY PROJECT) AND OTHER RELATED MATTERS

The Board authorized the Authority to take the needed steps to support the expansion of the water system of the Jonah Water System Special Utility District by issuing bonds to finance the project.