



## Brazos River Authority



QUALITY • CONSERVATION • SERVICE

January 29, 2008

Texas Water Development Board  
1700 North Congress Ave.  
Austin, TX 78701  
Attention: David Carter  
Agency Contract Administrator

RE: Amendment No. One to Professional Services Contract amending Texas Water Development Board ("TWDB") Contract #0704830692 by and between the Brazos River Authority ("Authority") and HDR Engineering, Inc. ("HDR").

Dear Mr. Carter:

Please find enclosed for your review and approval an executed copy of Amendment No. One to Professional Services Contract ("Amendment") which amends the TWDB Contract #0704830692 entered into between the Authority and HDR on July 23, 2007.

This Amendment is in response to a request from Somervell County to increase steam electric water demands in the 2006 Brazos G Regional Water Plan ("2006 Plan"). The additional water supply requirements are based on needs expressed by Luminant Power for expansion of their Comanche Peak Steam Electric Station located in Somervell County.

As per the Amendment, HDR has been tasked with evaluating the impact of this request on the Brazos G water planning area and to prepare materials necessary to amend the 2006 Plan for consideration by the Brazos G Regional Water Planning Group. This Amendment does not involve TWDB funds, and the basic scope of work is unchanged. Luminant Power has agreed in a separate agreement with the Authority to cover all costs associated with the proposed amendment to the 2006 Plan.

If you require any additional information to evaluate and approve this amendment, you may contact me at (254)761-3168 or at [tbuzbee@brazos.org](mailto:tbuzbee@brazos.org).

Sincerely,

Trey Buzbee  
Brazos G Administrative Agent

cc: Scott Mack, Chair, Brazos G Regional Water Planning Group  
David Dunn, HDR Engineering, Inc.  
Phil Ford, General Manager, Brazos River Authority

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**AMENDMENT NO. ONE  
TO PROFESSIONAL SERVICES CONTRACT**

This Amendment No. One To Professional Services Contract ("Amendment") is entered into this 20<sup>th</sup> day of December, 2007, by and between the Brazos River Authority ("AUTHORITY") and HDR Engineering, Inc. ("CONSULTANT").

**RECITALS**

**WHEREAS**, AUTHORITY, as administrative agent for the Brazos G Regional Water Planning Group ("Brazos G"), entered into an agreement with CONSULTANT with an effective date of July 23, 2007 ("Contract"); and

**WHEREAS**, Somervell County has requested ("Request") that Brazos G amend the 2006 Brazos G Regional Water Plan to accommodate increased supply requirements for steam electric generation for Luminant Power ("Luminant") and to present the same to the Texas Water Development Board for inclusion, by amendment, in the 2007 State Water Plan; and

**WHEREAS**, Brazos G directed AUTHORITY to amend the Contract to evaluate and manage such Request; and

**WHEREAS**, Luminant has agreed to pay any and all costs invoiced by CONSULTANT to AUTHORITY in accordance with this Amendment, including any and all costs associated with or related to the Request or this Amendment incurred by AUTHORITY in its role as administrative agent of Brazos G.

**NOW, THEREFORE**, for and in consideration of the foregoing and the mutual promises contained herein, AUTHORITY and CONSULTANT agree to amend the Contract as follows:

1. **Performance of Work:** The CONSULTANT hereby agrees to provide, perform, and complete to the satisfaction of the AUTHORITY all of the "Work" specified in Exhibit "A", attached hereto and incorporated by reference herein. The term "Work" as used herein shall mean the detailed description of tasks to be performed by the CONSULTANT, as established in Exhibit "A".
2. **Budget:** Payments for performance of the Work contemplated by this Contract shall be in accordance with the not-to-exceed budget set forth in Exhibit "B", attached hereto and incorporated by reference herein.
3. **Payments:** Payments to CONSULTANT shall be made as follows:
  - i. AUTHORITY shall enter into an agreement with Luminant in which Luminant shall deliver to AUTHORITY and AUTHORITY shall deposit into an

account funds necessary to pay CONSULTANT for Work performed by CONSULTANT in accordance with this Amendment.

