

# LCRA Transmission Services Corporation

## Board Agenda

Wednesday, May 19, 2021

Earliest start time: noon

THE MEETING WILL BE LIVESTREAMED AT  
<https://www.lcra.org/about/leadership/stream/>

ONLY THOSE MEMBERS OF THE PUBLIC WISHING TO ADDRESS THE BOARD  
WILL BE ALLOWED TO ATTEND THE MEETING IN PERSON.  
ALL OTHERS ARE INVITED TO VIEW THE LIVESTREAM OF THE MEETING.

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

### Executive Session

The Board may go into Executive Session to receive advice from legal counsel on any item listed above and discuss any real estate-related item listed above, pursuant to Chapter 551 of the Texas Government Code.

### 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).

## 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% 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.

## **FOR DISCUSSION**

# **1. Comments From the Public**

### **Summary**

Consistent with Gov. Abbott's March 16, 2020, temporary suspension of various provisions of the Open Meetings Act, the general public will not be able to attend the meeting in person but may view the open session portions of the meeting via livestream at: <https://www.lcra.org/about/leadership/stream/>.

However, **any member of the public wishing to address the Board of Directors** on topics under the jurisdiction of this Board or any item on the Board agenda **may do so either via telephone or in person**. The Board will take all public comments at the beginning of the meeting.

Members of the public who wish to address the Board in person **must sign in at the desk outside the meeting before the meeting begins**.

Members of the public who would like to address the Board via telephone must **register by calling the number below between 8 a.m. and 8:45 a.m. on the day of the meeting**.

**Phone number:** 833-548-0282 (toll free)

**Meeting ID:** 6442096404##

**FOR DISCUSSION**

## **2. Financial Highlights**

**Summary**

Staff will present financial highlights for LCRA Transmission Services Corporation covering the month and fiscal year to date.

**Presenter(s)**

Jim Travis

Treasurer and Chief Financial Officer

**LCRA Transmission Services Corporation**  
**Financial Highlights**  
**April 2021**

# LCRA Transmission Services Corporation

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**Key term:**

**Net margin** – Total operating revenues, including interest income, less direct and assigned expenses.

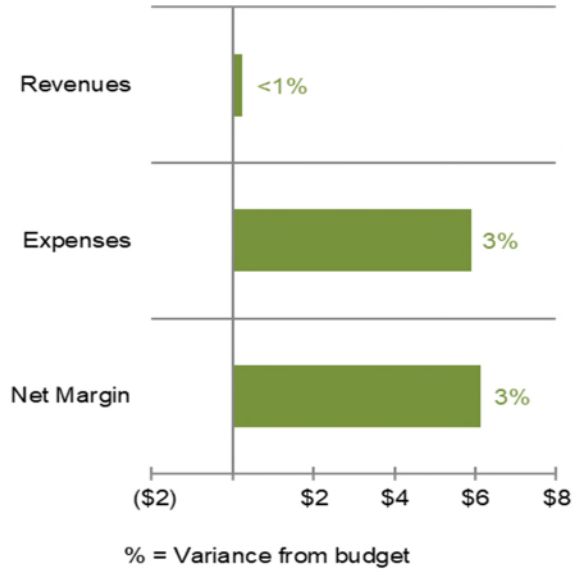
# LCRA Transmission Services Corporation

April 30, 2021

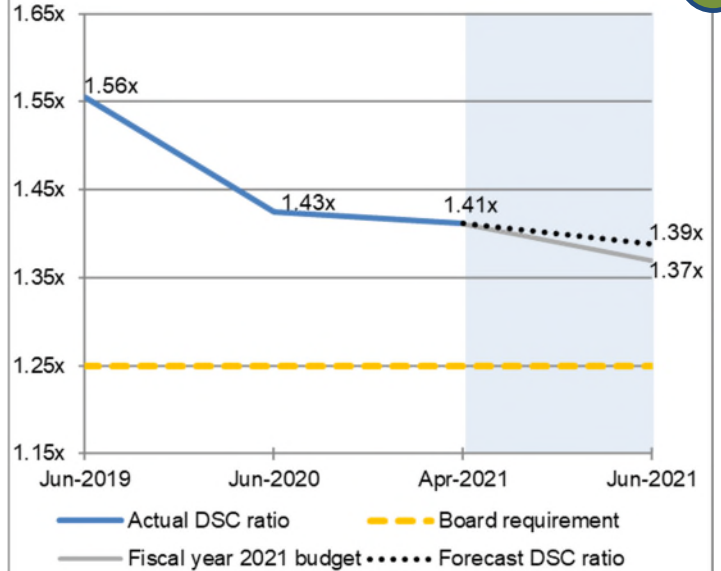
(Dollars in Millions)

## Budget-to-Actual Highlights

### Net Margin Fiscal Year-to-Date Variances



### Debt Service Coverage



#### Key takeaways:

- Lower-than-budgeted expenses primarily drove year-to-date performance.
- Lower-than-budgeted expenses and debt service are primarily driving the higher-than-budgeted debt service coverage projection.

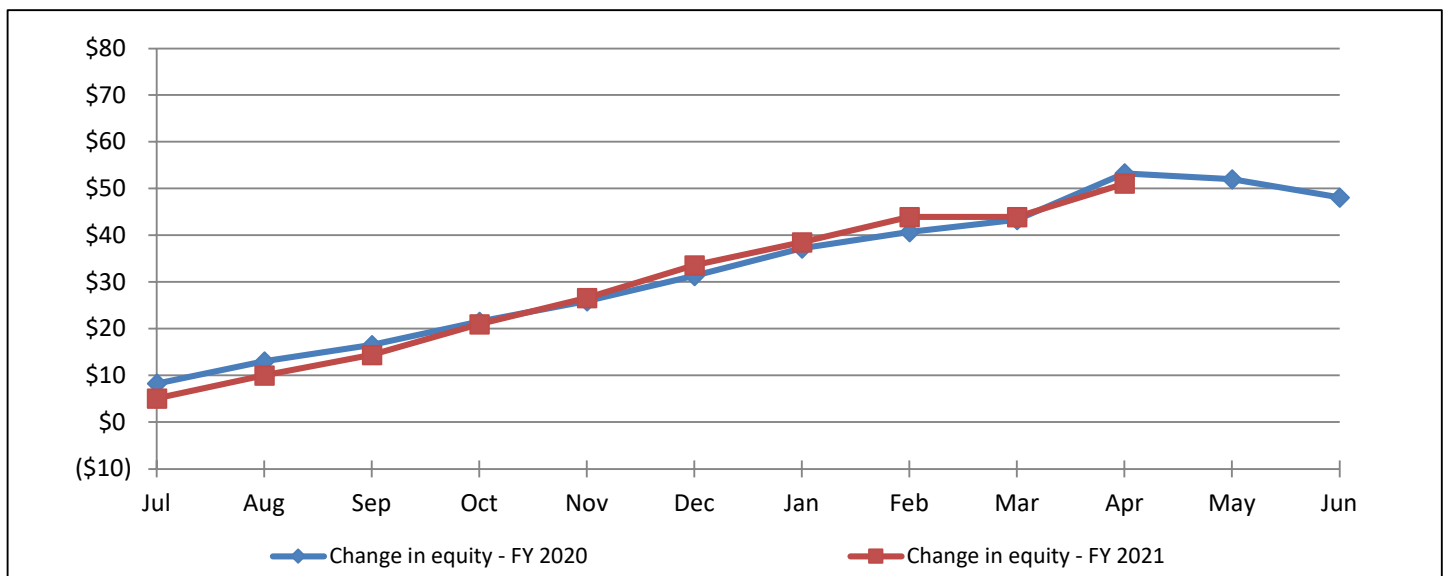
# LCRA Transmission Services Corporation

April 30, 2021  
(Dollars in Millions)

## Board Metrics

Board Metric	Description	Compliant
<b>Equity Ratio</b>	LCRA TSC will attempt to maintain a long-term average 30% equity ratio. At no time will the equity ratio fall below 20% without specific Board approval in the business plan.	✓
<b>Debt Service Reserves</b>	LCRA TSC will covenant debt service reserves in the amount of six months of maximum annual debt service requirements on outstanding debt.  Debt service reserves may be collected through rates or met with proceeds from additional debt or through the use of a surety to mitigate rate impacts.	✓
<b>Operating Reserves</b>	LCRA TSC will build and maintain appropriate target levels of operating reserves as follows: six months of average debt service on all outstanding LCRA TSC debt and other obligations to LCRA; and two months of average operating and maintenance expenses, including those billed by LCRA.  If at any time the reserves are less than the target levels set forth in this policy, the Board will promptly implement a plan, to be recommended by staff, to increase rates, reduce costs, or otherwise cause there to be sufficient revenues to replenish the reserves to such target levels within 12 months.	✓

## Income Statement Trends Cumulative Fiscal Year to Date



### Key takeaway:

- Year-to-date net income in FY 2021 is in line with net income for the same period in FY 2020.



# LCRA Transmission Services Corporation

April 30, 2021

(Dollars in Millions)

## Condensed Balance Sheets

	April 30, 2021	April 30, 2020
<b>Assets</b>		
Cash and cash equivalents	\$ 256.4	\$ 219.4
Current assets	169.7	205.8
Total current assets	426.1	425.2
Capital assets	3,381.9	3,092.5
Long-term assets	223.2	196.9
Total long-term assets	3,605.1	3,289.4
Total Assets	\$ 4,031.2	\$ 3,714.6
<b>Liabilities</b>		
Bonds, notes and loans payable	\$ 137.1	\$ 320.8
Current liabilities	144.1	124.0
Total current liabilities	281.2	444.8
Bonds, notes and loans payable	2,833.4	2,427.6
Long-term liabilities	81.2	52.7
Total long-term liabilities	2,914.6	2,480.3
<b>Equity</b>		
Total equity	835.4	789.5
Total Liabilities and Equity	\$ 4,031.2	\$ 3,714.6

### Key takeaway:

- Assets and liabilities are trending higher compared with April 2020 due to construction activities related to the capital plan.

