



Fiscal Year 2027 Business and Capital Plans

Lower Colorado River Authority

Lower Colorado River Authority Board of Directors

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The Board of Directors is composed of 15 members appointed to six-year terms by the governor with the advice and consent of the Texas Senate. At the time of publication, the Board had one open position. Directors represent counties in LCRA’s electric and water service areas. The Board meets regularly to set strategic direction for the general manager and staff, approve projects and large expenditures, and review progress on major activities and issues.

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These business and capital plans present a long-term vision and summary of operational plans for LCRA and its nonprofit corporations. The business and capital plans should not be used as a basis for making a financial decision regarding LCRA or any of its securities or other obligations. These business and capital plans are intended to satisfy the official intent requirements set forth in IRS Treasury Regulations Section 1.150-2. For more complete information on LCRA and its obligations, refer to LCRA's annual financial report, the official statements relating to LCRA's bonds, and the annual and material event disclosures filed by LCRA with nationally recognized municipal securities information repositories and the State Information Depository pursuant to Rule 15c2-12 of the U.S. Securities and Exchange Commission. The information in this report and within each of the documents referenced applies only as of the report's date. The business and capital plans include forecasts based on current assumptions used for planning purposes only and are subject to change. Copies of the documents referenced in this report may be obtained from Dawn Reed, senior vice president of Financial Planning and Analysis, LCRA, 3700 Lake Austin Blvd., Austin, TX 78703.



OUR *Mission*

To enhance the quality of life of the Texans we serve through water stewardship, energy and community service.



OUR *Vision*

We will be the public utility
that sets the standard for excellence.

Bringing Vital Services to Texans

Texas has led the nation in population growth and job creation for years. LCRA is proud to serve our growing region by making investments to build vital water, power and telecommunications infrastructure that will help Texas continue to thrive.

We added to the region's water supply last year with the new Arbuckle Reservoir, and we already are exploring building another reservoir to increase water supplies. Our Water business plans to invest about \$152.6 million over the next five years for development of new water supply projects. We also plan to invest tens of millions in dam rehabilitation projects over the next five years for the continued safe and effective operation of our dams.

LCRA's new Timmerman Power Plant is helping meet the increasing need for reliable, dispatchable power in Texas. We also continue to build transmission facilities and improve existing ones. We expect to invest about \$8.6 billion in transmission over the next five years as our region continues to grow.

We are helping connect communities across Texas to broadband services that are critically needed by making strategic investments over the next five years to upgrade and expand our fiber network and radio systems. LCRA is collaborating with the Kerrville Public Utility Board to construct broadband infrastructure to facilitate a flood warning system in Kerr County.

LCRA's business and capital plans reinforce our innovative approach to anticipating and responding to growth to help ensure a successful future for generations of Texans to come.

Our mission

To enhance the quality of life of the Texans we serve through water stewardship, energy and community service.

Our vision

We will be the public utility that sets the standard for excellence.

Our strategic goals

- **Run an effective, cost-aware business.**
- **Manage and develop water.**
- **Implement digital tools and use data effectively.**
- **Build today's workforce for the future.**

Our values

- **Focus on safety.**
- **Operate with integrity.**
- **Show respect.**
- **Take initiative.**
- **Focus on service.**



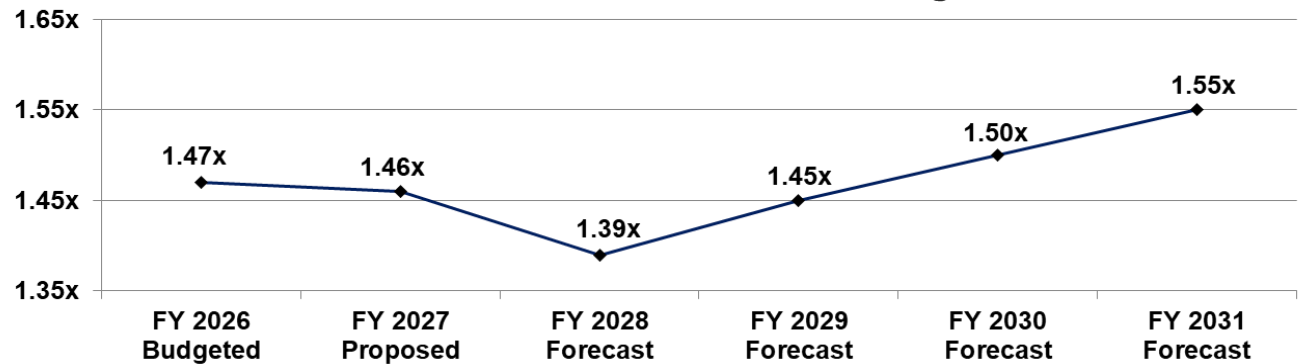


TOGETHER.

LCRA Financial Summary

- Approval of this business plan authorizes LCRA to spend \$655.6 million for operations in fiscal year 2027.
- Debt service coverage, a widely used measure of financial performance, is forecast to be 1.46x in FY 2027.
- Debt service coverage is projected to remain between 1.39x and 1.55x over the five-year planning horizon.
- Stable debt service coverage reflects LCRA's commitment to manage costs and grow LCRA's business to support growth in Texas.

LCRA Debt Service Coverage



(Dollars in millions)

	Budgeted	Proposed	Forecast			
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues ¹	\$ 1,823.1	1,988.5	2,229.0	2,495.4	2,829.3	3,240.7
Expenses ¹	1,048.4	1,112.0	1,220.4	1,239.0	1,315.0	1,476.7
Net Operating Margin	774.6	876.5	1,008.6	1,256.4	1,514.3	1,764.1
Less: GenTex Funds ²	(7.5)	0.0	0.0	0.0	0.0	0.0
Net Margin for Debt Service, Adjusted	767.2	876.5	1,008.6	1,256.4	1,514.3	1,764.1
Debt Service	\$ 523.1	600.5	723.4	863.9	1,012.0	1,140.2
Debt Service Coverage	1.47x	1.46x	1.39x	1.45x	1.50x	1.55x

Note: Totals throughout this document may not equal the sum of numbers shown due to rounding.

¹ Revenues and expenses are net of intracompany transfers. Revenues include interest income. Expenses exclude the LCRA Transmission Services Corporation capital charge, which is a capital expense for LCRA consolidated.

² Includes adjustments related to GenTex Power Corporation capital funding and reserve funding.

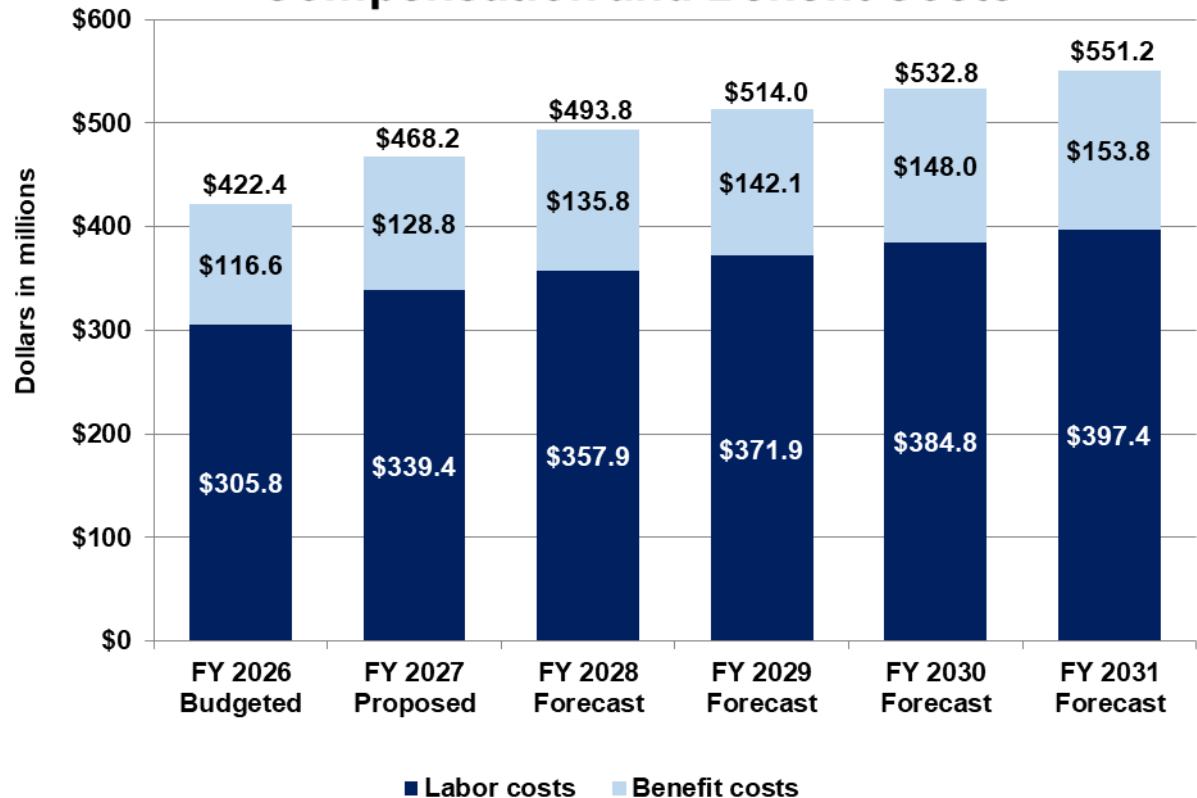
Compensation and Benefits

Compensation and benefits are key drivers of LCRA's budget.

- Budgeted positions for FY 2027 are 2,723¹, which is an increase of 161 positions (about 6%) from the FY 2026 budget.
 - These new positions are to support LCRA business areas as they meet sustained growth in Texas.
 - Almost half of the new positions will support the expanding Transmission business, and the rest will support all other areas of LCRA.
- FY 2027 compensation and benefit costs will increase by \$45.8 million, reflecting:
 - Position increases discussed above.
 - Base pay increases planned in FY 2027.
 - Maintaining competitive pay in key areas.

¹ Excludes seasonal workers.

Compensation and Benefit Costs



- 1.5% base pay increases are planned in FY 2028 through FY 2031.
- LCRA continues to manage benefit costs, which , which range from about 38%-39% of labor costs for the next five years..

Wholesale Power – Financial Summary

Wholesale Power shows continued financial strength.

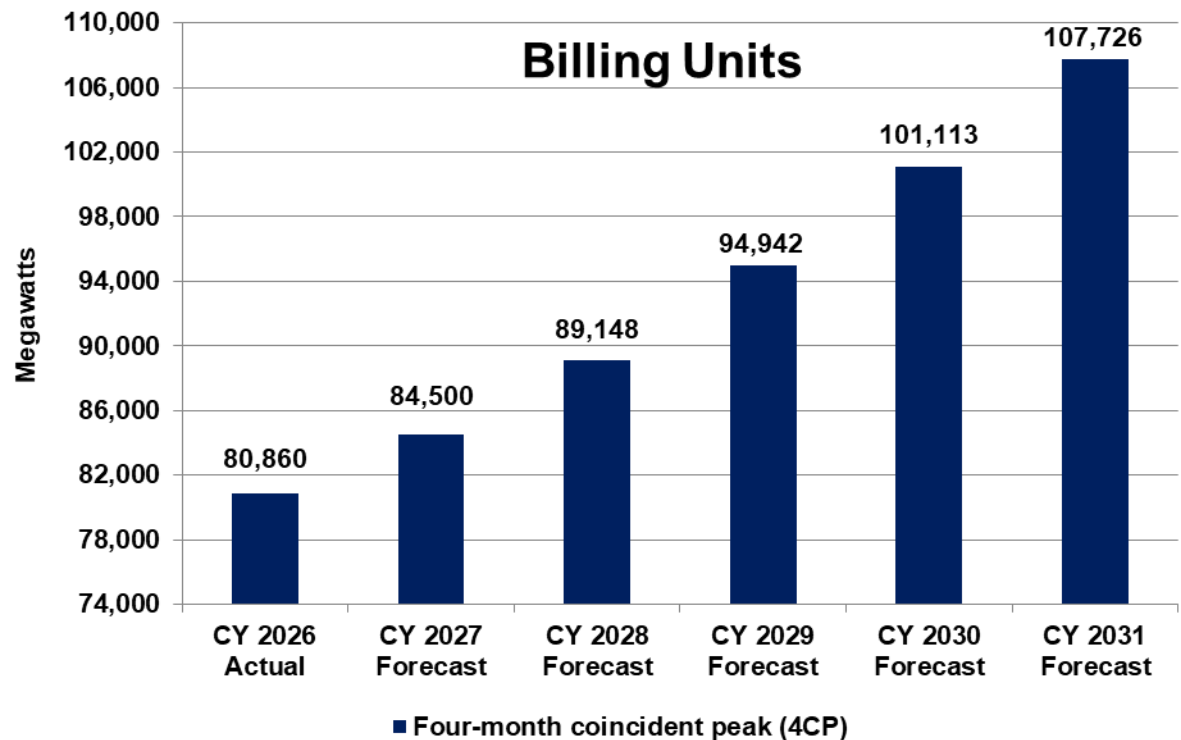
- Debt service coverage is projected to range between 1.29x and 1.40x over the five-year planning horizon.
- Financials remain strong and support our strategic goal to run an effective, cost-aware business.

