



News Release

Brazos River Authority

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THE BRAZOS RIVER AUTHORITY BOARD APPROVES LONGER LEASE TERMS AND RATE INCENTIVES FOR POSSUM KINGDOM LAKE LESSEES

May 22, 2006 – Waco, Texas -- The Brazos River Authority (BRA) Board of Directors voted today to approve a property management plan and lease rate methodology for cottage site leases at Possum Kingdom Lake. At a specially called meeting at the BRA's Central Offices in Waco, the Board of Directors approved the plan that provides for a gradual increase in lease rates over time while offering discounts to current lessees who choose to sign a new lease form.

Based on the results of studies conducted by the Staubach Company and the Tennessee Valley Authority (TVA), the staff recommended a methodology that will continue to be based on appraisal district values. The Board chose not to adopt an approach based on actual market values.

An increase to six percent of appraised values will be implemented in 5-year increments over a 20 year period. A new provision allows current lessees that choose to sign a newly revised lease form to take advantage of an attractive incentive program, and also offers a 30 – 50-year lease term, making bank financing easier to obtain.

“Our hope was to have a final vote on the management plan and lease rate methodology that is fair and equitable – we believe we have achieved those results,” said Steve Pena, BRA Board presiding officer. “The due diligence has lasted for several years and we believe the final product is a compromise that will balance the needs of the lessees with that of the Authority.”

The new lease rate methodology will be implemented beginning January 1, 2008 and will be based on 2007 appraisal district values. The Authority staff has been directed to begin work on recommendations for a discounted lease rate for those lessees' 65-years of age and older who are eligible for homestead rights on their leased site.

The Board also approved Boating Capacity Studies for Lakes Possum Kingdom and Granbury as well as a continued moratorium on cut-through canals at Lake Granbury. These measures were approved in keeping with the Board's continued efforts to protect the environment while preserving and enhancing the quality of available local water resources.

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 Brushy Creek Regional Wastewater System in Round Rock, and the cities of Hutto, Georgetown, Dime Box, Clute-Richwood and Sugar Land.

The Authority owns and operates water treatment systems at Lake Granbury (which supplies potable water to wholesale customers in Hood and Johnson Counties), the City of Taylor and the City of Dime Box. A potable water treatment plant located in Leander is owned jointly by the Lower Colorado River Authority and the Brazos River Authority. The Authority also engages in water quality monitoring activities throughout the Brazos River Basin.

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