# LCRA Transmission Services Corporation

April 30, 2021

(Dollars in Millions)

## Condensed Statements of Revenues, Expenses and Changes in Equity

	Fiscal Year to Date	
	2021	2020
<b>Operating Revenues</b>		
Transmission	\$ 396.7	\$ 367.5
Transformation	12.9	11.7
Other	2.4	1.7
Total Operating Revenues	412.0	380.9
<b>Operating Expenses</b>		
Operations	133.9	123.9
Maintenance	12.1	9.8
Depreciation and amortization	72.7	87.2
Total Operating Expenses	218.7	220.9
Operating Income	193.3	160.0
<b>Nonoperating Revenues (Expenses)</b>		
Interest on debt	(79.5)	(83.9)
Other expenses	(62.7)	(22.8)
Total Nonoperating Revenues (Expenses)	(142.2)	(106.7)
Change in Equity	51.1	53.3
<b>Equity - Beginning of Period</b>	784.3	736.2
<b>Equity - End of Period</b>	\$ 835.4	\$ 789.5

## **FOR CONSENT**

### **3. Regulation for Contracting for Construction Projects**

#### **Proposed Motion**

Adopt the regulation for contracting for construction projects set out in Exhibit A.

#### **Board Consideration**

Pursuant to Chapter 2269, Texas Government Code, LCRA Transmission Services Corporation Board of Director's adoption of the proposed regulation for contracting for construction projects will give LCRA Transmission Services Corporation the appropriate tools to procure construction services to best meet LCRA Transmission Services Corporation's needs.

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

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

#### **Summary**

Staff is asking the Board to adopt the Regulation on Contracting for Construction Projects as shown in Exhibit A. This regulation applies only to construction contracts and supplements LCRA's internal procedures manual and work instructions, which staff developed in accordance with LCRA Transmission Services Corporation Board Policy T102 – Authority and Responsibilities. The provisions of the regulation will prevail over any conflicting provision of Chapter 2269, Texas Government Code, except the provisions of Subchapter H, as authorized by that statute.

#### **Exhibit(s)**

A – Regulation for Contracting for Construction Projects

## **EXHIBIT A**

### **REGULATION FOR CONTRACTING FOR CONSTRUCTION PROJECTS**

**May 19, 2021**

Under the authority granted in Section 2269.003(e), Texas Government Code; Sections 8503.004(j) and (u) and 8503.018, Texas Special District Local Laws Code; and Sections 49.211(a) and (b), Texas Water Code, LCRA Transmission Services Corporation, an instrumentality of the Lower Colorado River Authority, by and through its Board of Directors, has adopted the following regulation to govern the procurement of construction services for facilities and other improvements to real property (“construction projects”). This regulation is intended to prevail over any conflicting provision of Chapter 2269, Texas Government Code, except those provisions of Subchapter H.

- A. Selection of Alternative Construction Delivery Methods.** The chief executive officer may elect to use the following project delivery methods for construction projects:
- i. Design-Build;
  - ii. Construction Manager-at-Risk;
  - iii. Competitive proposals; or
  - iv. Any other method available to LCRA.
- B. Chapter 2269, Texas Government Code.** This regulation does not apply to Design-Build contracts for civil works projects governed by Chapter 2269, Subchapter H, Texas Government Code. As used in these regulations, “civil works project” has the meaning set out in Chapter 2269, Subchapter H, Texas Government Code. If LCRA elects to construct a civil works project using the design-build method, it will comply with the requirements of Subchapter H.
- C. Compliance With Chapter 2254, Texas Government Code.** Each offeror under a Design-Build contract must certify to LCRA Transmission Services Corporation during the request for qualification process that each engineer, architect and land surveyor (and any other provider of professional services governed by Chapter 2254, Texas Government Code) who is a member of its team was selected based on demonstrated competence and qualifications in the manner required by Chapter 2254, Texas Government Code. Continued participation in the selection process will be contingent on providing such certification signed by an officer with the authority to bind the offeror. In addition to written certification in the request for quotes process, LCRA Transmission Services Corporation’s standard contract language will contain the requirement for the counterparty to comply with Chapter 2254, Texas Government Code.

- D. Development and Evaluation of Proposals for Construction.** LCRA will develop relevant scoring criteria for each solicitation in order to ensure the selection of the most qualified offeror or offerors with the best value for LCRA Transmission Services Corporation.
- E. Negotiation.** Except where otherwise prohibited by applicable law, LCRA may negotiate simultaneously with multiple respondents on any and all facets of the project to ensure LCRA Transmission Services Corporation receives maximum value.
- F. Best Evaluated Offer.** LCRA will award projects based on the best evaluated offer as determined in completing the scorecard for the solicitation. Unsuccessful offerors will be notified.
- G. Advertisement.** LCRA, at its sole discretion and in accordance with any applicable regulations, will use any advertising method that creates an environment of fairness and competition.
- H. Bond Amounts.** LCRA Transmission Services Corporation will require contractors to post payment and performance bonds in accordance with Chapter 2253, Texas Government Code. LCRA Transmission Services Corporation may, in the president and chief executive officer's discretion, require contractors to post payment and performance bonds where not otherwise required by statute. LCRA may require offerors to submit with their proposals a bid bond or other financial security acceptable to LCRA .
- I. General Procedures.** The president and chief executive officer may authorize the Supply Chain department to create procedures to carry out the regulations set forth herein.

**FOR ACTION (CONSENT)**

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

## **4. Conveyance of Easement in Williamson County**

### **Proposed Motion**

Authorize the president and chief executive officer or his designee to convey to the City of Georgetown a public utility easement containing approximately 0.717 of an acre across LCRA Transmission Services Corporation's Gabriel Substation property in Williamson County.

### **Board Consideration**

LCRA TSC Board Policy – T401 Land Resources requires the conveyance of an easement across LCRA TSC land be approved by a three-fourths vote of the membership of the LCRA TSC Board of Directors.

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

The administrative costs associated with the conveyance of this access easement are included in the Board-approved budget for the Gabriel Substation Upgrade project.

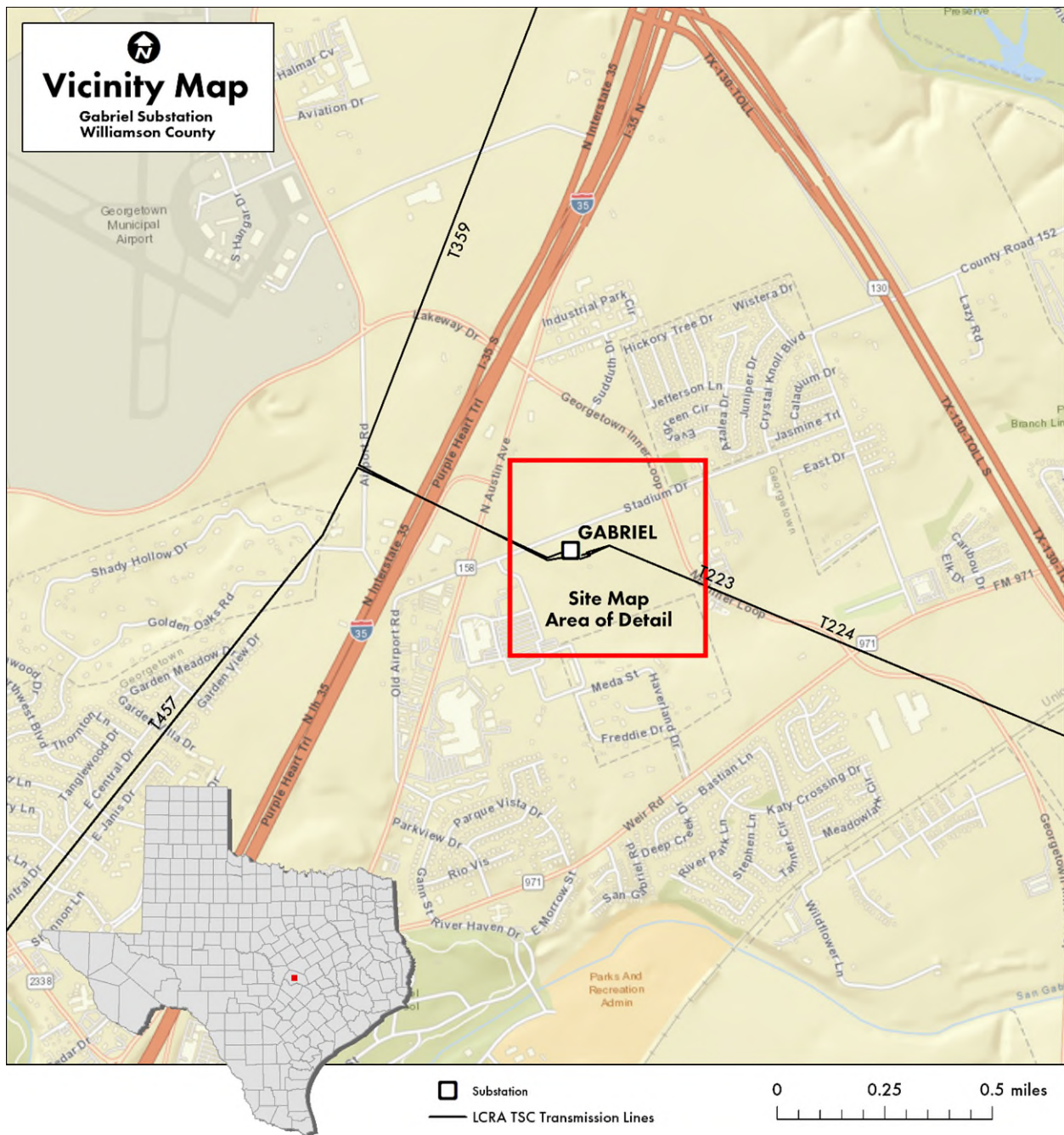
### **Summary**

Staff requests the Board authorize the conveyance of this public utility easement to the City of Georgetown to allow the placement of public utility lines and related facilities along the existing road right of ways. Georgetown has requested that LCRA TSC grant the easement as a requirement of the Development Agreement between Georgetown and LCRA TSC for the expansion of the Gabriel Substation.

