



Quarterly Board Actions October 27, 2008

The Brazos River Authority Board of Directors held their regular quarterly meeting Monday, October 27, 2008. The following actions were taken:

SUPPORT FOR THE TEXAS RADIO COALITION

A resolution was passed in support of the Texas Radio Coalition. The resolution outlines the Authority's support and cooperative effort in planning and developing a statewide wireless interoperable communication system.

POLICY AMENDMENTS TO PERSONNEL POLICIES MANUAL

The Board approved amendments to the Authority's Personnel Policies Manual. The amendments approved include additions, deletions and verbiage changes to issues ranging from the new employee orientation program to donating time to the sick leave pool.

INTERNAL AUDIT PLAN FOR FY2009

The FY2009 Internal Audit Plan was approved by the Board of Directors.

INVESTMENT ADVISOR CONTRACT

The Board passed a resolution authorizing the General Manager/CEO the authority to negotiate a two-year contract with Valley View Consulting, L.L.C. for investment advisory services. Valley View Consulting, L.L.C. was selected through the request for proposal (RFP) process by the members of the Board's Administration and Audit Committee.

TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PLAN PROVISIONS

The Board accepted the Retirement Committee's recommendation to adopt the Texas County and District Retirement System's (TCDRS) plan provisions for the 2009 plan year. These provisions include keeping the current benefits levels the same for both non-retirees and retirees in 2009, as well as decreasing the employer contribution rate to 7.97 percent.

PUBLIC HEARING OFFICER APPOINTMENT

The Board passed a resolution designating the Authority's chief financial officer as public hearing officer in compliance with the Internal Revenue Code of 1986, Section 147(f) f. The chief financial officer will conduct public hearings in matters related to bonding issues on behalf of the Authority.

LAKE GRANBURY DAM IMPROVEMENTS FOR PRIVATE ACTIVITY BONDS

The Board approved the issuance and sale of bonds to fund the Lake Granbury Dam Improvements project. The debt issuance is schedule to be completed by January 2009.

AMENDMENT TO POLLUTION CONTROL REVENUE BONDS

The Board approved amendments to the issuance of pollution control bonds issued for Texas Competitive Electric Holdings, LLC. The amended indentures allow the issuing company additional flexibility in remarketing its bonds.

POSSUM KINGDOM BID DOCUMENT

The Board directed staff to issue a request for bids (RFB) for the sale of Brazos River Authority property at Possum Kingdom Lake. Among several provisions, the RFB includes property which is subject to a residential lease, save and except that portion of the leased premises that is located within FERC property boundary or a commercial lease where the leased premises is wholly located outside the FERC project boundary.

COMMERCIAL LEASE RATE ADJUSTMENT

The Board approved a 25 percent rate increase for all commercial lease operations eligible for an adjustment, extension or renewal under the terms of their existing agreement. This increase will be effective for the calendar year 2009 invoicing.

MAVERICK RESORT DEVELOPMENT AT POSSUM KINGDOM LAKE

The Board authorized the General Manager/CEO to enter into an agreement with Equilibrium Resorts for the creation of a public recreation area (PRA) on Authority land. Upon approval of FERC, the PRA will be built, operated and maintained by Equilibrium Resorts under the ownership of the Authority. Lessees adjacent to the development will have free access to the PRA.

ON-WATER FACILITY AND RESIDENTIAL WATER USE AGREEMENTS FOR BRAZOS RIVER AUTHORITY LAKES

The new Permit and Agreement for On-Water Facility form and Permit and the Agreement for Residential Water Use form were formally adopted by the Board. The new forms have an agreement format, which addresses issues such as lien holders and late fees. In addition, the forms require a one-time, non-refundable application fee of \$75 for on-water facility permits and \$25 for water permits. The fees will cover administrative expenses associated with approving, inspecting and processing applications for new permits, modifications to an existing facility or transfer of ownership.

ON-SITE SEWAGE FACILITY LICENSE APPLICATION FEE

The Board adopted a new application fee of \$335 for the On-Site Sewage Facility License. The fee, effective immediately, will cover the cost of time, fuel and equipment needed for each application.

GRANT AND OTHER PROJECT FUNDING BUDGET AMENDMENT

The Board authorized the General Manager/CEO to amend the Annual Operating Plan to accept project grants and other project funding awards in a timely manner.

GRANGER LAKE INTAKE

The Board authorized the General Manager/CEO to negotiate and execute a contract with Freese and Nichols for engineering and construction services for the Granger Lake intake and pipeline project.

DETERMINATION OF INTERRUPTIBLE WATER AVAILABLE FOR 2009

The Board authorized the General Manager/CEO to enter into contracts for Interruptible Water up to a limit of 128,977 acre-feet for the 2009 calendar year. The price for

agricultural use is \$39.75 per acre-foot and \$57 per acre-foot for all other uses. The limit of 128,977 acre-feet takes into consideration the uncertainty of potential drought conditions in 2009.

CONTRACT WITH TEXAS WATER DEVELOPMENT BOARD FOR PHASE II OF THE 2011 BRAZOS G REGIONAL WATER PLAN

The Board of Directors authorized the General Manager/CEO to execute an agreement with the Texas Water Development Board for Phase II of the 2011 Brazos G Regional Water Plan. In order to develop Phase II of the plan, the Board also gave authorization to execute an agreement with HDR Engineering on behalf of the Brazos G Regional Water Planning Group.