



## Board Agenda

Tuesday, Oct. 21, 2025  
Caldwell Civic Center  
Special Events Room  
103 W. Texas Highway 21  
Caldwell, TX 77836  
Earliest start time: 11:30 a.m.

### Item From the Chair

- 1. Comments From the Public ..... 3

### Item From the Chief Financial Officer

- 2. Financial Report ..... 5

### Consent Items

- \*3. Conveyance of Easements in Burnet County ..... 6
- \*4. Conveyance of Easement in Matagorda County ..... 9
- 5. LCRA Board Policies 105 and 501 ..... 12
- 6. GenTex Power Corporation Bylaws..... 20
- 7. Minutes of Prior Meeting..... 27

### Action Items

- 8. Firm Water Contract Renewal for Municipal Use – City of Dripping Springs ..... 33
- 9. Fiscal Year 2025 Statements and Independent Auditors' Report ..... 35
- 10. Contracts and Contract Changes ..... 36

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

### Executive Session

- 1. Contracts and Contract Changes
- 2. LCRA Wholesale Rates
- 3. Litigation Update
- 4. Legal Advice on Legal Matters

The Board also may go into executive session on any item listed above, pursuant to Chapter 551 of the Texas Government Code, including, but not limited to, sections 551.071, 551.072, 551.074, 551.076, 551.086, 551.089 and 418.183(f) 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 the following link: <https://www.sos.texas.gov/open/index.shtml>



# Caldwell Civic Center

103 TX-21, Caldwell, Texas 77836



## **FOR PUBLIC COMMENT**

# **1. Comments From the Public**

### **Summary**

This part of the meeting is intended for comments from the public on topics under LCRA's jurisdiction but not related to an item on the Board of Directors agenda. No responses or action may be taken by the Board 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. Please see the Protocols for Public Communication at Board and Committee Meetings as shown in Exhibit A for details.

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

### **Exhibit(s)**

A – Protocols for Public Communication at Board and Committee Meetings

## EXHIBIT A

### **PROTOCOLS FOR PUBLIC COMMUNICATION AT BOARD AND COMMITTEE MEETINGS**

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

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

**FOR DISCUSSION**

## **2. Financial Report**

**Summary**

Staff will present financial highlights for LCRA covering the fiscal year to date.