### **Exhibit(s)**

- A – Vicinity Map
- B – Site Map

## EXHIBIT A





## EXHIBIT B





## **5. Conveyance of Electric Line Easement in Washington County**

### **Proposed Motion**

Authorize the president and chief executive officer or his designee to convey to Bluebonnet Electric Cooperative a 0.042-acre, 30-foot-wide electric line easement across a portion of LCRA Transmission Services Corporation's Salem Substation in Washington County to allow BBEC to install a distribution line to serve LCRA's telecommunication equipment.

### **Board Consideration**

LCRA TSC Board Policy – T401 Land Resources requires the conveyance of an easement across LCRA TSC land be approved by a three-fourths vote of the membership of the LCRA TSC Board of Directors.

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

The fiscal year 2021 LCRA TSC business plan contains the administrative costs associated with the conveyance of this easement.

### **Summary**

LCRA TSC has requested that BBEC install an electric line within the existing Salem Substation that will serve LCRA's telecommunication equipment that will provide service to LCRA TSC.

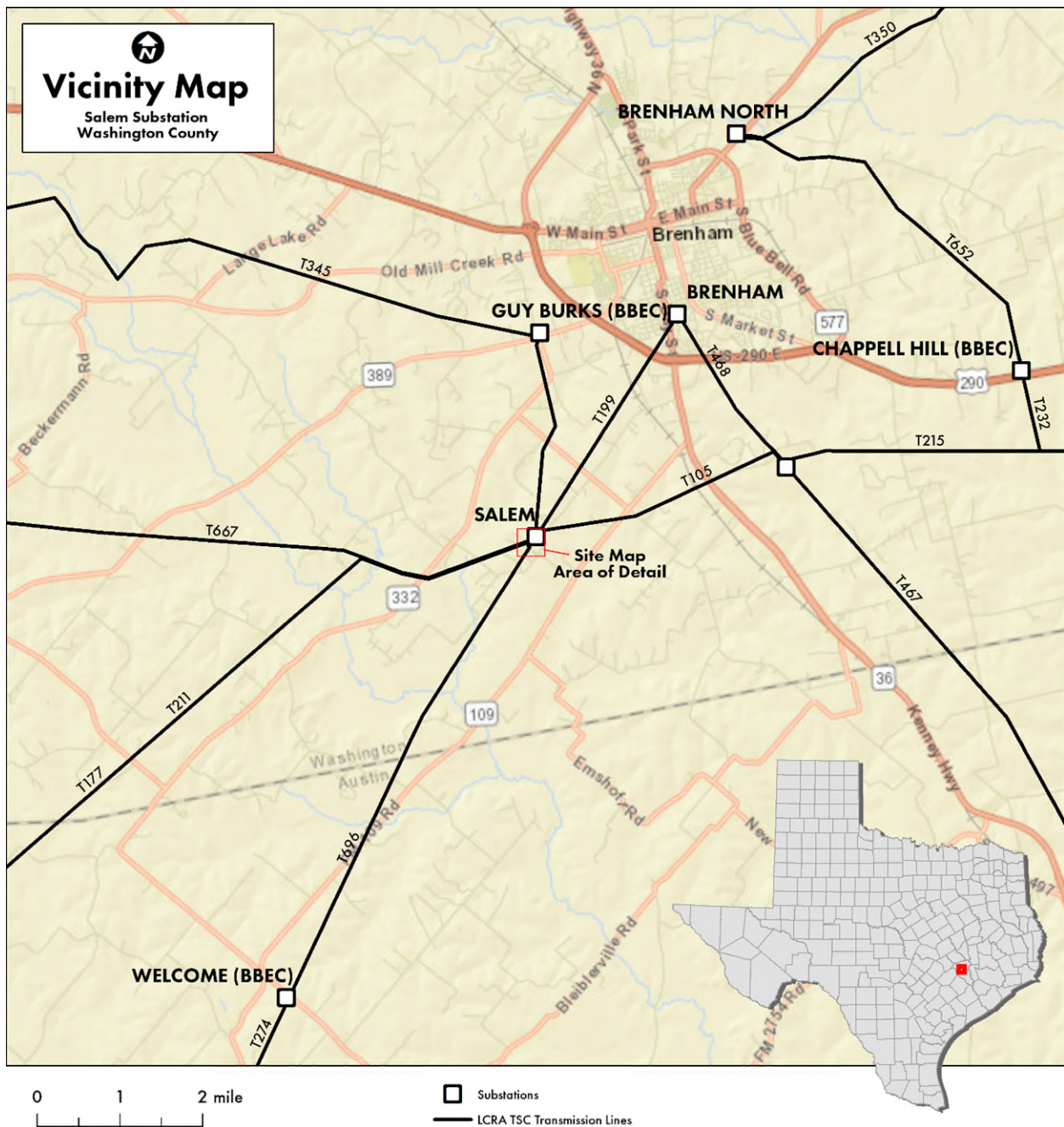
The approximately 0.042-acre, 30-foot-wide electric line easement will be granted to BBEC at no cost.

The appropriate departments within LCRA reviewed the conveyance of this easement and determined that the conveyance of this easement would have no adverse impact on LCRA operations. LCRA TSC representatives will complete environmental and cultural resource due diligence studies in accordance with Board Policy T401.403 – Land Disposition before the conveyance of the easement.

### **Exhibit(s)**

- A – Vicinity Map
- B – Site Map

## EXHIBIT A





## EXHIBIT B



**FOR ACTION (CONSENT)**

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

## **6. Sale of Land in Burleson County**

### **Proposed Motion**

Declare an approximately 3.06-acre tract of land, being a portion of LCRA Transmission Services Corporation's Cooks Point Substation site in Burleson County, nonessential, and authorize the president and chief executive officer or his designee to convey the tract to Bluebonnet Electric Cooperative together with an access easement and an electric distribution line easement.

### **Board Consideration**

LCRA TSC Board Policy T401 – Land Resources requires at least 12 members of the LCRA TSC Board to declare the land no longer necessary or of beneficial use to the business of LCRA TSC before conveyance.

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

The fiscal year 2021 business plan contains the administrative costs associated with the sale of this land.

### **Summary**

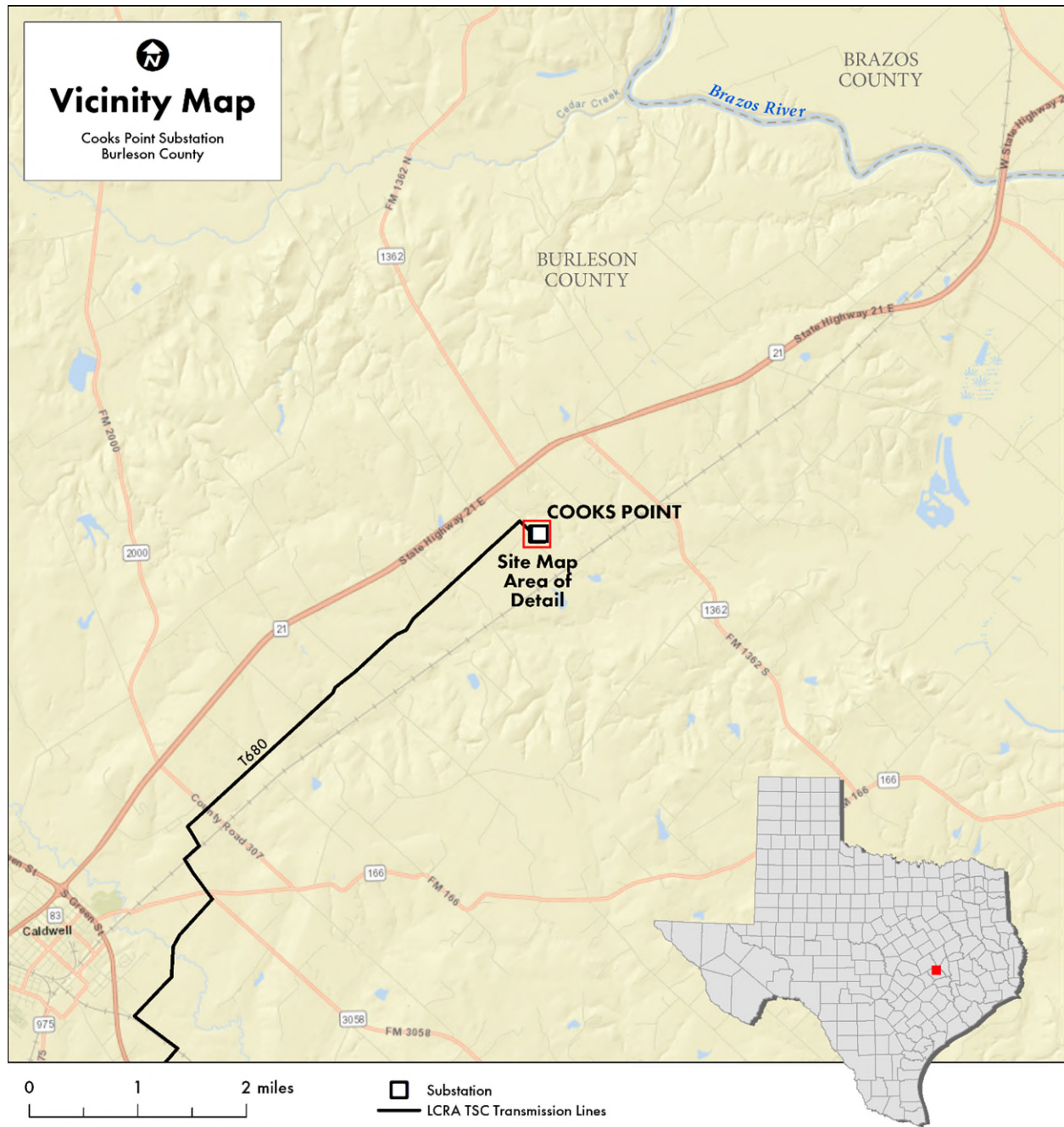
The Cooks Point Substation is a shared substation where LCRA TSC and BBEC will have their own independent substation yards. LCRA TSC acquired the entire 10.12-acre tract of land for the Cooks Point Substation for \$260,000 in 2020. A 3.06-acre area of the portion of the larger tract has been identified as the BBEC yard. LCRA TSC will convey the 3.06-acre tract to BBEC, together with a 0.34-acre access easement and a 0.21-acre electric distribution line easement. BBEC will pay LCRA TSC \$78,616.60 for the property. The purchase price is the proportional share of the acquisition [price/cost].

