Adoption of Fiscal Year 2017
Annual Operating Plan (Budget)

Presented by
David Thompson
Chief Financial Officer

Meeting Date: July 25, 2016
"BE IT RESOLVED by the Board of Directors of Brazos River Authority that the following Fiscal Year 2017 Annual Operating Plan be approved and adopted.

BE IT FURTHER RESOLVED that the General Manager/CEO is hereby authorized to make expenditures and enter into contracts for expenditures as listed in the Fiscal Year 2017 Annual Operating Plan and Multi-Year Capital Improvement Plan, in accordance with the Brazos River Authority’s General Operations Practices, Policy 2.01, Authority And Responsibilities Of The Board Of Directors And General Manager/Chief Executive Officer.
BE IT FURTHER RESOLVED that the General Manager/CEO is hereby authorized to make adjustments in the individual line item amounts of the Budget provided that the total amount expended shall not exceed the total amount authorized for each operating division as follows:

<table>
<thead>
<tr>
<th>Division</th>
<th>Operating Budget</th>
<th>Capital Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Supply</td>
<td>$ 39,420,385</td>
<td>$ 23,905,433</td>
</tr>
<tr>
<td>Cost Reimbursable</td>
<td>$ 17,453,419</td>
<td>0</td>
</tr>
<tr>
<td>Total Operating Budget</td>
<td>$ 56,873,804</td>
<td>$ 23,905,433</td>
</tr>
<tr>
<td>Total Capital Budget</td>
<td></td>
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</table>
BE IT FURTHER RESOLVED that the Board of Directors of the Brazos River Authority hereby adopts the Multi-Year Capital Improvement Plan as presented in the Fiscal Year 2017 Annual Operating Plan.

BE IT FURTHER RESOLVED that the Board of Directors of Brazos River Authority hereby approves and adopts a rate of $72.00 per acre-foot of water annually for Fiscal Year 2017, for both the System Water Rate and the Interruptible Water Rate.

BE IT FURTHER RESOLVED that the Board of Directors of Brazos River Authority hereby approves and adopts a rate of $50.40 per acre-foot of water annually for Fiscal Year 2017, for the Agricultural Water Rate.”

BE IT FURTHER RESOLVED that the Board of Directors of Brazos River Authority hereby approves and adopts a methodology for Quarterly Payments or Monthly Payments to include a multiplier to be applied to the annual payment to allow the Brazos River Authority to recover interest lost on any unpaid balance plus a Service Charge for administrative costs, including, but not limited to, costs involving the billing, accounting and collecting for the quarterly or monthly payments; and
BE IT FURTHER RESOLVED by the Board of Directors of the Brazos River Authority that the methodology used to determine the multiplier consists of applying the current savings rate the Brazos River Authority would be earning on the funds if paid in full annually, to the unpaid balance on a monthly or quarterly schedule, to determine lost interest; and that the Service Charge shall remain at twenty dollars ($20.00) per invoice to cover additional administrative costs for billing, accounting and collecting the associated payments; and

BE IT FURTHER RESOLVED that the Board of Directors of the Brazos River Authority hereby approves and adopts an annual interest rate of .51% and a daily interest rate charge of .0013973% (.51% ÷ 365) to be applied for quarterly and monthly payments for Fiscal Year 2017.”