**Presenter(s)**

Jim Travis

Chief Financial Officer

**Lower Colorado River Authority**  
**Financial Highlights**  
**September 2025**

# Lower Colorado River Authority

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**Key term:**

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

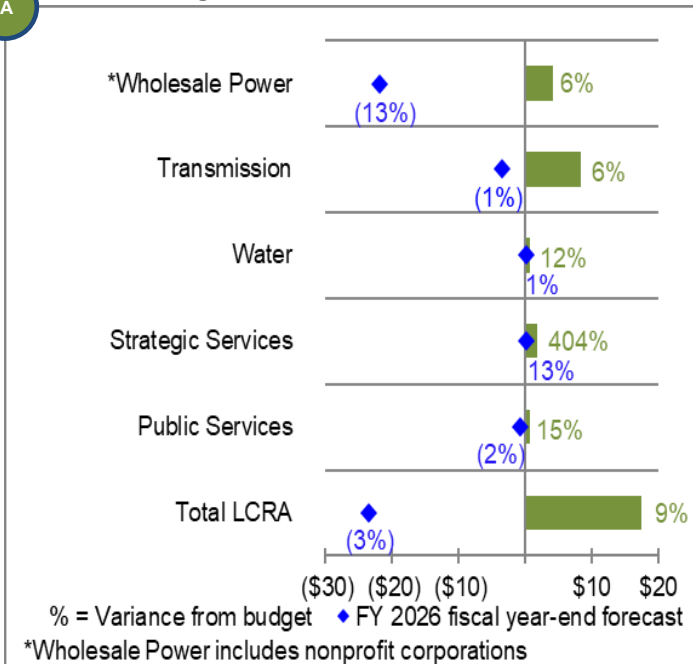
# Lower Colorado River Authority

Sept. 30, 2025

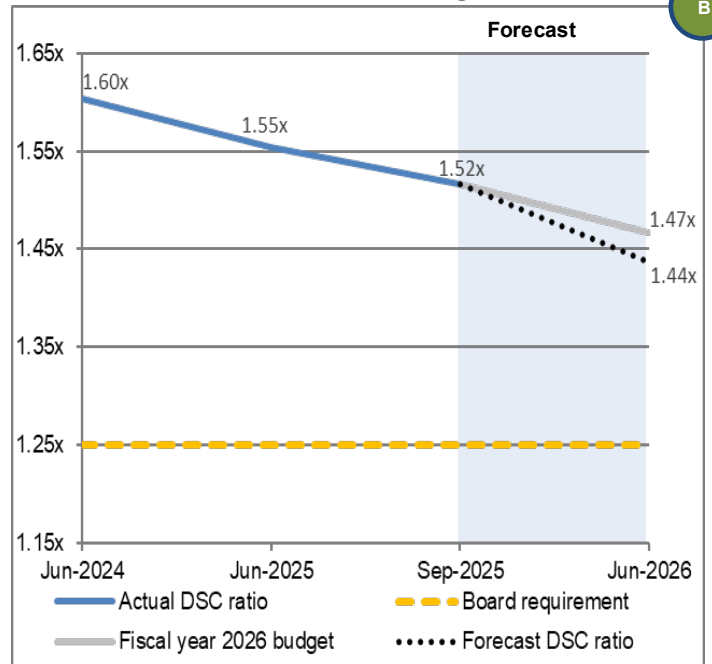
(Dollars in Millions)