LCRA TSC representatives performed environmental and cultural due diligence studies and did not identify any concerns. No adverse impacts to LCRA TSC operations will result from the sale of property.

### **Exhibit(s)**

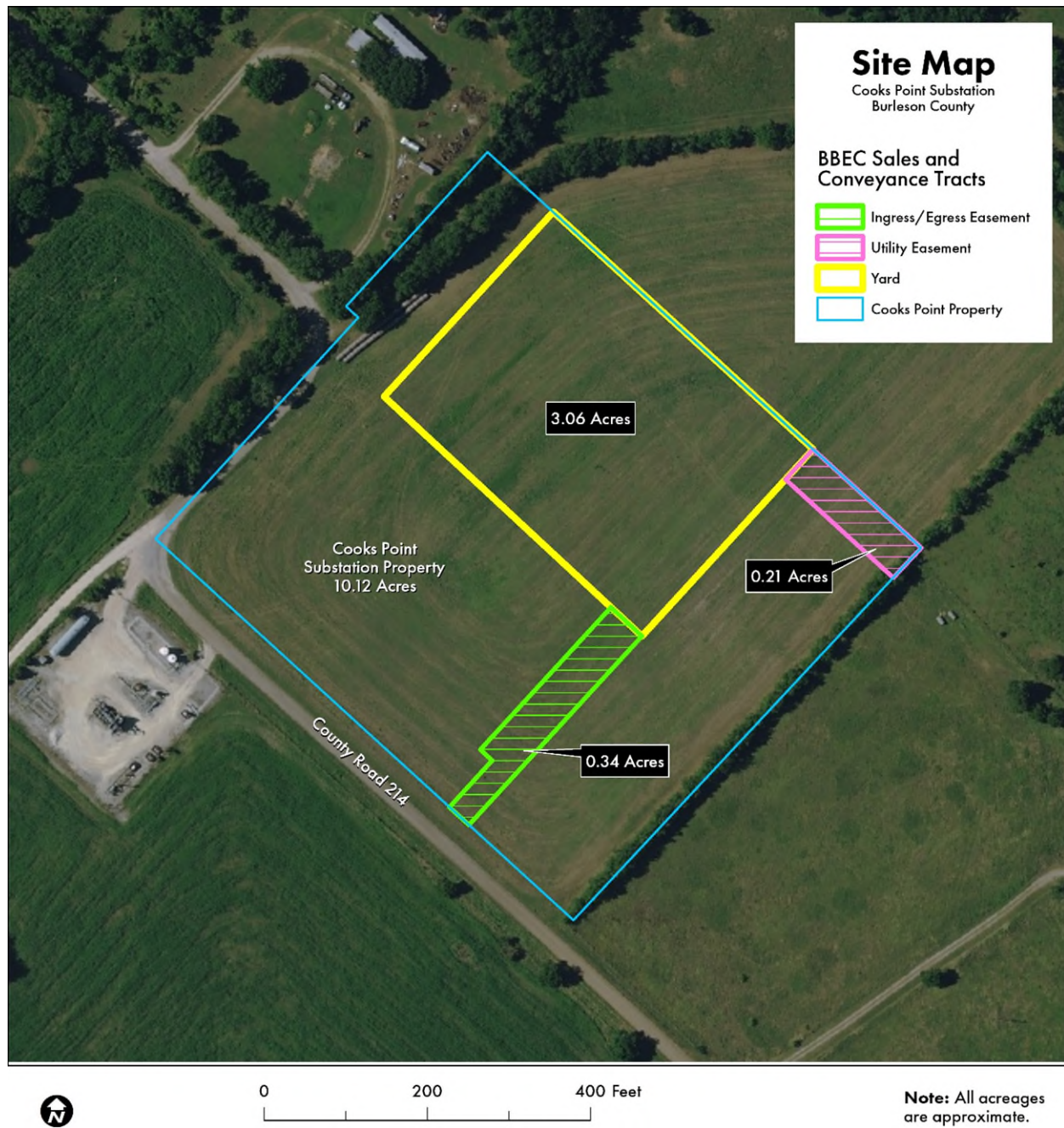
- A – Vicinity Map
- B – Site Map

## EXHIBIT A





## EXHIBIT B



**FOR ACTION (CONSENT)**

## **7. Minutes of Prior Meeting**

**Proposed Motion**

Approve the minutes of the Jan. 20, 2021, meeting.

**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 Jan. 20, 2021, meeting

## **EXHIBIT A**

### Minutes Digest

Jan. 20, 2021

- 21-01      Authorization for the president and chief executive officer or his designee to assign to Austin Energy easement rights across a portion of LCRA Transmission Services Corporation's Hornsby Substation Addition project property in Travis County.
- 21-02      Approval of the minutes of the Dec. 15, 2020, meeting.
- 21-03      Approval of the Capital Improvement Project Authorization Request for the following projects and associated lifetime budgets: Coronado to Fairland Transmission Line Upgrade, Fairland to Lago Vista Transmission Line Upgrade and Ferguson to Wirtz Transmission Line Storm Hardening.
- 21-04      Request and approval of the adoption by LCRA of the Thirty-fourth 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 2021 (Bonds) in an amount not to exceed \$600 million for the following purposes: (i) currently refund 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; (ii) currently refund certain outstanding long-term Transmission Contract Debt; (iii) fund a debt service reserve fund for the Bonds; and (iv) pay for issuance costs of the Bonds.
- 21-05      Request and approval of the adoption by LCRA of the Thirty-fifth Supplemental Resolution to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program authorizing the renewal of the \$150 million Transmission Services Tax-Exempt Commercial Paper Program credit facility, and authorization for the president and chief executive officer or his designee to negotiate and execute certain related agreements, including the amendments to the Amended and Restated Letter of Credit Reimbursement Agreement among LCRA; LCRA Transmission Services Corporation (LCRA TSC); JPMorgan Chase Bank, National Association; and State Street Bank and Trust Company, setting forth the terms and conditions governing the issuance of the direct-pay letter of credit securing the tax-exempt commercial paper program for LCRA TSC in the amount of \$150 million.



- 21-06 Request and approval of the adoption by LCRA of the Thirty-sixth Supplemental Resolution to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program to authorize the renewal of the note purchase agreement among LCRA, LCRA Transmission Services Corporation and Bank of America NA, for the LCRA Transmission Contract Revenue Notes, Series F and Taxable Series F, and authorization for the president and 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 Bank of America in an amount up to \$50 million for the Series F Notes.

MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF  
LCRA TRANSMISSION SERVICES CORPORATION  
Austin, Texas  
Jan. 20, 2021

Pursuant to notice posted in accordance with the Texas Open Meetings Act, the Board of Directors (Board) of LCRA Transmission Services Corporation (LCRA TSC) convened in a regular meeting at 11:06 a.m. Wednesday, Jan. 20, 2021, 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 following directors were present, constituting a quorum:

Timothy Timmerman, Chair  
Stephen F. Cooper, Vice Chair  
Lori A. Berger  
Joseph M. "Joe" Crane  
Raymond A. "Ray" Gill Jr.  
Charles B. "Bart" Johnson [attended via videoconference]  
Thomas L. "Tom" Kelley [attended via videoconference]  
Robert "Bobby" Lewis [attended via videoconference]  
Thomas Michael Martine  
George W. Russell  
Margaret D. "Meg" Voelter  
Martha Leigh M. Whitten  
Nancy Eckert Yeary

Absent: Michael L. "Mike" Allen  
Laura D. Figueroa

Chair Timmerman convened the meeting at 11:06 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 during the meeting [Agenda Item 1].

Treasurer and Chief Financial Officer Jim Travis presented financial highlights covering December 2020 and fiscal year to date [Agenda Item 2].

The Board next took action on the consent agenda. Upon motion by Director Berger, seconded by Director Johnson, the Board unanimously approved consent items 3 and 4 by a vote of 13 to 0 as follows:

21-01 Authorization for the president and chief executive officer or his designee to assign to Austin Energy easement rights across a portion of LCRA Transmission Services Corporation's Hornsby Substation Addition project property in Travis County, as recommended by staff in Consent Item 3 [attached hereto as Exhibit A].

21-02 Approval of the minutes of the Dec. 15, 2020, meeting [Consent Item 4].

21-03 Vice President of Transmission Asset Optimization Kristian M. 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 following projects and associated lifetime budgets: Coronado to Fairland Transmission Line Upgrade, Fairland to Lago Vista Transmission Line Upgrade and Ferguson to Wirtz Transmission Line Storm Hardening. Upon motion by Vice Chair Cooper, seconded by Director Yeary, the recommendation was unanimously approved by a vote of 13 to 0.

21-04 Treasurer and Chief Financial Officer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 6 [attached hereto as Exhibit C], that the Board request and approve the adoption by LCRA of the Thirty-fourth 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 2021 (Bonds) in an amount not to exceed \$600 million for the following purposes: (i) currently refund 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; (ii) currently refund certain outstanding long-term Transmission Contract Debt; (iii) fund a debt service reserve fund for the Bonds; and (iv) pay for issuance costs of the Bonds. This motion also will:

1. Approve related documents in substantially final form, including the escrow agreement, the paying agent/registrar agreement, the Preliminary Official Statement and the Transmission Contract Revenue Debt Installment Payment Agreement Supplement Related to the Bonds. Bond counsel has prepared or reviewed all documents.
2. Delegate authority to the president and chief executive officer and/or the treasurer and 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/prepayment/ 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. Approve the terms of the sale of the Bonds to an underwriting team lead by BofA Securities.
  - e. Execute a bond purchase agreement.

