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**BRA BOARD PASSES RESOLUTIONS FOR
LESSEE PROTECTIONS AT POSSUM KINGDOM LAKE**

Waco, Texas – May 20, 2008 -- The Brazos River Authority (BRA) Board of Directors today passed a resolution guaranteeing lease and purchase protections for leaseholders of BRA property at Possum Kingdom Lake (PK). The resolution was passed as a follow up to the Board's instruction to staff to investigate the potential of an all-inclusive sale of BRA property at the lake.

"We hope this resolution will reassure lessees that the BRA Board has listened to the concerns and is working to guarantee their stability at Possum Kingdom Lake should we decide to move forward with an all-inclusive sale," said Christopher DeCluitt, presiding officer for the Brazos River Authority. "The Board sincerely hopes to make any sale of leased land at PK an agreeable situation for all involved."

The resolution enumerated five specific protections for lessees to be included in any package offered for bid including:

1. A third-party purchaser must acknowledge and accept the terms and conditions of all existing leases on lands that are part of the sale,
2. the third-party purchaser must maintain the lease rate methodology adopted by the BRA Board in July of 2007 for eight (8) years. Rates may be based upon assessed rather than appraised values, at the option of the third party purchaser,
3. the third party purchaser must provide each lessee a period of eight (8) years to purchase their leasehold property from the third party purchaser, or its successor
4. the purchase price of any sale to the lessee will be for the value of the leased land only and will not include the value of improvements such as homes, docks and patios. The cost of the land purchase will be for no more than the fair market value of the unencumbered fee simple estate, and
5. the third-party purchaser will extend the term of any lease as necessary to allow each lessee the full eight-year (8) period of time to purchase their leased lot.

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In addition to the protections, the Board passed a resolution effective May 20, 2008 placing a temporary moratorium new leases including those requested for financing purposes. Leases that will expire this calendar year will be renewed for one-year extension agreements. All leases in process before May 20 will be completed and not subject to the lease moratorium.

In other business, the Board of Directors voted to:

- seek proposals from real estate firms to assist the Brazos River Authority in managing, marketing and evaluating bids for the sale of Brazos River Authority real property interests at Possum Kingdom Lake, and
- to negotiate and execute a contract for surveying services at Possum Kingdom Lake.

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About the Brazos River Authority

The Brazos River Authority, with headquarters in Waco, is the oldest river authority in Texas. Created by the Texas Legislature in 1929, the Authority's 42,000 square-mile territory includes all or part of 70 counties; extending from the Texas-New Mexico border west of Lubbock to the Gulf of Mexico near Freeport.

The Authority built, owns, and operates three reservoirs (Lakes Possum Kingdom, Granbury, and Limestone). In addition to these water supply reservoirs, the Authority contracts with the Corps of Engineers for the water supply storage space at eight federal multi-purpose flood control and water conservation reservoirs (Lakes Whitney, Belton, Proctor, Somerville, Stillhouse Hollow, Granger, Georgetown and Aquilla).

The Brazos River Authority owns and operates a regional wastewater system for the cities of Temple-Belton. The Authority also operates wastewater treatment plants for the cities of Georgetown, Dime Box, Clute-Richwood and Sugar Land. Through an alliance with the Lower Colorado River Authority, the Brazos River Authority operates wastewater treatment plants at Brushy Creek Regional Wastewater System in Round Rock, the city of Hutto and the city of Liberty Hill.

The Authority owns and operates water treatment systems at Lake Granbury (which supplies potable water to wholesale customers in Hood and Johnson Counties), and the City of Taylor. The Authority also operates a potable water treatment plant for the City of Dime Box. A water treatment plant for the City of Leander is operated by the Brazos River Authority through an alliance with the Lower Colorado River Authority.

The Authority also engages in water quality monitoring activities throughout the Brazos River basin. As a member of the Texas Clean River Program, the Authority samples and tests water from 157 locations throughout the basin on either a monthly or quarterly basis.

For further information on the Brazos River Authority, please contact Judi Pierce, Public Information Officer at 254-761-3103.