## Budget-to-Actual Highlights

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



### Debt Service Coverage



### Key takeaways:

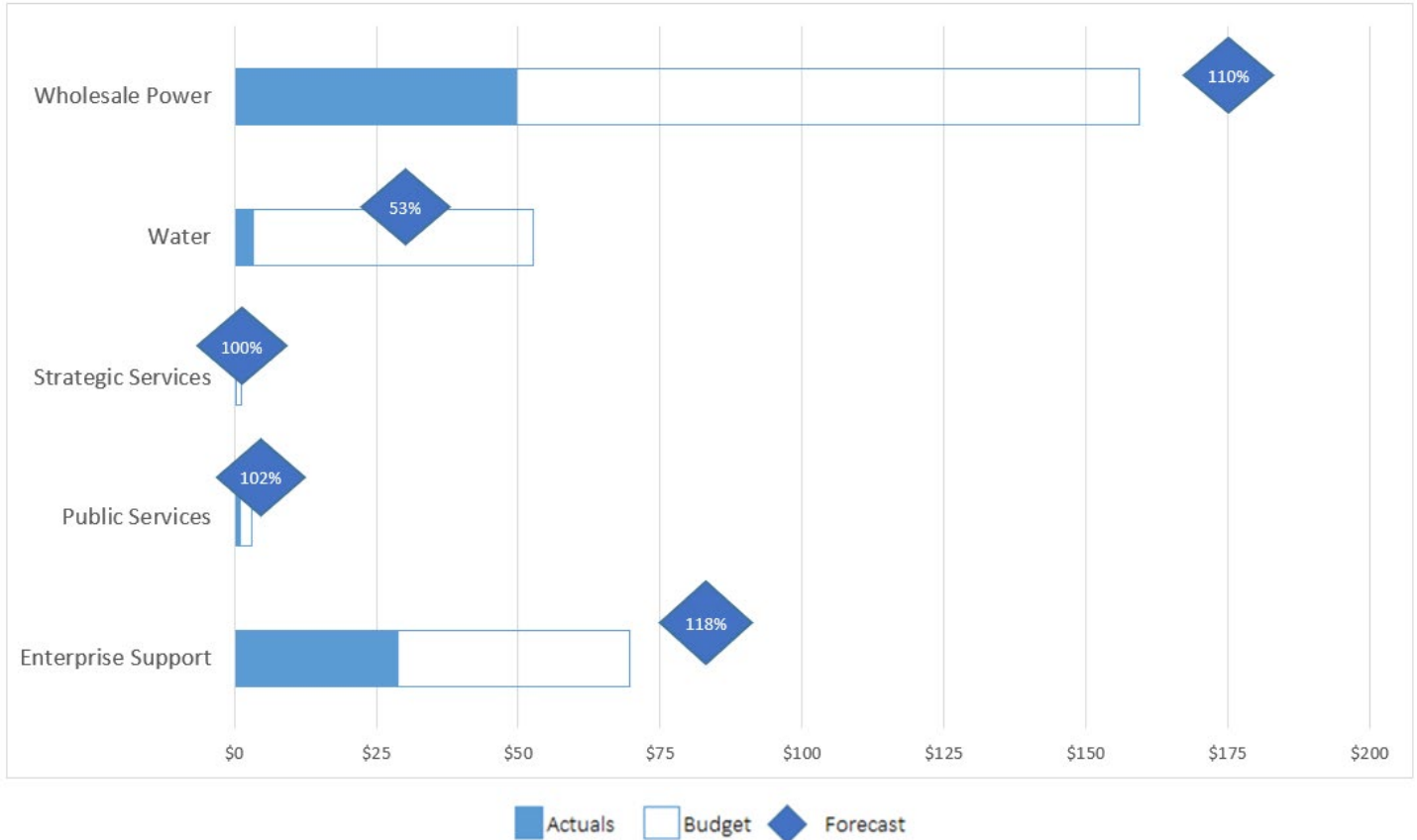
- Lower-than-budgeted nonfuel expenses, partially offset by lower-than-budgeted revenues, primarily drove Wholesale Power's year-to-date performance. Lower-than-budgeted revenues due to lower billing units, combined with higher-than-budgeted nonfuel expenses, primarily drove Wholesale Power's year-end forecast.
- Lower-than-budgeted expenses primarily drove Transmission's year-to-date performance. Lower-than-budgeted cost of service revenues due to lower billing units, partially offset by lower-than-budgeted expenses, primarily drove Transmission's year-end forecast.
- Lower-than-budgeted expenses, partially offset by lower-than-budgeted river management revenues, primarily drove Water's year-to-date performance and year-end forecast.
- Higher-than-budgeted Telecommunications, Transmission and Environmental Lab net margins drove Strategic Services' year-to-date performance. Higher-than-budgeted Transmission and Telecommunications net margins drove Strategic Service's year-end forecast.
- Lower-than-budgeted Parks expenses primarily drove Public Services' year-to-date performance. Higher-than-budgeted Water Surface Management expenses primarily drove Public Services' year-end forecast.
- The debt service coverage ratio is forecast to be lower-than-budgeted primarily due to lower-than-budgeted Wholesale Power billing units, partially offset by lower-than-budgeted debt service.

# Lower Colorado River Authority

Sept. 30, 2025

(Dollars in Millions)

## Capital Forecast



### Key takeaways:

- LCRA currently is projecting capital spending for FY 2026 will be \$4.3 million over the capital plan budget of \$285.7 million primarily due to a Wholesale Power project and an Enterprise Support project forecasting over their fiscal year budgets.
- Staff will continue to monitor the budget and will request an increase to the capital plan budget from the LCRA Board later this fiscal year if needed.

### General manager project approvals:

- For any project not previously authorized by the Board in the capital plan, authority is delegated to the general manager/CEO to approve any capital project with a lifetime budget not to exceed \$1.5 million, according to LCRA Board Policy 301 – Finance. Additionally, the LCRA Board delegated authority to the GM/CEO to approve additional funding for an approved capital project that is expected to exceed its lifetime budget, so long as such additional funding does not cause total capital expenditures to exceed the approved capital plan or materially adversely impact business planning assumptions. The GM/CEO did not approve any budget resets for capital projects this quarter. The GM/CEO approved one new project this quarter:
  - Limmer Shelter Addition for \$521,000