Confidential competitive electric information has been removed from this version of the document.

LCRA Transmission Services Corporation – Billing Units

LCRA TSC’s billing unit is the four-month coincident peak in the Electric Reliability Council of Texas market.

- 4CP is the average of the peak ERCOT electrical demands (measured in kilowatts) during the months of June, July, August and September of the previous calendar year.
- The Public Utility Commission of Texas approves the average of these four ERCOT system peaks each year to establish a 4CP for the following calendar year.
- 4CP is forecast to grow about 4.5% to 6.5% per year between calendar years 2027 and 2031 across ERCOT.



Note: One megawatt equals 1,000 kilowatts.

LCRA TSC – Capital and Rates

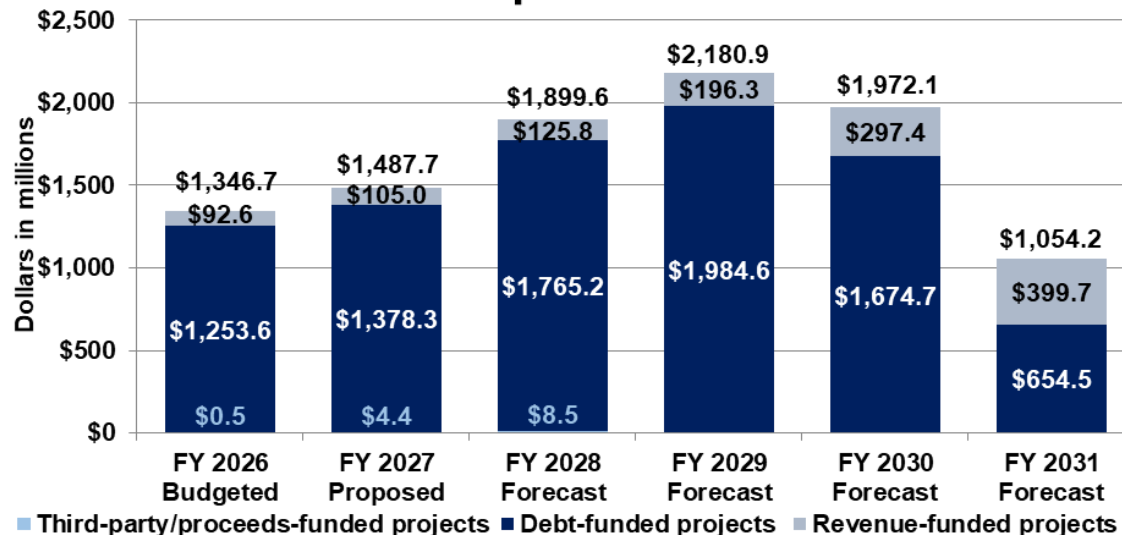
We're growing the transmission system to meet customer needs:

- LCRA TSC plans to invest about \$8.6 billion in capital projects over the five-year planning period to support the needs of the ERCOT and LCRA TSC systems.
- LCRA TSC plans to recover its capital investment for projects that are completed and energized through interim transmission cost of service filings in FY 2027 through FY 2031. Additionally, LCRA TSC plans to file a TCOS rate case using an FY 2027 test year with new rates going into effect in FY 2029.
- LCRA TSC will continue to recover costs associated with additional projects beyond FY 2027 after they are completed and energized.

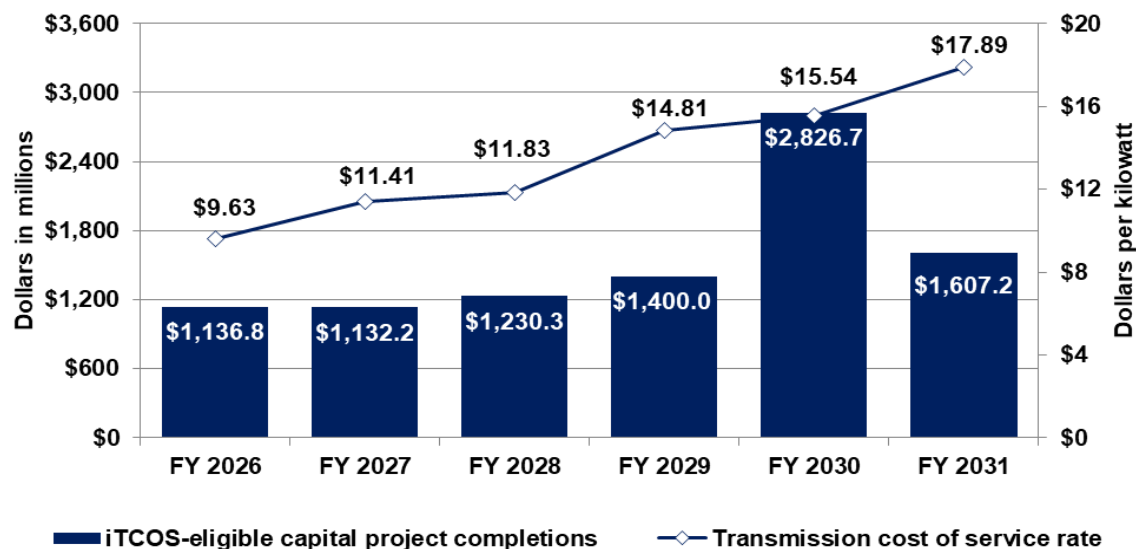
iTCOS: interim transmission cost of service

LCRA Board Work Session, DRAFT

Capital Plan



Rate Plan



LCRA TSC – Financial Summary

- LCRA continues to expand the Transmission organization, adding staff and equipment needed to increase its current capacity to operate and construct facilities for LCRA TSC.

(Dollars in millions)

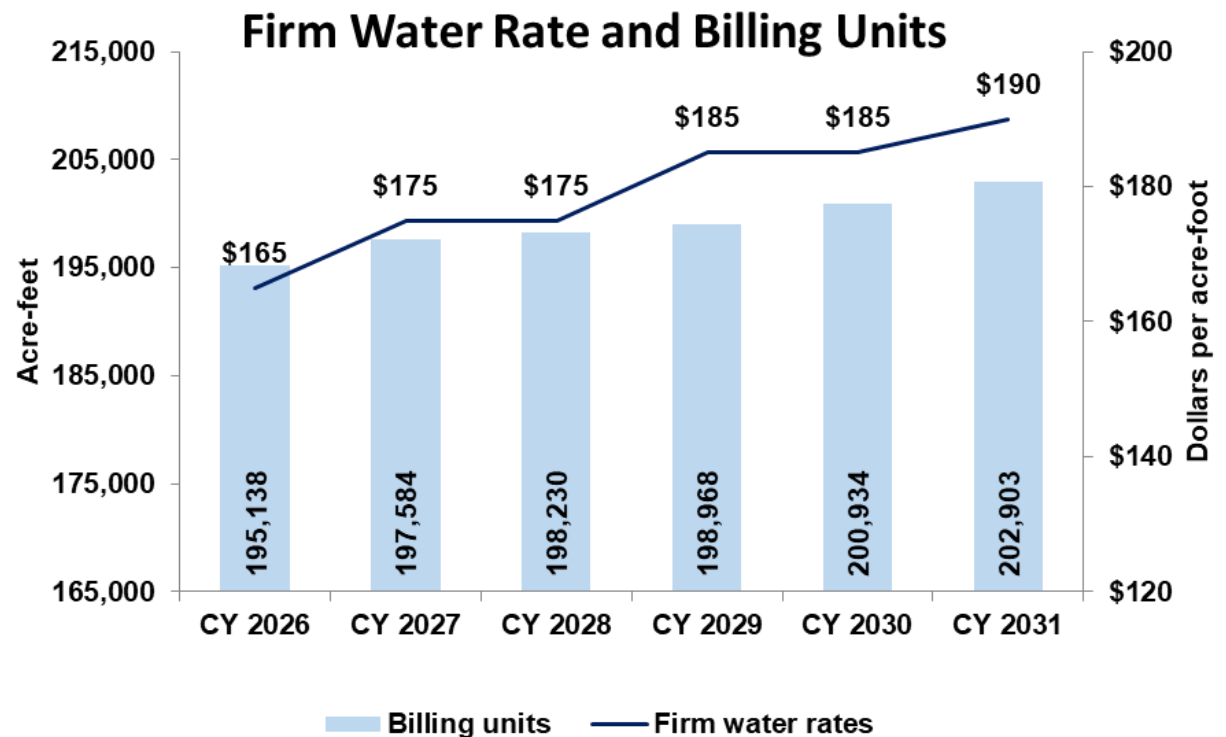
	Budgeted	Proposed	Forecast			
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	\$ 823.0	924.9	1,057.9	1,291.2	1,557.2	1,849.0
Operations and Maintenance	181.9	188.0	199.1	210.2	230.4	258.4
Net Operating Margin	641.1	736.9	858.8	1,081.0	1,326.8	1,590.6
Plus: Interest Income	9.4	13.7	13.7	15.2	15.1	15.1
Less: Assigned Enterprise Expense	74.7	90.4	89.9	91.9	105.4	135.9
Public Service Fund	24.7	27.7	31.7	38.7	46.7	55.5
Resource Development Fund	16.5	18.5	21.2	25.8	31.1	37.0
Net Margin Available for Debt Service	534.7	614.0	729.7	939.8	1,158.7	1,377.4
Debt Service	\$ 388.4	443.0	551.2	676.5	809.0	922.5
Debt Service Coverage	1.38x	1.39x	1.32x	1.39x	1.43x	1.49x

- LCRA TSC plans to manage costs to maintain its debt service coverage ratios between 1.32x and 1.49x.

Water – Firm Billing Units and Rates

LCRA projects increasing the firm water rate in calendar years 2027, 2029 and 2031.

- Billing units are forecast to increase in each calendar year of the five-year planning period.
- The firm water rate is projected to increase from \$165 per acre-foot to \$190 per acre-foot during the five-year plan.

