



Board Agenda

Wednesday, May 10, 2017
LCRA Board Room
Austin

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***This agenda item requires the approval of at least 12 Board members.**

Legal Notice

Although this is the expected agenda, the Board may discuss or take action on any item listed in the legal notice, which may include some items not currently on the Board agenda. Legal notices are available on the Texas Secretary of State website 72 hours prior to the meeting at www.sos.state.tx.us/open.

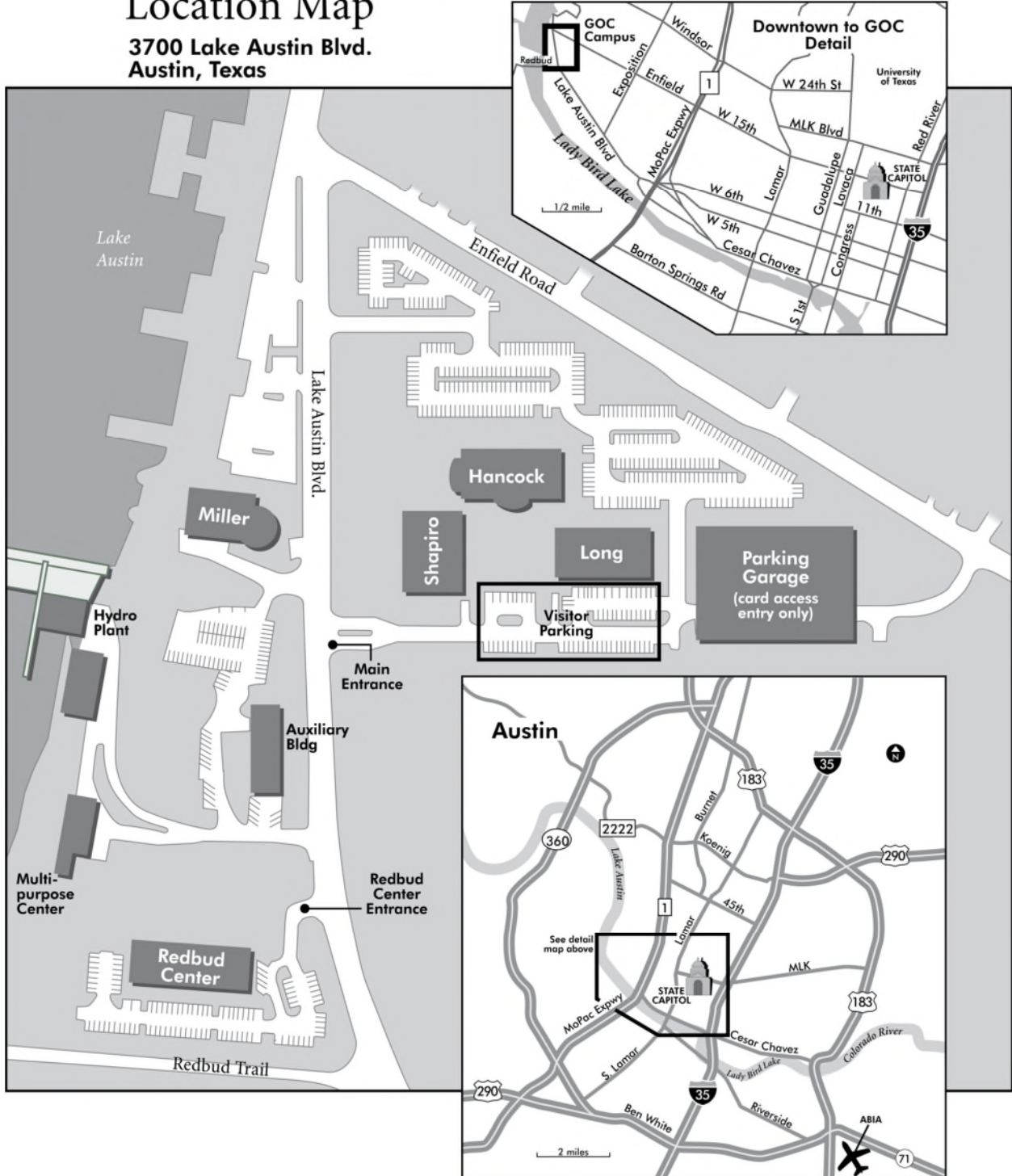
Executive Session

The Board may go into executive session for deliberation on the matters listed in the legal notice posted pursuant to Chapter 551 of the Texas Government Code.

The Board may take final action on any of the executive session matters upon reconvening in open session pursuant to Chapter 551 of the Texas Government Code. The Board may act in executive session on competitive electric matters pursuant to Section 551.086 of the Texas Government Code.

LCRA General Office Complex Location Map

3700 Lake Austin Blvd.
Austin, Texas



FOR DISCUSSION

1. Financial Report

Board Consideration

Staff presents this report monthly to the Board for discussion.

Summary

The financial report for LCRA covers the month and fiscal year to date.

Presenter(s)

Julie Rogers
Controller

FOR ACTION (CONSENT)

2. Conveyance of Utility Easement in Travis County (Parcel TN-02)

Proposed Motion

Authorize the general manager or his designee to convey to AT&T a permanent underground communication line easement, being an approximately 0.52-acre tract, across a portion of LCRA Parcel TN-02 in Travis County.

Board Consideration

Section 8503.020(b) of the Texas Special District Local Laws Code requires the approval of at least 12 members of the LCRA Board of Directors to convey any interest in real property. LCRA Board Policy 401 – Land Resources establishes guidelines for the acquisition, disposition, use and management of all LCRA land rights.

Budget Status and Fiscal Impact

The fiscal year 2017 business plan contains the administrative costs associated with the conveyance of this easement. Proceeds of \$12,500 will be credited to the Public Recreation and Conservation Land Acquisition Fund.

Summary

LCRA acquired TN-02 (Hughes Tract) in 1937 for the purpose of creating Mansfield Dam and Lake Travis. This property has road frontage on the south side of RM 620.

AT&T requested this easement across LCRA land to provide communication service to areas around Steiner Ranch and areas just west of Mansfield Dam.

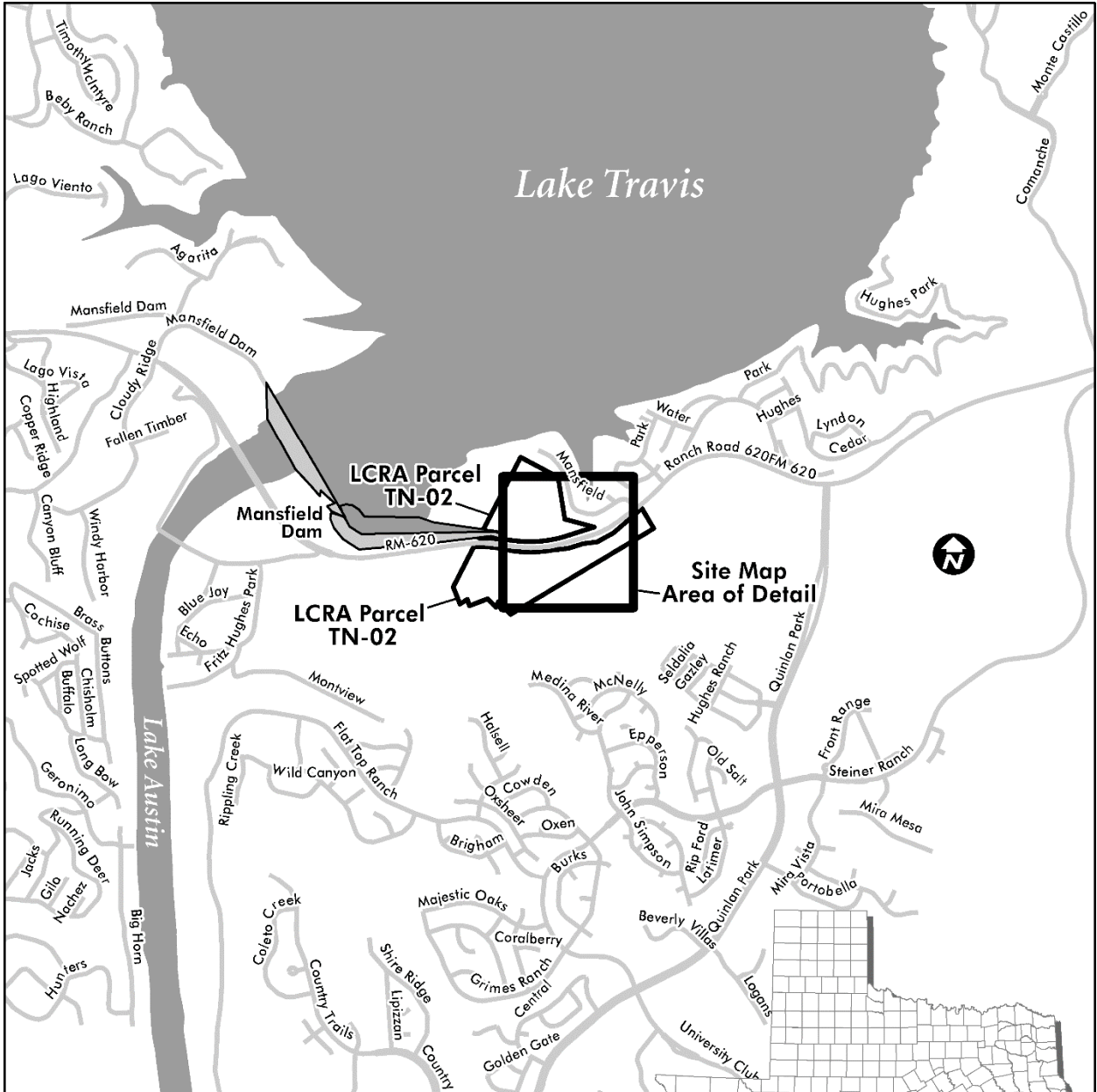
The price for the approximately 0.52-acre easement is \$12,500. Staff determined the value based on available market data.

The appropriate departments within LCRA reviewed the conveyance of this easement and determined the easement would have no adverse impact on LCRA operations. LCRA staff will complete environmental and cultural resource due diligence in accordance with Board Policy 401.403 – Land Disposition before the conveyance of the easement.