# Lower Colorado River Authority

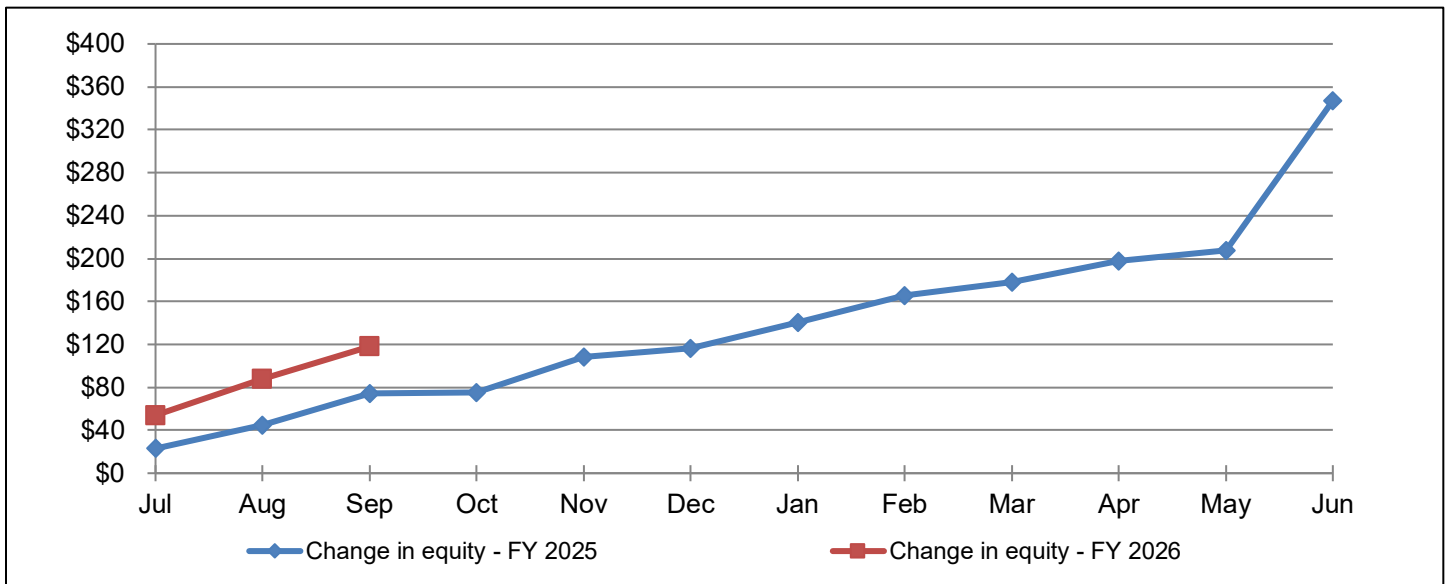
**Sept. 30, 2025**

*(Dollars in Millions)*

## Board Metrics

Board Metric	Description	Compliant
<b>Equity Ratio</b>	LCRA 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 will covenant debt service reserves in the amount of six months of average annual debt service requirements on outstanding debt.  Debt service reserves may be collected through nonfuel rates or met with proceeds from additional debt or through the use of a surety to mitigate rate impacts.	✓
<b>Operating Reserves</b>	LCRA will target three months of average operating and maintenance expense for the purposes of operating liquidity and maintaining reserves for liquidity of two to three months. Compliance will be evaluated at the end of each fiscal year. These reserves will be collected through nonfuel rates.  If at any time the operating reserves are projected to fall below the minimum two months established by 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 operating reserves to such target levels within 12 months.	✓

## Consolidated Net Income Trends Cumulative Fiscal Year to Date



### Key takeaway:

- Net income increased compared with the prior year primarily due to an increase in electric revenue and a decrease in regulatory expense, partially offset by an increase in fuel and purchased power expense. The increase in electric revenue was the result of increases in transmission and wholesale electric rates, combined with an increase in wholesale electric customer sales volume. The decrease in regulatory expense was due to the discontinuation of accounting for regulated operations related to depreciation expense at the end of FY 2025.