ii. CONSULTANT shall submit monthly invoices to AUTHORITY in accordance with the budget set forth in Exhibit "B". AUTHORITY shall pay such invoices from the funds referenced in Section 3.i. above; provided, however, such payments shall depend on satisfactory completion of Work billed. AUTHORITY shall pay ninety five percent (95%) of each invoice until all Work under this Amendment has been satisfactorily completed, at which time the retained five percent (5%) will be paid.

iii. CONSULTANT may obtain a performance bond or letter of credit naming the AUTHORITY as beneficiary, in lieu of the five percent retainage, if the Brazos G Regional Water Planning Group determines that such action would accomplish the same purpose as holding retainage. In such instance, CONSULTANT's invoices shall be paid at one hundred percent (100%).

iv. The five percent retainage is to encourage satisfactory completion of the Work. CONSULTANT acknowledges that if a performance bond or letter of credit is obtained in lieu of the five percent retainage, such performance bond or letter of credit may be drawn upon if the Work is not satisfactorily completed according to the terms of this Contract.

v. All payment of invoices is subject to the AUTHORITY's and Brazos G's right to timely review invoices and timely request additional information on the charges.

vi. CONSULTANT understands and agrees that all of CONSULTANT's compensation under this Amendment shall be provided by Luminant as set forth in this Amendment, and that AUTHORITY shall have no obligation to provide payment to CONSULTANT other than through the fund withdrawal process as provided in this Amendment.

**4. Commencement of Work:** CONSULTANT and AUTHORITY agree that commencement of Work in accordance of this agreement is contingent upon AUTHORITY executing an agreement with Luminant whereby Luminant agrees to pay for all costs incurred by CONSULTANT hereunder. In the event AUTHORITY does not enter into such an agreement with Luminant, then CONSULTANT may terminate this Amendment and have no further responsibilities hereunder.

**5. Impact of Request:** CONSULTANT understands and agrees that as the engineering CONSULTANT to Brazos G, CONSULTANT shall be responsible for determining the impact and effect that granting of the Request would have on the Region G water planning area as well as the entirety of the Brazos River Basin, and shall carry out such responsibility so as to allow CONSULTANT to provide Brazos G

with as accurate and unbiased an opinion of such impact and effect as is reasonably possible.

- 6. **Notices:** Any notices required to be sent to Luminant shall be sent to the following address:
  
- 7. **This Amendment shall be deemed a part of the Contract and shall be binding on the parties. Except as amended herein, all of the terms, conditions and provisions of the Contract apply to this Amendment and remain in full force and effect.**

IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed, and effective upon the receipt of the last signature.

**BRAZOS RIVER AUTHORITY**

By:   
PHILLIP FORD

Title: **GENERAL MANAGER/CEO**

Date: 20 Dec 07

**HDR ENGINEERING, INC.**

By: 

Title: Senior Vice President

Date: 12/18/07

## **EXHIBIT "A"** **SCOPE OF WORK**

### **Description of Request**

On October 24, 2007, Somervell County, on behalf of Luminant Power ("Luminant"), requested that the Brazos G Regional Water Planning Group ("Brazos G") amend the 2006 Brazos G Regional Water Plan ("Plan") to account for increased Steam-Electric water demands in Somervell County due to two new nuclear power generating units that Luminant is planning to construct at the Comanche Peak Steam Electric Station, adjacent to Squaw Creek Reservoir ("Request"). Luminant is proposing to enter into a water supply contract with the Brazos River AUTHORITY ("AUTHORITY") for up to an additional 81,553 acre-feet/year of water for cooling purposes, to be diverted from Lake Granbury, such supply to be accounted for in the AUTHORITY's pending System Operations Permit application. However, since this would result in a decreased supply from this source to Region H water users, Somervell County and Luminant desire to amend the Plan so that the Plan accounts for this shift in water supply and demands in the Brazos River Basin. To this end, Luminant will be pursuing an amendment to the Region H plan as well. Because this proposed Plan amendment includes increasing water demands ("Somervell County Steam-Electric demands"), a revision to the 2007 State Water Plan by the Texas Water Development Board ("TWDB") will also be required.