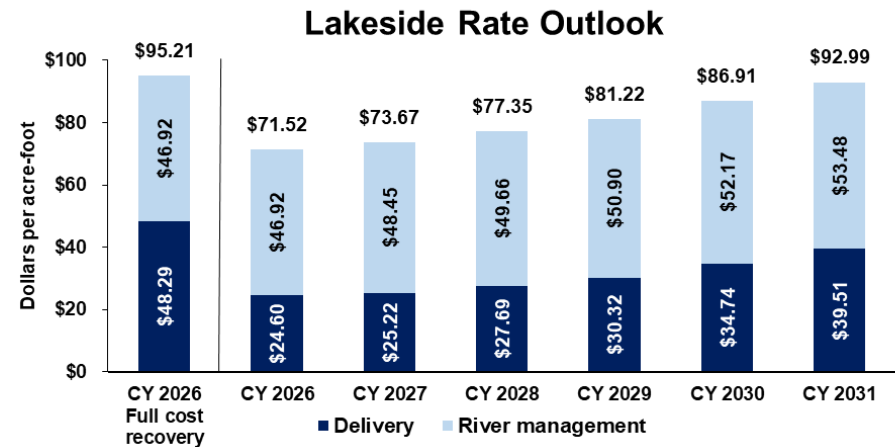
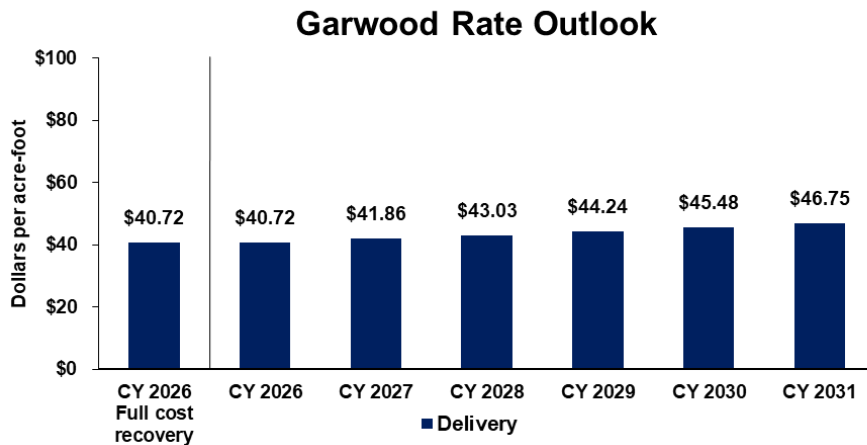
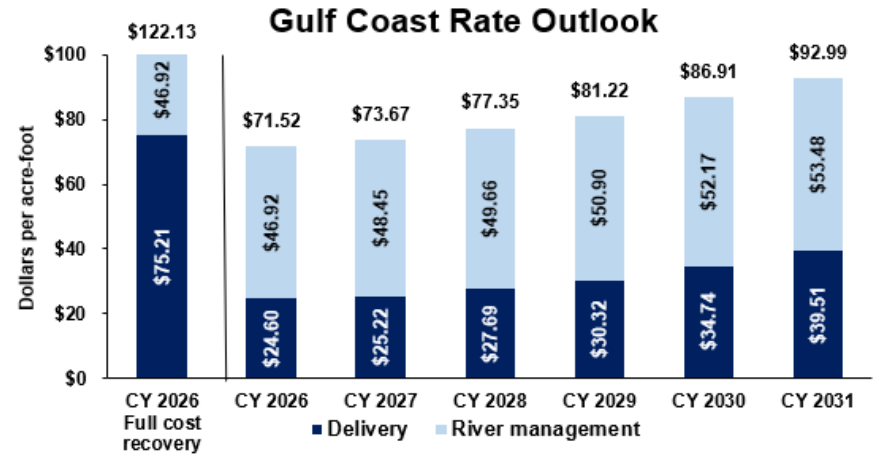


Note: Water supplies managed by LCRA are divided into firm and interruptible water. Firm water is available even during a severe drought. During drought or times of shortage, interruptible water is cut back or cut off. All rates for 2027 and beyond, including firm and interruptible rates, are subject to change based on actual and projected costs and billing units.

Water – Interruptible Rates

Full cost recovery assumes a gradual approach.

- The Board approved rates for calendar year 2026 in January 2026. The rates for 2027 and beyond are subject to change based on actual and projected costs and billing units.
- Rates for Gulf Coast and Lakeside agricultural divisions are projected to increase to gradually recover the divisions' costs, including river management costs, assuming full water availability. The Garwood Agricultural Division is not subject to river management costs.
- The rates for Gulf Coast and Lakeside for 2027 through 2031 reflect an annual contribution from the Agriculture Reserve Fund.



Water – Capital

Dam rehabilitation projects:

- LCRA plans to invest about \$30.3 million in dam rehabilitation projects (excluding projects strictly for hydroelectric power facilities) over the next five years for the continued safe and effective operation of the dams. As the projects continue, the costs to rehabilitate the dams could increase. LCRA primarily will issue debt to pay for these projects and recover the costs in the firm water rate.

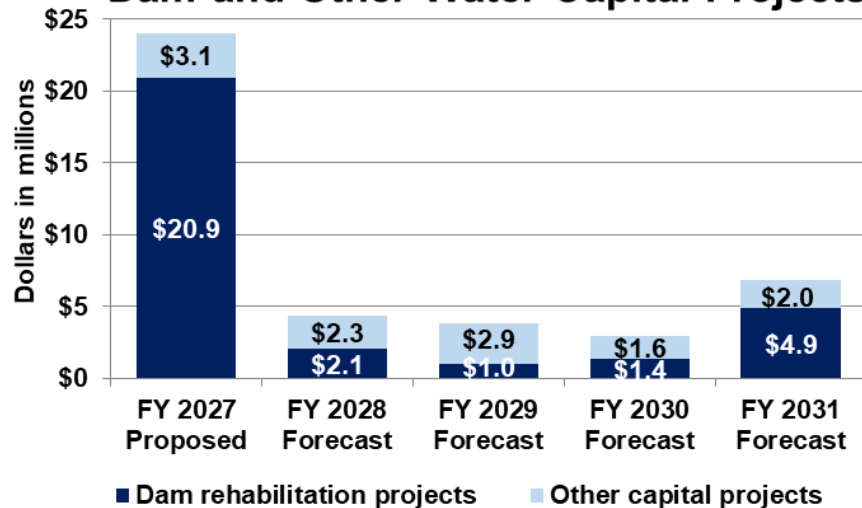
Other capital projects:

- Other capital projects include general additions, minor capital, and projects that cover multiple water facilities and the agricultural divisions.

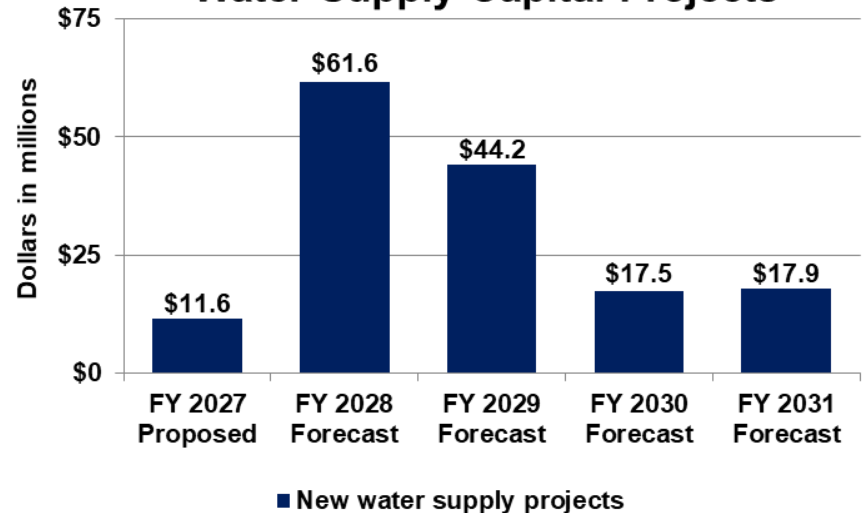
New water supply capital projects:

- LCRA plans to invest about \$152.6 million over the next five years for development of new water supply projects. LCRA expects to pay for these projects with existing funds or by issuing debt and recovering the costs in the firm water rate.
- LCRA continues to evaluate the timing and funding for the construction phases of future projects.

Dam and Other Water Capital Projects



Water Supply Capital Projects



Water – Financial Summary

We are providing long-term water supply at a low rate.

- The firm rate is projected to increase in the January 2027, January 2029 and January 2031 billing periods.

(Dollars in millions)

Revenues

	Budgeted FY 2026	Proposed FY 2027	Forecast			
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Firm Water	\$ 36.1	34.3	35.6	36.5	37.9	38.7
Agriculture	8.3	10.6	11.0	11.4	11.9	12.5
Other	3.5	3.4	2.4	2.3	2.4	2.6
Total Revenues	48.0	48.3	48.9	50.2	52.2	53.8

- The financial summary assumes agricultural water deliveries in every year using rolling historical averages for acres.

Operations and Maintenance	22.1	22.8	21.6	21.3	21.6	21.9
Net Operating Margin	26.0	25.5	27.3	28.9	30.5	31.9
Plus: Interest Income	2.3	2.2	2.2	2.3	2.3	2.5
Less: Assigned Enterprise Expense	8.2	9.6	9.2	9.6	10.2	10.2
Public Service Fund	1.3	1.3	1.4	1.4	1.5	1.5
Resource Development Fund	0.7	0.7	0.7	0.7	0.8	0.8
Net Margin Available for Debt Service	17.9	16.1	18.1	19.4	20.3	21.9

- Annual debt service includes the Texas Water Development Board Arbuckle Reservoir debt paid from the Resource Development Fund.

Debt Service	\$ 28.3	30.6	31.8	33.5	33.6	40.6
Debt Service Coverage	0.63x	0.53x	0.57x	0.58x	0.61x	0.54x
Plus: Resource Development Funding	\$ 22.0	22.4	22.5	22.5	22.5	28.8
Debt Service Coverage, Adjusted	1.41x	1.26x	1.28x	1.25x	1.28x	1.25x

Public Service Fund

LCRA uses the Public Service Fund on statutory programs that do not fully recover their costs.

- FY 2027 Public Service Fund operating fund requirements include:
 - \$13.7 million for parks
 - \$6.7 million for water quality programs
 - \$4.5 million for natural resource conservation
 - About \$900,000 for water surface management
- These services provide some revenue but require annual support to cover the costs of operations, Enterprise Support and capital.
- The PSF grants include \$2.6 million annually for the Community Grants program through FY 2029; and \$3 million annually for the Community Grants program for FY 2030 through FY 2031; \$500,000 annually for the Colorado River Land Trust in FY 2027; and \$250,000 annually for the Colorado River Land Trust for FY 2028 and FY 2029.
- Fund sources include contributions from budgeted nonfuel Wholesale Power costs; budgeted LCRA WSC Energy and WSC Energy II net margin; and budgeted revenue from GenTex, LCRA TSC, Water and Strategic Services.

(Dollars in millions)

	Budgeted	Proposed	Forecast			
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenue	\$ 6.2	6.4	6.7	6.9	7.1	7.2
Total Operating Expense	29.0	32.5	34.0	35.0	34.9	36.5
Operating Fund Requirement	22.7	26.2	27.3	28.0	27.8	29.4
Capital Spending	3.0	4.7	5.1	4.9	4.3	5.2
Assigned Enterprise Capital	0.3	0.7	0.5	0.8	0.4	0.3
Reserves	0.0	0.8	0.4	0.2	0.0	0.4
Grants	2.8	3.1	2.9	2.9	3.0	3.0
Total Funding Requirement	\$ 28.8	35.5	36.2	36.8	35.4	38.2

(Dollars in millions)

	Budgeted	Proposed	Forecast			
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Sources						
Public Service Fund						
Wholesale Power	\$ 9.9	11.6	11.8	12.3	13.3	14.0
GenTex Power Corporation	2.3	1.9	1.9	1.9	1.8	1.9
LCRA WSC Energy	0.2	0.1	0.1	0.1	0.0	0.0
WSC Energy II	0.0	0.0	0.0	0.0	0.0	0.0
LCRA TSC	24.7	27.7	31.7	38.7	46.7	55.5
Water	1.3	1.3	1.4	1.4	1.5	1.5
Strategic Services	0.7	0.8	0.7	0.9	1.1	1.3
Subtotal	39.1	43.5	47.7	55.3	64.5	74.2
Uses						
Public Service Activities	28.8	35.5	36.2	36.8	35.4	38.2
Resource Development Fund	2.0	2.0	3.0	3.0	3.0	3.0
Infrastructure Reserve	5.0	6.0	6.0	7.0	7.0	8.0
Strategic Reserve Fund	3.3	0.0	2.5	8.6	19.1	25.0
Subtotal	39.1	43.5	47.7	55.3	64.5	74.2
Remaining in PSF	\$ 0.0	0.0	0.0	0.0	0.0	0.0

Strategic Services

Strategic Services includes external services that people pay LCRA to provide.