## Lower Colorado River Authority

**Sept. 30, 2025**

*(Dollars in Millions)*

### Consolidated Condensed Statements of Net Position

	<b>Sept. 30, 2025</b>	<b>Sept. 30, 2024</b>
<b>Assets</b>		
Cash and cash equivalents - unrestricted	\$ 587	\$ 407
Current assets	561	589
Total current assets	1,148	996
Cash and cash equivalents - restricted	134	68
Capital assets	8,124	7,101
Noncurrent assets	1,047	1,072
Total noncurrent assets	9,305	8,241
Total Assets	\$ 10,453	\$ 9,237
 <b>Liabilities</b>		
Bonds and notes payable	\$ 626	\$ 547
Current liabilities	534	407
Total current liabilities	1,160	954
Bonds and notes payable	6,198	5,403
Pension liability	152	182
Noncurrent liabilities	377	523
Total noncurrent liabilities	6,727	6,108
<b>Equity</b>		
Total equity	2,566	2,175
Total Liabilities and Equity	\$ 10,453	\$ 9,237

**Key takeaway:**

- Assets and liabilities are trending higher compared with September 2024 due to construction activities related to the capital plan.

## Lower Colorado River Authority

**Sept. 30, 2025**

*(Dollars in Millions)*

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

	Fiscal Year	
	2026	2025
<b>Operating Revenues</b>		
Electric	\$ 457	\$ 391
Water and irrigation	12	11
Other	11	19
Total Operating Revenues	480	421
<b>Operating Expenses</b>		
Fuel and purchased power	157	122
Operations and maintenance	106	114
Depreciation, depletion and amortization	56	51
Total Operating Expenses	319	287
Operating Income	161	134
<b>Nonoperating Revenues (Expenses)</b>		
Interest on debt	(60)	(52)
Other nonoperating income (expenses)	17	(8)
Total Nonoperating Expenses	(43)	(60)
Change in Equity	118	74
<b>Equity - Beginning of Period</b>	2,448	2,101
<b>Equity - End of Period</b>	\$ 2,566	\$ 2,175

# Lower Colorado River Authority

Sept. 30, 2025

(Dollars in Millions)

## Consolidated Condensed Statements of Cash Flows

	Fiscal Year	
	2026	2025
<b>Cash Flows From Operating Activities</b>		
Received from customers	\$ 505	\$ 392
Payments	(299)	(339)
Net cash provided by operating activities	206	53
<b>Cash Flows From Noncapital Financing Activities</b>	-	(1)
<b>Cash Flows From Capital and Related Financing Activities</b>		
Purchase of property, plant and equipment	(320)	(217)
Other capital and financing activities	409	299
Net cash provided by capital and financing activities	89	82
<b>Cash Flows From Investing Activities</b>		
Sale and maturity of investment securities	93	34
Purchase of investment securities	(135)	(174)
Note payments and interest received	10	11
Net cash used in investing activities	(32)	(129)
<b>Net Increase in Cash and Cash Equivalents</b>	263	5
<b>Cash and Cash Equivalents - Beginning of Period</b>	458	470
<b>Cash and Cash Equivalents - End of Period</b>	<u>\$ 721</u>	<u>\$ 475</u>