Brazos G directed the AUTHORITY, as administrative agent to Brazos G, to amend AUTHORITY's contract with HDR Engineering, Inc. ("CONSULTANT") to evaluate Somervell County's Request in order to determine the impact that amending the Plan would have on the Brazos G water planning area and the Brazos River Basin as a whole, and to prepare the materials necessary to amend the Plan ("Amendment"), for consideration by Brazos G in a public hearing. Additionally, Brazos G directed the AUTHORITY to enter into an agreement with Luminant, whereby Luminant will supply the funds necessary to prepare the amendment materials and undergo the amendment process.

### **Scope of Work**

The following describes the Work items and budget recommended to provide the information necessary for Brazos G to fully evaluate the Somervell County Request to amend the Plan, and a suggested process for amending the regional and state plans, based on TWDB guidelines and Texas Administrative Code requirements [31 TAC § 357.11 (g)]. A tentative schedule is set forth in Table 1 below.

#### **Task 1. Review and update previous analyses prepared by Freese and Nichols, Inc. for AUTHORITY and Luminant**

Freese and Nichols, Inc. ("Freese") has completed analyses for AUTHORITY and Luminant (formerly TXU) jointly, which investigate several alternative approaches for

Exhibit A

how AUTHORITY could supply the necessary water to Luminant. Variations between alternatives largely consist of differences between how flows would be returned from the generating station and how currently underutilized supplies already contracted by Luminant from AUTHORITY might be incorporated. Luminant's preferred option involves contracting for an additional 81,553 acre-feet/year and this amount will form the basis for the proposed amendment and all analyses by Consultant.

CONSULTANT will review the modeling completed by Freese and will incorporate any modifications CONSULTANT determines are necessary for the analysis to be consistent with the surface water analyses used in the development of the Plan. Freese has already supplied the model data sets and code used in their analyses.

**Table 1. Anticipated Schedule to Amend Regional and State Water Plans.**

<b>Step</b>	<b>Approximate Time Frame</b>
Brazos G plan amendment is requested by Somervell County and Luminant.	October 24, 2007 Brazos G meeting
CONSULTANT evaluates the request and its effects on the Brazos G Area and the Brazos River Basin, and prepares draft amendment materials for Brazos G to consider.	December, 2007 – February, 2008
CONSULTANT presents findings and proposed amendment materials to Brazos G in an open meeting, and the Group votes on whether to schedule public hearing.	March, 2008 Brazos G meeting
If Brazos G votes to schedule public hearing, CONSULTANT provides amendment materials to AUTHORITY to make available to the public, and notice of public hearing is mailed out by AUTHORITY.	30 days prior to April, 2008 public hearing
Brazos G considers amendment during public hearing.	April, 2008 Brazos G meeting and public hearing
Receive additional comments for 45 days following public hearing.	April – June/July, 2008
Brazos G considers amendment and comments.	Brazos G meeting to be held between June and July, 2008
Brazos G votes on amendment.	Brazos G meeting to be held after the meeting to consider comments – July/August, 2008

Exhibit A

If approved, Brazos G requests TWDB approval of: <ul style="list-style-type: none"><li>• Brazos G amendment</li><li>• State Water Plan amendment (increase Somervell County demands).</li></ul>	August, 2008
TWDB staff reviews Brazos G amendment	August/September, 2008
TWDB approves Brazos G amendment	September, 2008 TWDB meeting

**Task 2. Prepare 2006 Brazos G Plan Amendment Materials.**

Based on the findings of Task 1, CONSULTANT will prepare the materials required to amend the 2006 Brazos G Regional Water Plan. These materials will consist of, but not be limited to, the following:

