



Board Agenda

Tuesday, April 16, 2019
San Saba Civic Center
1190 S. Thomas Stewart Drive
San Saba, TX 76877
Earliest start time: 9:00 a.m.
(map on Page 2)

Open Session Action/Discussion Items

1. Comments From the Public 3
2. Authorize the Fiscal Year 2019 Extraordinary LCRA Optional Purchase Price Payment From LCRA Transmission Services Corporation 5
3. Authorize Exercise of Enforcement Power Pursuant to Chapter 7 of the Texas Water Code 8
4. LCRA Fiscal Year 2020 Business and Capital Plans
 - Opening Remarks
 - Wholesale Power Customer Communication (10:00 a.m. time certain)
 - LCRA
 - LCRA Transmission Services Corporation

Executive Session Discussion Items

1. Fiscal Year 2020 Business and Capital Plans
 - LCRA (Wholesale Power)
 - LCRA WSC Energy
 - WSC Energy II
 - GenTex Power Corporation
2. Litigation Update

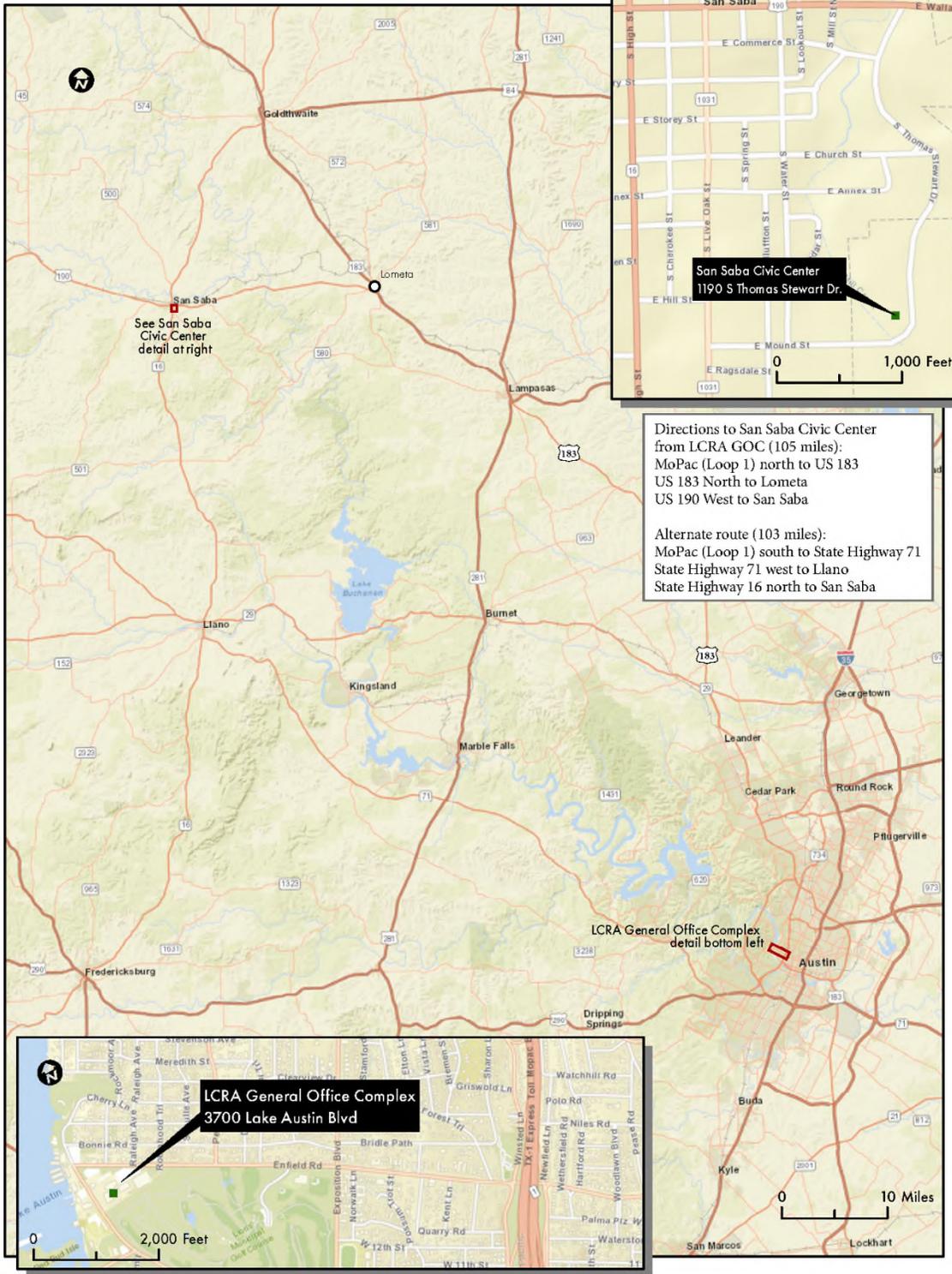
Legal Notice

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 above pursuant to Chapter 551 of the Texas Government Code.

