

# LCRA Transmission Services Corporation

## Board Agenda

Wednesday, Oct. 23, 2019  
LCRA General Office Complex  
Board Room – Hancock Building  
3700 Lake Austin Blvd.  
Austin, TX 78703  
Earliest start time: 9 a.m.

### Items From the Chair

1. Comments From the Public ..... 4

### Items From the Chief Executive Officer

Chief Executive Officer/Chief Operating Officer Update

### Items From the Chief Financial Officer

2. Financial Report ..... 5

### Consent Items

3. Minutes of Prior Meetings ..... 6

### Action Items

4. New Capital Improvement Project Approval – Lincoln Substation Upgrade ..... 14
5. New Capital Improvement Project Approval – Giddings-Warda Transmission Line Upgrade ..... 17
6. New Capital Improvement Project Approval – Kendall Most Limiting Series Element Substation Upgrade ..... 20
7. Acquisition of Interests in Real Property – Use of Eminent Domain in Burnet County ..... 23

### Legal Notice

Legal notices are available on the Texas secretary of state website 72 hours prior to the meeting at [www.sos.texas.gov/open/index.shtml](http://www.sos.texas.gov/open/index.shtml).

### Executive Session

The Board may go into executive session for advice from legal counsel on any item listed above, pursuant to Chapter 551 of the Texas Government Code.

## OVERVIEW OF LCRA TRANSMISSION SERVICES CORPORATION

In connection with the implementation of retail competition in the electric utility industry in the state of Texas, LCRA was required by the Texas Legislature in its amendments to the Public Utility Regulatory Act (enacted in 1999 under state legislation known as Senate Bill 7, and referred to as SB 7) to unbundle its electric generation assets from its electric transmission and distribution assets. LCRA conveyed, effective Jan. 1, 2002, all of its existing electric transmission and transformation assets (collectively, the Transferred Transmission Assets) to the LCRA Transmission Services Corporation (LCRA TSC) pursuant to the terms of an Electric Transmission Facilities Contract (the Initial Contractual Commitment), dated Oct. 1, 2001.

LCRA TSC is a nonprofit corporation created by LCRA to act on LCRA's behalf pursuant to Chapter 152, Texas Water Code, as amended. After Jan. 1, 2002, LCRA TSC engaged in the electric transmission and transformation activities previously carried out by LCRA and assumed LCRA's obligation to provide, and the right to collect revenues for, electric transmission and transformation services. LCRA TSC is an electric transmission service provider (a TSP) under the state's open-access electric transmission regulatory scheme within the approximately 85 percent area of the state covered by the Electric Reliability Council of Texas (ERCOT). In such capacity, LCRA TSC is entitled to receive compensation from all electric distribution service providers using the electric transmission system within ERCOT. As a TSP in the ERCOT region of the state, the rates that LCRA TSC will charge for transmission services are regulated by the Public Utility Commission of Texas (PUC) and determined pursuant to transmission cost of service rate proceedings filed with and approved by the PUC.

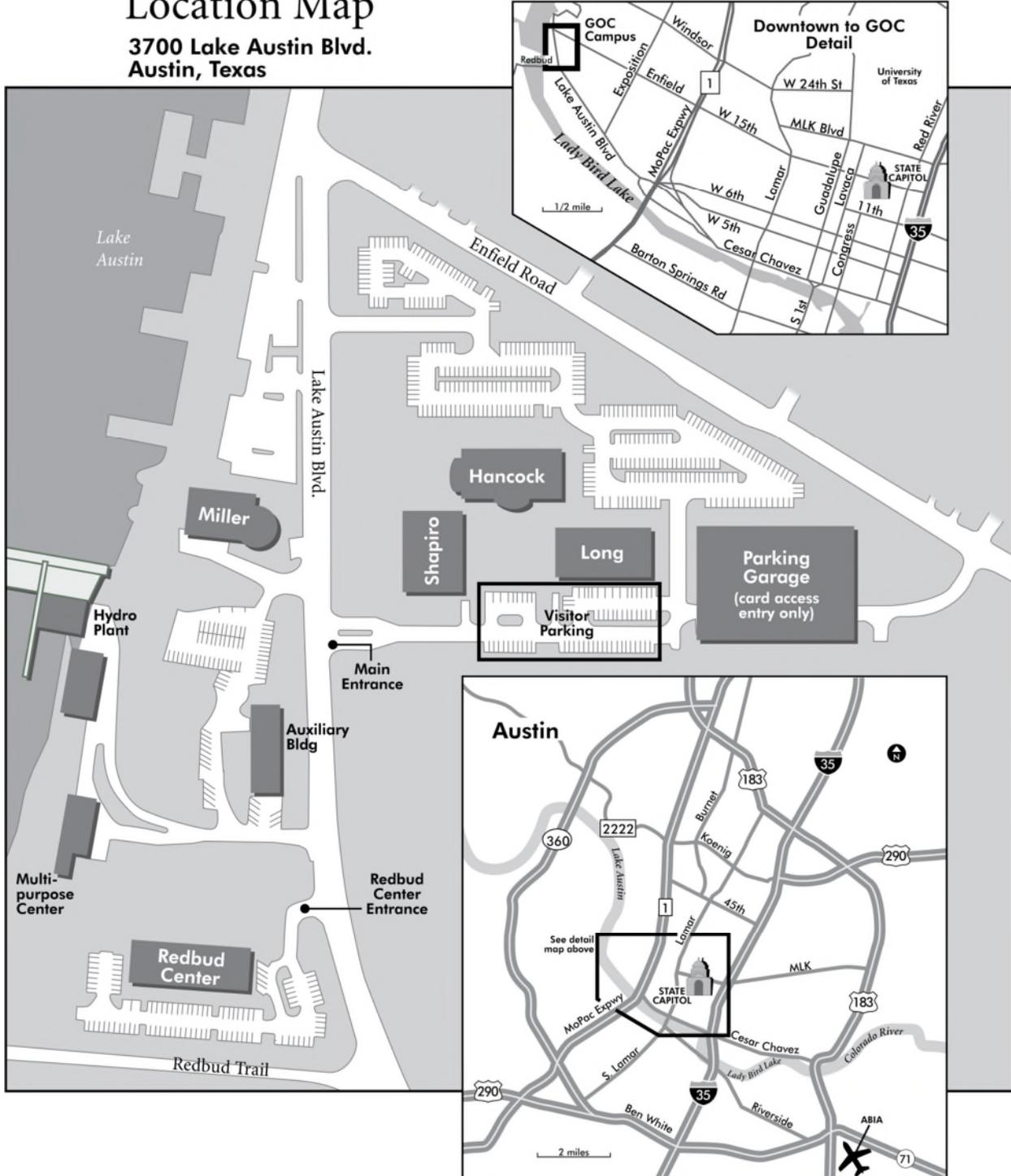
Within the framework of SB 7, LCRA TSC implements the electric transmission business of LCRA, including the expansion of electric transmission services outside of LCRA's traditional electric service territory. LCRA personnel are responsible for performing all of LCRA TSC's activities pursuant to a services agreement between LCRA TSC and LCRA. This includes procuring goods and services on behalf of LCRA TSC and is reflected in the LCRA Board agenda contracts.