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

21-05 Treasurer and Chief Financial Officer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 7 [attached hereto as Exhibit D], that the Board request and approve the adoption by LCRA of the Thirty-fifth Supplemental Resolution to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program authorizing the renewal of the \$150 million Transmission Services Tax-Exempt Commercial Paper Program credit facility, and authorize the president and chief executive officer or his designee to negotiate and execute certain related agreements, including the amendments to the Amended and Restated Letter of Credit Reimbursement Agreement among LCRA; LCRA Transmission Services Corporation (LCRA TSC); JPMorgan Chase Bank, National Association; and State Street Bank and Trust Company, setting forth the terms and conditions governing the issuance of the direct-pay letter of credit securing the tax-exempt commercial paper program for LCRA TSC in the amount of \$150 million. Upon motion by Director Berger, seconded by Director Yearly, the recommendation was unanimously approved by a vote of 13 to 0.

21-06 Treasurer and Chief Financial Officer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 8 [attached hereto as Exhibit E], that the Board request and approve the adoption by LCRA of the Thirty-sixth Supplemental Resolution to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program to authorize the renewal of the note purchase agreement among LCRA, LCRA Transmission Services Corporation and Bank of America NA, for the LCRA Transmission Contract Revenue Notes, Series F and Taxable Series F, and authorize the president and 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 Bank of America in an amount up to \$50 million for the Series F Notes. Upon motion by Director Gill, seconded by Vice Chair Cooper, the recommendation was unanimously approved by a vote of 12 to 0 (Director Johnson was absent for voting on this item in addition to Directors Allen and Figueroa, who were absent from the meeting).

There being no further business to come before the Board, the meeting was adjourned at 11:25 a.m.

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Thomas E. Oney  
Secretary  
LCRA Transmission Services Corporation  
Approved: May 19, 2021

## **FOR ACTION**

### **8. LCRA Transmission Services Corporation Board Policy T401 – Land Resources**

#### **Proposed Motion**

Approve amendments to LCRA Transmission Services Corporation Board Policy T401 – Land Resources as attached in Exhibit A.

#### **Board Consideration**

Board of Directors approval is required for any changes to LCRA TSC Board policies.

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

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

#### **Summary**

Staff is recommending a change to Board Policy T401 – Land Resources to bring it into alignment with Board Policy T301 – Finance. A recent amendment to Board Policy T301 – Finance gave the CEO the authority to approve certain capital projects not previously approved by the Board – including any capital project with a lifetime budget not exceeding \$1.5 million and all generation interconnection projects.

Board Policy T401 – Land Resources, which addresses real property acquisitions, limits staff's authority to acquire real estate to those projects that have been approved by the Board. It therefore does not permit staff to acquire real property for those projects that have been authorized by the CEO. The proposed change to Board Policy 401 – Land Resources clarifies that if the CEO approves a capital project pursuant to the authority in Board Policy T301 – Finance, staff is authorized to acquire the real property rights needed for the project. The proposed change does not negate the requirement for specific Board approval for the acquisition of any parcel where the purchase price exceeds \$600,000.

#### **Presenter(s)**

Kristen Senechal  
Vice President and Chief Operating Officer

#### **Exhibit(s)**

A – Proposed amendments to LCRA TSC Board Policy T401 – Land Resources

## **EXHIBIT A**

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### **LCRA TRANSMISSION SERVICES CORPORATION BOARD POLICY**

#### **T401 – LAND RESOURCES**

**May 19, 2021**

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##### **T401.10 PURPOSE**

This policy establishes guidelines for the acquisition, disposition, use and management of all LCRA Transmission Services Corporation land rights.

##### **T401.20 DEFINITIONS**

Land Rights – Interests in real property including, but not limited to, easements, leases, and fee simple ownership and aerial, subsurface, land and water surface rights.

LCRA TSC – LCRA Transmission Services Corporation.

LCRA TSC Board – The Board of Directors of LCRA TSC.

##### **T401.30 POLICY**

LCRA TSC will acquire, develop, use, manage, operate and dispose of its land resources to fulfill its essential corporate purposes and responsibilities prescribed by state law and LCRA TSC policies.

LCRA TSC may dispose of land that has been declared by the LCRA TSC Board to be “nonessential” (not necessary or convenient or of beneficial use to the business of LCRA TSC).

##### **T401.40 PROCEDURES**

**T401.401 Land Acquisition.** LCRA TSC will acquire sufficient land rights to complete approved projects and programs. In selecting land, LCRA TSC will consider, as appropriate, the effects on environmental integrity, community values, parks and recreation areas, historical and aesthetic values, and the cost of the project or program.

Mineral rights may be acquired for the protection of the improvements to be constructed or to prevent interference with the surface use.

In acquiring land rights, LCRA TSC will attempt to minimize adverse effects upon property owners and will use due diligence to adequately compensate property owners.

Property owners contacted by representatives of LCRA TSC will be treated courteously and dealt with in a forthright manner. Contacts and negotiations will be initiated in a timely fashion to allow the property owner to consult with legal, tax and other advisors as may be necessary.

- A. LCRA TSC Board Authorization: LCRA TSC Board approval of the business plan, capital plan, or capital improvement project, or CEO approval of a project pursuant to authority delegated to the CEO in Board Policy T301 – Finance, will constitute authorization for the acquisition of land rights as necessary and will authorize the chief executive officer (CEO) of LCRA TSC or his or her designee to acquire land rights necessary to complete the approved projects or programs, subject to the following conditions:
1. Land rights for an approved project or program that may be purchased or leased for \$600,000 or less per parcel, where the purchase or lease price is within the amount budgeted for the project or program, may be finalized by the CEO or his or her designee without further LCRA TSC Board action. Acquisitions of land rights that have a purchase price or lease price exceeding \$600,000 per parcel require the LCRA TSC Board's specific approval. LCRA TSC may acquire land rights in excess of the rights required for projects or programs in those instances when the property owner and LCRA TSC both agree to such conditions, or when it is in LCRA TSC's best economic interest to do so.
  2. Board authorization is not required for the acquisition of land rights when the land rights are acquired at no cost to LCRA TSC.
- B. Method of Acquisition: Staff will determine whether acquisition of particular land rights is in the best interest of LCRA TSC, its customers and the public. In determining the method of land acquisition, LCRA TSC will consider (a) the purpose, type and life of the facilities to be located on the land; (b) how the surface of the land will be used; (c) the significance of mineral rights to the integrity of the facility; and (d) the present or future use of the land by the property owner.

Consideration paid by LCRA TSC to secure a purchase or lease option may not exceed \$60,000 per parcel, tract or interest nor may the term of the option exceed two years, unless specifically approved by the LCRA TSC Board. Such payment must be applied toward the purchase or lease price if the purchase or lease is consummated.

An environmental due diligence assessment will be prepared on all land considered for acquisition. For the acquisition of leases and property in fee simple, an assessment for the potential presence of environmental contamination will be performed in accordance with U.S. Environmental Protection Agency (EPA) "all appropriate inquiries" regulations (40 C.F.R. Part

312) and related Society for Testing and Materials International (ASTM) standards, unless a variance is granted by LCRA's general counsel. For the acquisition of easements, the assessment may follow less stringent standards and practices provided the standards and practices followed are consistent with industry practice and are documented, except that in the case of easement acquisitions where prior or future land use may present risks that, in the opinion of the environmental professional, warrant a full assessment, the more stringent "all appropriate inquiries" regulations will be followed.

Information obtained during the due diligence and on-site assessments will be evaluated prior to final acquisition.

- C. Appraisals: LCRA TSC will base all negotiations on a reasonable opinion of market value on all land right acquisitions. Staff will have the discretion to either prepare an opinion based on available market data or employ an independent appraiser, based on the size and complexity of the acquisition; however staff will be required to employ an independent appraiser if (i) the area of the land rights being acquired is larger than 100 acres; (ii) staff has reason to believe the value of such land rights exceeds \$600,000; or (iii) employing an independent appraiser is necessary to avoid the appearance of a conflict of interest.

Any independent appraiser engaged by or on behalf of LCRA TSC must hold a valid license or certification from the state of Texas.

- D. Eminent Domain Proceedings: LCRA TSC may use its power of eminent domain to acquire land rights if (i) a landowner has been unable to agree with LCRA TSC on the fair market value of the land rights being acquired by LCRA TSC and further negotiations for settlement have become futile; (ii) the title cannot be conveyed without a court judgment; or (iii) there is a conflict of interest of the owner(s). LCRA TSC may initiate eminent domain proceedings only after an official written offer to purchase the land rights has been sent to the landowner. In any event, LCRA TSC Board authorization is required prior to initiation of eminent domain proceedings for the acquisition of land rights.

#### **T401.402 Land Use, Development, Conservation and Management.**

- A. Agreements: LCRA TSC may enter into permits, leases, easements or other legally binding land use agreements with public, private or nonprofit entities.

1. Land use agreements will conform to the following criteria:
  - a. Monetary consideration for the following uses will be full fair market rental value: agriculture/grazing, commercial and private uses.
  - b. LCRA TSC's leases will be managed to conserve, protect and maintain LCRA TSC's land resources.