San Saba Civic Center
 1190 S. Thomas Stewart Drive
 San Saba, TX 76877



FOR DISCUSSION

1. Comments From the Public

Summary

This part of the meeting is intended for comments from the public on topics under LCRA's jurisdiction but not related to an item on the Board agenda. The Board may not respond or take action during public comments.

In order to address the Board, a member of the public is required to sign and complete the registration form at the entrance to the meeting room.

Any member of the public wishing to comment on an item listed on this agenda will be called to make comments at the appropriate time.

Exhibit(s)

A – Protocols for Public Communication at Board and Committee Meetings

EXHIBIT A

PROTOCOLS FOR PUBLIC COMMUNICATION AT BOARD AND COMMITTEE MEETINGS

Approved by the LCRA Board of Directors on Dec. 11, 2018

- 1. Oral Presentations on Issues Under LCRA's Jurisdiction.** Any person wishing to make an oral presentation at a Board meeting on any matter under LCRA's jurisdiction must complete a registration form that indicates the agenda item or other topic on which they wish to comment, along with the speaker's name, address and other relevant information. Any person making an oral presentation to the Board may distribute related materials to the Board at the meeting.
- 2. Time Allocation.** The presiding officer may limit the length of time for each speaker. Speakers may not trade or donate time to other speakers without permission from the presiding officer, and repetitive testimony shall be minimized.
- 3. Rules of Decorum.** Speakers and members of the audience must avoid disruptive behavior that interferes with the orderly conduct of a public meeting. Placards, banners, and hand-held signs are not allowed in Board or committee meetings, and speakers and members of the audience must avoid personal affronts, profanity, booing, excessive noise, and other disruptive conduct. The presiding officer may direct that anyone who disrupts a meeting be removed from the room.
- 4. Recording.** Any person making an audio or video recording of all or any part of a Board meeting must do so in a manner that is not disruptive to the meeting. During a meeting, members of the public must remain in or behind the public seating area and are not permitted to record from any other area of the meeting room.
- 5. Committee Meetings.** The protocols outlined in 1-4 above also apply to members of the public wishing to address any LCRA Board committee whose membership comprises the entirety of the LCRA Board on matters within the scope of each of those committees.

FOR ACTION

2. Authorize the Fiscal Year 2019 Extraordinary LCRA Optional Purchase Price Payment From LCRA Transmission Services Corporation

Proposed Motion

Adopt the attached resolution making determinations regarding the payment from LCRA Transmission Services Corporation of an Extraordinary LCRA Optional Purchase Price Payment (ELOPPP) for fiscal year 2019 and, when such payment is made, reserve those funds in the LCRA Strategic Reserve.

Board Consideration

Section 4.02 of the LCRA-LCRA TSC Electric Transmission Facilities Contract (the Contractual Commitment) requires the LCRA Board to determine if an ELOPPP is due for any given fiscal year and to determine the amount of any ELOPPP at least 30 days before approving LCRA TSC's annual budget for the next fiscal year.

Budget Status and Fiscal Impact

The transfer to LCRA was contemplated in the FY 2019 business plan. The initiation of this transfer is being made after ensuring LCRA TSC will meet all financial commitments, including annual expenses for operations and maintenance, debt service and any other payments required under its financial policies.

Summary

As part of the formation of LCRA TSC and the transfer of LCRA's transmission assets to LCRA TSC, LCRA and LCRA TSC executed the Contractual Commitment to govern that transfer and to obligate LCRA TSC to pay a purchase price for those assets. As required by the Contractual Commitment, LCRA TSC has made, each year since its inception, purchase price payments equal to the LCRA debt service obligation associated with the assets transferred to LCRA TSC. Under Section 4.02 of the Contractual Commitment, the LCRA Board has sole discretion to determine each fiscal year if an annual ELOPPP will be made to LCRA. This determination must be made at least 30 days prior to the LCRA Board's approval of LCRA TSC's annual budget for the following fiscal year. The amount of any ELOPPP is capped at 25 percent of the amount of LCRA TSC's Contractual Commitment purchase price payments and guarantee reimbursement payments, and is only payable if all other financial commitments of LCRA TSC have been met, including debt, debt service, operations and maintenance, and coverage ratios and reserve funds required by LCRA TSC's financial policies.

Staff determined LCRA TSC has to date met, and is expected to meet, all financial obligations required by any agreement or the financial policies of LCRA TSC for FY 2019.

The amount to be transferred to LCRA will be reserved in the LCRA Strategic Reserve for use in accordance with Board Policy 301 – Finance.