Under the LCRA Master Resolution, defined as the LCRA Board resolution governing LCRA's outstanding debt, and certain provisions of state law, the LCRA Board is required to exercise control over all operations of LCRA TSC. This control includes approval of LCRA TSC's business plan and of the sale or disposition of any significant assets of LCRA TSC. The Board of Directors of LCRA TSC (LCRA TSC Board) is appointed by and serves at the will of the LCRA Board. The current membership of LCRA TSC Board is made up entirely of the existing LCRA Board.

The LCRA TSC Board Policy on Authority and Responsibilities directs that the business plan of the affiliated corporation include for approval a schedule of capital projects proposed for the fiscal year. The policy also states that only deviations from the approved plan will be brought before the LCRA TSC Board. As such, the LCRA TSC Board agenda will not include consent items to approve specific capital projects, unless the project scope or budget changes significantly from what was originally approved.

# LCRA General Office Complex Location Map

3700 Lake Austin Blvd.  
Austin, Texas



## **FOR DISCUSSION**

# **1. Comments From the Public**

### **Summary**

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

**FOR DISCUSSION**

## **2. Financial Report**

**Board Consideration**

This report is presented monthly to the Board of Directors for discussion.

**Summary**

The financial report for LCRA Transmission Services Corporation covers the month and fiscal year to date. This report will be handed out at the meeting.

**Presenter(s)**

Julie Rogers  
Controller

**FOR ACTION (CONSENT)**

### **3. Minutes of Prior Meetings**

**Proposed Motion**

Approve the minutes of the Aug. 21, 2019, and Sept. 18, 2019, meetings.

**Board Consideration**

Section 4.06 of the LCRA Transmission Services Corporation 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 Aug. 21, 2019, meeting
- B – Minutes of Sept. 18, 2019, meeting

## **EXHIBIT A**

Minutes Digest  
Aug. 21, 2019

- 19-21 Approval of the minutes of the May 22, 2019, meeting.
- 19-22 Approval of the Capital Improvement Project Authorization Request for the Clear Springs Autotransformer Replacement project.
- 19-23 Approval of the Capital Improvement Project Authorization Request for the Fort Stockton Switch Substation Addition project and authorization for the president and chief executive officer or his designee to do all things reasonably necessary to accomplish the purposes hereof.
- 19-24 Approval of the Capital Improvement Project Authorization Request for the Escobares Substation Addition project and authorization for the president and chief executive officer or his designee to do all things reasonably necessary to accomplish the purposes hereof.
- 19-25 Approval of the Capital Improvement Project Authorization Request for the San Bernard Electric Cooperative Facilities Acquisition project and authorization for the president and chief executive officer or his designee (i) to negotiate and execute an agreement with SBEC for purchase of the SBEC facilities, including transmission facilities located within substations in Austin, Colorado and Waller counties, and (ii) to do all things reasonably necessary to accomplish the purposes hereof.
- 19-26 Approval of the Capital Improvement Project Authorization Request for the San Bernard Electric Cooperative Transmission Facility Development project and authorization for the president and chief executive officer or his designee (i) to negotiate and execute a development agreement with SBEC giving LCRA TSC rights to develop current and future transmission projects within SBEC's retail service area; and (ii) to do all things reasonably necessary to accomplish the purposes hereof.

MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF THE  
LCRA TRANSMISSION SERVICES CORPORATION  
Austin, Texas  
Aug. 21, 2019

Pursuant to notice posted in accordance with the Texas Open Meetings Act, the Board of Directors (Board) of the LCRA Transmission Services Corporation (LCRA TSC) convened in a regular meeting at 9:05 a.m. Wednesday, Aug. 21, 2019, in the Board Room of the Hancock Building, at the principal office of the Lower Colorado River Authority, 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  
Stephen F. Cooper, Vice Chair  
Michael L. "Mike" Allen  
Lori A. Berger  
Joseph M. "Joe" Crane  
Raymond A. "Ray" Gill Jr.  
Charles B. "Bart" Johnson  
Thomas L. "Tom" Kelley  
Robert "Bobby" Lewis  
Thomas Michael Martine  
George W. Russell  
Margaret D. "Meg" Voelter  
Martha Leigh M. Whitten  
Nancy Eckert Yeary

Absent: Laura D. Figueroa

Chair Timmerman convened the meeting at 9:05 a.m. and led the Board in pledges of allegiance to the American and Texas flags. Director Whitten provided an invocation.

There were no public comments, neither on general topics under LCRA TSC's jurisdiction (Agenda Item 1) nor on any specific agenda items, during this meeting.

President and Chief Executive Officer Phil Wilson gave the Board an update. He discussed LCRA TSC's capital plan completions for fiscal year 2019. He discussed LCRA TSC's interim capital additions filed with the Public Utility Commission of Texas to recover costs for projects, including the filing in FY 2019 and recent filing in July 2019 (FY 2020). Wilson also discussed LCRA TSC's issuance of bonds in March 2019 to refund commercial paper used to fund LCRA TSC's capital activity.

Vice President and Chief Operating Officer Kristen Senechal gave an update on Transmission's safety performance for FY 2019, noting positive safety trends as staff continued to work on several major projects. She provided updates on the following

LCRA TSC projects: Zorn-Marion Transmission Line Addition project, which was completed and placed in service; Certificate of Convenience and Necessity projects approved by the PUC, including the Bakersfield to Solstice Transmission Line Addition project and Cooks Point Substation and Transmission Line project; and a major upgrade of the Energy Management System. In addition, LCRA TSC began the process to acquire electric transmission facilities from Rio Grande Electric Cooperative and received approval from the PUC to acquire Central Texas Electric Cooperative's transmission facilities. Senechal also gave an update on LCRA TSC's operational performance, including reliability metrics. She said overall, FY 2019 was an excellent year from a safety perspective as well as operationally.

Controller Julie Rogers presented the financial reports for June 2019 and July 2019 [Agenda Item 2].

The Board next took action on the consent agenda.

19-21 Upon motion by Director Berger, seconded by Director Russell, the Board unanimously approved the minutes of the May 22, 2019, meeting [Consent Item 3] by a vote of 14 to 0.

19-22 Vice President of Transmission Asset Optimization Kristian Koellner presented for consideration a staff recommendation, described in Agenda Item 4 [attached hereto as Exhibit A], that the Board approve the Capital Improvement Project Authorization Request for the Clear Springs Autotransformer Replacement project. Upon motion by Director Johnson, seconded by Director Kelley, the recommendation was unanimously approved by a vote of 14 to 0.

19-23 Vice President of Transmission Asset Optimization Kristian Koellner presented for consideration a staff recommendation, described in Agenda Item 5 [attached hereto as Exhibit B], that the Board approve the Capital Improvement Project Authorization Request for the Fort Stockton Switch Substation Addition project and authorize the president and chief executive officer or his designee to do all things reasonably necessary to accomplish the purposes hereof. Upon motion by Director Whitten, seconded by Director Gill, the recommendation was unanimously approved by a vote of 14 to 0.

19-24 Vice President of Transmission Asset Optimization Kristian Koellner presented for consideration a staff recommendation, described in Agenda Item 6 [attached hereto as Exhibit C], that the Board approve the Capital Improvement Project Authorization Request for the Escobares Substation Addition project and authorize the president and chief executive officer or his designee to do all things reasonably necessary to accomplish the purposes hereof. Upon motion by Director Crane, seconded by Director Berger, the recommendation was unanimously approved by a vote of 14 to 0.