Exhibit(s)

- A – Vicinity Map
- B – Site Map

EXHIBIT A



Vicinity Map

ATT Easement
LCRA Parcel TN-02
Travis County

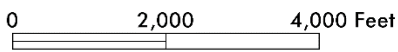


EXHIBIT B



FOR ACTION (CONSENT)

3. Sale of Land in Travis County (Parcel TN-24)

Proposed Motion

Declare an approximately 9.1-acre tract of land, being a portion of LCRA parcel TN-24 in Travis County, nonessential, and authorize the general manager or his designee to sell the property using sealed bids, broker listings, or other public and private sale methods.

Board Consideration

Section 8503.020(b) of the Texas Special District Local Laws Code requires the approval of at least 12 members of the LCRA Board of Directors to convey any interest in real property. Section 49.226 of the Texas Water Code authorizes LCRA to convey real property for fair market value without going through a bidding process. LCRA Board Policy 401 – Land Resources requires at least 12 members of the LCRA Board to declare the land to be no longer necessary or of beneficial use to the business of LCRA before conveyance. Additionally, Section 8503.020 of the Texas Special District Local Laws Code and LCRA Board Policy 401 require Board approval of the terms of all land sales before conveyance.

Budget Status and Fiscal Impact

The fiscal year 2017 business plan contains the administrative costs associated with the sale of this land. The property will be sold for fair market value, and the revenue generated from the sale will be credited to the Public Recreation and Conservation Land Acquisition Fund.

Summary

LCRA acquired TN-24 (Settegast Tract) in 1940 for the purpose of creating Lake Travis. This property has no road frontage and is bounded by residential development as well as land owned by the City of Lago Vista.

The property has physical impairments including no road access, steep topography, a utility easement, and is entirely within the 100-year flood plain which have a significant impact on value. If the property is sold without sealed bids, staff will determine the price using available data or by obtaining independent, third party appraisals by licensed, certified appraisers. If the property is sold through sealed-bid processes, staff will establish minimum bids. If a broker is used to market and sell the property, staff will evaluate the broker's price recommendation to ensure the recommendation is at or above fair market value for the property.

The appropriate departments within LCRA reviewed the sale of this property and determined the sale would have no adverse impact on LCRA operations. LCRA staff will complete environmental and cultural resource due diligence in accordance with Board Policy 401.403 – Land Disposition before the sale of the property.

The property will be sold subject to the following reservations and restrictions:

1. LCRA will reserve all presently held oil, gas and other mineral rights of every kind or character in, on and under the property, provided that LCRA shall not be permitted to drill or excavate for minerals on the surface of the property.

2. LCRA will retain a 20-foot-wide recreation easement abutting the high-water line of Lake Travis for use by the public as required by Section 8503.023(d) of the Texas Special District Local Laws Code.
3. LCRA will retain the right to inundate with water all or any part of the property from time to time without any compensation.

Exhibit(s)

A – Vicinity Map

B – Site Map

EXHIBIT A

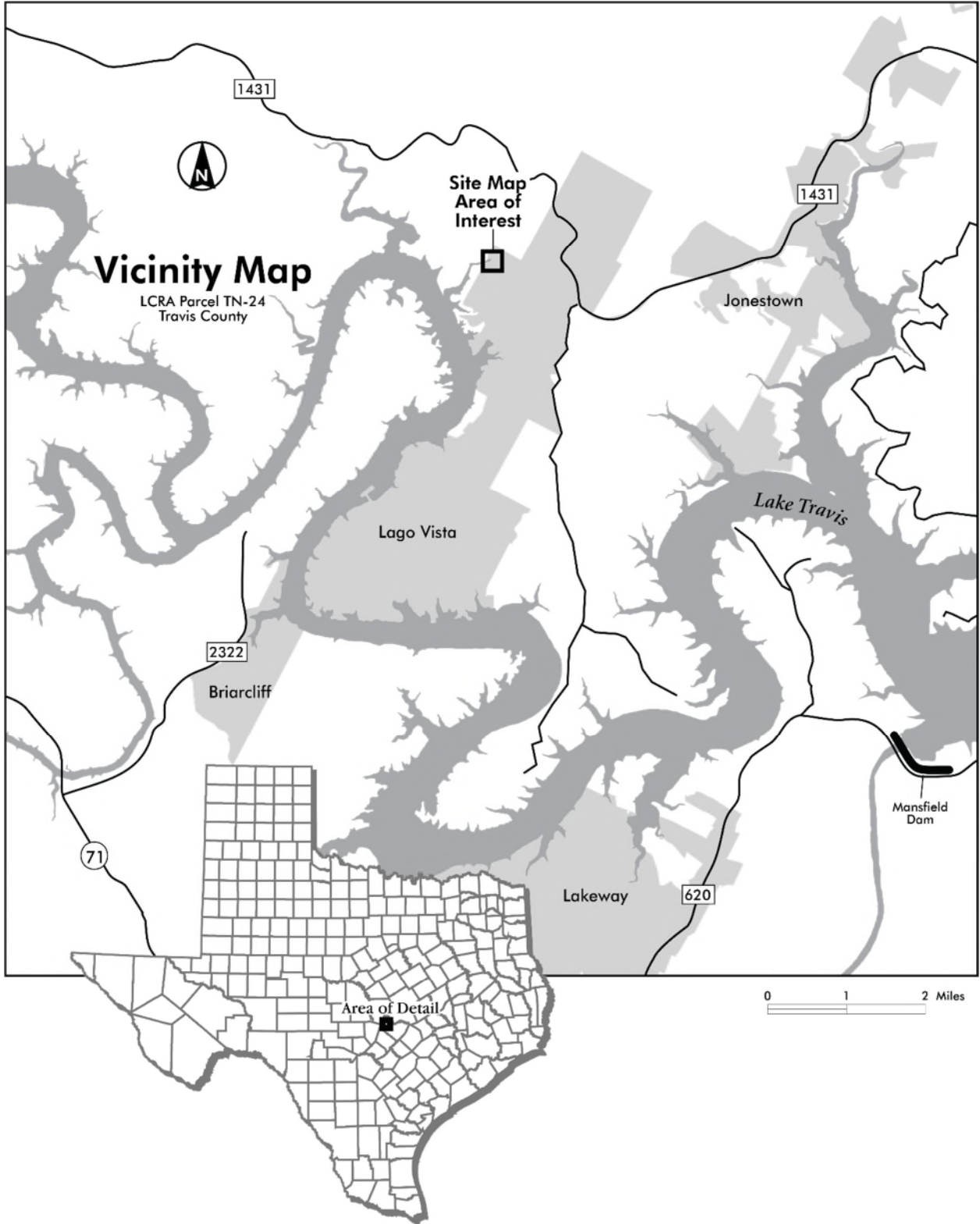
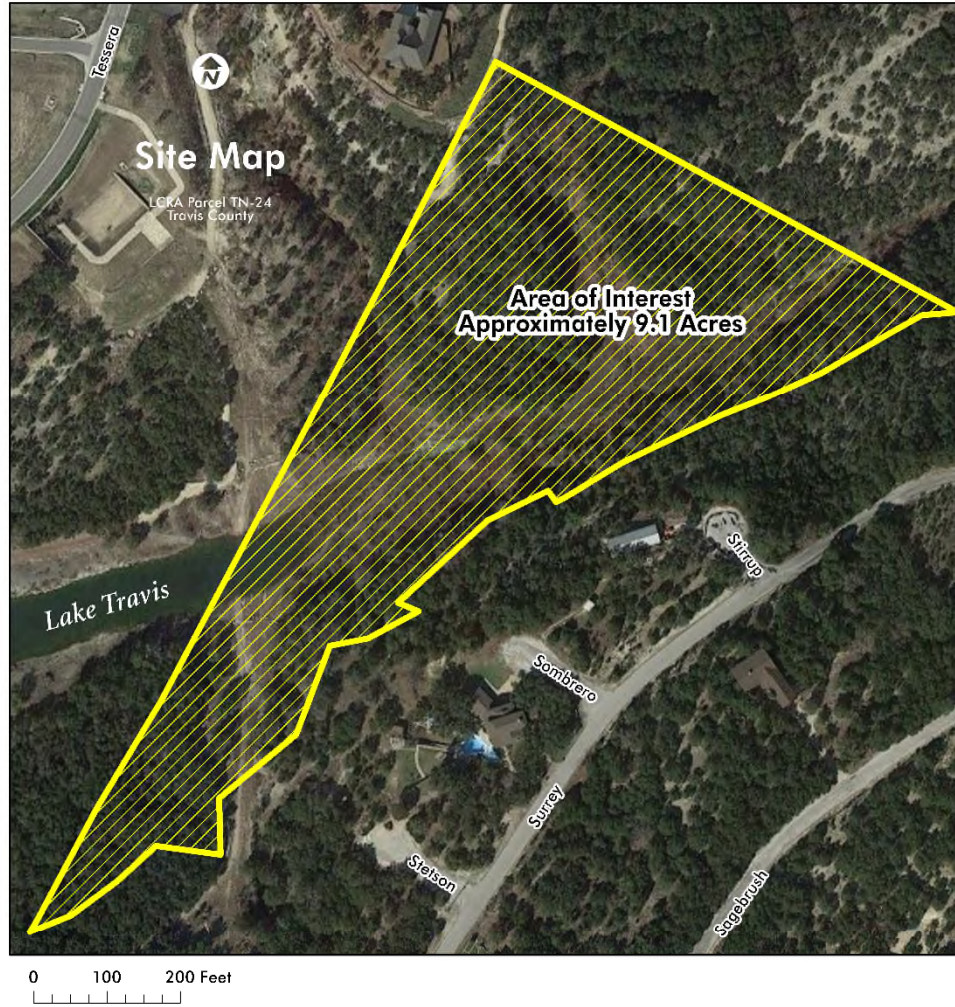


EXHIBIT B



FOR ACTION (CONSENT)

4. Lower Colorado River Authority Supplemental Executive Retirement Plan

Proposed Motion

Approve the amendment to the Lower Colorado River Authority Supplemental Executive Retirement Plan (the plan) in substantially the same form as the attached Exhibit A.

Board Consideration

Board approval is required for the amendment of the plan.

Budget Status and Fiscal Impact

Amendment of the plan will have no fiscal impact to LCRA.

Summary

The proposed amendments to the plan will provide a mechanism for the Authority to provide additional compensation to certain management employees for which taxation is deferred, subject to conditions and limitations provided in the Internal Revenue Code.