- Strategic Services primarily includes:

(Dollars in millions)

		Budgeted	Proposed	Forecast			
		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
○ Telecommunications radio and broadband services	Revenues	\$ 22.6	25.8	24.9	29.4	38.2	44.4
	Operations and Maintenance	16.6	15.4	15.1	17.9	22.8	23.3
	Net Operating Margin	6.0	10.4	9.7	11.5	15.5	21.1
○ LCRA Environmental Laboratory Services	Less: Assigned Enterprise Expense	4.0	4.8	4.9	5.2	5.5	5.7
	Public Service Fund	0.7	0.8	0.7	0.9	1.1	1.3
○ Transmission customer service	Resource Development Fund	0.5	0.5	0.5	0.6	0.8	0.9
	Net Margin Available	\$ 0.9	4.3	3.6	4.9	8.1	13.1

Enterprise Support

Enterprise Support costs consist of essential functions that support business operations across LCRA.

- Enterprise Support includes:
 - Cybersecurity
 - Digital Services
 - Facilities
 - Finance
 - Legal
 - Public Safety
 - Regulatory
 - Telecommunications
 - Others

(Dollars in millions)

	Budgeted	Proposed	Forecast			
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Net Enterprise Costs	\$ 184.3	203.8	215.1	223.1	231.3	239.0
Cost Assignment						
Wholesale Power and Nonprofit Corporations	40.1	44.3	45.6	44.1	44.7	45.2
LCRA TSC	74.7	90.4	89.9	91.9	105.4	135.9
Water	8.2	9.6	9.2	9.6	10.2	10.2
Public Service Fund Activities	5.3	5.7	6.0	6.1	6.3	6.5
Strategic Services	4.0	4.8	4.9	5.2	5.5	5.7
Capital/Other	52.0	48.9	59.4	66.1	59.2	35.5
Total	184.3	203.8	215.1	223.1	231.3	239.0
Capital Expenditures						
Debt-Funded	3.1	0.0	0.0	0.0	6.8	0.0
Revenue-Funded	61.4	72.6	59.0	76.8	49.2	49.3
Third Party or Proceeds-Funded	5.0	20.1	6.2	0.0	0.0	0.0
Total Capital	\$ 69.6	92.7	65.2	76.8	56.1	49.3

- Some costs are direct-charged when specific services are performed for a product line.

- Most other costs are assigned based on a three-factor formula of assets, labor hours and revenue.

LCRA Capital Plan – by Status

- Approval of this capital plan authorizes the initiation of all recommended projects at their individually stated lifetime budgets as shown in the plan.
- Staff may bring future projects individually to the Board for approval after scope and cost estimates have been further refined, and staff includes future projects in this document for financial planning purposes.
- Board approval of this plan also authorizes the proposed \$326.5 million budget for FY 2027 capital spending, which includes \$86.1 million for recommended projects and \$240.4 million for projects the Board approved previously.

FY 2027- FY 2031 Capital Spending for Recommended, Approved and Future Projects

LCRA Total (Excluding LCRA TSC and Including Austin Energy's Share and the City of San Marcos' Share)

(Dollars in millions)

	Budgeted	Proposed	Forecast					Five-Year	
			FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Recommended Projects	\$	86.1	12.0	5.8	0.0	0.0	103.9	105.7	
Approved Projects		240.4	98.5	36.3	20.3	13.9	409.3	942.7	
Subtotal Recommended and Approved		326.5	110.5	42.1	20.3	13.9	513.2	1,048.4	
Future Projects		0.0	215.1	293.5	197.6	138.9	845.1	876.2	
Total FY 2027 Capital Plan		326.5	325.5	335.6	217.9	152.8	1,358.3	1,924.6	
Less: Co-owners' Shares		7.0	8.6	5.0	2.7	2.4	25.6	30.0	
LCRA's Share		319.5	317.0	330.6	215.2	150.4	1,332.7	1,894.6	
Comparison With Previous Plan									
Total FY 2026 Capital Plan (With Co-owners)		285.7	147.4	155.0	153.2	96.8	0.0	838.2	2,116.2
Difference*	\$	n/a	179.1	170.5	182.4	121.1	152.8	520.1	(191.7)

*Difference for five-year total is based on a rolling five-year comparison, i.e., FY 2027-FY 2031 spending from the current plan compared with FY 2026-FY 2030 from the plan the Board approved in May 2025.

LCRA TSC Capital Plan – by Status

- Board approval of this plan authorizes the proposed \$1.5 billion budget for FY 2027 capital spending, which includes \$490.1 million for projects the Board approved previously and \$997.6 million of projects that have not yet been approved.
- Staff will bring future projects individually to the Board or the CEO for approval after scope and cost estimates have been further refined and the budget has been established. Staff includes future projects in this document for financial planning purposes.

FY 2027 Capital Spending for Approved and Future Projects LCRA Transmission Services Corporation

(Dollars in millions)

	Budgeted	Proposed	Forecast				Five-Year Total
			FY 2026	FY 2027	FY 2028	FY 2029	
Approved Projects	\$	490.1	42.3	0.0	0.0	0.0	532.4
Future Projects		997.6	1,857.3	2,180.9	1,972.1	1,054.2	8,062.1
Total FY 2027 Capital Plan		1,487.7	1,899.6	2,180.9	1,972.1	1,054.2	8,594.5

Comparison With Previous Plan

Total FY 2026 Capital Plan	\$	1,346.7	1,020.6	1,180.8	1,241.0	1,086.4	0.0	5,875.6
Difference*		n/a	467.1	718.7	939.9	885.7	n/a	2,718.9

*Difference for five-year total is based on a rolling five-year comparison, i.e., FY 2027-FY 2031 spending from the current plan compared with FY 2026-FY 2030 from the plan the Board approved in May 2025.

LCRA Capital Plan – by Business

- LCRA's share of the total FY 2027 capital budget for recommended, approved and future projects is \$1.81 billion. About 14% of that amount will be revenue-funded or third-party or proceeds-funded.

(Dollars in millions)

LCRA Capital Expenditures

Revenue-Funded

	Budgeted FY 2026	Proposed FY 2027	Forecast			
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Wholesale Power and Nonprofit Corporations	\$ 4.8	33.0	11.3	33.4	28.5	19.4
LCRA TSC	92.6	105.0	125.8	196.3	297.4	399.7
Water	9.3	5.8	6.4	5.4	6.7	7.1
Enterprise Support	61.4	72.6	59.0	76.8	49.2	49.3
Public Services	3.0	4.7	5.1	4.9	4.3	5.2
Strategic Services	0.7	0.7	0.7	0.7	0.7	0.4
	171.8	221.6	208.4	317.4	386.7	481.1

Debt-Funded

Wholesale Power and Nonprofit Corporations	124.4	146.9	158.4	164.8	102.9	50.9
LCRA TSC	1,253.6	1,378.3	1,765.2	1,984.6	1,674.7	654.5
Water	42.6	20.6	59.6	42.4	13.5	17.3
Enterprise Support	3.1	-	-	-	6.8	-
Strategic Services	-	-	-	-	-	-
	1,423.8	1,545.9	1,983.2	2,191.8	1,797.9	722.7

Third-Party/Proceeds-Funded

Wholesale Power and Nonprofit Corporations	24.3	5.1	8.9	0.8	0.8	0.5
LCRA TSC	0.5	4.4	8.5	-	-	-
Water	0.6	9.2	-	0.3	0.3	0.3
Enterprise Support	5.0	20.1	6.2	-	-	-
Public Services	0.2	0.5	1.0	1.0	1.4	-
Strategic Services	0.5	0.4	0.4	0.1	0.1	0.0
	31.0	39.7	24.9	2.3	2.6	0.8

Total LCRA Capital

\$	1,626.6	1,807.2	2,216.5	2,511.5	2,187.3	1,204.6
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- LCRA is using previously reserved funds to fund and accelerate certain critical infrastructure capital projects throughout the organization.

LCRA Capital Plan – Approach

Capital Planning Approach

LCRA includes projects in the capital plan with the goal of ensuring LCRA can continue to offer its customers energy, water and public services in a reliable, competitively priced, environmentally responsible and safe manner. Each project undergoes a thorough review by LCRA's Asset Management work group and other staff members who separate the projects into three categories: recommended (projects management has reviewed and recommended for Board approval); approved (projects the Board approved previously); and future (projects staff may recommend implementing within the next five years).

Staff does not submit future projects for Board approval until scope and cost estimates have been further refined but includes them in this document for financial planning purposes. The cost and timing of future projects presented in this document could change. For this reason, LCRA continues planning activities throughout the year and updates the plan as necessary.

Determining Need and Financial Analysis

Capital plan projects must support the goals of the business plan within financial parameters established by LCRA's Board and chief financial officer.

LCRA includes projects based on multiple factors, such as current and anticipated demand for LCRA's services and the need to maintain or build facilities or infrastructure to meet those demands. Other factors include compliance with applicable state and federal regulations, safety and security needs, the potential for increased revenues, and better management and protection of natural resources.

Staff has reviewed and analyzed the recommended projects and the projects for which LCRA plans to seek approval during the fiscal year. The project criteria may vary, but typically will involve either a payback period test, net present value analysis or other analyses to ensure the project is the most cost-effective approach. Executive management reviews each project to ensure the project warrants funding and inclusion in the capital plan. When appropriate, affected customers and stakeholders have the opportunity to review and comment on the proposed project scope and budget.

LCRA Capital Plan – Approach

(Continued)

Developing Project Estimates

LCRA staff develops project cost estimates. An estimate's accuracy is based on identifying the work and resources necessary to complete the project objectives. Cost estimates are revised and become more accurate as more information regarding the scope and deliverables is available.

The capital planning cycle involves these steps:

- Developing and refining a list of business needs based on planning criteria and asset owner input.
- Defining the scope and approach necessary to address those needs.
- Obtaining cost estimates and performing business analyses to establish a proposed project budget and to evaluate affordability, economic viability, portfolio prioritization and risk.
- Seeking approval of the capital plan to validate strategic direction, establish lifetime and fiscal year budgets, and allow business planning for the future.

LCRA may recommend or seek approval of some projects using less-refined cost estimates because of the timing in determining the specific technology that would be implemented. Projects recommended that have less-refined cost estimates are noted in the project description.

Project Prioritization

LCRA reviews and prioritizes its projects based on criteria that include safety, cost, reliability, competitiveness, environmental considerations and other factors. The appropriate executive reviews staff recommendations.

Projects that are essential to ensure the continued reliable and cost-effective delivery of LCRA services, concern public safety, or limit interruption of services receive the highest priority. LCRA also assigns higher priority to projects with regulatory issues that may result in substantial financial impacts for noncompliance, projects already in progress that have a substantial cost to stop, and projects with contractual requirements that could have substantial financial impacts to LCRA.

LCRA Capital Plan – Approach

(Continued)

Project Approval and Monitoring

LCRA brings each recommended capital project for the next fiscal year to the LCRA Board for approval with this plan. Board approval authorizes the release of funds to execute the identified projects. However, executives may authorize funding in stages or all at once for the entire project. Staff may bring future projects individually to the Board for approval throughout the fiscal year.

For any project not previously authorized by the LCRA Board or LCRA TSC Board, Board policies 301 and T301 delegate to the CEO the authority to approve any capital project with a lifetime budget not to exceed \$1.5 million. Board Policy T301 also gives the CEO delegated authority to approve all capital projects associated with generation interconnection projects not previously authorized by the Board, in each case only after the generator has provided appropriate financial security to LCRA TSC for its expenses. Staff will communicate any CEO-approved projects to the LCRA Board and LCRA TSC Board on a quarterly basis.