Presenter(s)

Jim Travis
Chief Financial Officer

Exhibit(s)

A – Board Resolution: Extraordinary LCRA Optional Purchase Price Payment

EXHIBIT A

RESOLUTION

WHEREAS, the Lower Colorado River Authority (LCRA), and the LCRA Transmission Services Corporation (LCRA TSC) entered into the certain Electric Transmission Facilities Contract (the Contractual Commitment) as of Oct. 1, 2001, as amended; and

WHEREAS, in the Contractual Commitment, LCRA TSC agreed, under certain circumstances, to make an annual payment to LCRA, which is referred to as the Extraordinary LCRA Optional Purchase Price Payment (ELOPPP); and

WHEREAS, the Contractual Commitment provides that the LCRA Board of Directors shall determine if an ELOPPP payment is due and payable for any fiscal year and the amount of such payment; and

WHEREAS, such determinations must be made at least 30 days prior to the Board's approval of LCRA TSC's annual budget for the following fiscal year; and

WHEREAS, such ELOPPP payment is permitted under the Final Order issued by the Public Utility Commission of Texas in Docket No. 25829 and the stipulation incorporated therein;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby determines that pursuant to Section 4.02 of the Contractual Commitment, an ELOPPP payment is due from LCRA TSC for FY 2019, and the amount of the ELOPPP payment due and payable by LCRA TSC in FY 2019 is \$7.3 million.

FOR ACTION

3. Authorize Exercise of Enforcement Power Pursuant to Chapter 7, Texas Water Code

Proposed Motion

Adopt the attached resolution authorizing the exercise of enforcement power pursuant to Chapter 7, Texas Water Code.

Board Consideration

Section 7.351, Texas Water Code, requires the LCRA Board to adopt a resolution authorizing the institution of civil lawsuits, pursuant to Chapter 7, Texas Water Code, in order to respond to certain violations of the Texas Water Code and the Texas Health and Safety Code.

Budget Status and Fiscal Impact

Approval of this item will have no fiscal impact on LCRA.

Summary

Staff recommends adopting the attached resolution to give the general manager the ability to pursue enforcement actions against people violating certain water quality laws and rules within the LCRA statutory district.

Presenter(s)

John Hofmann
Executive Vice President

Exhibit(s)

A – Resolution Authorizing Exercise of Enforcement Power Pursuant to Chapter 7, Texas Water Code

EXHIBIT A

**Resolution Authorizing Exercise of Enforcement Power
Pursuant to Chapter 7, Texas Water Code**

WHEREAS, Section 7.351 of the Texas Water Code, authorizes a local government, such as LCRA, to institute civil suits in a district court by its own attorney under Subchapter D of Chapter 7 of the Texas Water Code in the same manner as the Texas Commission on Environmental Quality, for violations or threats of violations of various provisions of the Texas Water Code and the Texas Health and Safety Code, or rules adopted or orders or permits issued under those chapters or provisions, that have occurred or are occurring in the jurisdiction of a local government; and

WHEREAS, Section 7.352 of the Texas Water Code provides that a local government may not exercise the enforcement power described in Section 7.351 of the Texas Water Code, in the case of a violation of Chapter 26 of the Texas Water Code or Chapter 382 of the Texas Health and Safety Code unless the governing body of the local government has adopted a resolution authorizing the exercise of the enforcement power; and

WHEREAS, Chapter 26 of the Texas Water Code contains laws designed to maintain and improve water quality, including laws governing waste discharges; and

WHEREAS, The LCRA Board of Directors finds it is in the public interest to adopt a resolution authorizing the general manager or his designee to use all statutory enforcement authority for water quality protection pursuant to Sections 7.351 and 7.352 of the Texas Water Code for violations of Chapter 26 of the Texas Water Code or Chapter 382 of the Texas Health and Safety Code within the statutory boundaries of LCRA as deemed necessary by the general manager;

NOW THEREFORE, BE IT RESOLVED THAT the LCRA Board of Directors hereby authorizes the exercise of the enforcement power provided to local governments under Subchapter D of Chapter 7 of the Texas Water Code, as specifically authorized by Sections 7.351 and 7.352 of the Texas Water Code; and

BE IT FURTHER RESOLVED THAT these enforcement powers shall authorize actions respecting past, existing, and future violations, in addition to LCRA's other enforcement powers to protect the environment; and

BE IT FURTHER RESOLVED THAT the general manager or his designee is hereby authorized to take all actions necessary to exercise the enforcement power provided in Subchapter D of Chapter 7 of the Texas Water Code, including to pursue and institute civil suits for violations or threatened violations, within the statutory boundaries of LCRA, of Chapter 26, Texas Water Code and Chapter 382, Texas Health and Safety Code, and to seek injunctive relief, or civil penalty, or both, as authorized by Chapter 7 against the person who committed, is committing, or is threatening to commit the violation; and

BE IT FURTHER RESOLVED that this resolution shall take effect immediately from and after its passage, and it is accordingly so resolved.

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