- c. Land use agreements may be granted for non-monetary consideration to governmental entities or nonprofit organizations, when the use of the property furthers LCRA TSC's ability to meet its statutory responsibilities or is deemed to be in LCRA TSC's best interest.
  - d. Land use agreements require the user to undertake full financial responsibility for proper maintenance and use of the land and/or facility, as may be appropriate under the circumstances. Such financial responsibility may include liability insurance coverage protecting LCRA TSC.
  - e. Land use agreements will include provisions allowing periodic adjustments of monetary consideration.
  - f. The term of any land use agreement will be commensurate with the use of the land, the purposes of the agreement, the amount of capital to be invested by LCRA TSC and/or the user, the anticipated capital payback period, and the projected revenue to LCRA TSC.
  - g. Land use agreements will contain, as appropriate and necessary, provisions for environmental protection and compliance with applicable laws and regulations and LCRA TSC policies.
2. The following types of land use agreements may be executed by the CEO or his or her designee without LCRA TSC Board approval; all other land use agreements must be specifically approved by LCRA TSC Board:
- a. Leases, temporary use permits, licenses and construction permits with terms of 15 years or less.
  - b. Agreements for the co-location of electric or communication facilities on LCRA TSC land, easements or leases.
- B. Easements: LCRA TSC may grant easements across land it owns, may permit easements to occupy the same easement corridor it has acquired, and may release its easement rights or assign its easements or portions thereof when the best interests of LCRA TSC and the public are served.
- 1. Requests for easements across LCRA TSC land will conform to the following criteria and must be specifically approved by LCRA TSC Board:
    - a. Monetary consideration for easements that serve a private or commercial use will be the full fair market value as determined pursuant to this policy.

- b. Consideration for easements that serve a public or nonprofit use may be non-monetary at the discretion of LCRA TSC Board.
  - c. Easements will contain, as appropriate and necessary, provisions for environmental protection and compliance with existing laws, regulations and LCRA TSC policies.
- 2. Requests to occupy a portion of an LCRA TSC easement across lands that are not owned by LCRA TSC may be approved by the CEO or his or her designee if they meet the following criteria:
  - a. The requesting entity first must obtain the written statement of LCRA TSC's non-objection to the proposed easement/use. Such statement of non-objection only will be granted if the proposed joint use of the easement corridor will not interfere with LCRA TSC's superior easement rights, safety and efficient operations within the easement area.
  - b. The requesting entity must obtain the easement rights, subordinate to LCRA TSC's superior easement rights, from the landowner(s).
- 3. LCRA TSC's easements on private lands that are not necessary to the operation of LCRA TSC may be released by the CEO or his or her designee, subject to the following:
  - a. Staff has determined that LCRA TSC has no further or anticipated need for easement rights in the area to be released.
  - b. Any processing costs, including the cost of a survey, if required, will be at the expense of the property owner or party requesting the release.
  - c. Easement rights that are considered unnecessary due to an abandonment of a line or facility by LCRA TSC may be released to the current landowner(s).
- C. Encroachments: Public or private use of (including aerial use above or over) LCRA TSC land, except where expressly authorized by LCRA TSC, will be considered an encroachment. Those encroaching on or over LCRA TSC lands will be required to either purchase the land from LCRA TSC on terms approved by the Board, remove the encroachment, or secure rights to use the land by entering into an acceptable land use agreement with LCRA TSC. The CEO or his or her designee may institute appropriate legal action to remove any non-conforming encroachments.

#### **T401.403 Land Disposition.**

- A. Nonessential Lands: Lands identified as nonessential may be sold, traded or exchanged if declared by the LCRA TSC Board to be not necessary, convenient or of beneficial use to the business of LCRA TSC. Such declaration and the terms of any such sale or exchange will require the affirmative vote of three-fourths vote of the membership of the LCRA TSC Board.

Appraisals: LCRA TSC will base all negotiations on a reasonable opinion of market value on all land right dispositions. Staff will have the discretion to either prepare an opinion based on available market data or employ an independent appraiser, based on the size and complexity of the transaction; however staff will be required to employ an independent appraiser if (i) the area of the land rights being sold, leased or exchanged is larger than 100 acres; (ii) staff has reason to believe that the value of such land rights exceeds \$600,000; or (iii) employing an independent appraiser is necessary to avoid the appearance of a conflict of interest.

An environmental due diligence assessment will be prepared on all land considered for disposition. For the disposition of leases, easements and property in fee simple, the assessment may follow standards and practices less stringent than "all appropriate inquiries" described above, provided the standards and practices used are consistent with industry practice and are documented. However, for disposition of leases, easements and property in fee simple, when prior or future land use may present risks that, in the opinion of the environmental professional, warrant a full assessment, the more stringent "all appropriate inquiries" regulations will be followed. Information obtained during the due diligence and on-site assessments will be evaluated prior to final disposition.

- B. Disposition or Encumbrance Requiring LCRA Board Approval: LCRA TSC shall not dispose of or encumber all or a substantial portion of its assets without the approval of the Lower Colorado River Authority Board of Directors.

**EFFECTIVE:** Feb. 20, 2002. Amended Oct. 14, 2008; Aug. 26, 2009; June 16, 2010; Feb. 15, 2017; Oct. 17, 2018; and May 19, 2021.

## **FOR ACTION**

# **9. Capital Improvement Projects Approval**

### **Proposed Motion**

Approve and ratify the Capital Improvement Project Authorization Request for the projects and associated lifetime budgets as described in Exhibit A.

### **Board Consideration**

LCRA Transmission Services Corporation Board Policy T301 – Finance requires Board of Directors approval for any project exceeding \$1.5 million.

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

- All projects recommended for Board approval are within the total annual budget approved in the fiscal year 2021 capital plan.
- Staff will monitor the FY 2021 forecast and will request a fiscal year budget increase if needed.
- The treasurer and chief financial 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 approval of the capital projects described in Table 1 and Exhibit A. These projects meet legal requirements in the Public Utility Regulatory Act and PUC rules.

Project funds will pay for activities, including but not limited to project management, engineering, materials acquisition, construction and acquisition of necessary land rights. LCRA TSC representatives will perform all necessary regulatory, real estate, environmental and cultural due diligence activities.

**Table 1***Dollars in millions*

Project Name	Previous Fiscal Years	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Lifetime
General Additions Projects							
Transmission Services Corporation – General Additions – FY 2022	-	-	5.0	-	-	-	5.0
Service Reliability Projects							
Big Hill-Kendall Transmission Line Restoration*	-	4.0	-	-	-	-	4.0
Gillespie-Horseshoe Bay Transmission Line Restoration and Upgrade*	-	0.6	1.8	-	-	-	2.3
Kendall-Mountain Top Fiber Restoration and Upgrade*	-	0.5	4.2	-	-	-	4.7
Winter Storm – FY 2021 System Restoration*	-	7.8	-	-	-	-	7.8
Clear Springs #2 Autotransformer Upgrade	-	1.2	2.4	3.2	-	-	6.8
Marion Autotransformer Upgrade	-	1.7	5.0	7.7	-	-	14.4
Remote Terminal Unit – FY 2022 Substation Upgrade	-	0.4	1.1	1.2	-	-	2.6
Sandy Creek Autotransformer Upgrade	-	0.1	1.6	2.1	-	-	3.6
Switch Automation – FY 2022 Substation Upgrade	-	0.5	0.9	1.0	-	-	2.3
<b>Requested Total</b>	<b>\$ -</b>	<b>\$ 16.7</b>	<b>\$ 16.9</b>	<b>\$ 15.1</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 48.5</b>

*\*Ratification due to February 2021 winter storm restoration work performed*

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

**Presenter(s)**

Kristian M. Koellner  
Vice President, Transmission Asset Optimization

**Exhibit(s)**

A – Project Details

## **EXHIBIT A**

<b>Project Details</b>
------------------------

**Project Name:** Transmission Services Corporation – General Additions – FY 2022

**Project Number:** 1005987

**Lifetime Budget:** \$5 million

**Description:** The project will fund required but unanticipated minor system improvements to accommodate load increases, equipment needs, substation reliability enhancements, customer requests or changing system conditions as needed through June 30, 2022.

**Project Name:** Big Hill-Kendall Transmission Line Restoration\*

**Project Number:** 1025819

**Lifetime Budget:** \$4 million

**Description:** Damage occurred on the 345-kilovolt Big Hill to Kendall double-circuit transmission lines located in Kendall, Kerr, Gillespie, Kimble, Sutton and Schleicher counties as a result of the historic February 2021 winter storm. Immediate steps were taken to complete necessary restoration activities due to the nature of the damage and the critical facilities involved. The immediate and remaining work will restore the reliability and capability of transmission facilities by replacing the damaged optical ground shield wire with 72-count optical ground wire on the circuit. The recommended project completion date is June 30, 2021.

\*Ratification due to February 2021 winter storm restoration work performed.

**Project Name:** Gillespie-Horseshoe Bay Transmission Line Restoration and Upgrade\*

**Project Number:** 1025920

**Lifetime Budget:** \$2.3 million

**Description:** Damage occurred on the double circuit 138-kV T192 Ferguson to Gillespie and T448 Horseshoe Bay to Gillespie transmission lines located in Burnet, Llano and Gillespie counties as a result of the historic February 2021 winter storm. Immediate steps were taken to complete necessary restoration activities due to the nature of the damage and the critical facilities involved. The project will further improve the reliability of transmission facilities by replacing static peaks on all structures to meet the latest design standard. The recommended project completion date is Dec. 31, 2021.

\*Ratification due to February 2021 winter storm restoration work performed.

**Project Name:** Kendall-Mountain Top Fiber Restoration and Upgrade\*

**Project Number:** 1025820

**Lifetime Budget:** \$4.7 million

**Description:** Damage occurred on sections of the 138-kV T342 Central Texas Electric Cooperative Kendall to Mountain Top transmission line located in Kendall and Blanco counties as a result of the historic February 2021 winter storm. Immediate steps were taken to complete necessary restoration activities due to the nature of the damage and the critical facilities involved. The project will further improve the reliability and capability of transmission facilities by replacing 48-count optical ground wire with 72-count optical ground wire that meets the latest design standard along the full length of the 138-kV T342 and T675 CTEC transmission lines from Kendall to Mountain Top. The recommended project completion date is May 15, 2022.