Board policies 301 and T301 give the CEO the ability to approve additional funding for an approved capital project that is expected to exceed its lifetime budget, so long as such additional funding does not cause total capital expenditures to exceed the approved capital plan or materially adversely impact business planning assumptions. Staff will communicate any CEO-approved additional project funding to the LCRA Board and LCRA TSC Board on a quarterly basis.

Finance staff provides to LCRA's Board and executives quarterly capital project status reports on approved projects. Reports include cost variances and fiscal year spending forecasts compared with the current capital plan.

LCRA Capital Plan – Approach

(Continued)

Capital Plan Approval and Reporting

LCRA Board approval of this capital plan authorizes the initiation of all recommended projects at their individually stated lifetime budgets. These recommended projects include annual budgets for general additions and minor capital. General additions are small capital additions or replacement projects that do not exceed \$500,000. Minor capital budgets are used to fund purchases of equipment that, essentially, is ready to place in service upon delivery, such as fleet assets or technology hardware.

Board approval of this plan also authorizes the proposed \$1.81 billion budget for FY 2027 capital spending for recommended, approved and future projects. At this time, LCRA is not seeking Board approval for future projects. LCRA will bring any future project determined to require initiation in FY 2027 to the Board for approval as required.

LCRA incorporates spending projections in the capital plan into the financial performance and rate impacts shown in the business plan. Upon approval and throughout FY 2027, LCRA will provide to the Board regular reports on project progress and compliance with the project budgets and fiscal year spending constraints established in the plan.

The following pages include specific project details and proposed lifetime budgets for recommended projects, as well as annual spending projections for approved and future projects.

Note: The dollar amounts in parentheses after the project titles reflect lifetime budgets.

Wholesale Power Projects

Information about Wholesale Power capital projects included in the capital plan is considered confidential and has been removed from this version of the document.

Transmission Projects

Approved and future Transmission projects total \$1.5 billion in FY 2027 and total \$8.6 billion over the next five years. Staff will bring future projects individually to the Board or the CEO for approval throughout the fiscal year. LCRA TSC projects are required to meet anticipated electric load growth and electric load additions, operating constraints and long-term reliability criteria addressing transmission and transformation needs, as well as reliability of service and equipment reliability limitations, and safety and environmental issues.

To assist in aligning the various goals and associated requirements listed above, the projects are organized in the following categories:

- **Facility acquisition projects** are developed to acquire existing electric system assets or related facilities.
- **General addition projects** are primarily smaller construction projects that maintain electric transmission infrastructure and reliability.
- **Generator interconnection projects** are necessary to facilitate generator interconnections requested by participants in the ERCOT market.
- **Minor capital projects** are primarily for the acquisition of equipment that supports electric transmission needs and, generally, is ready to place in service upon delivery.
- **Service reliability projects** are driven by equipment obsolescence, operational improvements or transmission service reliability needs.
- **System capacity projects** are needed to provide new or increased transmission or transformation system capacity.
- **Third-party funded projects** are not driven by utility criteria; instead, external parties that will contribute a substantial portion of the project cost request the projects.

Transmission Projects (Continued)

There are 67 approved projects with expected spending of \$490.1 million in FY 2027. See the appendix for details on LCRA TSC approved projects. This expected spending is categorized below.

LCRA Transmission Services Corporation FY 2027 Capital Plan Approved Projects

(Dollars in millions)

Planning Category	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Five-Year Total
Generator Interconnection Projects	\$ 109.5	4.7	-	-	-	114.2
Service Reliability Projects	121.8	7.4	-	-	-	129.1
System Capacity Projects	254.9	27.1	-	-	-	282.0
Third-Party Funded Projects	4.0	3.0	-	-	-	7.0
Approved Subtotal	\$ 490.1	42.3	-	-	-	532.4

Transmission Projects (Continued)

Staff continues to evaluate potential projects totaling about \$8.1 billion of expected spending over the next five years. Staff will bring these projects individually to the Board or LCRA Transmission Services Corporation CEO for approval throughout the fiscal year. This spending is categorized below.

LCRA Transmission Services Corporation FY 2027 Capital Plan Future Projects

(Dollars in millions)

Planning Category	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Five-Year Total
General Addition Projects	\$ 9.0	9.0	9.0	9.0	9.0	45.0
Generator Interconnection Projects	92.9	141.9	81.5	45.0	45.0	406.3
Minor Capital Projects	0.3	0.3	0.3	0.3	0.3	1.5
Service Reliability Projects	296.4	483.7	541.4	513.3	286.8	2,121.6
System Capacity Projects	598.6	1,216.9	1,548.7	1,404.5	713.1	5,481.8
Third-Party Funded Projects	0.4	5.5	-	-	-	5.9
Future Subtotal	\$ 997.6	1,857.3	2,180.9	1,972.1	1,054.2	8,062.1

Transmission Projects (Continued)

Spending for approved and future projects totaling about \$8.6 billion over the next five years is categorized below.

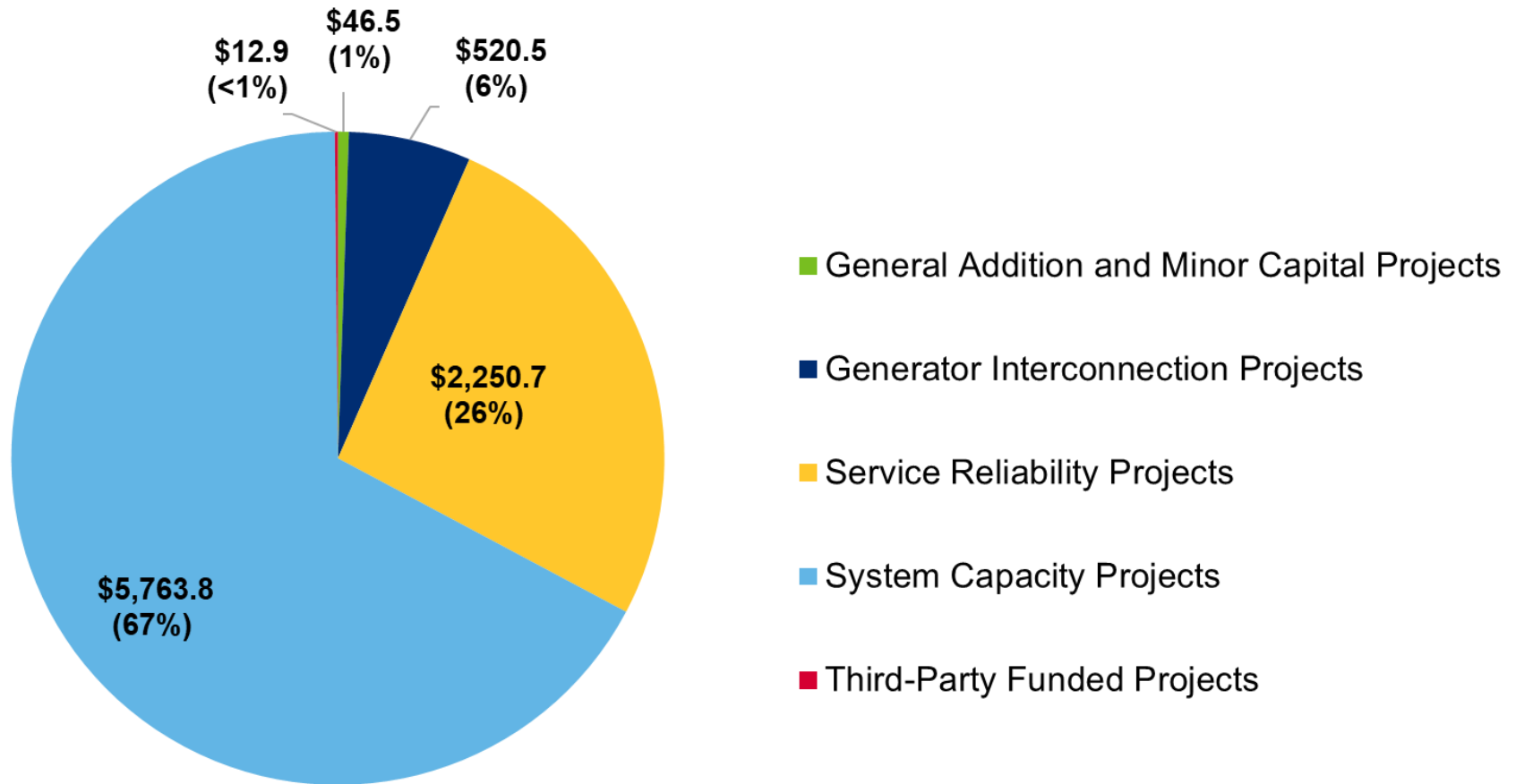
LCRA Transmission Services Corporation FY 2027 Capital Plan Approved and Future Projects

(Dollars in millions)

Planning Category	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Five-Year Total
General Addition Projects	\$ 9.0	9.0	9.0	9.0	9.0	45.0
Generator Interconnection Projects	202.4	146.6	81.5	45.0	45.0	520.5
Minor Capital Projects	0.3	0.3	0.3	0.3	0.3	1.5
Service Reliability Projects	418.2	491.1	541.4	513.3	286.8	2,250.7
System Capacity Projects	853.5	1,244.0	1,548.7	1,404.5	713.1	5,763.8
Third-Party Funded Projects	4.4	8.5	-	-	-	12.9
Total LCRA Transmission Services Corporation	\$ 1,487.7	1,899.6	2,180.9	1,972.1	1,054.2	8,594.5

Transmission Projects (Continued)

Total spending on Transmission approved and future capital projects is expected to be about \$8.6 billion over the next five years. This spending is categorized below.



Dollars in millions

Note: Details of the approved projects are shown in the appendix.

Water Projects

Water projects in the capital plan include capital improvements for managing and delivering raw water. This plan focuses resources on managing the river, improving infrastructure – including LCRA’s Hydromet system – and planning to meet the basin’s future water needs.

Recommended and approved Water projects total \$35.6 million in FY 2027 and total \$81 million over the next five years through FY 2031. Future projects total \$113.7 million through FY 2031.

FY 2027 Recommended Projects

Bay City Dam Bladder Replacement (\$1 million) – The project scope is to replace all 12 deteriorated bladders, straps, seals and other rubber components, as well as associated hardware on the Bay City Dam. The bladder dam creates a pumping pool for the Gulf Coast Irrigation Division Plant 3. The bladders are no longer staying inflated and need to be replaced to maintain the pumping pool.

Lower Basin Off-Channel Reservoir (\$3 million) – The project scope is for design stages up to and including 30% design for a potential off-channel reservoir project that would use LCRA property in the lower Colorado River basin and add to LCRA’s water supply system. Staff would seek Board approval at a later date for subsequent design and construction phases.

Mansfield Dam Upstream Ring Follower Floodgates Rehabilitation (\$2 million) – The project scope is for the first phase of a floodgates rehabilitation project that will include engineering design services, development, labor, materials and equipment needed to rehabilitate one floodgate. It also includes upgrading the hydraulic piping system that operates the ring follower floodgates. The lifetime budget represents the first phase of the project, which is projected to go through FY 2029. Staff will later seek Board approval separately for the construction phase of the project. The budget and schedule from this portion of work will provide the costs and timeline for recommending a subsequent project to rehabilitate the remaining floodgates.