Exhibit(s)

A – Lower Colorado River Authority Supplemental Executive Retirement Plan

EXHIBIT A

LOWER COLORADO RIVER AUTHORITY
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

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LOWER COLORADO RIVER AUTHORITY
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

PREAMBLE

WHEREAS, the Lower Colorado River Authority (the "Authority") has previously established the Lower Colorado River Authority 2005 Supplemental Executive Retirement Plan, an ineligible retirement plan (within the meaning of Section 457(f) of the Code), for the exclusive benefit of a select group of its management and highly compensated employees;

WHEREAS, the Authority now desires to amend and restate the prior plan to better align the plan with business objectives of the Lower Colorado River Authority and to reward and incentivize the performance of its key management employees;

WHEREAS, the Lower Colorado River Authority intends that any Participant or Beneficiary under the Plan shall have the status of an unsecured general creditor with respect to the Plan and the Trust Fund, if any, established in connection with the Plan, and further intends that the Plan and any such related Trust be unfunded for tax purposes.

NOW, THEREFORE, the Lower Colorado River Authority hereby establishes the Lower Colorado River Authority 2005 Supplemental Executive Retirement Plan, effective June 30, 2016.

**ARTICLE I
DEFINITIONS**

1.1 "Account" shall mean the record maintained by the Committee showing the monetary value of the individual interest in the Plan of each Participant or Beneficiary. The term "Account" shall refer only to a bookkeeping entry and shall not be construed to require the segregation of assets on behalf of any Participant or Beneficiary. Each Account shall be divided into sub-accounts and each such sub-account shall reflect the credit under this Plan for each Accounting Date, together with earnings and losses attributable to such credit.

1.2 "Accounting Date" shall mean June 30 of each calendar year and, if applicable, any other date on which contributions are credited hereunder to a Participant's Account.

1.3 "Affiliate" shall mean each entity that would be considered a single employer with the Authority under Section 414(b) or Section 414(c) of the Code, except that the phrase "at least 50%" shall be substituted for the phrase "at least 80%" as used therein.

1.4 "Aggregated Plan" means all agreements, methods, programs and other arrangements that are aggregated with this Plan under Section 1.409A-1(c) of the Treasury Regulations.

1.5 "Authority" shall mean the Lower Colorado River Authority or its successor or successors.

1.6 "Beneficiary" shall mean the Beneficiary designated by each Participant under the Lower Colorado River Authority 401(k) Plan; provided, however, that a Participant may designate a different Beneficiary hereunder by delivering to the Committee a written beneficiary designation, in the form provided by the Committee, and executed specifically with respect to this Plan. If a Participant fails to designate a Beneficiary under the Lower Colorado River Authority 401(k) Plan, or under this Plan, or if the Beneficiary predeceases the Participant or dies before complete distribution of the Participant's Account, the Beneficiary shall be the following successive beneficiaries who survive the Participant: the Participant's (a) widow or widower, or if none, (b) lawful descendants, including legally adopted persons, per stirpes and not per capita, or if none, (c) father and mother, equally or all to the survivor, or if none, (d) brothers and sisters, equally, or if none, (e) estate.

1.7 "Board" shall mean the Board of Directors of the Authority.

1.8 "Code" shall mean the Internal Revenue Code of 1986, as it may be amended from time to time, and the rules and regulations promulgated thereunder.

1.9 "Committee" shall mean the Committee that administers the Plan, which shall consist of the General Manager and two additional employees of the Authority appointed by the General Manager.

1.10 "Effective Date" shall mean June 30, 2016.

1.11 "General Auditor" shall mean the General Auditor of the Authority at any particular time.

1.12 "General Manager" shall mean the General Manager of the Authority at any particular time.

1.13 "Participant" shall mean an individual who has been designated by the Committee as being eligible to participate in the Plan.

1.14 "Plan" shall mean the Lower Colorado River Authority Supplemental Executive Retirement Plan, as amended and restated effective June 30, 2016 as herein set forth and as amended from time to time.

1.15 "Spouse" shall mean an individual who is legally married to the Participant under applicable state law.

1.16 "Trust Agreement" shall mean the agreement, if any, including any amendments thereto entered into between the Authority and the Trustee for the accumulation of contributions made under the Plan.

1.17 "Trust Fund" shall mean the cash and other properties held and administered by the Trustee pursuant to the Trust Agreement.

1.18 "Trustee" shall mean the designated trustee acting at any time under the Trust Agreement.

1.19 "Valuation Date" shall mean each Accounting Date and such other date or dates as may be established by the Committee from time to time.

ARTICLE II ELIGIBILITY

Participation in the Plan shall be made available to a select group of individuals, as determined by the Committee, who are providing services to the Authority in key positions of management and responsibility; provided, however, that the eligibility of the General Manager and the General Auditor to participate in the Plan shall be determined in the sole and absolute discretion of the Board. Such individuals who have been selected to participate may elect to participate hereunder by executing a participation agreement in such form and at such time as the Committee shall require. The determination as to the eligibility of any individual to participate in the Plan shall be in the sole and absolute discretion of the Committee, or, as applicable, the Board, whose decision in that regard shall be conclusive and binding for all purposes hereunder.

ARTICLE III CONTRIBUTIONS

As of each Accounting Date, the Authority in its discretion may credit a contribution to the Account of each Participant hereunder. The amount of any such contribution for each Participant hereunder shall be determined by the General Manager in his sole and absolute discretion, and may vary from Participant to Participant; provided, however, that notwithstanding the foregoing, the amount of the contribution, if any, for the General Manager and the General Auditor shall be determined by resolution of the Board, in its sole and absolute discretion.

ARTICLE IV CREDITING OF CONTRIBUTIONS AND INCOME

4.1 All amounts contributed pursuant to the provisions of Article III hereof shall be credited to the Account of the applicable Participant as of the applicable Accounting Date. All payments from an Account between Valuation Dates shall be charged against the Account as of the preceding Valuation Date.

4.2 As of each Valuation Date, after crediting amounts, if any, to be contributed to a Participant's Account in accordance with Article III hereof, the Committee shall credit to each Participant's Account the interest attributable thereto, as provided in Section 4.3 below, as well as any other credits to or charges against such Account.

4.3 As of each Valuation Date, each Participant's Account shall be credited with interest thereon, compounded annually, at an annual percentage rate equal to the higher of the following: (a) the average of the yields on one-year U.S. Government Securities during the 12-month period ending on such Valuation Date, determined on a constant maturity basis, as computed by the Federal Reserve Board and found in the Federal Reserve Statistical Release H.15 (or any successor release thereof); provided, however, that in the event the Federal Reserve Board ceases to compute a constant maturity yield for one-year U.S. Government Securities, then the linear interpolation of the yield on six-month U.S. Government Securities and the yield on two-year U.S. Government Securities, both determined on a constant maturity basis; or (b) the overall investment yield rate of the Lower Colorado River Authority Retirement Plan and Trust for the calendar year immediately preceding such Valuation Date.

ARTICLE V BENEFITS

A Participant who is first eligible to participate in the Plan on or after the Effective Date shall be vested in the amounts credited to his or her Account upon the first to occur of the following (each, a "Vesting Date"):

(a) The Participant shall be 100% vested in his entire Account upon his death;

(b) Upon the termination of a Participant's employment for reasons other than his death, the Participant shall be vested only in those amounts that have met the vesting criteria in (c) below on the effective date of such termination. Any additional vesting shall cease as of the effective date of said termination; provided, however, that notwithstanding the foregoing, in the event that the Authority shall terminate the employment of the Participant without Cause, the Participant shall be 100% vested in his entire Account upon the effective date of such termination of employment. For this purpose, "Cause" shall mean: (a) Participant's conviction of, or plea of nolo contendere to: (i) any felony or (ii) another crime involving dishonesty or moral turpitude or that could reflect negatively upon the Authority or otherwise impair or impede its operations; (b) Participant's engaging in any misconduct, negligence, act of dishonesty, violence or threat of violence that is injurious to the Authority; (c) Participant's material breach of a written policy of the Authority or the rules of any governmental or regulatory body

applicable to the Authority; or (d) any other willful misconduct by Participant that is materially injurious to the financial condition or business reputation of the Authority. Whether or not a Participant's termination of employment is due to Cause shall be determined in the sole and absolute discretion of the Committee; or

(c) Each Participant shall be vested in each sub-account of his or her Account pursuant to the following schedule:

Anniversary of Accounting Date on Which Contribution was Credited	Vesting Percentage of Sub-Account
1 st Anniversary	33%
2 nd Anniversary	66%
3 rd Anniversary	100%

Vesting for the Account of any Participant who was participating in the Plan prior to the Effective Date shall be determined in accordance with the provisions of the Plan, as in effect prior to the Effective Date.

ARTICLE VI PAYMENT OF BENEFITS

6.1 Distribution of the Account of a Participant who was participating in the Plan prior to the Effective Date shall be made in accordance with the provisions of the Plan, as in effect prior to the Effective Date. With respect to all other Participants, payment of that portion of such Participant's Account in which he is vested in accordance with Article V hereof shall be made to the Participant or, in the case of the Participant's death, to his Beneficiary, in a lump sum in cash within the ninety (90)-day period commencing on the applicable Vesting Date. For purposes of determining the amount to which a Participant is entitled under Article V, the Participant's Account shall be valued as of the Valuation Date coincident with or immediately preceding the date of distribution.

6.2 Notwithstanding any provision of this Article VI to the contrary, the benefits payable hereunder may, to the extent expressly provided in this Section 6.2, be paid prior to or later than the date on which they would otherwise be paid to the Participant.

(a) Distribution in the Event of Income Inclusion Under Code Section 409A. If any portion of a Participant's Account is required to be included in income by the Participant prior to receipt due to a failure of this Plan or any Aggregated Plan to comply with the requirements of Code Section 409A, the Committee may determine that such Participant shall receive a distribution from the Plan in an amount equal to the lesser of: (i) the portion of his or her Account required to be included in income as a result of the failure of the Plan or any Aggregated Plan to

comply with the requirements of Code Section 409A, or (ii) the balance of the Participant's Account.

(b) Distribution Necessary to Satisfy Applicable Tax Withholding. If the Authority is required to withhold amounts to pay the Participant's portion of the Federal Insurance Contributions Act (FICA) tax imposed under Code Sections 3101, 3121(a) or 3121(v)(2) with respect to amounts that are or will be paid to the Participant under the Plan before they otherwise would be paid, the Committee may determine that such Participant shall receive a distribution from the Plan in an amount equal to the lesser of: (i) the amount in the Participant's Account or (ii) the aggregate of the FICA taxes imposed and the income tax withholding related to such amount.