19-25 Vice President of Transmission Strategic Services Clint Harp presented for consideration a staff recommendation, described in Agenda Item 7 [attached hereto as Exhibit D], that the Board approve the Capital Improvement Project Authorization Request for the San Bernard Electric Cooperative Facilities Acquisition project and authorize the president and chief executive officer or his designee (i) to negotiate and execute an agreement with SBEC for the purchase of SBEC facilities, including transmission facilities located within substations in Austin, Colorado and Waller counties, and (ii) to do all things reasonably necessary to accomplish the purposes hereof. Upon motion by Director Berger, seconded by Director Crane, the recommendation was unanimously approved by a vote of 14 to 0.

19-26 Vice President of Transmission Strategic Services Clint Harp presented for consideration a staff recommendation, described in Agenda Item 8 [attached hereto as Exhibit E], that the Board approve the Capital Improvement Project Authorization Request for the San Bernard Electric Cooperative Transmission Facility Development project and authorize the president and chief executive officer or his designee (i) to negotiate and execute a development agreement with SBEC giving LCRA TSC rights to develop current and future transmission projects within SBEC's retail service area; and (ii) to do all things reasonably necessary to accomplish the purposes hereof. Upon motion by Director Kelley, seconded by Director Voelter, the recommendation was unanimously approved by a vote of 14 to 0.

There being no further business to come before the Board, the meeting was adjourned at 9:27 a.m.

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Thomas E. Oney  
Secretary  
LCRA Transmission Services Corporation

Approved: Oct. 23, 2019

## **EXHIBIT B**

Minutes Digest  
Sept. 18, 2019

- 19-27      Approval of the adoption of the Twenty-Ninth Supplemental Resolution to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program authorizing the issuance of Transmission Contract Refunding Revenue Bonds (LCRA Transmission Services Corporation Project), Series 2019A (the Bonds) in an amount not to exceed \$250 million for the following purposes: (i) current refunding of portions of the LCRA Transmission Contract Revenue Commercial Paper Notes (LCRA Transmission Services Corporation Project) Tax-Exempt Series and LCRA Transmission Contract Revenue Revolving Notes (LCRA Transmission Services Corporation Project), Series C and Tax-Exempt Series D; (ii) funding capital projects, if necessary; (iii) funding debt service reserve funds for the Bonds; and (iv) paying for issuance costs.

MINUTES OF THE SPECIAL MEETING OF THE  
BOARD OF DIRECTORS OF THE  
LCRA TRANSMISSION SERVICES CORPORATION  
Austin, Texas  
Sept. 18, 2019

Pursuant to notice posted in accordance with the Texas Open Meetings Act, the Board of Directors (Board) of the LCRA Transmission Services Corporation (LCRA TSC) convened in a special meeting at 9:35 a.m. Wednesday, Sept. 18, 2019, in the Board Room of the Hancock Building, at the principal office of the Lower Colorado River Authority, 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  
Stephen F. Cooper, Vice Chair  
Michael L. "Mike" Allen  
Lori A. Berger  
Joseph M. "Joe" Crane  
Raymond A. "Ray" Gill Jr.  
Thomas L. "Tom" Kelley  
Robert "Bobby" Lewis  
Thomas Michael Martine  
George W. Russell  
Margaret D. "Meg" Voelter  
Martha Leigh M. Whitten  
Nancy Eckert Yeary

Absent: Laura D. Figueroa  
Charles B. "Bart" Johnson

Chair Timmerman convened the meeting at 9:35 a.m. and led the Board in pledges of allegiance to the American and Texas flags. Director Whitten provided an invocation.

Chair Timmerman recognized Will Holford from Bluebonnet Electric Cooperative, who was present in the audience.

There were no public comments, neither on general topics under LCRA TSC's jurisdiction (Agenda Item 1) nor on any specific agenda items, during this meeting.

19-27 Treasurer and Chief Financial Officer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 2 [attached hereto as Exhibit A], that the Board approve the adoption of the Twenty-Ninth Supplemental Resolution to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program authorizing the issuance of Transmission Contract Refunding Revenue Bonds (LCRA Transmission Services Corporation Project), Series 2019A (the Bonds) in an amount not to exceed \$250 million for the following purposes:

(i) current refunding of portions of the LCRA Transmission Contract Revenue Commercial Paper Notes (LCRA Transmission Services Corporation Project) Tax-Exempt Series and LCRA Transmission Contract Revenue Revolving Notes (LCRA Transmission Services Corporation Project), Series C and Tax-Exempt Series D; (ii) funding capital projects, if necessary; (iii) funding debt service reserve funds for the Bonds; and (iv) paying for issuance costs.

This motion also will:

1. Approve related documents, in substantially final form, including the escrow agreement, paying agent/registrars agreement, the Preliminary Official Statement and the Transmission Contract Revenue Debt Installment Payment Agreement Supplement Related to the Bonds (the 2019A Installment Payment Agreement Supplement). If the Bonds are determined to also fund capital projects, “and Improvement” to be added to the name of the Bonds. Bond counsel has prepared or reviewed all documents.
2. Delegate authority to the chief executive officer or the chief financial officer to:
  - a. Select all or a portion of LCRA TSC’s outstanding debt to be refunded by the Bonds and provide for appropriate notices of redemption/defeasance;
  - b. Approve any final changes to said documents necessary to facilitate proper issuance of such Bonds;
  - c. Establish the terms of the Bonds as provided in the resolution (including issuing such bonds in one or more separate series (tax-exempt and/or taxable), the principal amounts and maturity schedules, interest rates, redemption provisions, and terms of any reserve funds);
  - d. Determine whether to fund certain capital projects with the Bonds in an amount not to exceed \$75 million; and
  - e. Approve the terms of the sale of the Bonds to an underwriting team lead by Barclays Capital Inc., and to execute a bond purchase agreement.

Upon motion by Director Berger, seconded by Director Gill, the recommendation was unanimously approved by a vote of 13 to 0.

There being no further business to come before the Board, the meeting was adjourned at 9:39 a.m.

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Thomas E. Oney  
Secretary  
LCRA Transmission Services Corporation

Approved: Oct. 23, 2019

## **FOR ACTION**

# **4. New Capital Improvement Project Approval – Lincoln Substation Upgrade**

### **Proposed Motion**

Approve the Capital Improvement Project Authorization Request for the Lincoln Substation Upgrade project.

### **Board Consideration**

LCRA Transmission Services Corporation Board Policy T301 – Finance requires Board of Directors approval for any project exceeding \$1.5 million that is not included in the annual capital plan or any previously approved project expected to exceed its lifetime budget by 10 percent and \$300,000.

### **Budget Status and Fiscal Impact**

- The project was not included in LCRA TSC's fiscal year 2020 capital plan.
- Staff seeks approval for a total lifetime budget of \$3,982,000, of which staff expects to spend \$1,420,000 this fiscal year.
- The proposed lifetime budget for the project does not include contingency.
- Staff expects this additional spending will impact the existing FY 2020 capital budget. Staff will continue to monitor the FY 2020 forecast and will request a fiscal year budget increase if needed.
- The chief operating officer will release funds as needed.
- Project costs will be funded through LCRA TSC regulated rates, subject to approval by the Public Utility Commission of Texas.

### **Summary**

Staff recommends the Lincoln Substation Upgrade project located in Lee County as an addendum to the FY 2020 capital plan. The project will meet legal requirements in the Public Utility Regulatory Act and PUC rules. The rules require transmission utilities to provide transmission service, including constructing new facilities and modifying existing ones, to wholesale market participants.

