



Quarterly Board Actions April 28, 2008

The Brazos River Authority's Board of Directors held their quarterly meeting on April 28, 2008. The following actions were taken:

Retirement Committee Membership

The Board of Directors approved Presiding Officer DeCluitt's appointment of the following individuals to serve as members of the Retirement Committee: Truman Blum, Chair; Jean Killgore, Vice Chair; Peter Bennis; Jacqueline Chaumette; Scott Smith; David Collinsworth; Jim Forté; and Matt Wheelis.

Resolution Amending Investment Policy

The Board of Directors adopted the BRA's Policy on Investments and Fiscal Management which was presented to the Board on April 28, 2008. The amendment extends the maximum stated maturity of Certificates of Deposits from six months to 12 months, providing additional investment flexibility.

Authorization of Issuance Revenue Bonds

(Jonah Water Special Utility District Water Distribution System)

The Board of Directors re-authorized debt issuance to the Jonah Water Special Utility District for its water supply project. In November 2006, the Board authorized BRA's General Manager/CEO to issue bonds, on behalf of the District, to assist with its four-phase upgrade project. This authorization was for one year. Since this authorization has since expired, the Board re-authorized issuance of the balance of the bonds for the final two phases of the project, which will help meet the immediate needs and future needs of the District's customers.

Authorization of the Execution and Delivery of Amendments to Previously Issued Pollution Control Revenue Bonds for the Benefit of Texas Competitive Electric Holdings Company LLC

The Board of Directors authorized amendments to trust indentures of previously issued TXU pollution control revenue bonds for the benefit of Texas Competitive Electric Holdings Company LLC (TCEH). The amendments provide for change-of-control provisions, and restrict TCEH to disburse funds, incur debt and dispose of assets.

Surplus of Personal Property

The Board of Directors authorized the disposal of surplus personal property, ranging from vehicles to office equipment, under the terms and conditions that are in the best interest of the BRA. The BRA will utilize a Waco-based auction company for disposal of the property.

Possum Kingdom Divestiture

The Board of Directors authorized staff to further investigate alternative forms of divestiture. Staff was directed to draft a request for public bids for sale of all BRA land holdings at Possum Kingdom Lake to exclude those lands lying within the Federal Energy Regulatory Commission's (FERC) boundaries and the areas necessary for continued operation of services at the lake.

Possum Kingdom Airport

Beginning in September 2008, construction is set to begin at the PK airport, closing it for approximately five months. The Authority's General Manager/CEO was given the authorization to credit the accounts of PK airport hangar leases and annual airport parking permit fees for those five months, or as applicable depending on actual downtime, of inactivity.

Lake Granbury Canal Engineering Study

The Board directed the General Manager/CEO to initiate Phase III of the Brown and Gay Engineers, Inc. contract for the Lake Granbury Engineering Study. Phase III of the Canal Engineering Study includes the development of the final guidance documents for future canal development and land management for Lake Granbury.

DeCordova Bend Dam Gate Protective Coating Project

The General Manager/CEO was authorized to enter into a contract to complete the DeCordova Bend Dam Gate Protective Coating upon the completion of the evaluation of bids.

Lake Aquilla Pool Reallocation Feasibility Study Phase II

The Board of Directors authorized the General Manager/CEO to proceed with Phase II of the Brazos River Basin Systems Assessment Interim Feasibility Study. Phase II, which will begin in 2008 and continue through 2011, is a detailed study of storage reallocation at Lake Aquilla.

SWATS Oil and Gas Lease Amendments

The Authority's General Manager/CEO was given authorization by the Board to amend the pooling provision of the Oil and Gas Lease with Marshal R. Young Oil Company. If SWATS customers agree with the amendment, the property will be able to be placed in a larger pool.

Requesting Financial Assistance from the Texas Water Development Board; Authorizing the Filing of an Application for Financial Assistance; and Making Certain Findings in Connection Therewith

The Board of Directors approved the filing of an application by the General Manager/CEO with the Texas Water Development Board (TWDB). The application requests financial assistance from the TWDB in the amount of \$22 million for the cost of the Lake Granger Regional Intake Project.

Lower Brazos River Salinity Monitoring

To assist the TWDB with their study of saltwater intrusion in the lower Brazos River, the BRA Board authorized the General Manager/CEO to negotiate and enter into an Interlocal Agreement with the TWDB for providing salinity monitoring of the lower Brazos River. TWDB will reimburse the BRA 100 percent of the costs of the monitoring project.

Stillhouse Hollow Wetlands Mitigation Project – Water Donation

Due to the expansion of the Brown's Creek Training Range near Lake Belton, the U.S. Army Corps of Engineer (COE) is implementing a wetlands mitigation project at Stillhouse Hollow Reservoir. The Board of Directors authorized the General Manager/CEO to enter into an agreement with the COE for the BRA to donate 10 AF of water annually for the COE's project.

Little Brazos River Bacteria Assessment Staff Addition

In order to complete the Little Brazos River Bacteria Assessment, the Board approved the employment of two additional Water Quality Field Technicians. Costs for the hiring of the two technicians will be reimbursed through the grant received by the Texas State Soil and Water Conservation Board for the LBR Bacteria Assessment.

Brazos River Authority Bylaws and Operations Policies Update

During Texas's 80th Legislative Session, the Legislature passed HB 3167, which relocated BRA's enabling legislation from Chapter 221, Water Code to Chapter 8502, Special District Local Law Code. Therefore, as a matter of record keeping, the staff was directed to have any reference in the BRA Bylaws and Operations Policies to Chapter 221, Water Code replaced with Chapter 8502, Special District Local Law Codes.

Amendment of Operation Policy Manual on Directors Travel

The Board of Directors adopted the resolution to amend BRA's current policy regarding air travel reimbursement for Directors. The updated policy is modeled after the Texas Legislature's policy, which is governed by Government Code, Chapter 660, Subsection D, for appropriated state agencies. The updates include the reimbursement of board members for air travel at a rate set for key officials by the Legislature and the reimbursement for other key officials that travel with them in a personal or leased aircraft.

On-site Sewage Facility Program – Lake Limestone and Possum Kingdom Lake

The General Manager/CEO was authorized to submit to the Texas Commission on Environmental Quality for approval the necessary documentation for the BRA to amend the On-site Facility Orders for Lake Limestone and Possum Kingdom Lake, which were last updated in January 2000. To reduce the chances of water contamination, the updated On-Site Facility Orders will include more stringent requirements.

East Williamson County Regional Water System Expansion Project

The Board authorized an amendment to the East Williamson County Regional Water System Expansion Project.