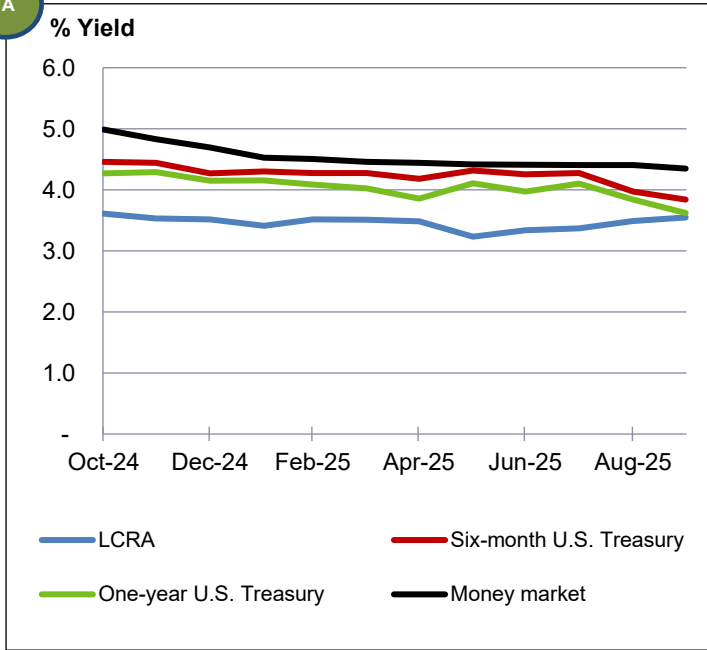
# Lower Colorado River Authority

Sept. 30, 2025

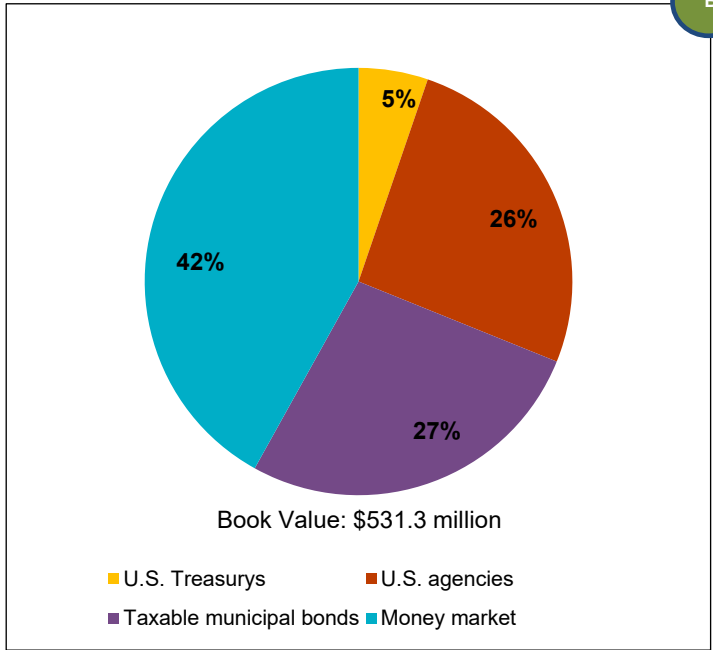
(Dollars in Millions)