Bluebonnet Electric Cooperative has requested a point of interconnection to serve increased load requirements from oil and gas industry customers in its service area. The new Bluebonnet Electric Cooperative customer load can be reliably served by upgrading the LCRA TSC-owned Lincoln Substation, relocating the existing capacitor bank at the LCRA TSC-owned Giddings Substation to the Lincoln Substation and constructing a new LCRA TSC-owned 138-kilovolt transmission line less than half a mile long from the Lincoln Substation to the point of interconnection.

The required project completion date is October 2020. The project funds will pay for project management, regulatory activities, engineering, materials, real estate activities and necessary land rights. LCRA TSC representatives will perform environmental and cultural due diligence studies and address all identified concerns.

**Project Recap**

Total Project Estimated Cost \$ 3,982,000

Previous Project Lifetime Budget: \$ 0

Additional Lifetime Budget Approval Sought: \$ 3,982,000

FY 2020 \$ 1,420,000

FY 2021 \$ 2,562,000

Total: \$ 3,982,000

**Project Direction**

Project Manager: Manny Garcia

Project Sponsor: Milad Javadi

Project Number: 1022729

**Presenter(s)**

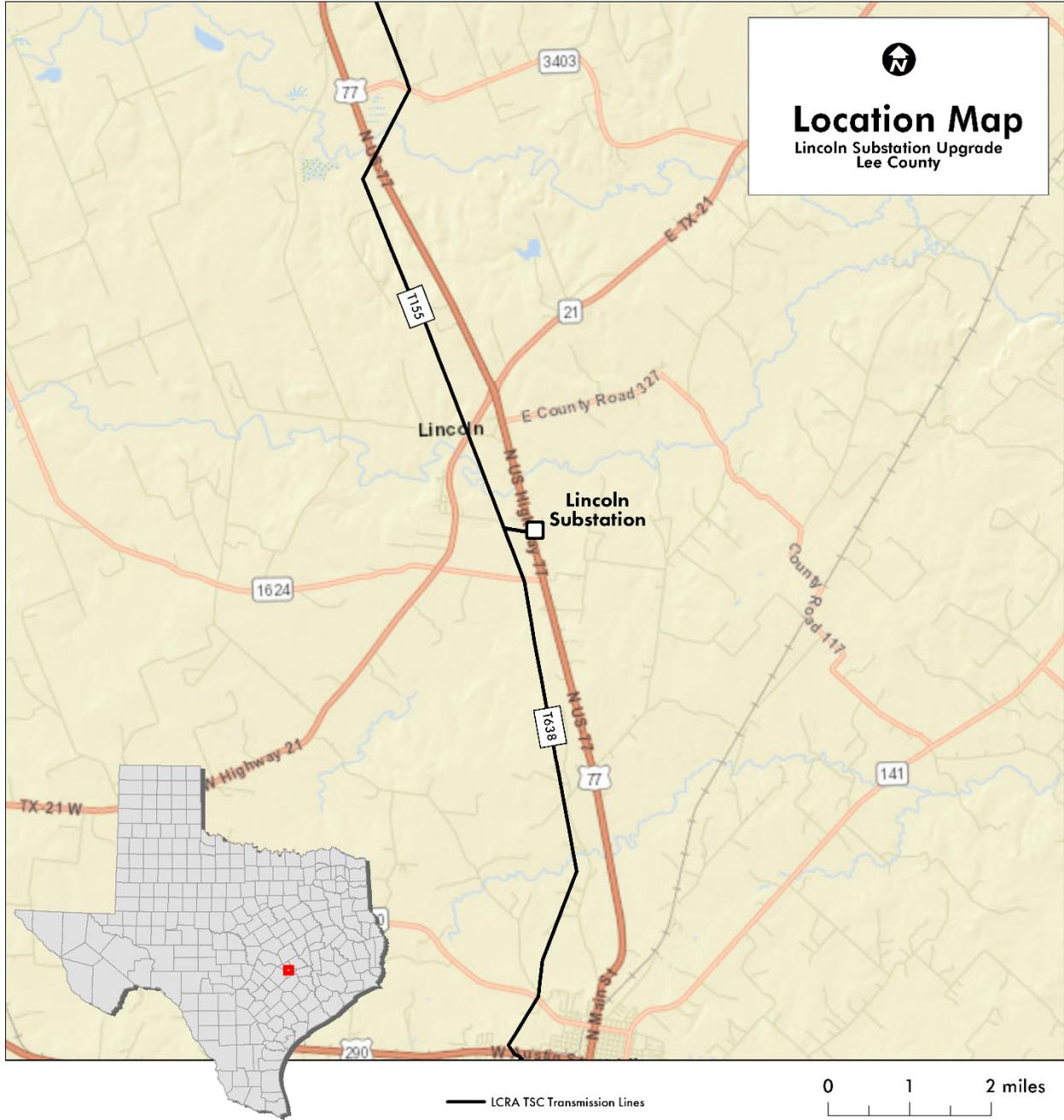
Kristian M. Koellner

Vice President, Transmission Asset Optimization

**Exhibit(s)**

A – Location Map – Lincoln Substation Upgrade

**EXHIBIT A**



## **FOR ACTION**

# **5. New Capital Improvement Project Approval – Giddings-Warda Transmission Line Upgrade**

### **Proposed Motion**

Approve the Capital Improvement Project Authorization Request for the Giddings-Warda Transmission Line Upgrade project.

### **Board Consideration**

LCRA Transmission Services Corporation Board Policy T301 – Finance requires Board of Directors approval for any project exceeding \$1.5 million that is not included in the annual capital plan or any previously approved project expected to exceed its lifetime budget by 10 percent and \$300,000.

### **Budget Status and Fiscal Impact**

- The project was not included in LCRA TSC's fiscal year 2020 capital plan.
- Staff seeks approval for a total lifetime budget of \$16,326,000, of which staff expects to spend \$7,580,000 this fiscal year.
- The proposed lifetime budget for the project does not include contingency.
- Staff expects this additional spending will impact the existing FY 2020 capital budget. Staff will continue to monitor the FY 2020 forecast and will request a fiscal year budget increase if needed.
- The chief operating officer will release funds as needed.
- Project costs will be funded through LCRA TSC regulated rates, subject to approval by the Public Utility Commission of Texas.

### **Summary**

Staff recommends the Giddings-Warda Transmission Line Upgrade project located in Fayette and Lee counties as an addendum to the FY 2020 capital plan. The project will meet legal requirements in the Public Utility Regulatory Act and PUC rules. The rules require transmission utilities to maintain the safe and reliable operation of the transmission network owned and operated by LCRA TSC and its customers.

Bluebonnet Electric Cooperative has requested an interconnection at the Lincoln Substation to serve increased load requirements from oil and gas industry customers in its service area. The new Bluebonnet Electric Cooperative customer load can be reliably served by rebuilding the LCRA TSC-owned Giddings-Warda 9.7-mile, 69-kilovolt transmission line to 138-kV capability with a capacity upgrade. Additional circuit breakers, switches, relaying and other terminal equipment at the LCRA TSC-owned Giddings and Warda substations also are required to accommodate the transmission line voltage conversion and upgrade.

The required project completion date is October 2020. The project funds will pay for project management, regulatory activities, engineering, materials, real estate activities and necessary land rights. LCRA TSC representatives will perform environmental and cultural due diligence studies and address all identified concerns.