1. Complete analyses required to incorporate an additional water management strategy into the water plan consistent with the Request by Somervell County as set forth and described above under "Description of Request". This will include:
  - a. Modification of steam electric water demands,
  - b. Technical and costing analysis of a new water management strategy, and
  - c. Evaluation of potential environmental impacts of the water management strategy.
2. Memorandum to the Brazos G planning group which summarizes the technical analyses and identifies and evaluates impacts to Water User Groups (WUGs) in Brazos G and Region H that could be affected by the proposed amendment.
3. Memorandum to act as an addendum to the 2006 Brazos G Regional Water Plan. This memorandum will summarize the technical analyses involved in evaluating the new steam electric water demands in Somervell County, and the analyses required to prepare a water management strategy for inclusion in the water plan. This memorandum with attachments will comprise the amendment package proposed to become part of the amended 2006 Brazos G Regional Water Plan.

**Task 3. Present Proposed Plan Amendment Materials to Brazos G**

CONSULTANT will present the materials for the proposed plan amendment to Brazos G at a series of four meetings, tentatively scheduled as follows:

1. March, 2008 planning group meeting – first presentation of the proposed materials to Brazos G.
2. April, 2008 public hearing. If, at the March, 2008 meeting, Brazos G decides to move forward with the amendment process, CONSULTANT will present the

materials at a public hearing, tentatively scheduled for April, 2008. Following the public hearing, CONSULTANT will accumulate, review, and summarize public comments received regarding the proposed plan amendment, both received at the public hearing and from written comments received prior to and following the public hearing. CONSULTANT will draft proposed responses to those comments for the consideration of Brazos G, and will suggest any modifications to the proposed plan amendment materials that CONSULTANT recommends as appropriate.

3. June/July, 2008 planning group meeting – presentation of public comments received. CONSULTANT will present a summary of the public comments received, as well as the draft proposed responses including proposed modifications to the amendment materials at a planning group meeting to be held between June and July, 2008.
4. July/August, 2008 planning group meeting. Following direction from Brazos G, CONSULTANT will prepare final proposed amendment materials for Brazos G to vote upon at a planning group meeting to be held between July and August, 2008.

CONSULTANT will not be responsible for preparing or issuing public notice for any of the above-referenced meetings.

#### **Task 4. Coordinate with TWDB Regarding Plan Amendment.**

If Brazos G acts to amend the Plan, CONSULTANT will prepare a package to submit the proposed amendment to the TWDB for approval. CONSULTANT and AUTHORITY will meet with and coordinate with the TWDB regarding the requested amendment.

#### **Task 5. Final Preparation of Plan Amendment Materials.**

If Brazos G and the TWDB both approve the amendment, CONSULTANT will prepare the final amendment package and prepare it for public posting on the Brazos G web site. CONSULTANT will update the necessary records in the TWDB DB07 database, which serves as the central repository for the regional water planning data.

**EXHIBIT "B"**  
**BUDGET**

CONSULTANT shall complete the Work for the not to exceed cost of \$80,000, as set forth in the following Task and Expense Budgets. This budget does not include costs for AUTHORITY to publish public hearing notices or other costs AUTHORITY will likely incur on behalf of Brazos G during the amendment process.

**Task Budget**

<b>Task</b>	<b>Description</b>	<b>Budget</b>
1	Review/Update Previous Analyses	\$13,900
2	Prepare Plan Amendment Materials	\$37,400
3	Present Materials to Brazos G and Public Hearing	\$21,500
4	Coordinate with TWDB	\$4,600
5	Final Plan Amendment Materials	\$2,600
<b>Total</b>		<b>\$80,000</b>

**Expense Budget**

<b>Category</b>	<b>Budget</b>
Salaries & Wages	\$21,284
Fringe	\$9,984
Travel	\$1,100
Other Expenses	\$2,400
Subcontract Services	\$0
Overhead	\$37,230
Profit	\$8,002
<b>Total</b>	<b>\$80,000</b>