## Investments and Debt

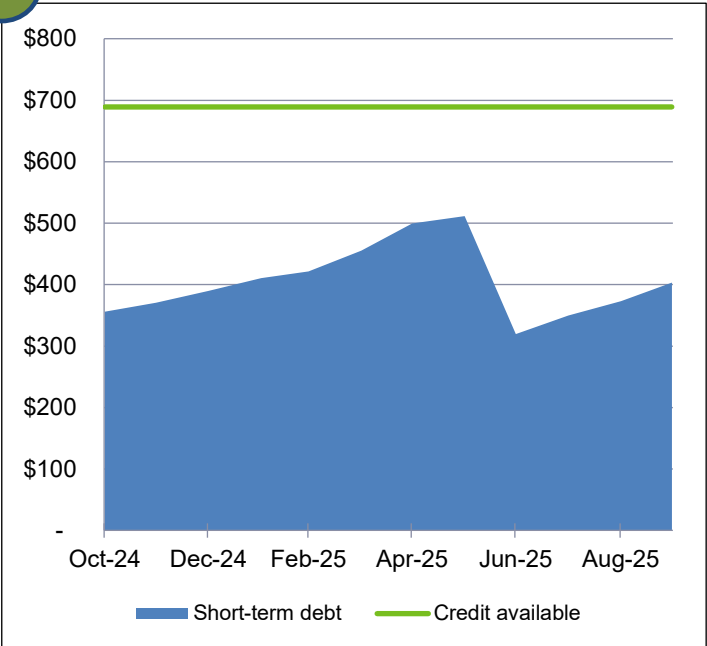
### Investment Portfolio Yield



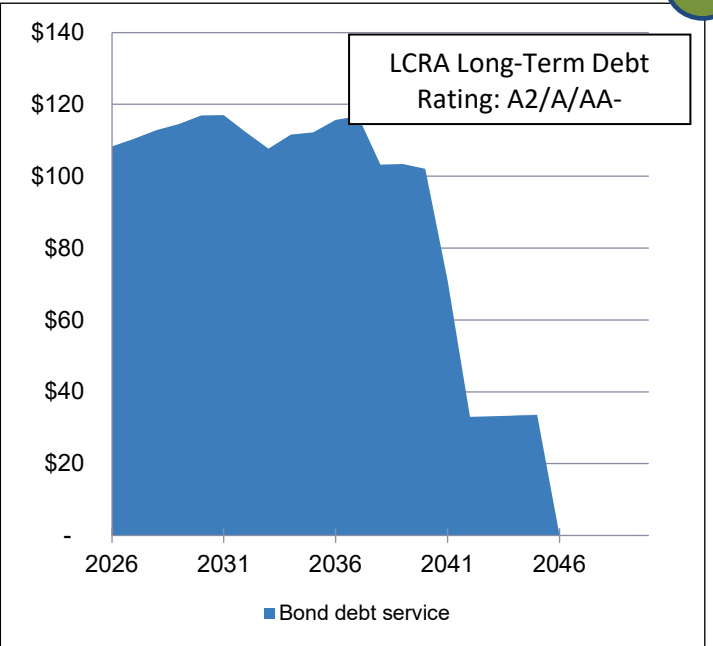
### Investment Portfolio Composition



### Short-Term Debt



### Bond Debt Service



#### Key takeaways:

- The Federal Open Market Committee lowered its target range by one-fourth percent at its September 2025 meeting.
- The federal funds rate range is 4%-4.25%.
- The Core Consumer Price Index (year over year) as of September 2025 was 2.9%.

**FOR ACTION (CONSENT)**

### **3. Conveyance of Easements in Burnet County**

**Proposed Motion**

Authorize the general manager or his designee to convey two 100-foot-wide transmission line easements over a portion of LCRA Parcel MW-01 in Burnet County to LCRA Transmission Services Corporation.

**Board Consideration**

Section 8503.020(b) of the Texas Special District Local Laws Code requires the approval of at least 12 members of the LCRA Board of Directors to convey any interest in real property. LCRA Board Policy 401 – Land Resources requires the approval of the LCRA Board to convey easements across LCRA land.

**Budget Status and Fiscal Impact**

The fiscal year 2026 business plan contains the administrative costs associated with the conveyance of these easements. The proceeds from these easements will be credited to the LCRA Strategic Reserve Fund.

**Summary**

LCRA acquired Parcel MW-01 in July 1949 for the construction of Starcke Dam. LCRA is seeking approval to convey to LCRA TSC an approximately 1.877-acre point-of-interconnect transmission line easement to be used to serve a battery energy facility east of Starcke Substation. LCRA also is seeking approval to convey to LCRA TSC an approximately 1.873-acre transmission line easement that will be used to reroute a portion of T195.

LCRA TSC will pay LCRA \$71,250 for the easements, which is based on the fair market value of the property. LCRA representatives will comply with environmental and cultural resource due diligence procedures set forth in Board Policy 401.403 prior to conveying these easements.