**Project Recap**

Total Project Estimated Cost \$ 16,326,000

Previous Project Lifetime Budget: \$ 0

Additional Lifetime Budget Approval Sought: \$ 16,326,000

FY 2020 \$ 7,580,000

FY 2021 \$ 8,746,000

Total: \$ 16,326,000

**Project Direction**

Project Manager: Manny Garcia

Project Sponsor: Milad Javadi

Project Number: 1022731

**Presenter(s)**

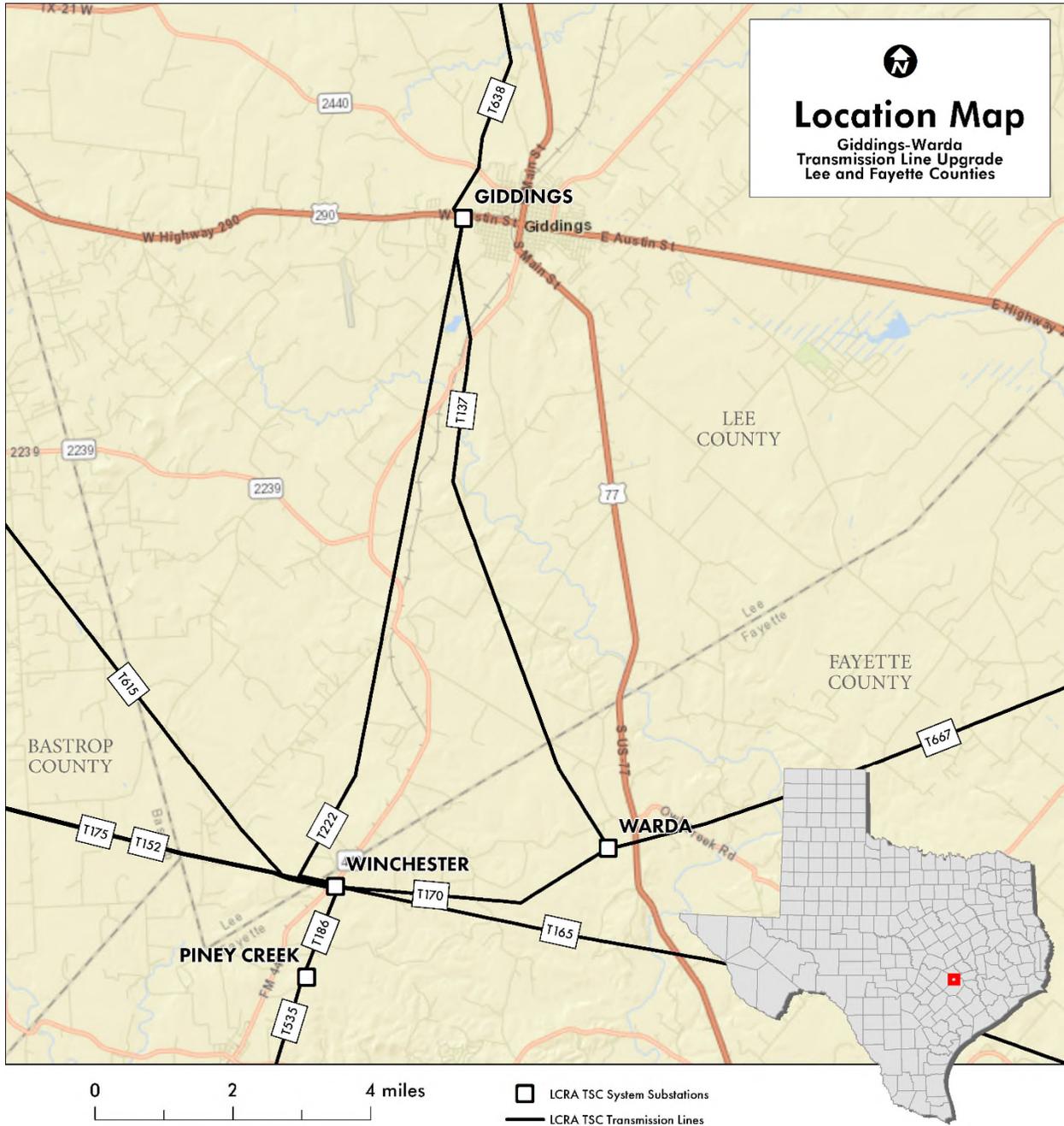
Kristian M. Koellner

Vice President, Transmission Asset Optimization

**Exhibit(s)**

A – Location Map – Giddings-Warda Transmission Line Upgrade

**EXHIBIT A**



## **FOR ACTION**

# **6. New Capital Improvement Project Approval – Kendall Most Limiting Series Element Substation Upgrade**

### **Proposed Motion**

Approve the Capital Improvement Project Authorization Request for the Kendall Most Limiting Series Element Substation Upgrade project.

### **Board Consideration**

LCRA Transmission Services Corporation Board Policy T301 – Finance requires Board of Directors approval for any project exceeding \$1.5 million that is not included in the annual capital plan or any previously approved project expected to exceed its lifetime budget by 10 percent and \$300,000.

### **Budget Status and Fiscal Impact**

- The project was not included in LCRA TSC's fiscal year 2020 capital plan.
- Staff seeks approval for a total lifetime budget of \$2,080,000, of which staff expects to spend \$484,000 this fiscal year.
- The proposed lifetime budget for the project does not include contingency.
- Staff expects this additional spending will impact the existing FY 2020 capital budget. Staff will continue to monitor the FY 2020 forecast and will request a fiscal year budget increase if needed.
- The chief operating officer will release funds as needed.
- Project costs will be funded through LCRA TSC regulated rates, subject to approval by the Public Utility Commission of Texas.

### **Summary**

Staff recommends the Kendall Most Limiting Series Element Substation Upgrade project in Kendall County as an addendum to the FY 2020 capital plan. The project will meet legal requirements in the Public Utility Regulatory Act and PUC rules. The rules require transmission utilities to maintain the safe and reliable operation of the transmission network owned and operated by LCRA TSC and its customers. The industry term most limiting series element (MLSE) refers to a specific piece of equipment that most limits throughput along a transmission line, and capital improvement project names that include MLSE address those identified constraints.

The Electric Reliability Council of Texas Regional Transmission Plan process identified severe congestion on the T459 Kendall-Cagnon transmission line associated with terminal equipment limits. This project will alleviate the congestion on T459 by upgrading a circuit breaker and associated switches to a higher rating at the Kendall Substation.

The required project completion date is December 2020. The project funds will pay for project management, regulatory activities, engineering and materials.