Water Projects (Continued)

FY 2027 Recommended Projects (Continued)

General Additions – General addition projects will maintain infrastructure and improve reliability and safety for the following:

- Hydromet (\$150,000)
- Irrigation systems (\$310,000)
- Raw water (\$500,000)

Minor Capital – The scope of minor capital projects is to purchase equipment that, essentially, is ready to place in service upon delivery for the following:

- Hydromet (\$190,000)
- Irrigation systems (\$760,000)
- Raw water (\$60,000)

Water Projects (Continued)

Water

FY 2027 Capital Plan Recommended and Approved Projects

(Dollars in thousands)

Project Name	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Five-Year Total	Lifetime
Recommended							
Bay City Dam Bladder Replacement	1,000	-	-	-	-	1,000	1,000
General Additions – Hydromet	150	-	-	-	-	150	150
General Additions – Irrigation Systems	310	-	-	-	-	310	310
General Additions – Raw Water	500	-	-	-	-	500	500
Lower Basin Off-Channel Reservoir	1,000	2,000	-	-	-	3,000	3,000
Mansfield Dam Upstream Ring Follower Floodgates Rehabilitation	600	600	800	-	-	2,000	2,000
Minor Capital – Hydromet	190	-	-	-	-	190	190
Minor Capital – Irrigation Systems	760	-	-	-	-	760	760
Minor Capital – Raw Water	60	-	-	-	-	60	60
Recommended Subtotal	4,570	2,600	800	-	-	7,970	7,970
Approved							
Buchanan Dam Spalling Concrete Rehabilitation – Phase 3	7,195	-	-	-	-	7,195	36,000
Griffith League Ranch Groundwater – Phases 1 and 2	1,729	1,510	11,152	11,152	11,152	36,695	43,500
Lake Bastrop Water	5,716	-	-	-	-	5,716	9,400
Lane City Dam Rehabilitation and Hurricane Harvey Recovery	11,888	-	-	-	-	11,888	23,400
Mansfield Dam Paradox Gate Rehabilitation – Phase 2	1,230	1,497	-	-	-	2,727	14,806
Matagorda Bay Brackish Groundwater Well	-	-	-	2,300	2,698	4,998	5,000
New Regional Water Supply Projects – Phase 1	3,114	592	-	-	-	3,706	6,179
Water Video Surveillance Systems Upgrade	138	-	-	-	-	138	700
Approved Subtotal	31,010	3,599	11,152	13,452	13,850	73,063	138,985

Water Projects (Continued)

Water FY 2027 Capital Plan Future Projects

(Dollars in thousands)

Project Name	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Five-Year		
						Total	Lifetime	
Future								
Buchanan Dam Seven-Floodgate Section Spillway Improvements – Phase 2	-	-	-	-	2,500	2,500	5,000	
General Additions – Hydromet	-	230	150	150	150	680	680	
General Additions – Irrigation Systems	-	310	310	310	310	1,240	1,240	
General Additions – Raw Water	-	200	200	200	200	800	800	
Gulf Coast Canal Lining	-	900	900	-	-	1,800	1,800	
Lake Bastrop Water (Future)	-	57,500	28,000	-	-	85,500	85,500	
Lakeside Main Canal Gate Automation	-	-	300	300	300	900	1,500	
Mansfield Dam Flood Conduit Recoating	-	-	200	200	200	600	1,200	
Mansfield Dam Spillway Spalling	-	-	-	-	1,000	1,000	1,000	
Mansfield Dam Upstream Ring Follower Floodgates Rehabilitation (Future)	-	-	-	1,200	1,200	2,400	12,000	
Minor Capital – Hydromet	-	135	85	75	170	465	465	
Minor Capital – Irrigation Systems	-	530	920	545	755	2,750	2,750	
Minor Capital – Raw Water	-	10	10	10	80	110	110	
New Regional Water Supply Projects – Phase 2	-	-	5,000	4,000	4,000	13,000	23,300	
Future Subtotal	-	59,815	36,075	6,990	10,865	113,745	137,345	
Total Water	35,580	66,014	48,027	20,442	24,715	194,778	284,300	

Public Services Projects

Legislative authority and LCRA's Board provide direction for LCRA staff to develop and manage parks, recreation facilities and natural science centers in LCRA's statutory district, providing public recreation and water access along the lower Colorado River and its tributaries and at LCRA's power plant reservoirs. LCRA's park system includes more than 40 parks on nearly 11,000 acres. The parks enhance the public's use and enjoyment of LCRA lands and provide diverse outdoor recreation and education opportunities.

LCRA's public service funding aims to keep pace with the growing Texas population and expected increase in park visitation, protect natural resources and water quality along the Colorado River, and develop facilities that help achieve LCRA's cost-recovery goals for parks. As part of this development, staff seeks approval of using the Public Recreation and Conservation Land Acquisition Fund to fund a capital project in the first year of the plan and will seek additional funding in future years as needed.

Recommended and approved Public Services projects total \$5.2 million in FY 2027 and total \$10.9 million over the next five years through FY 2031. Future projects total \$17.3 million through FY 2031.

FY 2027 Recommended Projects

McKinney Roughs Nature Park Improvements (\$7.533 million) – The project scope will include a more visible entrance sign, a new multiuse facility, special event infrastructure enhancements, trail upgrades and expansion, and additional amenities for mountain biking, and will replace the outdated challenge course. McKinney Roughs Nature Park welcomes more than 100,000 visitors annually and sits amid a rapidly growing area where demand for accessible green space continues to increase.

Public Services Projects (Continued)

FY 2027 Recommended Projects (Continued)

General Additions – General addition projects will maintain infrastructure and make strategic improvements to enhance customer service in the following areas:

- Parks (\$150,000)
- Other Public Services (\$125,000)

Minor Capital – The scope of minor capital projects is to purchase equipment that, essentially, is ready to place in service upon delivery for the following:

- Parks (\$1.2 million): Staff is recommending that \$532,000 of the \$1.2 million be funded from the Public Recreation and Conservation Land Acquisition Fund.
- Other Public Services (\$650,000)

Public Services Projects (Continued)

Public Services

FY 2027 Capital Plan Recommended, Approved and Future Projects

(Dollars in thousands)

Project Name	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Five-Year Total	Lifetime
Recommended							
Parks							
General Additions	150	-	-	-	-	150	150
McKinney Roughs Nature Park Improvements	1,850	3,427	2,256	-	-	7,533	7,533
Minor Capital	1,200	-	-	-	-	1,200	1,200
Other Public Services							
General Additions	125	-	-	-	-	125	125
Minor Capital	650	-	-	-	-	650	650
Recommended Subtotal	3,975	3,427	2,256	-	-	9,658	9,658
Approved							
Parks							
Lake Bastrop South Shore Park Facility Improvements	1,234	-	-	-	-	1,234	2,657
Approved Subtotal	1,234	-	-	-	-	1,234	2,657
Future							
Parks							
General Additions	-	200	580	300	750	1,830	1,830
Grelle Recreation Area Improvements	-	-	-	-	2,800	2,800	2,800
Lake Bastrop Boat Ramp	-	-	1,500	2,000	-	3,500	3,500
Minor Capital	-	1,785	1,355	480	450	4,070	4,070
Muleshoe Bend Recreation Area Improvements	-	-	-	2,800	1,000	3,800	9,800
Other Public Services							
Minor Capital	-	740	250	95	175	1,260	1,260
Future Subtotal	-	2,725	3,685	5,675	5,175	17,260	23,260
Total Public Services	5,209	6,152	5,941	5,675	5,175	28,152	35,575

Strategic Services Projects

Recommended Strategic Services projects total \$1 million in FY 2027 and over the next five years through FY 2031. Future projects total \$3.1 million through FY 2031.

FY 2027 Recommended Projects

General Additions – General addition projects will maintain infrastructure and make strategic improvements to enhance customer service in the following areas:

- LCRA Environmental Laboratory Services (\$350,000)
- Telecommunications (\$250,000)

Minor Capital – The scope of minor capital projects is to purchase equipment that, essentially, is ready to place in service upon delivery for the following:

- LCRA Environmental Laboratory Services (\$435,000)

Strategic Services Projects

(Continued)

Strategic Services

FY 2027 Capital Plan Recommended and Future Projects

(Dollars in thousands)

Project Name	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Five-Year Total	Lifetime
Recommended							
LCRA Environmental Laboratory Services							
General Additions	350	-	-	-	-	350	350
Minor Capital	435	-	-	-	-	435	435
Telecommunications							
General Additions	250	-	-	-	-	250	250
Recommended Subtotal	1,035	-	-	-	-	1,035	1,035
Future							
LCRA Environmental Laboratory Services							
General Additions	-	350	105	50	10	515	515
Minor Capital	-	445	450	485	180	1,560	1,560
Telecommunications							
General Additions	-	250	250	250	250	1,000	1,000
Future Subtotal	-	1,045	805	785	440	3,075	3,075
Total Strategic Services	1,035	1,045	805	785	440	4,110	4,110

Enterprise Support Projects

Enterprise Support capital projects provide the facility services, telecommunications and information technology infrastructure that support the business operations of the organization. LCRA's power, transmission and water rates fund the projects, which makes predicting costs to include in LCRA's rates especially important. Unless an emergency arises, LCRA adjusts Enterprise Support priorities throughout the year to stay within the approved capital plan budget for each fiscal year instead of seeking additional funding authority from the Board.

Recommended and approved Enterprise Support projects total \$92.7 million in FY 2027 and total \$147.4 million over the next five years through FY 2031. Future projects total \$192.6 million through FY 2031.

FY 2027 Recommended Projects

Communications Shelter Addition – FY 2027 Telecommunications Upgrade (\$4.087 million) – The project scope is to install communications shelters, fiber patch panels, power supply equipment and generators at seven fiber backbone facilities. The project will increase the reliability and flexibility of LCRA's telecommunications system and make the system easier to maintain.

Dense Wavelength Division Multiplexing Build-out – FY 2027 Telecommunications Upgrade (\$842,000) – The project scope is to improve telecommunications system capacity and reliability by expanding the dense wavelength division multiplexing system at Bergheim, Kendall, and Zorn substations; the Fayette Power Project Communications Building; McKinney Roughs Nature Park; and the Telecommunications Operations Control Center at the Dalchau Service Center. The equipment will provide increased bandwidth across the fiber backbone and provide alternate circuit paths for telecommunications traffic.

Enterprise Support Projects

(Continued)

FY 2027 Recommended Projects (Continued)

Generator Replacements – FY 2027 Telecommunications Upgrade (\$527,000) – The project scope is to begin replacing obsolete generators or generator equipment that requires excessive maintenance. LCRA Telecommunications uses propane or diesel generators to provide backup power for critical telecommunications systems that support mission-critical assets for LCRA and LCRA TSC. The FY 2027 project is the first of a multiyear program to incrementally address the generators and generator equipment that need replacing.

Network Stratification – FY 2027 Telecommunications Upgrade (\$1.3 million) – The project scope is to continue developing a very high bandwidth network for LCRA using dense wavelength division multiplexing and other technologies. The project will allow for the creation of new and expanded business-critical networks, add capability for anticipated high-bandwidth applications at the network's edge, and allow new technology applications to be implemented while continuing to keep mission-critical networks separate and prioritized.

New Towers – FY 2027 Telecommunications Upgrade (\$1.237 million) – The project scope is to construct two new LCRA-owned towers adjacent to existing towers that are no longer appropriate for LCRA's future needs and were sold to a third party. The new towers will support LCRA's private long-term evolution network and the 700-megahertz public safety system, and they will provide future microwave links to increase bandwidth or availability on the LCRA telecommunications network.

Enterprise Support Projects

(Continued)

FY 2027 Recommended Projects (Continued)

Operational Technology HyperFlex™ Replacement (\$1 million) – The project scope is to replace infrastructure at Fayette Power Project, Hilbig Gas Storage Facility and operational technology environments at the General Office Complex and Dalchau Service Center data centers. Cisco's HyperFlex infrastructure integrates computing, networking and storage resources at these locations.

Radio Subscriber – FY 2027 Telecommunications Upgrade (\$6.3 million) – The project scope is to replace existing mobile devices or provide new ones that are compatible with LCRA's private long-term evolution network to internal users throughout LCRA. The new devices will include advanced applications like live video feeds, automated sensors and real-time metering data. They will serve as the foundation for LCRA's Hydromet system metering, mission-critical communications and grid modernization to help ensure a more resilient and reliable delivery of services to LCRA's service area.

Uninterruptible Power Supply Replacements (\$780,000) – The project scope is to replace the uninterruptible power supply equipment at multiple LCRA telecommunications trunked radio sites over a three-year project implementation. This equipment ensures emergency equipment used by first responders is operable during power outages until power is restored or generators are brought online.