(c) Income Inclusion Under Section 457(f). The Plan specifically permits acceleration of the benefits payable hereunder to pay federal, state, local and foreign income taxes due upon a vesting event, provided that the amount of such payment is not more than an amount equal to the federal, state, local and foreign income tax withholding that would have been remitted by the Authority if there had been a payment of wages equal to the income includible by the Participant under Section 457(f) of the Code at the time of vesting.

(d) Delay for Payments in Violation of Applicable Law. In the event the Authority reasonably anticipates that the payment of benefits as specified hereunder would violate applicable law, the Committee may delay the payment under this Article VI until the earliest date at which the Authority reasonably anticipates that the making of such payment would not cause such violation.

(e) Delay for Insolvency or Compelling Business Reasons. In the event the Authority determines that the making of any payment of benefits on the date specified hereunder would jeopardize the ability of the Authority to continue as a going concern, the Committee may delay the payment of benefits under this Article VI until the first calendar year in which the Authority notifies the Committee that the payment of benefits would not have such effect.

(f) Administrative Delay in Payment. The payment of benefits hereunder shall occur at the time specified in accordance with the provisions of the foregoing paragraphs of this Article VI; provided that, in the case of administrative necessity, the payment of such benefits may be delayed up to the later of the last day of the calendar year in which payment would otherwise be made or the 15th day of the third calendar month following the date on which payment would otherwise be made. Further, if, as a result of events beyond the control of the Participant (or following the Participant's death, the Participant's Beneficiary), it is not administratively practicable for the Committee to calculate the amount of benefits due to Participant as of the date on which payment would otherwise be made, the payment may be delayed until the first calendar year in which calculation of the amount is administratively practicable.

(g) No Participant Election. Notwithstanding the foregoing provisions, if the period during which payment of benefits hereunder will be made occurs, or will occur, in two calendar years, the Participant shall not be permitted to elect the calendar year in which the payment shall be made.

ARTICLE VII ADMINISTRATION OF THE PLAN

7.1. The Authority may establish a Trust Fund for the purpose of retaining assets set aside by the Authority pursuant to the Trust Agreement for payment of all or a portion of the benefits payable pursuant to the Plan. Any benefits not paid from a Trust shall be paid from the Authority's general assets. The Trust Fund, if such shall be established, shall be subject to the claims of general creditors of the Authority in the event the Authority is insolvent, as defined in the Trust Agreement.

7.2 Any benefits payable under any other employee benefit plan maintained by the Authority shall be payable solely in accordance with the terms and provisions thereof, and nothing in this Plan shall operate or be construed in any way to modify, amend or affect the terms and provisions of any such employee benefit plan.

7.3 The Plan shall be administered by the Committee. The members of the Committee shall not receive compensation with respect to their services for the Committee. The members of the Committee shall serve without bond or security for the performance of their duties hereunder unless applicable law makes the furnishing of such bond or security mandatory or unless required by the Authority.

7.4 The Committee shall perform any act which the Plan authorizes expressed by a vote at a meeting or in a writing signed by a majority of its members without a meeting. The Committee may, by a writing signed by a majority of its members, appoint any member of the Committee to act on behalf of the Committee. Any person who is a member of the Committee shall not vote or decide upon any matter relating solely to himself or vote in any case in which his individual right or claim to any benefit under the Plan is particularly involved. If, in any matter or case in which a person is so disqualified to act, the remaining persons constituting the Committee cannot resolve such matter or case, the Board will appoint a temporary substitute to exercise all the powers of the disqualified person concerning the matter or case in which he is disqualified.

7.5 The Committee may designate in writing other persons to carry out its responsibilities under the Plan, and may remove any person designated to carry out its responsibilities under the Plan by notice in writing to that person. The Committee may employ persons to render advice with regard to any of its responsibilities. All usual and reasonable expenses of the Committee shall be paid by the Authority. The Authority shall indemnify and hold harmless each member of the Committee from and against any and all claims and expenses (including, without limitation, attorney's fees and related costs), in connection with the performance by such member of his duties in that

capacity, other than any of the foregoing arising in connection with the willful neglect or willful misconduct of the person so acting.

7.6 The Committee shall have the discretion to establish rules, as and to the extent it deems necessary, for the administration of the Plan and the transaction of its business hereunder, provided that such rules shall not be contrary to the provisions of the Plan. The Committee shall determine the eligibility of any individual to participate in the Plan, shall interpret the Plan in its sole and absolute discretion, and shall determine all questions arising in the administration, interpretation and application of the Plan. All determinations of the Committee shall be conclusive and binding on all employees, Participants and Beneficiaries, subject to the provisions of this Plan and applicable law.

7.7 Any action to be taken hereunder by the Authority shall be taken by resolution adopted by the Board or an executive committee thereof; provided, however, that by resolution, the Board or an executive committee thereof may delegate to any officer of the Authority the authority to take any actions hereunder, other than the power to amend or terminate the Plan.

ARTICLE VIII LIMITATION OF RIGHTS

The establishment of this Plan shall not be construed as giving to any Participant, employee of the Authority, or any person whomsoever, any legal, equitable or other rights against the Authority, or its officers, directors, or agents, or as giving to any Participant or Beneficiary any equity or other interest in the assets or business of the Authority, or as giving any employee the right to be retained in the employment of the Authority. All employees of the Authority and Participants shall be subject to discharge to the same extent they would have been if this Plan had never been adopted. The rights of a Participant hereunder shall be solely those of an unsecured general creditor of the Authority.

ARTICLE IX LIMITATION OF ASSIGNMENT AND PAYMENTS TO LEGALLY INCOMPETENT DISTRIBUTE

9.1 No benefits which shall be payable under the Plan to any person shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge or otherwise dispose of the same shall be void. No benefit shall in any manner be subject to the debts, contracts, liabilities, engagements or torts of any person, nor shall it be subject to attachment or legal process for or against any person, except to the extent required by law.

9.2 Whenever any benefit which shall be payable under the Plan is to be paid to or for the benefit of any person who is then a minor or determined by the Committee, on the basis of qualified medical advice, to be incompetent, the Committee need not require the appointment of a guardian or custodian, but shall be authorized to cause the

same to be paid over to the person having custody of the minor or incompetent, or to cause the same to be paid to the minor or incompetent without the intervention of a guardian or custodian, or to cause the same to be paid to a legal guardian or custodian of the minor or incompetent, if one has been appointed, or to cause the same to be used for the benefit of the minor or incompetent.

ARTICLE X AMENDMENT TO OR TERMINATION OF THE PLAN

10.1 The Authority reserves the right at any time to amend or terminate the Plan in whole or in part by resolution of the Board. No amendment shall have the effect of retroactively changing or depriving Participants or Beneficiaries of rights already accrued under the Plan. In the event that the Authority shall change its name, the Plan shall be deemed to be amended to reflect the name change without further action of the Authority, and the language of the Plan shall be changed accordingly.

10.2 The Committee may, in its sole and absolute discretion, and notwithstanding any other provisions hereunder to the contrary, direct that the Plan be liquidated following a termination, provided that: (i) the termination and liquidation does not occur proximate to a downturn in the Authority's financial health; (2) the Authority terminates and liquidates all Aggregated Plans; (3) no payments in liquidation of this Plan are made within twelve (12) months of the date the Authority irrevocably takes all necessary action to terminate and liquidate this Plan, other than payments that would be payable under the terms of this Plan if the action to terminate and liquidate this Plan had not occurred; (4) all payments are made within twenty-four (24) months of the date on which the Authority irrevocably takes all action necessary to terminate and liquidate this Plan; and (5) the Authority does not adopt a new Aggregated Plan at any time within three (3) years following the date on which the Authority irrevocably takes all action necessary to terminate and liquidate the Plan.

ARTICLE XI STATUS OF PARTICIPANT AS UNSECURED CREDITOR

All benefits under the Plan shall be the unsecured obligations of the Authority and, except for those assets which may be placed in a Trust Fund established in connection with this Plan, no assets will be placed in trust or otherwise segregated from the general assets of the Authority for the payment of obligations hereunder. To the extent that any person acquires a right to receive payments hereunder, such right shall be no greater than the right of any unsecured general creditor of the Authority.

ARTICLE XII GENERAL AND MISCELLANEOUS

12.1 In the event that any provision of this Plan shall be declared illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining provisions

of this Plan but shall be fully severable and this Plan shall be construed and enforced as if said illegal or invalid provision had never been inserted herein.

12.2 The section headings and numbers are included only for convenience of reference and are not to be taken as limiting or extending the meaning of any of the terms and provisions of this Plan. Whenever appropriate, words used in the singular shall include the plural or the plural may be read as the singular. When used herein, the masculine gender includes the feminine gender.

12.3 Unless superseded by federal law, the validity and effect of this Plan and the rights and obligations of all persons affected hereby shall be construed and determined in accordance with the laws of the State of Texas, without giving effect to the conflict of laws principles thereof.

12.4 The Authority is not required to set aside any assets for payment of the benefits provided under this Plan; however, it may do so as provided in the Trust Agreement, if any. A Participant shall have no security interest in any such amounts. It is the Authority's intention that this Plan be construed as a plan that is unfunded and maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees.

12.5 All amounts payable hereunder shall be reduced by any and all federal, state and local taxes imposed upon the Participant or his Beneficiary that are required to be paid or withheld by the Authority.

IN WITNESS WHEREOF, the Authority has caused its corporate seal to be affixed hereto and these presents to be duly executed in its name and behalf by its proper officers thereunto duly authorized this ____ day of _____, 2017.

LOWER COLORADO RIVER AUTHORITY

By: _____
Name: Phil Wilson
Title: General Manager

FOR ACTION (CONSENT)

5. Directors' Attendance at Seminars, Conferences

Proposed Motion

Approve directors' attendance at seminars or conferences for calendar year 2017.

Board Consideration

LCRA Board Policy 105 - Directors' Fees and Expense Reimbursement Policy and the LCRA Bylaws require approval for directors' attendance at seminars and conferences.

Budget Status and Fiscal Impact

The budget in the business plan provides for travel to seminars and conferences by members of the Board.

Summary

LCRA Board Policy 105 establishes guidelines for the payment of fees and reimbursement of the expenses that directors incur as they carry out their responsibilities as LCRA Board members.