**Project Recap**

Total Project Estimated Cost \$ 2,080,000

Previous Project Lifetime Budget: \$ 0

Additional Lifetime Budget Approval Sought: \$ 2,080,000

FY 2020 \$ 484,000

FY 2021 \$ 1,596,000

Total: \$ 2,080,000

**Project Direction**

Project Manager: Dalton Renner

Project Sponsor: Milad Javadi

Project Number: 1022730

**Presenter(s)**

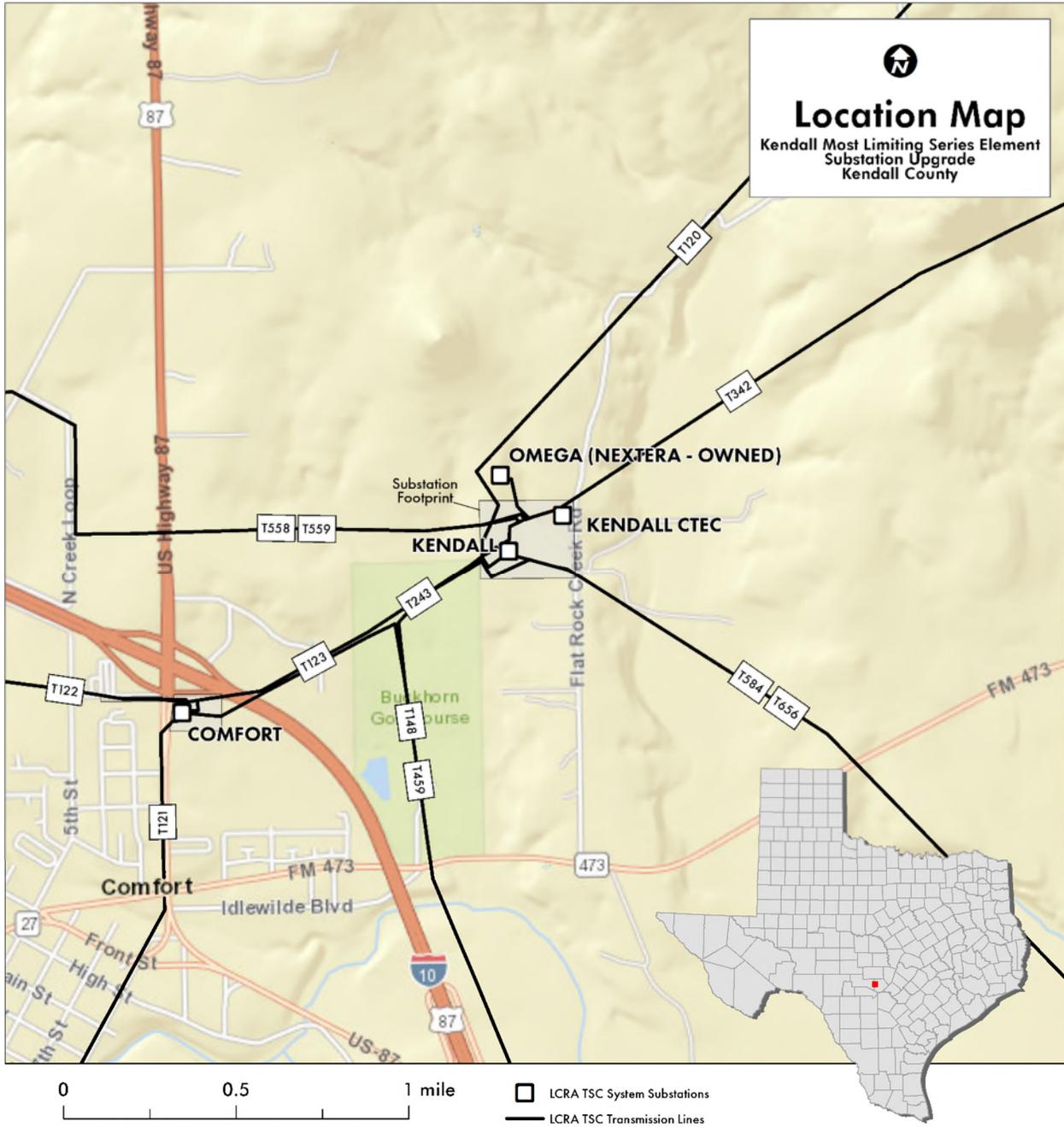
Kristian M. Koellner

Vice President, Transmission Asset Optimization

**Exhibit(s)**

A – Location Map – Kendall Most Limiting Series Element Substation Upgrade

**EXHIBIT A**



## **FOR ACTION**

# **7. Acquisition of Interests in Real Property – Use of Eminent Domain in Burnet County**

### **Proposed Motion**

I move that the Board of LCRA Transmission Services Corporation adopt the attached resolution; that the Board authorize by record vote the use of the power of eminent domain to acquire rights in the properties described in Exhibit 1 to the resolution for the Marble Falls Double Circuit Transmission Line Upgrade project to ensure the continued reliable transmission of electric energy on the Granite Mountain-Marble Falls (T195) transmission line; and that the first record vote applies to all units of property to be condemned.

### **Board Consideration**

LCRA Transmission Services Corporation Board Policy T401 – Land Resources and Section 2206.053 of the Texas Government Code require Board authorization prior to the initiation of eminent domain proceedings.

Section 2206.053 of the Texas Government Code provides that if two or more Board members object to adopting a single resolution for all units, a separate record vote must be taken for each unit of property. If two or more units of real property are owned by the same person, those units may be treated as one unit of property.

### **Budget Status and Fiscal Impact**

The acquisition costs were included in the Board-approved budget for the Marble Falls Double Circuit Transmission Line Upgrade project.

### **Summary**

LCRA TSC proposes to acquire four transmission line easement amendments in Burnet County for the Marble Falls Double Circuit Transmission Line Upgrade project. Independent appraisals of real property interests to be acquired were performed to determine just compensation to the landowners.

Staff has made bona fide offers to acquire the necessary interests in real property voluntarily from the landowners listed on Exhibit C, as required by Sec. 21.0113 of the Texas Property Code. Staff will continue to negotiate for the purchase of the interests in real property. Staff seeks Board authorization to proceed with condemnation if it cannot reach agreement with the landowners.

Staff has provided to the Board descriptions of the specific properties to be acquired and will attach the descriptions to the resolution.

LCRA TSC representatives performed environmental and cultural due diligence studies and did not identify any concerns. Staff requests the Board adopt the resolution in Exhibit D authorizing the initiation of condemnation proceedings on the first record vote for all units of property.