\*Ratification due to February 2021 winter storm restoration work performed.

**Project Name:** Winter Storm – FY 2021 System Restoration\*

**Project Number:** 1025756

**Lifetime Budget:** \$7.8 million

**Description:** Damage occurred to multiple transmission facilities and substation equipment throughout LCRA TSC's service area, including West Texas, the Hill Country, Central Texas, and the I-35 and I-10 corridors, as a result of the historic February 2021 winter storm. Immediate steps were taken to complete necessary restoration activities due to the nature of the damage and the critical facilities involved. The immediate and remaining work will improve the reliability of substation and transmission facilities by repairing the damage. The recommended project completion date is June 30, 2021.

\*Ratification due to February 2021 winter storm restoration work performed.

**Project Name:** Clear Springs #2 Autotransformer Upgrade

**Project Number:** 1025476

**Lifetime Budget:** \$6.8 million

**Description:** The project will improve the reliability of substation equipment at Clear Springs Substation in Guadalupe County by replacing the existing 345/138-kV autotransformer with a new 478-megavolt amperes 345/138-kV autotransformer. Additionally, this project will modify the replaced 345/138-kV autotransformer and maintain it on-site to allow for reuse as a centrally located spare. Having the spare available is part of LCRA TSC's strategy for helping to ensure availability of equipment that has a long lead time for replacement. The recommended project completion date is May 15, 2023.

**Project Name:** Marion Autotransformer Upgrade

**Project Number:** 1024595

**Lifetime Budget:** \$14.4 million

**Description:** The project will improve the reliability of substation equipment at Marion Substation in Guadalupe County by replacing the existing 345/138-kV autotransformer with a new 478-MVA 345/138-kV autotransformer and three 345-kV 25-megavolt-ampere reactive shunt reactors, which will be used for system voltage control. The recommended project completion date is May 15, 2023.

**Project Name:** Remote Terminal Unit – FY 2022 Substation Upgrade

**Project Number:** 1024598

**Lifetime Budget:** \$2.6 million

**Description:** The project will improve the System Operations Control Center's ability to remotely control and monitor substation equipment by upgrading obsolete and less-functional remote terminal units and associated telecommunication equipment at 38 sites in 22 counties. The recommended project completion date is June 30, 2023.

**Project Name:** Sandy Creek Autotransformer Upgrade

**Project Number:** 1024599

**Lifetime Budget:** \$3.6 million

**Description:** The project will improve the reliability of substation equipment at Sandy Creek Substation in Llano County by replacing the existing 138/69-kV autotransformer with a new 70-MVA 138/69-kV autotransformer with surge arrestors. The project scope also will replace conductor jumpers on the 2.6-mile, 69-kV T400 Sandy Creek to Sunrise Beach transmission line to achieve a minimum 235-MVA rating. The recommended project completion date is May 15, 2023.

**Project Name:** Switch Automation – FY 2022 Substation Upgrade

**Project Number:** 1024601

**Lifetime Budget:** \$2.3 million

**Description:** The project will improve the safety and reliability of substation equipment by installing transmission switch motor operators and other substation equipment at American Electric Power Nixon, Avery Ranch, Bastrop West, Boerne, Butler, Canyon, Colorado, Colton, Nimitz, Schulenburg, Swiftex and Willow Springs substations located in Bastrop, Colorado, Fayette, Gillespie, Gonzales, Hays, Kendall, Travis and Williamson counties. The recommended project completion date is May 15, 2023.



## **FOR ACTION**

# **10. Acquisition of Interests in Real Property – Use of Eminent Domain in Hays County**

### **Proposed Motion**

I move that the Board of Directors 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 acquisition of an easement for the McCarty Lane to Ranch Road 12 Transmission Line Upgrade project to ensure the continued reliable transmission of electric energy on the McCarty Lane to Ranch Road 12 (T699) 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 of property, 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 McCarty Lane to Ranch Road 12 Transmission Line Upgrade project.

### **Summary**

LCRA TSC proposes to acquire a transmission line easement in Hays County for the McCarty Lane to Ranch Road 12 Transmission Line Upgrade project. Allen, Williford and Seale Inc. performed an independent appraisal of the interests in real property to be acquired to determine just compensation to the landowners.

Staff will make an initial offer 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, and will negotiate for the purchase of the interests in real property. Staff seeks Board authorization to proceed with condemnation if agreements cannot be reached with the landowners.

Staff has provided to the Board a description of the specific property to be acquired and will attach the description 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.

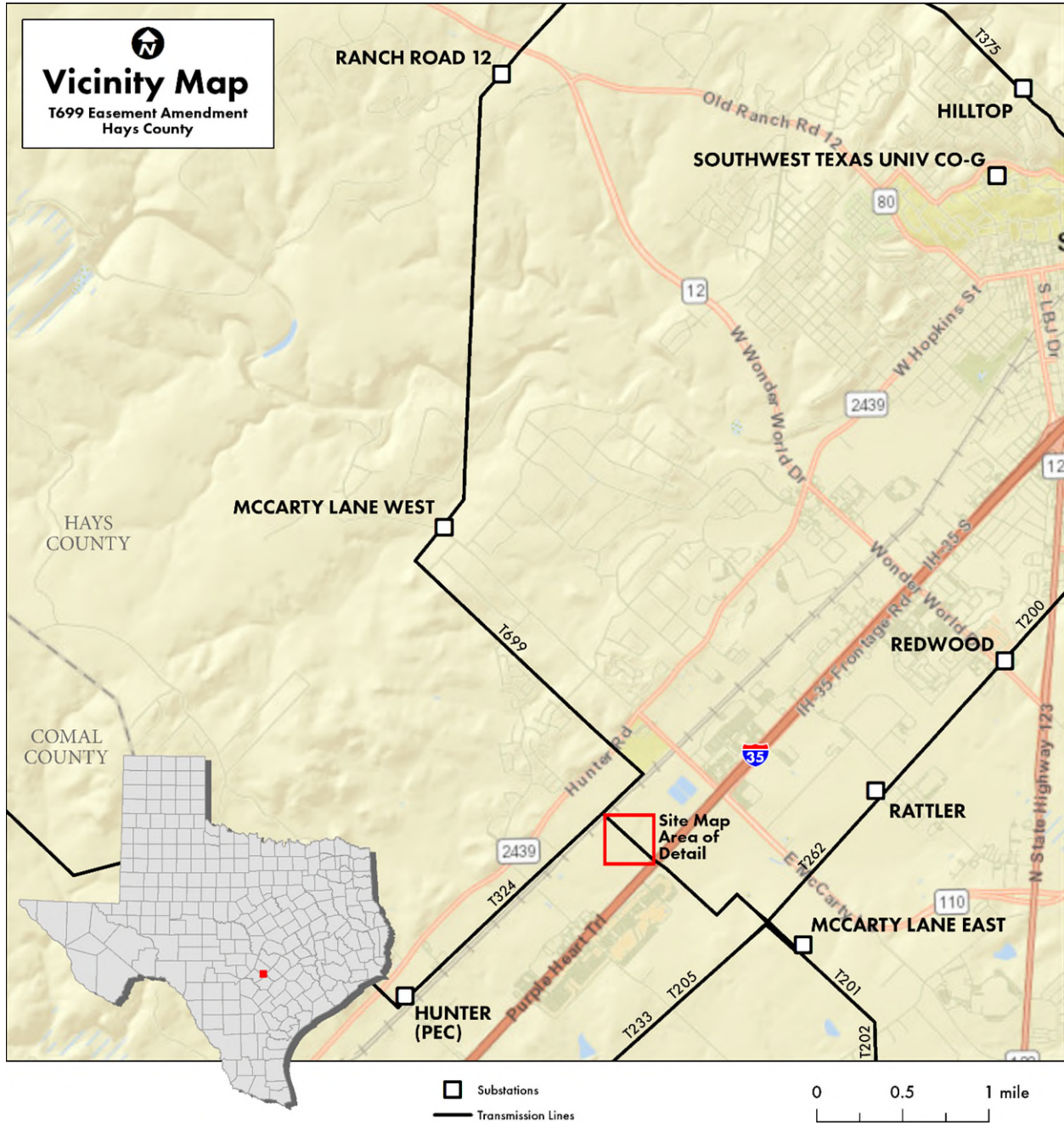
### **Presenter(s)**

Mark Sumrall  
Director, Real Estate Services

**Exhibit(s)**

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

## EXHIBIT A



## EXHIBIT B





**EXHIBIT C**

<b>Parcel ID</b>	<b>Landowners</b>	<b>Approximate Parent Tract Acreage</b>	<b>Land Rights</b>	<b>Approximate Acquisition Acreage</b>	<b>County</b>	<b>Approximate Value</b>
A117	Barranca Investments, Ltd.	86.04 acres	Arial Easement	0.420 acre	Hays	\$56,486

## **EXHIBIT D**

Page 1 of 2

### **PROPOSED MOTION**

**I MOVE THAT THE BOARD OF DIRECTORS 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 ACQUISITION OF AN EASEMENT FOR THE McCARTY LANE TO RANCH ROAD 12 TRANSMISSION LINE UPGRADE PROJECT TO ENSURE THE CONTINUED RELIABLE TRANSMISSION OF ELECTRIC ENERGY ON THE McCARTY LANE TO RANCH ROAD 12 (T699) 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 HAYS COUNTY FOR A TRANSMISSION LINE EASEMENT.**

**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 in Hays County; and

**WHEREAS**, an independent, professional appraisal of the subject property will be 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 McCarty Lane to Ranch Road 12 Transmission Line Upgrade project, with the description of the location of and interest 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 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