Enterprise Support Projects

(Continued)

FY 2027 Recommended Projects (Continued)

General Additions – General addition projects will maintain infrastructure and improve reliability and safety for the following:

- Digital Services (\$452,000)
- Facilities (\$950,000)
- Public Safety (\$50,000)
- Telecommunications (\$5.994 million)

Minor Capital – The scope of minor capital projects is to purchase equipment that, essentially, is ready to place in service upon delivery for the following:

- Cybersecurity (\$280,000)
- Digital Services (\$2.1 million)
- Facilities (\$3.88 million)
- Public Safety (\$1.98 million)
- Telecommunications (\$1.295 million)
- Transmission support (\$22 million)

Enterprise Support Projects

(Continued)

Enterprise Support

FY 2027 Capital Plan Recommended Projects

(Dollars in thousands)

Project Name	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Five-Year Total	Lifetime
Recommended							
Cybersecurity							
Minor Capital	280	-	-	-	-	280	280
Digital Services							
General Additions	452	-	-	-	-	452	452
Minor Capital	2,100	-	-	-	-	2,100	2,100
Operational Technology HyperFlex™ Replacement	1,000	-	-	-	-	1,000	1,000
Facilities							
General Additions	950	-	-	-	-	950	950
Minor Capital	3,880	-	-	-	-	3,880	3,880
Public Safety							
General Additions	50	-	-	-	-	50	50
Minor Capital	1,980	-	-	-	-	1,980	1,980
Telecommunications							
Communications Shelter Addition – FY 2027 Telecommunications Upgrade	4,087	-	-	-	-	4,087	4,087
DWDM Build-out – FY 2027 Telecommunications Upgrade	842	-	-	-	-	842	842
General Additions	5,994	-	-	-	-	5,994	5,994
Generator Replacements – FY 2027 Telecommunications Upgrade	527	-	-	-	-	527	527
Minor Capital	1,295	-	-	-	-	1,295	1,295
Network Stratification – FY 2027 Telecommunications Upgrade	1,300	-	-	-	-	1,300	1,300
New Towers – FY 2027 Telecommunications Upgrade	1,237	-	-	-	-	1,237	1,237
Radio Subscriber – FY 2027 Telecommunications Upgrade	2,500	2,500	1,300	-	-	6,300	6,300
Uninterruptible Power Supply Replacements	200	400	180	-	-	780	780
Transmission Support							
Minor Capital	22,000	-	-	-	-	22,000	22,000
Recommended Subtotal	50,674	2,900	1,480	-	-	55,054	55,054

Enterprise Support Projects

(Continued)

Enterprise Support

FY 2027 Capital Plan Approved and Future Projects

(Dollars in thousands)

Project Name	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Five-Year Total	Lifetime
Approved							
Telecommunications							
Blanco and Burnet Counties Radio Sites	2,246	-	-	-	-	2,246	3,766
Colorado County Telecommunications Upgrade	103	-	-	-	-	103	1,027
Kerr County Broadband Expansion	4,000	200	-	-	-	4,200	7,200
LTE Core	216	-	-	-	-	216	17,507
LTE Spectrum Expansion	-	-	-	6,820	-	6,820	14,000
Network Stratification – FY 2026 Telecommunications Upgrade	10	-	-	-	-	10	801
New Towers – FY 2026 Telecommunications Upgrade	2,496	-	-	-	-	2,496	4,017
Radio Access Network Migration	16,799	12,200	25,133	-	-	54,132	69,500
Radio Subscriber – FY 2025 Telecommunications Upgrade	44	-	-	-	-	44	910
Rural Broadband Middle Mile Expansion	16,100	6,000	-	-	-	22,100	23,900
Approved Subtotal	42,014	18,400	25,133	6,820	-	92,367	142,628
Future							
Cybersecurity							
Intrusion Detection System/Intrusion Prevention System Extranet	-	-	1,000	-	-	1,000	1,000
Minor Capital	-	875	350	780	280	2,285	2,285
Digital Services							
Edge Network Upgrade – FY 2029	-	-	700	700	700	2,100	2,100
General Additions	-	500	650	650	650	2,450	2,450
Minor Capital	-	2,700	1,800	1,800	1,830	8,130	8,130

Enterprise Support Projects

(Continued)

Enterprise Support FY 2027 Capital Plan Future Projects

(Dollars in thousands)

Project Name	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Five-Year Total	Lifetime
Future (continued)							
Facilities							
General Additions	-	390	1,010	415	365	2,180	2,180
General Office Complex Plant Cooling System	-	900	1,700	-	-	2,600	2,600
Minor Capital	-	2,540	2,165	905	810	6,420	6,420
Public Safety							
General Additions	-	50	50	50	50	200	200
Minor Capital	-	910	1,585	610	100	3,205	3,205
Telecommunications							
Communications Shelter Addition – FY 2028 Telecommunications Upgrade	-	500	-	-	-	500	500
Communications Shelter Addition – FY 2029 Telecommunications Upgrade	-	-	500	-	-	500	500
Communications Shelter Addition – FY 2030 Telecommunications Upgrade	-	-	-	1,000	-	1,000	1,000
Communications Shelter Addition – FY 2031 Telecommunications Upgrade	-	-	-	-	1,000	1,000	1,000
Conventional Interface Upgrade	-	500	100	-	-	600	600
Dalchau Service Center Underground Fiber	-	1,000	-	-	-	1,000	1,000
DWDM Build-out – FY 2028 Telecommunications Upgrade	-	1,250	-	-	-	1,250	1,250
DWDM Build-out – FY 2029 Telecommunications Upgrade	-	-	540	-	-	540	540
DWDM Build-out – FY 2030 Telecommunications Upgrade	-	-	-	560	-	560	560
DWDM Build-out – FY 2031 Telecommunications Upgrade	-	-	-	-	820	820	820
General Additions	-	4,731	4,000	4,000	4,000	16,731	16,731
Generator Replacements – FY 2028 Telecommunications Upgrade	-	700	-	-	-	700	700
Generator Replacements – FY 2029 Telecommunications Upgrade	-	-	700	-	-	700	700
Generator Replacements – FY 2030 Telecommunications Upgrade	-	-	-	700	-	700	700
Generator Replacements – FY 2031 Telecommunications Upgrade	-	-	-	-	700	700	700
Hi Cross-Austin Fiber – FY 2030 Telecommunications Upgrade	-	-	-	1,200	-	1,200	1,200
LCRA Facility Fiber Replacements	-	600	600	600	600	2,400	2,400

Enterprise Support Projects

(Continued)

Enterprise Support FY 2027 Capital Plan Future Projects

(Dollars in thousands)

Project Name	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Five-Year Total	Lifetime
Future (continued)							
Telecommunications (continued)							
LCRA Telecommunications Computer Infrastructure	-	-	2,000	-	-	2,000	2,000
LTE Core Expansion – FY 2029 Telecommunications Upgrade	-	-	1,000	-	-	1,000	1,000
LTE Core Refresh	-	-	-	4,500	-	4,500	4,500
LTE Mission-Critical Hardware Upgrade	-	-	-	-	1,200	1,200	1,200
LTE South Texas and West Texas Transport Network	-	-	2,000	2,000	2,000	6,000	6,000
LTE Telecommunications Computer Infrastructure	-	2,000	-	-	-	2,000	2,000
Minor Capital	-	1,370	845	560	685	3,460	3,460
Network Stratification – FY 2028 Telecommunications Upgrade	-	1,000	-	-	-	1,000	1,000
Network Stratification – FY 2029 Telecommunications Upgrade	-	-	1,000	-	-	1,000	1,000
Network Stratification – FY 2030 Telecommunications Upgrade	-	-	-	1,000	-	1,000	1,000
Network Stratification – FY 2031 Telecommunications Upgrade	-	-	-	-	1,000	1,000	1,000
New Towers – FY 2028 Telecommunications Upgrade	-	1,000	-	-	-	1,000	1,000
New Towers – FY 2029 Telecommunications Upgrade	-	-	1,000	-	-	1,000	1,000
New Towers – FY 2030 Telecommunications Upgrade	-	-	-	1,000	-	1,000	1,000
New Towers – FY 2031 Telecommunications Upgrade	-	-	-	-	1,000	1,000	1,000
P25 Obsolete Transport Equipment Upgrade	-	400	400	-	-	800	800
Radio Access Network Expansion	-	-	4,500	6,200	10,000	20,700	20,700
Radio System Migration – P25 700-Megahertz Core Refresh	-	-	-	-	1,500	1,500	3,000
Transmission Support							
Minor Capital	-	20,000	20,000	20,000	20,000	80,000	80,000
Future Subtotal	-	43,916	50,195	49,230	49,290	192,631	194,131
Total Enterprise Support	92,688	65,216	76,808	56,050	49,290	340,052	391,813

Appendix

LCRA Consolidated

(Including Nonprofit Corporations)

	(Dollars in millions)					
	Budgeted FY 2026	Proposed FY 2027	Forecast			
			FY 2028	FY 2029	FY 2030	FY 2031
Revenues						
Total Net Revenue¹	\$ 1,823.1	1,988.5	2,229.0	2,495.4	2,829.3	3,240.7
Expenses						
Total Net Expense¹	1,048.4	1,112.0	1,220.4	1,239.0	1,315.0	1,476.7
Net Operating Margin	774.6	876.5	1,008.6	1,256.4	1,514.3	1,764.1
Less: GenTex Funds ²	(7.5)	0.0	0.0	0.0	0.0	0.0
Net Margin for Debt Service, Adjusted	767.2	876.5	1,008.6	1,256.4	1,514.3	1,764.1
Debt Service	\$ 523.1	600.5	723.4	863.9	1,012.0	1,140.2
Debt Service Coverage, Adjusted	1.47x	1.46x	1.39x	1.45x	1.50x	1.55x
Net Margin After Debt Service³	\$ 251.5	276.0	285.2	392.5	502.3	623.9
Less:						
Operating Reserves	73.3	42.3	62.2	48.8	72.1	85.5
Revenue-Funded Capital	171.9	221.6	208.4	317.4	386.7	481.1
Noncash Revenue	2.3	2.6	2.2	2.1	2.1	2.1
Restricted for (Use of) Reserves	1.3	6.4	9.7	21.4	38.3	52.2
Restricted for Capital/Debt Retirement	0.0	0.0	0.0	0.0	0.0	0.0
Grants	2.8	3.1	2.9	2.9	3.0	3.0
Net Cash Flow	\$ 0.0	0.0	0.0	0.0	0.0	0.0

¹ Total net revenues and total net expenses are net of intracompany transfers. Total revenues include interest income. Operations and maintenance expense excludes the LCRA TSC capital charge, which is a capital expense for LCRA consolidated.

² Includes adjustments related to GenTex capital funding and reserve funding.

³ Net margin after debt service includes funds dedicated to GenTex.

Wholesale Power

(Including Nonprofit Corporations)

Confidential competitive electric information has been removed from this version of the document.

LCRA TSC

(Dollars in millions)

	Budgeted	Proposed	Forecast			
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	\$ 823.0	924.9	1,057.9	1,291.2	1,557.2	1,849.0
Operations and Maintenance	181.9	188.0	199.1	210.2	230.4	258.4
Net Operating Margin	641.1	736.9	858.8	1,081.0	1,326.8	1,590.6
Plus: Interest Income	9.4	13.7	13.7	15.2	15.1	15.1
Less: Assigned Enterprise Expense	74.7	90.4	89.9	91.9	105.4	135.9
Public Service Fund	24.7	27.7	31.7	38.7	46.7	55.5
Resource Development Fund	16.5	18.5	21.2	25.8	31.1	37.0
Net Margin Available for Debt Service	534.7	614.0	729.7	939.8	1,158.7	1,377.4
Debt Service	\$ 388.4	443.0	551.2	676.5	809.0	922.5
Debt Service Coverage	1.38x	1.39x	1.32x	1.39x	1.43x	1.49x
Net Margin After Debt Service	\$ 146.3	171.0	178.4	263.3	349.7	454.9
Less:						
Operating Reserves	24.2	29.5	32.0	38.0	48.0	53.2
Assigned Enterprise Capital	36.0	39.9	30.7	45.3	23.3	23.6
Assigned Transmission Minor Capital	17.9	21.9	19.9	19.9	20.0	20.0
Revenue-Funded Capital	92.6	105.0	125.8	196.3	297.4	399.7
Plus:						
Amortization of Enterprise/Minor Capital ¹	24.4	25.3	30.1	36.2	39.0	41.7
Net Cash Flow	\$ 0.0	0.0	0.0	0.0	0.0	0.0

¹ In FY 2012, LCRA TSC began funding minor capital and its share of enterprise capital with current year revenues. It will include an amortization of the amount in each year to recover in rates.