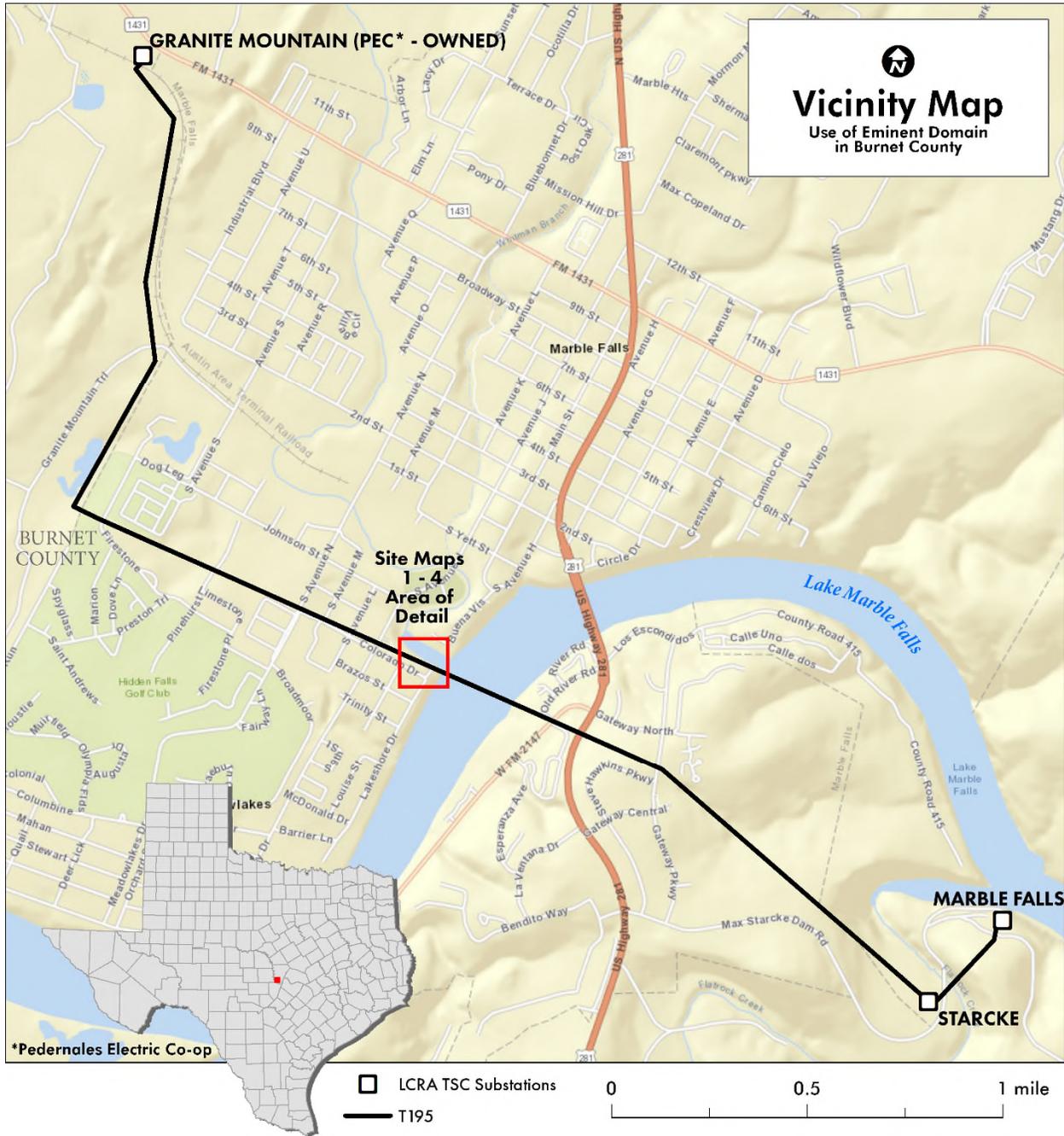
**Presenter(s)**

Mark Sumrall  
Director, Real Estate Services

**Exhibit(s)**

- A – Vicinity Map
- B – Site Maps
- C – Landowner List
- D – Resolution
- 1 – Description of the Specific Properties

**EXHIBIT A**



**EXHIBIT B**  
Page 1 of 4



0 100 feet

**Note:** All acreages are approximate.



**Note:** All acreages are approximate.





0 100 feet

**Note:** All acreages are approximate.

**EXHIBIT C**

<b>Parcel ID</b>	<b>Landowner</b>	<b>Approximate Parent Tract Acreage</b>	<b>Land Rights</b>	<b>Approximate Acquisition Acreage</b>	<b>County</b>	<b>Diminution in Value of Remainder</b>	<b>Value of Proposed Easement</b>	<b>Total Approximate Value</b>
A038	Kara Stewart and Brad Mullen	0.55 acre	Easement Amendment	0.27 acre	Burnet	\$0	\$26,463	\$26,463
A037	Stanley T. Kmiecik and Winifred E. Kmiecik	0.3214 acre	Easement Amendment	0.16 acre	Burnet	\$0	\$17,626	\$17,626
A035	Michael G. Baggett and Mary A. Baggett	0.32 acre	Easement Amendment	0.16 acre	Burnet	\$0	\$17,626	\$17,626
A034	James B. Phillips and Karin L. Phillips	0.58 acre	Easement Amendment	0.28 acre	Burnet	\$0	\$27,444	\$27,444

**EXHIBIT D**

Page 1 of 2

**PROPOSED MOTION**

**I MOVE THAT THE BOARD OF LCRA TRANSMISSION SERVICES CORPORATION ADOPT THE ATTACHED RESOLUTION; THAT THE BOARD AUTHORIZE BY RECORD VOTE THE USE OF THE POWER OF EMINENT DOMAIN TO ACQUIRE RIGHTS IN THE PROPERTIES DESCRIBED IN EXHIBIT 1 TO THE RESOLUTION FOR THE MARBLE FALLS DOUBLE CIRCUIT TRANSMISSION LINE UPGRADE PROJECT TO ENSURE THE CONTINUED RELIABLE TRANSMISSION OF ELECTRIC ENERGY ON THE GRANITE MOUNTAIN-MARBLE FALLS (T195) TRANSMISSION LINE; AND THAT THE FIRST RECORD VOTE APPLIES TO ALL UNITS OF PROPERTY TO BE CONDEMNED.**

**RESOLUTION  
AUTHORIZING ACQUISITION OF INTERESTS IN REAL PROPERTY  
BY CONDEMNATION IN BURNET COUNTY TO  
ACQUIRE FOUR TRANSMISSION LINE EASEMENT AMENDMENTS FOR FOUR  
SEPARATE PARCELS.**

**WHEREAS**, LCRA Transmission Services Corporation has determined the need to acquire the interests in real property necessary for the public purposes of construction, operation, and maintenance of an electric transmission line for four separate parcels in Burnet County; and

**WHEREAS**, an independent, professional appraisal of the subject property has been submitted to LCRA Transmission Services Corporation, and an amount will be established to be just compensation for the interests in real property to be acquired;

**NOW, THEREFORE, BE IT RESOLVED** that the president and chief executive officer or his designee is authorized to purchase the interests in real property from the landowner(s) listed in the attached Exhibit C for the construction of the Marble Falls Double Circuit Transmission Line Upgrade project, with the description of the locations of and interests in the properties that LCRA Transmission Services Corporation seeks to acquire being more particularly described in maps provided to the Board and attached to this Resolution as Exhibit 1; that the public convenience and necessity requires the acquisition of said interests in real property; that the public necessity requires the condemnation of the interests in real property in order to acquire them for such purposes; that LCRA Transmission Services Corporation does not intend to acquire rights to groundwater or surface water in the land; that LCRA Transmission Services Corporation will make a bona fide offer to acquire the interests in real property from the landowner(s) voluntarily as required by Sec. 21.0113 of the Texas Property Code; and that at such time as LCRA Transmission Services Corporation has determined that the landowner(s) and LCRA Transmission Services Corporation will be