Section 2.08 of the LCRA bylaws provides that per diem and expenses shall be paid to members of the Board who attend association meetings, conventions and conferences directly related to LCRA business, provided such attendance is authorized by prior resolution of the Board.

Gina Jerram will assist in making necessary travel arrangements for seminars or conferences.

Exhibit(s)

A – 2017 Annual Conference and Travel for Board Approval

EXHIBIT A

**2017 ANNUAL CONFERENCES AND TRAVEL
FOR BOARD APPROVAL**

June 5 – 6	Texas Water Law Annual Conference, Omni Southpark, Austin, Texas
June 14 – 16	Texas Water Conservation Association (TWCA) Mid-Year Conference, Moody Gardens Hotel, Galveston, Texas
June 27 – 29	Western States Water Council Summer Meeting, Rohnert Park, California
July 24 – 26	Texas Public Power Association (TPPA) Annual Meeting, Westin Riverwalk, San Antonio, Texas
August 5 – 8	Texas Electric Cooperatives (TEC) Annual Meeting, Marriott Rivercenter, San Antonio, Texas
October 18 – 20	Western States Water Council, Albuquerque, New Mexico
October 18 – 20	Texas Water Conservation Association (TWCA) Fall Conference, Wyndham Riverwalk Hotel, San Antonio, Texas
November 2	Texas Conference for Women, Convention Center, Austin
Dates TBD	National Association of Corporate Directors (NACD) Global Board Leaders' Summit and Texas Tricities, Austin-Houston-San Antonio Chapter Meetings

**PLEASE CONTACT GINA JERRAM FOR REGISTRATION
AND TRAVEL INFORMATION**

FOR ACTION (CONSENT)

6. Directors' Fees, Expenses

Proposed Motion

Approve directors' fees and expense reports.

Board Consideration

LCRA Board Policy 105 – Directors' Fees and Expense Reimbursement Policy and the LCRA bylaws require Board approval for directors' fees and expenses.

Budget Status and Fiscal Impact

Directors' fees and expenses are provided for in the budget in the business plan.

Summary

LCRA Board Policy 105 establishes guidelines for the payment of fees and reimbursement of the expenses that directors incur as they carry out their responsibilities as LCRA Board members.

FOR ACTION (CONSENT)

7. Minutes of Prior Meetings

Proposed Motion

Approve the minutes of the Feb. 15 and April 12, 2017, meetings.

Board Consideration

Section 2.04 of the LCRA bylaws requires the secretary to keep minutes of all meetings of the Board of Directors.

Budget Status and Fiscal Impact

Approval of this item will have no budgetary or fiscal impact.

Summary

Staff presents the minutes of each meeting to the Board for approval.

Exhibit(s)

- A – Minutes of Feb. 15, 2017, meeting
- B – Minutes of April 12, 2017, meeting

EXHIBIT A

Minutes Digest

Feb. 15, 2017

- 17-03 Appointment of one trustee – Stephen F. Cooper – to serve on the Board of Trustees for the Friends of the Colorado River Endowment.
- 17-04 Appointment of directors to the GenTex Power Corporation Board of Directors to serve as follows:
- Two LCRA nonofficer directors – Pamela Jo "PJ" Ellison and Robert "Bobby" Lewis – to serve one-year terms expiring Dec. 31, 2017.
 - Four customer directors – Robert Lindsey III, City of Goldthwaite; Matt Bentke, Bluebonnet Electric Cooperative; Ingmar Sterzing, Pedernales Electric Cooperative; and Michael Wolfe Sr., City of Hempstead – to serve two-year terms expiring Dec. 31, 2018.
- Each appointment is effective March 1, 2017.
- 17-05 Approval of a resolution honoring Dennis Daniel, LCRA retiree.
- 17-06 Approval of directors' fees and expenses reimbursements.
- 17-07 Approval of the minutes of the Nov. 16, 2016, and Jan. 18, 2017, meetings.
- 17-08 Authorization for the general manager or his designee to negotiate and execute the following contracts and contract changes: Contract No. 4529 and No. 4530 (Brace Integrated Services Inc. and Performance Contracting Inc.); Contract No. 4531 (ABM Janitorial Services); Contract No. 4533 (Holt Cat); Contract No. 4534 and No. 4536 (TDIndustries and Energy Logix of Texas LLC); Contract No. 4535 (R.J. Corman Railroad Switching Company LLC); and Contract No. 4537, No. 4538, No. 4539 and No. 4540 (DG Investment Intermediate Holdings 2, dba Convergint Technologies, Netronix Integration Inc., Entech Sales & Service Inc. and Electra Link Inc.).

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE
LOWER COLORADO RIVER AUTHORITY
Austin, Texas
Feb. 15, 2017

Pursuant to notice posted in accordance with the Texas Open Meetings Act, the Board of Directors (Board) of the Lower Colorado River Authority (LCRA) convened in a regular meeting at 9:52 a.m. Wednesday, Feb. 15, 2017, in the Board Room of the Hancock Building, at the principal office of LCRA, 3700 Lake Austin Blvd., Austin, Travis County, Texas. The meeting was open to the public, and the following directors were present, constituting a quorum:

Timothy Timmerman, Chair
Thomas Michael Martine, Vice Chair
Steve K. Balas, Secretary
Lori A. Berger
Stephen F. "Steve" Cooper
Joseph M. "Joe" Crane
Pamela Jo "PJ" Ellison
John M. Franklin
Raymond A. "Ray" Gill Jr.
Charles B. "Bart" Johnson
Sandra Wright "Sandy" Kibby
George W. Russell
Franklin Scott Spears Jr.
Martha Leigh M. Whitten

Absent: Robert "Bobby" Lewis

Chair Timmerman convened the meeting at 9:52 a.m.

17-03 Chair Timmerman presented for consideration a recommendation, described in Agenda Item 1 [attached hereto as Exhibit A], that the Board appoint one trustee – Stephen F. Cooper – to serve on the Board of Trustees for the Friends of the Colorado River Endowment. Upon motion by Director Spears, seconded by Director Berger, the recommendation was unanimously approved by a vote of 14 to 0.

17-04 Chair Timmerman presented for consideration a recommendation, described in Agenda Item 2 [attached hereto as Exhibit B], that the Board appoint directors to the GenTex Power Corporation Board of Directors to serve as follows:

- Two LCRA nonofficer directors – Pamela Jo "PJ" Ellison and Robert "Bobby" Lewis – to serve one-year terms expiring Dec. 31, 2017.

- Four customer directors – Robert Lindsey III, City of Goldthwaite; Matt Bentke, Bluebonnet Electric Cooperative; Ingmar Sterzing, Pedernales Electric Cooperative; and Michael Wolfe Sr., City of Hempstead – to serve two-year terms expiring Dec. 31, 2018.

Each appointment is effective March 1, 2017.

Upon motion by Director Spears, seconded by Director Berger, the recommendation (Agenda Item 2) was unanimously approved by a vote of 14 to 0.

General Manager Phil Wilson presented his report to the Board, including updates on the following topics:

- LCRA's recent fourth consecutive StormReady designation from the National Weather Service.
- Registration opening for summer day camps at McKinney Roughs Nature Park.
- The third annual LCRA Steps Forward Day on March 31.

Wilson closed by sharing examples, including a video, of LCRA employees demonstrating their dedication to the Colorado Commitment, which states: "I will make every LCRA endeavor outstanding."

17-05 General Manager Phil Wilson presented for consideration a staff recommendation that the Board approve a resolution [attached hereto as Exhibit C] honoring Dennis Daniel, LCRA retiree. Upon motion by Director Gill, seconded by Vice Chair Martine, the recommendation was unanimously approved by a vote of 13 to 0 (Director Berger was absent for voting on this item. Director Lewis was absent from the meeting.)

Controller Julie Rogers presented the financial report for January 2017 [Agenda Item 4].

The Board next took action on the consent agenda. Upon motion by Director Russell, seconded by Director Ellison, the Board, by a vote of 13 to 0 (Director Berger was absent for voting on this item, and Director Lewis was absent from the meeting), unanimously approved consent items 5 and 6 included on the Feb. 15, 2017, consent agenda as follows:

17-06 Directors' fees and expenses reimbursements, as recommended in Consent Item 5 [attached hereto as Exhibit D].

17-07 The minutes of the Nov. 16, 2016, and Jan. 18, 2017, meetings [Consent Item 6].

17-08 Chief Administrative Officer John Miri introduced Agenda Item 7, and Manager of Supply Management Laura Guillory presented for consideration the staff recommendation, described in the agenda item [attached hereto as Exhibit E], that the

Board authorize the general manager or designee to negotiate and execute the following contracts and contract changes: Contract No. 4529 and No. 4530 (Brace Integrated Services Inc. and Performance Contracting Inc.); Contract No. 4531 (ABM Janitorial Services); Contract No. 4533 (Holt Cat); Contract No. 4534 and No. 4536 (TDIndustries and Energy Logix of Texas LLC); Contract No. 4535 (R.J. Corman Railroad Switching Company LLC); and Contract No. 4537, No. 4538, No. 4539 and No. 4540 (DG Investment Intermediate Holdings 2, dba Convergint Technologies, Netronix Integration Inc., Entech Sales & Service Inc. and Electra Link Inc.). Staff responded to questions from the Board on this item. Upon motion by Director Spears, seconded by Director Berger, the recommendation was unanimously approved by a vote of 14 to 0.

Chair Timmerman declared the meeting to be in executive session at 10:17 a.m., pursuant to sections 551.071, 551.072, 551.074 and 551.086 of the Texas Government Code (Open Meetings Act). Executive session ended, and Chair Timmerman declared the meeting to be in public session at 11:37 a.m.

There being no further business to come before the Board, the meeting was adjourned at 11:37 a.m.

Steve K. Balas
Secretary
LCRA Board of Directors

EXHIBIT B

Minutes Digest
April 12, 2017

- 17-09 Adoption of a resolution making determinations regarding the payment from LCRA Transmission Services Corporation of an Extraordinary LCRA Optional Purchase Price Payment for fiscal year 2017 and, when such payment is made, reserve those funds in the LCRA Strategic Reserve.
- 17-10A Adoption and approval of: 1) the Fifty-First Supplemental Resolution to the
and Master Resolution establishing the LCRA Financing Program (the Master
17-10B Resolution) that authorizes the LCRA Revenue Revolving Notes, Series D (Series D Notes) and 2) the Fifty-Second Supplemental Resolution to the Master Resolution that authorizes the LCRA Revenue Revolving Notes, Series E (Series E Notes). Authorization for the general manager or his designee to negotiate and execute related documents, including note purchase agreements with JPMorgan Chase Bank, N.A. (the Series D Agreement) and Bank of America, N.A. (the Series E Agreement), setting forth the terms and conditions governing the issuance of the debt directly to those banks in amounts up to \$100 million for Series D Notes and up to \$75 million for Series E Notes.

MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF THE
LOWER COLORADO RIVER AUTHORITY
Burnet, Texas
April 12, 2017

Pursuant to notice posted in accordance with the Texas Open Meetings Act, the Board of Directors (Board) of the Lower Colorado River Authority (LCRA) convened in a special meeting at 9:41 a.m. Wednesday, April 12, 2017, in the Live Oak Room at Canyon of the Eagles Nature Park, 16942 Ranch Road 2341, Burnet, Burnet County, Texas. The meeting was open to the public, and the following directors were present, constituting a quorum:

Timothy Timmerman, Chair
Thomas Michael Martine, Vice Chair
Steve K. Balas, Secretary
Lori A. Berger
Stephen F. "Steve" Cooper
Joseph M. "Joe" Crane
Pamela Jo "PJ" Ellison
John M. Franklin
Raymond A. "Ray" Gill Jr.
Charles B. "Bart" Johnson
Sandra Wright "Sandy" Kibby
Robert "Bobby" Lewis
George W. Russell
Franklin Scott Spears Jr.
Martha Leigh M. Whitten

Chair Timmerman convened the meeting at 9:41 a.m.

17-09 Chair Timmerman introduced for consideration a staff recommendation, described in Agenda Item 1 [attached hereto as Exhibit A], that the Board adopt a resolution making determinations regarding the payment from LCRA Transmission Services Corporation of an Extraordinary LCRA Optional Purchase Price Payment for fiscal year 2017 and, when such payment is made, reserve those funds in the LCRA Strategic Reserve. Upon motion by Director Cooper, seconded by Director Berger, the recommendation was unanimously approved by vote of 15 to 0.

17-10A-B Treasurer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 2 [attached hereto as Exhibit B], that the Board adopt and approve: 1) the Fifty-First Supplemental Resolution to the Master Resolution establishing the LCRA Financing Program (the Master Resolution) that authorizes the LCRA Revenue Revolving Notes, Series D (Series D Notes) and 2) the Fifty-Second Supplemental Resolution to the Master Resolution that authorizes the LCRA Revenue Revolving Notes, Series E (Series E Notes). Further, authorize the

general manager or his designee to negotiate and execute related documents, including note purchase agreements with JPMorgan Chase Bank, N.A. (the Series D Agreement) and Bank of America, N.A. (the Series E Agreement), setting forth the terms and conditions governing the issuance of the debt directly to those banks in amounts up to \$100 million for Series D Notes and up to \$75 million for Series E Notes. Upon motion by Director Spears, seconded by Director Berger, the recommendation was unanimously approved by a vote of 15 to 0.

The Board next took up a review of the proposed fiscal year (FY) 2018 business and capital plans.

[Staff sent copies of the business and capital plans for LCRA and its affiliated nonprofit corporations, LCRA Transmission Services Corporation (LCRA TSC), LCRA Wholesale Energy Services Corporation (LCRA WSC Energy), WSC Energy II and GenTex Power Corporation (GenTex), to the Board before this meeting.]

General Manager Phil Wilson gave opening remarks and outlined the format of the meeting. Wilson gave an overview of LCRA's FY 2018 goal, objectives and strategies.

Chief Financial Officer Richard Williams commented on staff's approach to the business plan process, and he thanked staff members for their hard work and dedication.

Wilson read comments from the Rates and Resources Council (RRC), a representative group of wholesale electric customers, relating to the Wholesale Power portion of the proposed LCRA FY 2018 business plan. [A copy of the comments is filed with the records of this meeting.] Wilson also noted the RRC plans to provide comments to the Board in May.

Director of Financial Planning and Analysis Stephen Kellicker gave an overview of LCRA Board Policy 301 – Finance, which governs the business plan. Kellicker gave the Board a detailed review of the LCRA business plan, including the proposed budget for operations and maintenance, key drivers of LCRA's budget, and nonconfidential portions of the business plan and budgets for LCRA's lines of business and services.

Chair Timmerman announced the Board would take a 10-minute recess.

After the recess, Treasurer and Manager of Capital Planning Jim Travis described the approach to developing the capital plan. Travis gave the Board a detailed overview of the nonconfidential portions of the LCRA capital plan (including LCRA TSC capital projects), highlighting the proposed lifetime budget for recommended projects; FY 2018 budget, which includes recommended new projects and projects the Board approved previously; and new key projects included in the plan.

Chair Timmerman declared the meeting to be in executive session at 11:47 a.m., pursuant to sections 551.071, 551.072 and 551.086 of the Texas Government Code

(Open Meetings Act). Executive session ended, and Chair Timmerman declared the meeting to be in public session at 1:08 p.m.

Kellicker next gave an overview of the LCRA TSC business and capital plans.

The Board had a detailed discussion of the business and capital plans, and staff responded to various questions from the Board throughout the discussion.

[The FY 2018 business and capital plans for LCRA and its affiliated nonprofit corporations will be on the agendas for approval at the May Board meetings.]

There being no further business to come before the Board, the meeting was adjourned at 1:12 p.m.

Steve K. Balas
Secretary
LCRA Board of Directors

FOR ACTION

8. Fiscal Year 2018 Business and Capital Plans

Proposed Motion

Adopt resolutions (exhibits A, B, C, D and E) approving the fiscal year 2018 business and capital plans for LCRA and each of its affiliated nonprofit corporations.

Board Consideration

LCRA Board Policy 301 – Finance requires approval of a business plan before the start of each fiscal year. Texas Water Code Chapter 152 requires the Board of Directors to approve each of the affiliated corporations' budgets and capital plans.

Budget Status and Fiscal Impact

The proposed business and capital plans and the budgets included therein provide targets for revenue, operating and maintenance expenses, and capital spending for FY 2018.

Summary

LCRA presented the FY 2018 business and capital plans to the full LCRA Board in a work session on April 12. The presentation included a discussion on the compensation plan, pension plan and assumptions for FY 2018. The presentation also included the deferral of expected costs associated with the Papalote contract until future revenues are collected. GASB 62 allows deferral of costs into the future as long as that entity's governing board has committed to recovery of those costs in the future. Attached as Exhibit F is the consolidated LCRA budget and forecast reflecting the consolidation of all LCRA product lines and affiliated corporations.

Staff provided to the Board under separate cover the formal FY 2018 business and capital plan documents, incorporating key policy elements from the April work session.

The business and capital plans are LCRA's comprehensive operations and capital plans and budgets. Approval of the FY 2018 business and capital plans provides authorization for all expenditures and plans of LCRA, including LCRA's affiliated nonprofit corporations, LCRA Transmission Services Corporation (LCRA TSC), GenTex Power Corporation (GenTex), LCRA Wholesale Energy Services Corporation (WSC Energy) and WSC Energy Services II (WSC Energy II).

Each entity's Board must approve its respective business plan and capital plan. The LCRA TSC Board is expected to take action on its FY 2018 business and capital plans today at the LCRA TSC Board meeting. The GenTex Board is expected to take action on its FY 2018 business and capital plans today at the GenTex Board meeting. The WSC Energy Board and WSC Energy II Board are expected to take action on their FY 2018 business plans at their respective Board meetings today.

Presenter(s)

Richard Williams
Chief Financial Officer

Exhibit(s)

- A – LCRA Board Resolution: FY 2018 Lower Colorado River Authority Business and Capital Plans
- B – LCRA Board Resolution: FY 2018 LCRA Transmission Services Corporation Business and Capital Plans
- C – LCRA Board Resolution: FY 2018 GenTex Power Corporation Business and Capital Plans
- D – LCRA Board Resolution: FY 2018 LCRA Wholesale Energy Services Corporation Business Plan
- E – LCRA Board Resolution: FY 2018 WSC Energy II Business Plan
- F – LCRA, Affiliated Corporations and Nonprofit Corporations Financial Summary
- G – LCRA Transmission Services Corporation Financial Summary
- H – LCRA Capital Plan Summary of FY 2018 Recommended Projects
- I – LCRA Capital Plan Summary of FY 2018 Spending Budget

EXHIBIT A

LCRA BOARD RESOLUTION FISCAL YEAR 2018 BUSINESS AND CAPITAL PLANS Lower Colorado River Authority

BE IT RESOLVED that the LCRA Board of Directors hereby adopts and approves the Fiscal Year (FY) 2018 Lower Colorado River Authority Business and Capital Plans, including the operations budget, capital spending and initiation of recommended capital projects, funding levels for wages and benefits, and the comprehensive operations plan, as presented by management and staff. The general manager is instructed to proceed with implementation of the FY 2018 business and capital plans within the budget amounts shown therein consistent with Board policies and bylaws. The FY 2018 operating expense and capital amounts are \$317.6 million and \$383.0 million, respectively.

Within these budget amounts, the general manager and chief executive officer has the authority to reallocate funds between the various programs and projects in order to make the best use of budgeted funds. The Board recognizes that through its normal agenda process it will approve capital projects and other major expenditures not included in the business and capital plans, and the general manager and chief executive officer is instructed to inform the Board when a capital project or other major expenditure is proposed on the agenda that significantly changes or varies from the approved budget, in accordance with LCRA Board Policy 301 – Finance. Furthermore, the general manager and chief executive officer shall keep the LCRA Board apprised of the progress toward the accomplishment of LCRA's goals within the budgeted amounts approved by the Board.

Adoption of the FY 2018 Business and Capital Plans provides authorization for all expenditures and plans in the business and capital plans and approves budgets for each of LCRA's product lines as required by LCRA Board policies 102 – Authority and Responsibilities and 301 – Finance. Individual purchases and contracts to implement the plans fall under various state laws and LCRA Board policies and may require additional approval.

EXHIBIT B

LCRA BOARD RESOLUTION FISCAL YEAR 2018 BUSINESS AND CAPITAL PLANS LCRA Transmission Services Corporation

WHEREAS, the LCRA Board of Directors must approve the budgets of nonprofit corporations created by the river authority pursuant to Chapter 152 of the Texas Water Code;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby adopts and approves the Fiscal Year (FY) 2018 Business and Capital Plans for LCRA Transmission Services Corporation.