Water

(Dollars in millions)

	Budgeted	Proposed	Forecast			
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues						
Firm Water	\$ 36.1	34.3	35.6	36.5	37.9	38.7
Agriculture	8.3	10.6	11.0	11.4	11.9	12.5
Other	3.5	3.4	2.4	2.3	2.4	2.6
Total Revenues	48.0	48.3	48.9	50.2	52.2	53.8
Operations and Maintenance	22.1	22.8	21.6	21.3	21.6	21.9
Net Operating Margin	26.0	25.5	27.3	28.9	30.5	31.9
Plus: Interest Income	2.3	2.2	2.2	2.3	2.3	2.5
Less: Assigned Enterprise Expense	8.2	9.6	9.2	9.6	10.2	10.2
Public Service Fund	1.3	1.3	1.4	1.4	1.5	1.5
Resource Development Fund	0.7	0.7	0.7	0.7	0.8	0.8
Net Margin Available for Debt Service	17.9	16.1	18.1	19.4	20.3	21.9
Debt Service	\$ 28.3	30.6	31.8	33.5	33.6	40.6
Debt Service Coverage	0.63x	0.53x	0.57x	0.58x	0.61x	0.54x
Plus: Resource Development Funding	\$ 22.0	22.4	22.5	22.5	22.5	28.8
Debt Service Coverage, Adjusted	1.41x	1.26x	1.28x	1.25x	1.28x	1.25x
Net Margin After Debt Service	11.6	7.9	8.8	8.4	9.3	10.0
Less:						
Operating Reserves	0.4	0.5	0.0	0.0	0.0	0.0
Assigned Enterprise Capital	1.5	2.3	1.8	2.5	1.3	1.3
Revenue-Funded Capital	9.3	5.8	6.4	5.4	6.7	7.1
Noncash Revenues	1.9	1.9	1.9	1.9	1.9	1.9
Plus:						
Agriculture Reserve Fund	1.5	2.6	1.3	1.3	0.5	0.2
Net Cash Flow	\$ 0.0	0.0	0.0	0.0	0.0	0.0

Strategic Services

(Dollars in millions)

	Budgeted	Proposed	Forecast			
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	\$ 22.6	25.8	24.9	29.4	38.2	44.4
Operations and Maintenance	16.6	15.4	15.1	17.9	22.8	23.3
Net Operating Margin	6.0	10.4	9.7	11.5	15.5	21.1
Less: Assigned Enterprise Expense	4.0	4.8	4.9	5.2	5.5	5.7
Public Service Fund	0.7	0.8	0.7	0.9	1.1	1.3
Resource Development Fund	0.5	0.5	0.5	0.6	0.8	0.9
Net Margin Available	\$ 0.9	4.3	3.6	4.9	8.1	13.1
Debt Service	\$ 0.0	0.3	0.3	0.3	0.3	0.4
Net Margin After Debt Service	0.9	4.0	3.3	4.6	7.8	12.8
Less:						
Operating Reserves	1.1	0.1	0.1	0.4	5.0	3.3
Revenue-Funded Capital	0.7	0.7	0.7	0.7	0.7	0.4
Assigned Enterprise Capital	1.8	2.7	2.1	3.1	1.6	1.7
Assigned Transmission Minor Capital	0.1	0.1	0.1	0.1	0.0	0.0
Restricted for Reserves	0.0	0.4	0.4	0.3	0.4	7.3
Plus:						
Prior-Year Reserves	2.8	0.0	0.0	0.0	0.0	0.0
Net Cash Flow	\$ 0.0	0.0	0.0	0.0	0.0	0.0

LCRA TSC Approved Projects

LCRA Transmission Services Corporation FY 2027 Capital Plan Approved Projects

(Dollars in thousands)

Project Name	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Five-Year Total	Lifetime
Generator Interconnection Projects							
Concho River Substation Addition	20,282	-	-	-	-	20,282	33,600
Headwater Circuit Breaker Addition	305	-	-	-	-	305	3,500
Highline Substation Addition	27,887	4,647	-	-	-	32,534	41,800
Leesville Substation Addition	261	-	-	-	-	261	12,400
Mountain Home Substation Addition	3,953	6	-	-	-	3,959	6,300
Overland Substation Addition	37,420	92	-	-	-	37,512	41,300
Overland Substation Property Acquisition Upgrade	2,239	-	-	-	-	2,239	8,200
Pastor Substation Addition	17,039	-	-	-	-	17,039	57,600
Starcke Generator Circuit Breaker Addition	84	-	-	-	-	84	17,700
Generator Interconnection Projects Subtotal	109,470	4,745	-	-	-	114,215	222,400
Service Reliability Projects							
Battery Systems – FY 2025 Substation Upgrade	10	-	-	-	-	10	4,300
Bellville South-Glidden Easement Enhancement System Upgrade	223	-	-	-	-	223	700
Big Hill-Kendall Transmission Line Storm Hardening	19,911	111	-	-	-	20,022	34,700
Big Hill-Twin Buttes Transmission Line Overhaul	5,510	-	-	-	-	5,510	12,800
Blewett Circuit Breaker Addition	132	-	-	-	-	132	7,000
Bluffton-Buchanan Transmission Line Overhaul	8,720	14	-	-	-	8,734	28,300
Boerne Split-Welfare Transmission Line Upgrade	5,722	-	-	-	-	5,722	93,600
Buchanan-Burnet Transmission Line Overhaul	171	-	-	-	-	171	36,200
Buchanan CTEC-Kingsland 1 Transmission Line Overhaul	149	-	-	-	-	149	20,700
Central Texas Electric Cooperative Area Substation Upgrade	15	-	-	-	-	15	3,100
Colton-Elroy Transmission Line Overhaul	158	-	-	-	-	158	16,600
Colton-Mendoza Easement Enhancement Substation Upgrade	92	-	-	-	-	92	1,900
Dalchau Service Center Building J Facilities Upgrade	24,627	-	-	-	-	24,627	33,900
Doss-Headwaters Transmission Line Overhaul	210	-	-	-	-	210	34,500

LCRA TSC Approved Projects

(Continued)

LCRA Transmission Services Corporation FY 2027 Capital Plan Approved Projects

(Dollars in thousands)

Project Name	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Five-Year		
						Total	Lifetime	
Service Reliability Projects (continued)								
Easement Enhancement – FY 2023 System Upgrade	241	-	-	-	-	241	5,700	
Easement Enhancement – FY 2024 System Upgrade	630	3	-	-	-	633	8,600	
Easement Enhancement – FY 2025 System Upgrade	2,447	6	-	-	-	2,453	8,600	
Eckert Power Transformer Upgrade	58	-	-	-	-	58	8,665	
Environmental Permitting – FY 2024 System Upgrade	436	-	-	-	-	436	1,100	
FPP Yard 2-Lytton Springs Transmission Line Overhaul	159	-	-	-	-	159	101,700	
Fredonia-Mason Transmission Line Overhaul	4,408	13	-	-	-	4,421	41,100	
Kendall-Welfare Transmission Line Upgrade	34,975	-	-	-	-	34,975	122,000	
Lockhart-Mendoza Easement Enhancement System Upgrade	1,390	6	-	-	-	1,396	2,000	
Mobile Capacitor Bank – FY 2025 System Upgrade	1,285	939	-	-	-	2,224	3,400	
Mobile Substation – FY 2025 Power Transformer Addition	1,819	-	-	-	-	1,819	5,700	
Mobile Substation – FY 2026 Power Transformer Addition	1,221	6,279	-	-	-	7,500	7,900	
Obsolete Network Interface Telecommunications Upgrade	643	-	-	-	-	643	1,900	
Protective Relaying – FY 2025 Substation Upgrade	3,155	-	-	-	-	3,155	6,500	
Spare Transformer – FY 2025 Power Transformer Addition	2,970	13	-	-	-	2,983	2,704	
Substation Underground Fiber – FY 2026 Telecommunications Upgrade	10	-	-	-	-	10	1,300	
Transmission Switch – FY 2024 Substation Upgrade	115	-	-	-	-	115	1,500	
Transmission Switch – FY 2025 Substation Upgrade	153	-	-	-	-	153	3,400	
Service Reliability Projects Subtotal	121,765	7,384	-	-	-	129,149	662,069	
System Capacity Projects								
Alford Substation Addition	18,000	50	-	-	-	18,050	34,500	
Bakersfield Dynamic Reactive Substation Upgrade	81,489	17,009	-	-	-	98,498	215,000	
Bearkat-North McCamey Transmission Line Addition	12,264	-	-	-	-	12,264	260,300	
Caldwell Substation Addition	147	-	-	-	-	147	23,054	
Canyon-San Marcos Transmission Line Upgrade	260	-	-	-	-	260	22,800	

LCRA TSC Approved Projects

(Continued)

LCRA Transmission Services Corporation

FY 2027 Capital Plan Approved Projects

(Dollars in thousands)

Project Name	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Five-Year Total	Lifetime
System Capacity Projects (continued)							
Cedar Hill-Swiftex Transmission Line Upgrade	16,403	43	-	-	-	16,446	50,300
Euclid Substation Addition	10,218	-	-	-	-	10,218	97,500
Evant Power Transformer Upgrade	58	-	-	-	-	58	6,100
Gabriel-Split Transmission Line Upgrade	31	2	-	-	-	33	13,700
Georgetown Power Transformer Upgrade	35,082	6,440	-	-	-	41,522	64,400
Glasscock Power Transformer Upgrade	39	-	-	-	-	39	7,600
Henne Bus Substation Upgrade	225	-	-	-	-	225	21,600
Henne-Kohlenberg Transmission Line Addition	14,742	55	-	-	-	14,797	22,400
Hornsby Load Power Transformer Addition	1,431	-	-	-	-	1,431	24,700
Hornsby Substation Upgrade	137	-	-	-	-	137	40,300
Hueco Springs Substation Addition	193	-	-	-	-	193	15,000
Jack Furman Power Transformer Addition	138	-	-	-	-	138	2,900
La Cima Substation Addition	7,690	-	-	-	-	7,690	16,400
Lockhart-San Marcos Transmission Line Upgrade	125	-	-	-	-	125	21,200
North McCamey-Sand Lake Transmission Line Addition	2,175	-	-	-	-	2,175	293,000
Redwood-San Marcos Transmission Line Upgrade	18,949	3,523	-	-	-	22,472	46,400
Ridgmar Circuit Breaker Addition	29	-	-	-	-	29	2,800
Saxet Substation Upgrade	11,838	-	-	-	-	11,838	18,800
Settlers Substation Upgrade	23,070	8	-	-	-	23,078	48,600
Twin Buttes Circuit Breaker Substation Upgrade	135	-	-	-	-	135	5,400
System Capacity Projects Subtotal	254,868	27,130	-	-	-	281,998	1,374,754
Third-Party Funded Projects							
Broadband Easement Enhancement – FY 2026 Upgrade	4,000	3,000	-	-	-	7,000	7,500
Third-Party Funded Projects Subtotal	4,000	3,000	-	-	-	7,000	7,500
Approved Subtotal	490,103	42,259	-	-	-	532,362	2,266,723



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