## **EXHIBIT D**

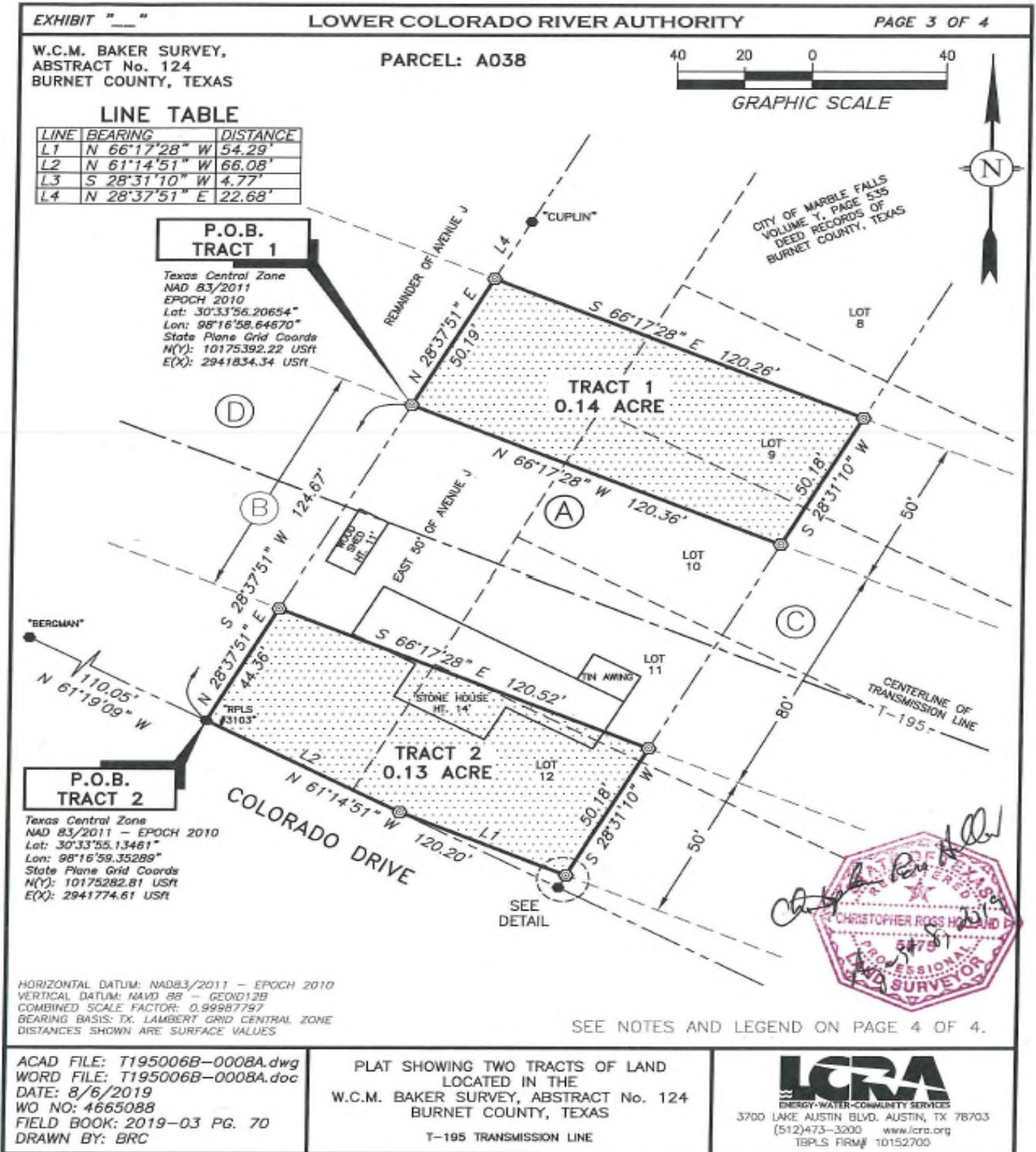
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unable to reach an agreement on the fair market value of the subject interests in real property and that it should appear that further negotiations for settlement with the landowner(s) would be futile, then the president and chief executive officer or his designee is authorized and directed to initiate condemnation proceedings against the owner of the property, and against all other owners, lien holders, and other holders of an interest in the property, in order to acquire the necessary interests in real property, and that this resolution take effect immediately from and after its passage;

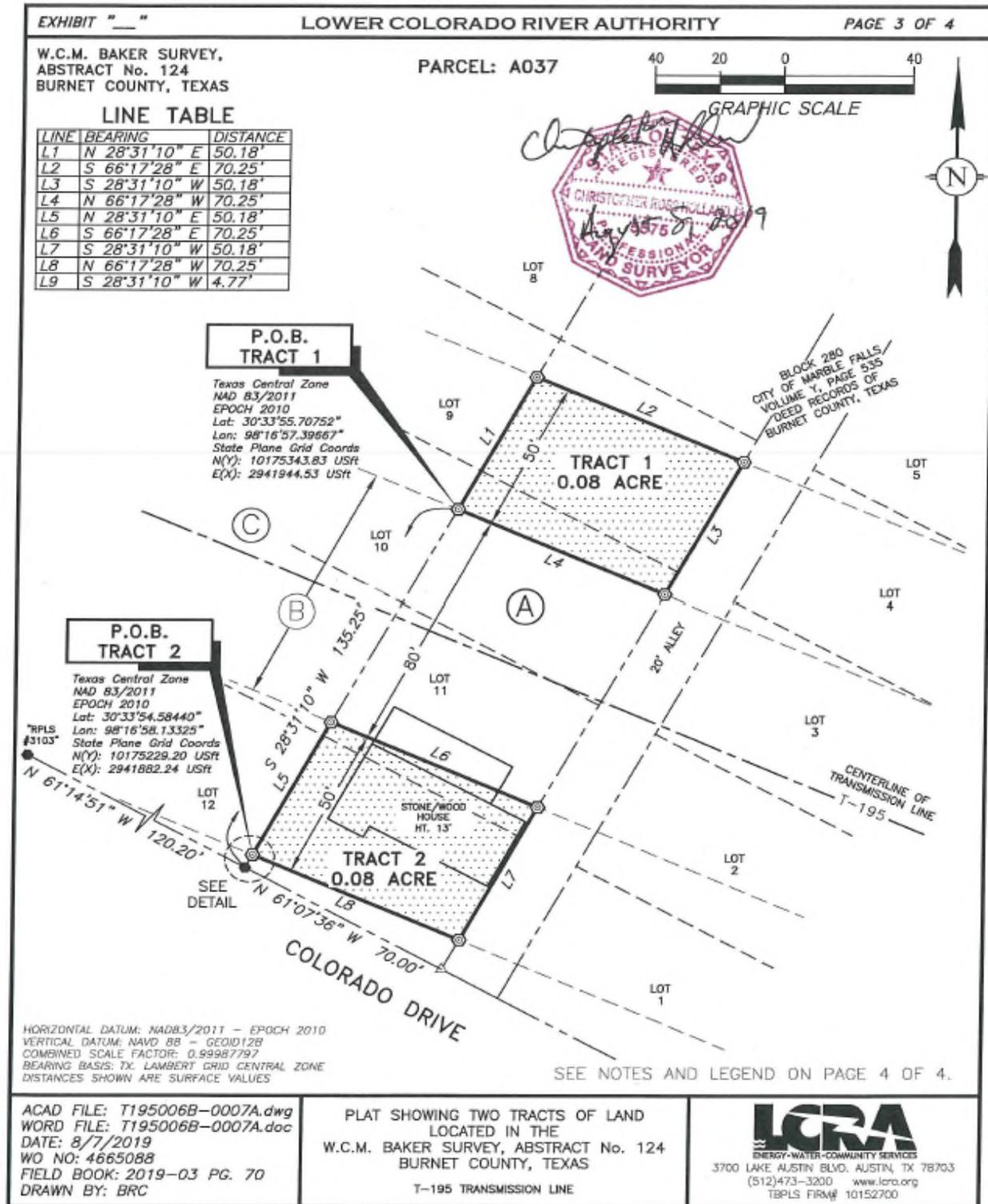
**BE IT FURTHER RESOLVED** that the president and chief executive officer or his designee is hereby authorized to do all things necessary and proper to carry out the intent and purpose of this resolution, including determination and negotiation of the interest in real property that are proper and convenient for the operation of the electric transmission line.

**EXHIBIT 1**

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**EXHIBIT 1**



**EXHIBIT 1**  
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