LCRA Transmission Services Corporation has budgeted FY 2018 operating and capital amounts at \$110.9 million and \$255.8 million, respectively.

The Board recognizes that the LCRA Transmission Services Corporation Board of Directors will approve capital projects and other major expenditures not included in the business and capital plans in its normal agenda process. Furthermore, the president and chief executive officer shall keep the LCRA Board apprised of the progress toward the accomplishment of LCRA Transmission Services Corporation's goals within the budgeted amounts approved by the Board.

Adoption of the FY 2018 Business and Capital Plans for LCRA Transmission Services Corporation provides authorization for all expenditures and plans in the business and capital plans and approves the budget for LCRA Transmission Services Corporation, as required by state law. Individual purchases and contracts to implement the business and capital plans fall under various state laws and Board policies and may require additional approval.

EXHIBIT C

LCRA BOARD RESOLUTION FISCAL YEAR 2018 BUSINESS AND CAPITAL PLANS GenTex Power Corporation

WHEREAS, the LCRA Board of Directors must approve the budget of GenTex Power Corporation;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby adopts and approves the Fiscal Year (FY) 2018 Business and Capital Plans for GenTex Power Corporation, as submitted to the Board by the GenTex Power Corporation Board of Directors.

The GenTex Power Corporation FY 2018 operating and capital budget is presented to the Board under separate cover as a confidential competitive electric matter.

The Board recognizes that the GenTex Power Corporation Board of Directors may approve capital projects and other major expenditures not included in the business and capital plans in its normal agenda process. Furthermore, the president and chief executive officer shall keep the LCRA Board apprised of the progress toward the accomplishment of GenTex Power Corporation's goals within the budgeted amounts approved by the Board.

Adoption of the FY 2018 Business and Capital Plans for GenTex Power Corporation provides authorization for all expenditures and plans in the business and capital plans and approves the budget for GenTex, as required by state law. Individual purchases and contracts to implement the business and capital plans fall under various state laws and Board policies and may require additional approval.

EXHIBIT D

LCRA BOARD RESOLUTION FISCAL YEAR 2018 BUSINESS PLAN LCRA Wholesale Energy Services Corporation

WHEREAS, the LCRA Board of Directors must approve the budgets of nonprofit corporations created by the river authority pursuant to Chapter 152 of the Texas Water Code;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby adopts and approves the Fiscal Year (FY) 2018 Business Plan for LCRA Wholesale Energy Services Corporation.

The LCRA Wholesale Energy Services Corporation FY 2018 operating and capital budget is presented to the Board under separate cover as a confidential competitive electric matter.

The Board recognizes that the LCRA Wholesale Energy Services Corporation Board of Directors will approve capital projects and other major expenditures not included in the business plan in its normal agenda process. Furthermore, the president and chief executive officer shall keep the LCRA Board apprised of the progress toward the accomplishment of LCRA Wholesale Energy Services Corporation's goals within the budgeted amounts approved by the Board.

Adoption of the FY 2018 Business Plan for LCRA Wholesale Energy Services Corporation provides authorization for all expenditures and plans in the business plan and approves the budget for LCRA Wholesale Energy Services Corporation, as required by state law. Individual purchases and contracts to implement the business plan fall under various state laws and Board policies and may require additional approval.

EXHIBIT E

LCRA BOARD RESOLUTION FISCAL YEAR 2018 BUSINESS PLAN WSC Energy II

WHEREAS, the LCRA Board of Directors must approve the budgets of nonprofit corporations created by the river authority pursuant to Chapter 152 of the Texas Water Code;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby adopts and approves the Fiscal Year (FY) 2018 Business Plan for WSC Energy II.

The WSC Energy II FY 2018 business plan is presented to the Board under separate cover as a confidential competitive electric matter.

The Board recognizes that the WSC Energy II Board of Directors will approve capital projects and other major expenditures not included in the business plan in its normal agenda process. Furthermore, the president and chief executive officer shall keep the LCRA Board apprised of the progress toward the accomplishment of LCRA WSC Energy II's goals within the budgeted amounts approved by the Board.

Adoption of the FY 2018 Business Plan for WSC Energy II provides authorization for all expenditures and plans in the business plan and approves the budget for WSC Energy II, as required by state law. Individual purchases and contracts to implement the business plan fall under various state laws and Board policies and may require additional approval.

EXHIBIT F

LCRA, Affiliated Corporations and Nonprofit Corporations Financial Summary

(Dollars in millions)	Budgeted	Proposed	Forecast			
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenues						
Total Net Revenue¹	849.8	884.8	922.1	954.5	995.3	1,009.3
Expenses						
Total Net Expense¹	445.9	482.6	496.9	513.0	532.6	539.5
Net Operating Margin	403.9	402.2	425.2	441.5	462.7	469.8
Less: GenTex 1 Funds ²	(1.1)	(0.1)	(2.1)	(2.2)	(0.6)	(2.5)
Net Margin for Debt Service, Adjusted	402.8	402.2	423.1	439.3	462.1	467.3
Debt Service	\$ 296.0	291.1	314.9	319.7	325.1	333.5
Debt Service Coverage, Adjusted	1.36x	1.38x	1.34x	1.37x	1.42x	1.40x
Net Margin After Debt Service ³	\$ 107.9	111.1	110.3	121.8	137.7	136.3
Less:						
Operating Reserves	10.4	7.5	4.7	6.2	6.9	4.5
Revenue-Funded Capital	83.7	79.1	80.2	97.6	120.4	110.3
Noncash Revenue	1.9	1.9	1.9	1.9	1.9	1.9
Resource Development Fund	7.6	7.0	9.9	10.5	3.9	4.4
Restricted for Capital/Debt Retirement	3.3	14.8	12.6	4.6	3.6	14.2
CDPP Grants	1.0	1.0	1.0	1.0	1.0	1.0
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 1 capital funding and reserve funding.

³ Net Margin After Debt Service includes funds dedicated to GenTex 1.

EXHIBIT G

LCRA Transmission Services Corporation Financial Summary

	Budgeted		Proposed		Forecast	
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
(Dollars in millions)						
Revenues	\$ 399.7	409.7	420.9	440.3	459.9	471.2
Operations and Maintenance	97.0	110.9	114.4	118.3	120.7	123.8
Net Operating Margin	302.7	298.8	306.5	322.0	339.2	347.4
Plus: Interest Income	0.8	2.6	2.7	2.7	2.8	2.8
Less: Assigned Enterprise Expense	43.4	44.2	42.7	48.0	48.2	51.0
Public Service Fund	12.0	12.3	12.6	13.2	13.8	14.1
Resource Development Fund	8.0	8.2	8.4	8.8	9.2	9.4
Net Margin Available for Debt Service	240.2	236.7	245.5	254.7	270.9	275.7
Debt Service	\$ 174.3	173.9	188.7	191.7	192.4	203.9
Debt Service Coverage	1.38x	1.36x	1.30x	1.33x	1.41x	1.35x
Net Margin After Debt Service	\$ 65.9	62.8	56.9	63.0	78.5	71.8
Less:						
Operating Reserves	9.5	6.8	2.8	4.0	1.4	2.0
Assigned Enterprise Capital	7.4	6.1	7.7	8.8	6.6	7.2
Assigned Transmission Minor Capital	15.3	1.9	4.2	3.0	3.2	3.4
Revenue-Funded Capital	34.4	53.1	44.9	51.9	78.7	71.6
Transfer to LCRA ¹	6.5	4.1	7.3	6.7	1.1	1.1
Plus:						
Amortization of Enterprise/Minor Capital ²	7.0	9.2	10.2	11.4	12.5	13.5
Net Cash Flow	\$ 0.0	0.0	0.0	0.0	0.0	0.0

¹ An initial transfer from LCRA TSC to LCRA was authorized by the LCRA and LCRA TSC boards of directors in April 2014. Under the initial contractual commitment entered into by LCRA and LCRA TSC, the Board must make an annual determination to authorize each year's transfer. Such annual transfers are payable only if all other financial commitments have been met as required by LCRA TSC's financial policies.

² 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.

EXHIBIT H

Fiscal Year 2018 LCRA Capital Plan Summary of Recommended Projects

Approval of this capital plan authorizes the initiation of recommended projects at their stated lifetime budgets totaling \$521.1 million.

FY 2018 LCRA Capital Plan

(Dollars in millions)

Recommended Projects	Lifetime Budgets	
Wholesale Power ¹	\$	9.7
Transmission		478.6
Water		16.7
Public Services		1.1
Enterprise Support		15.0
Total Lifetime Recommended Projects	\$	521.1

¹ Includes Austin Energy's and San Marcos' shares.

EXHIBIT I

Fiscal Year 2018 LCRA Capital Plan Summary of Fiscal Year Spending Budget

In addition, approval of this capital plan authorizes LCRA to spend the following in fiscal year 2018:

Fiscal Year 2018 LCRA Capital Plan	
(Dollars in millions)	
FY 2018 Spending Summary	FY 2018
Recommended Projects ¹	\$139.6
Approved Projects ¹	243.4
Total FY 2018 Spending ²	\$383.0

¹ Includes Austin Energy's and San Marcos' shares.

² LCRA total FY 2018 capital spending includes \$12.2 million for Wholesale Power, \$255.8 million for Transmission, \$97.6 million for Water, \$1.7 million for Public Services and \$15.7 million for Enterprise Support.

FOR ACTION

9. Authorize the Restated Twentieth and Twenty-Fourth Supplemental Resolutions to the LCRA Transmission Contract Revenue Financing Program to Renew the LCRA Transmission Contract Revenue Notes Series C, Create the LCRA Transmission Contract Revenue Notes Series D, and Authorize Related Agreements

Proposed Motion

Staff recommends the Board adopt and approve the Amended and Restated Twentieth Supplemental Resolution and the Twenty-Fourth Supplemental Resolution to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program (the “Controlling Resolution”) to authorize the restatement of the LCRA Transmission Contract Revenue Notes Series C (“Series C Notes”) and the creation of LCRA Transmission Contract Revenue Notes Series D (“Series D Notes”). Staff also seeks authorization of the chief executive officer or his designee to negotiate and execute all related documents setting forth the terms and conditions governing the issuance of the debt directly to certain banks in an amount up to \$150 million for the Series C Notes and \$100 million for the Series D Notes, including but not limited to: a note purchase agreement among LCRA, LCRA Transmission Services Corporation (LCRA TSC) and Bank of America, N.A. for the Series C Notes (the “Series C RNP Agreement”), the note purchase agreement and among LCRA, LCRA TSC and the RBC Capital Markets, LLC., (“the Series D RNP Agreement”), and the noteholder agreement between LCRA, LCRA TSC and the RBC Municipal Products, LLC., (“the Series D NH Agreement”).