## **EXHIBIT D**

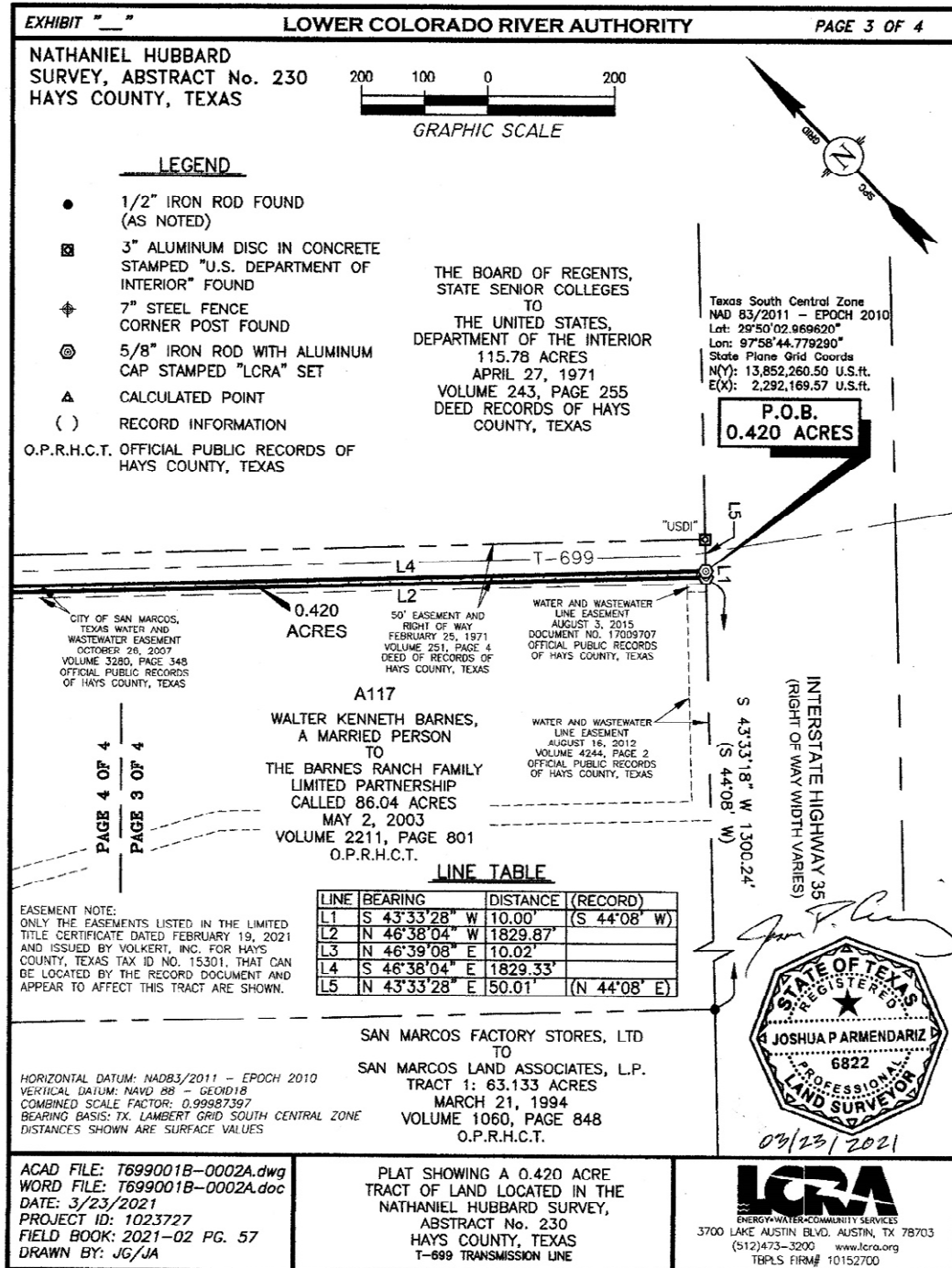
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futile, then the president and chief executive officer or his designee is authorized and directed to initiate condemnation proceedings against the owner(s) of the property, and against all other owners, lien holders, and other holders of an interest 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 interests in real property that are proper and convenient for the operation of the electric transmission line.

# EXHIBIT 1

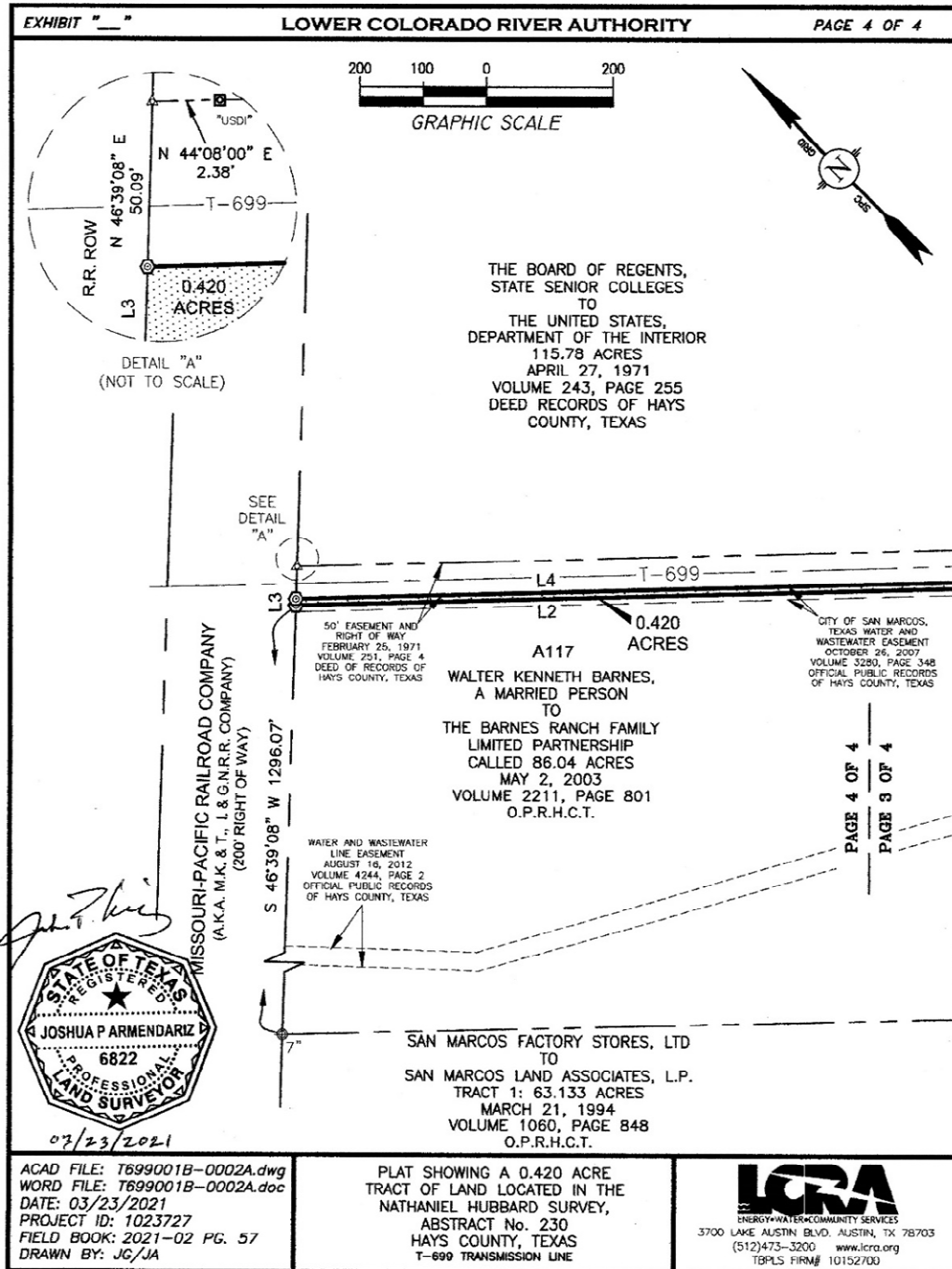
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# EXHIBIT 1

Page 2 of 2



## **FOR ACTION**

# **11. LCRA Transmission Services Corporation Fiscal Year 2022 Business and Capital Plans**

### **Proposed Motion**

Adopt a resolution (Exhibit A) approving the LCRA Transmission Services Corporation Fiscal Year 2022 Business and Capital Plans.

### **Board Consideration**

LCRA TSC Board Policy T301 – Finance requires approval of a business plan by the LCRA TSC and LCRA boards before the start of each fiscal year.

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

The proposed business plan and the budgets included therein provide targets for revenue, operating and maintenance expenses, and capital spending for FY 2022.

### **Summary**

The Board received a draft of the LCRA TSC FY 2022 business and capital plans under separate cover. The business and capital plans are the LCRA TSC comprehensive operations plans and budget. Approval of the LCRA TSC FY 2022 business and capital plans provides authorization for all expenditures and plans of LCRA TSC.

### **Presenter(s)**

Jim Travis  
Treasurer and Chief Financial Officer

### **Exhibit(s)**

A – LCRA Transmission Services Corporation Board Resolution: LCRA Transmission Services Corporation Fiscal Year 2022 Business and Capital Plans

## **EXHIBIT A**

### **LCRA TRANSMISSION SERVICES CORPORATION BOARD RESOLUTION LCRA TRANSMISSION SERVICES CORPORATION FISCAL YEAR 2022 BUSINESS AND CAPITAL PLANS**

BE IT RESOLVED that the LCRA Transmission Services Corporation Board of Directors hereby adopts and approves the LCRA Transmission Services Corporation Fiscal Year 2022 Business and Capital Plans.

LCRA Transmission Services Corporation has budgeted FY 2022 operating and capital amounts at \$136.7 million and \$406.8 million, respectively. Staff will bring future projects individually to the Board for approval after scope and cost estimates have been further refined.

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 president 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 Transmission Services Corporation's financial policy. Furthermore, the president and chief executive officer shall provide the Board with monthly financial reports and quarterly business and capital plan updates describing the progress toward the accomplishment of LCRA Transmission Services Corporation's goals within the budgeted amounts approved by the Board.

Adoption of the LCRA Transmission Services Corporation Fiscal Year 2022 Business and Capital Plans provides authorization for all expenditures and plans in the business 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.

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