Board Consideration

A supplemental resolution to the existing Controlling Resolution requires Board approval. The renewal and restatement of the Series C Notes program and the creation of the Series D Notes program complies with the covenants of the LCRA Controlling Resolution and with LCRA Board Policy 301 – Finance.

Budget Status and Fiscal Impact

Staff anticipates that the renewal of the existing credit facility and the new credit facility will allow LCRA to issue private bank debt on behalf of LCRA TSC to finance the construction of facilities and delay the issuance of long-term bonds, which have higher interest rates in the current market. These credit facilities will provide additional financing flexibility, create more diversity in bank exposure, and lower carrying costs. Staff anticipates that LCRA TSC will experience lower debt service costs until long-term bonds are issued. The proposed fees for these facilities are in line with current market pricing.

Summary

Staff recommends that the Board approve the amended and restated Twentieth Supplemental Resolution and the Twenty-Fourth Supplemental Resolutions, in addition to authorizing the general manager or his designee to negotiate and execute the related note purchase and noteholder agreements, applicable paying agent agreements and other related documents.

Background. LCRA, as the conduit issuer for LCRA TSC, adopted a resolution in March 2003 authorizing the issuance of the Tax-Exempt Series Notes. Through amendments to the debt programs and bank credit facilities, LCRA TSC currently has a \$200 million tax-exempt commercial paper program with JPMorgan and State Street Bank and a \$150 million tax-exempt private placement Series C Notes with Bank of America which expires in July.

Staff now seeks to renew the Series C Notes credit facility for another three years, allow for taxable and tax-exempt notes. In addition, staff requests approval of a new private placement note program to allow LCRA to issue up to \$100 million in tax-exempt Series D Notes on behalf of LCRA TSC to RBC Capital Markets for a period of three years.

The note purchases by Bank of America and RBC Capital markets will allow LCRA TSC to fund project costs in a similar manner to the existing commercial paper programs. However, the direct purchase facilities with the banks will provide an alternative structure that eliminates marketing and remarketing risk that can occur with a public commercial paper program. This private debt facilities do not require public credit ratings to be issued and maintained. The credit facilities will allow LCRA TSC to choose the variable interest rate and period to effectively manage the debt. Credit terms and fees are similar to the existing commercial paper credit facilities.

The Series C Notes and the Series D Notes will be issued on parity with LCRA TSC contract revenue bonds and the Tax-Exempt Series Notes pursuant to the LCRA Controlling Resolution and in compliance with the variable debt limitations in LCRA TSC Board Policy T301 – Finance (25 percent of total long-term debt and total equity of LCRA TSC). Staff will evaluate the current commitment of \$200 million under the Tax-Exempt Commercial Paper program to determine if a reduction is appropriate given the addition of Series C and D Notes. If the determination is made to reduce the commercial paper program, a request for board authorization will be brought forward in the future.

Supplements to the restated Transmission Contract Revenue Debt Installment Payment Agreement between LCRA and LCRA TSC, dated March 1, 2003, will secure the Series C Notes and the Series D Notes by obligating LCRA TSC to make all payments related to the notes. The notes may be refunded into long-term debt when the conditions are advantageous.

Presenter(s)

Richard Williams
Chief Financial Officer

Jim Travis
Treasurer

FOR ACTION

10. Contracts and Contract Changes

Proposed Motion

Authorize the general manager or designee to negotiate and execute the following contracts and contract changes as shown in attached exhibits.

Board Consideration

LCRA Board Policy 308 – Purchasing Contracts establishes requirements for contracts for the purchase of goods, services, construction and software.

Budget Status and Fiscal Impact

All contracts and contract changes recommended for Board approval are for budgeted items contained in the operations and capital budgets.

Summary

Each month the Board approves the contracts and contract changes in accordance with LCRA Board Policy 308. LCRA has two types of contracts, master and one-time.

- **Master Contract:** Establishes the terms and conditions under which LCRA may purchase goods and/or services during a fixed period of time to fulfill its business plan. These purchases are budgeted in the capital and operations and maintenance budgets. Master contracts are not commitments to expend funds. Rather, purchase orders placed against these master contracts are commitments to spend.
- **One-time Contract:** A contract for the purchase of a definite quantity of goods or services during a fixed period of time. These contracts normally include commitments to expend funds.

Presenter(s)

John Miri
Chief Administrative Officer

Laura Guillory
Manager, Supply Management

Exhibit(s)

A – New Contracts

EXHIBIT A

New Contracts

New contracts that require Board approval under Board Policy 308 are noted in Exhibit A. The contracts below have termination for convenience language should LCRA's needs change unless otherwise noted. The amount reflects the projected spending need over the life of the contract(s).

Contract No. 4564
Contractor: M&S Technologies Inc.
Amount: Not to exceed \$6 million
Competition: Full and open competition
Time: One base year with four one-year options to extend
Description: This master contract is for the provision of security technology hardware used by the Information Security Office in support of LCRA's business continuity and cyberrisk program.

Process Integrity: LCRA directly solicited ten suppliers, in addition to posting the opportunity on LCRA's website. LCRA received and evaluated one vendor proposal. A team of evaluators weighted five criteria according to the nature of the category: 1) ability to perform/provide; 2) quality; 3) service; 4) cost; and 5) innovation. The team then awarded a score for each criterion to each supplier response. The highest weighted criterion was cost. This criterion was evaluated based upon hardware cost, software cost and support cost. Based upon this evaluation, staff recommends M&S Technologies Inc. as the supplier for this category.

Best Value for LCRA: The previous five-year spend for this category was about \$3.7 million. Based upon LCRA's current forecasted need in this category, the proposed contract terms are expected to yield approximately \$116,000 in savings over the life of the contract, as compared with the prices established through LCRA's previous contract.

Contract No. 4574, 4575, and 4576
Contractor: Hutton Communications Inc., TESCO Inc. and Anixter Inc.
Amount: Not to exceed \$5 million
Competition: Full and open competition
Time: One base year with four one-year options to extend
Description: These master contracts are for the provision of microwave and radio equipment used by the Telecommunications department.

Process Integrity: LCRA directly solicited nine suppliers, in addition to posting the opportunity on LCRA's website. LCRA received and evaluated six vendor proposals. A team of evaluators weighted five criteria according to the nature of the category: 1) ability to perform/provide; 2) quality; 3) service; 4) cost; and 5) innovation. The team then awarded a score for each criterion to each supplier response. The highest weighted criteria were ability to perform and cost. These criteria were evaluated based upon the cost of a market basket of frequently used items, stocking capabilities and lead

times. Based upon this evaluation and the contract concessions achieved through negotiations, staff recommends Hutton Communications Inc., Tessco Inc., and Anixter Inc. as the suppliers for this category. This contract amount represents the maximum shared sum from which these contracts may draw. Because each of these contracts has the potential to exceed the approval amount under LCRA Board Policy 308, all are submitted here for approval.

Best Value for LCRA: The previous five-year spend for this category was about \$4.5 million. Based upon LCRA's current forecasted need in this category, the proposed contract terms are expected to yield approximately \$700,000 in savings over the life of the contracts, as compared with the prices established through LCRA's previous contracts.

Contract No. 3894, 4581 and 4582
Contractor: Irby Construction Co., Saber Power Services LLC and RES America Construction Inc.
Amount: Not to exceed \$45 million
Competition: Full and open competition
Time: Through June 30, 2019
Description: These master contracts are for the provision of substation construction services used by Transmission Services.

Process Integrity: LCRA directly solicited ten suppliers, in addition to posting the opportunity on LCRA's website. LCRA received and evaluated six vendor proposals. A team of evaluators weighted five criteria according to the nature of the category: 1) ability to perform/provide; 2) quality; 3) service; 4) cost; and 5) innovation. The team then awarded a score for each criterion to each supplier response. The highest weighted criteria were ability to perform and service. These criteria were evaluated based upon ability to meet schedule, experience and skill level of personnel. Based upon this evaluation and the contract concessions achieved through negotiations, staff recommends Irby Construction Co., Saber Power Services LLC and RES America Construction Inc. as the suppliers for this category. This contract amount represents the maximum shared sum from which these contracts may draw. Because each of these contracts has the potential to exceed the approval amount under LCRA Board Policy 308, all are submitted here for approval.

Best Value for LCRA: As all recent substation construction has been completed by LCRA staff, the historical five-year spend for this category is \$0. The provision of substation construction services will be competed between these three contracts to derive best value on a project-by-project basis. Transmission substation and line construction services will be sourced as a master category in fiscal year 2018.

Contract No. 4594
Contractor: Great Southwestern Construction Inc.
Amount: Not to exceed \$74 million
Competition: Full and open competition
Time: Through June 30, 2019
Description: This master contract is for the provision of transmission line construction services used by Transmission Services.

Process Integrity: In May 2014, the Board approved a \$250,000,000 shared sum contract between Irby Construction Co. and Southeast Power Corp. for the provision of transmission line construction services. During the solicitation for those contracts, LCRA directly solicited 21 suppliers, in addition to posting the opportunity on LCRA's website. LCRA received 13 vendor proposals and 12 were evaluated. A team of evaluators weighted five criteria according to the nature of the category: 1) ability to perform/provide; 2) quality; 3) service; 4) cost; and 5) innovation. The team then awarded a score for each criterion to each supplier response. The highest weighted criteria were ability to perform and cost. These criteria were evaluated based upon experience, time and equipment costs, and subcontractor mark-up costs. Great Southwestern Construction Inc. scored as third-best evaluated. Based upon this evaluation and the contract concessions achieved through negotiations, staff recommends Great Southwestern Construction Inc. as a third supplier for this category due to increased demand for transmission line construction services.

Best Value for LCRA: The previous five-year spend for this category was about \$266 million. The provision of transmission line construction services will be competed between these three contracts to derive best value on a project-by-project basis. Transmission substation and line construction services will be sourced as a master category in FY 2018.