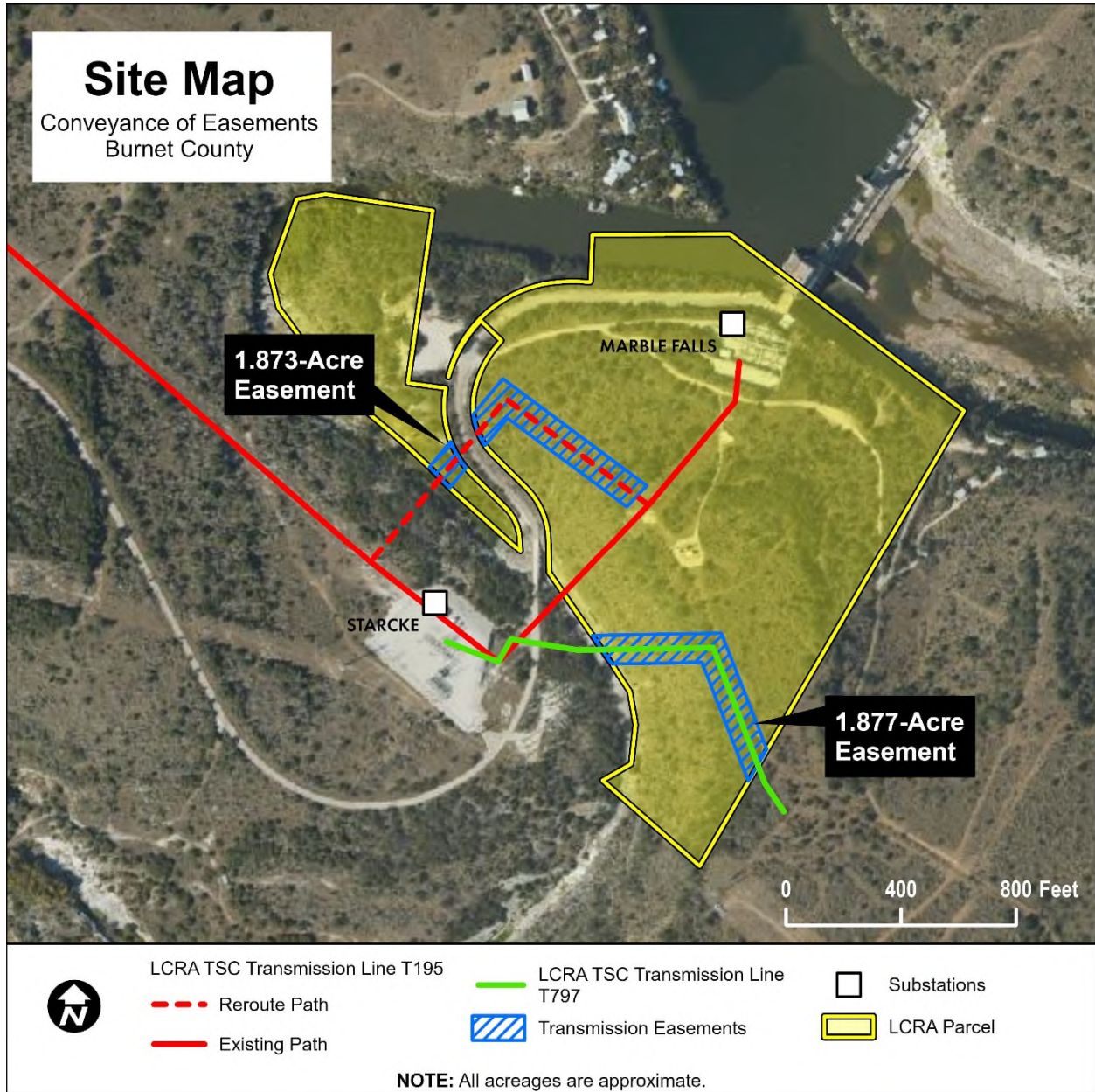
**Exhibit(s)**

- A – Vicinity Map
- B – Site Map

**EXHIBIT A**



**EXHIBIT B**



**FOR ACTION (CONSENT)**

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

### **Proposed Motion**

Authorize the general manager or his designee to grant a 4,376-square-foot easement across an LCRA-owned irrigation canal in the Gulf Coast Irrigation Division in Matagorda County to the adjoining landowner.

### **Board Consideration**

Section 8503.020(b) of the Texas Special District Local Laws Code requires the approval of at least 12 members of the LCRA Board of Directors to convey any interest in real property. LCRA Board Policy 401 – Land Resources requires the approval of the LCRA Board to convey easements across LCRA land.

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

The fiscal year 2026 business plan contains the administrative costs associated with the conveyance of this easement. The proceeds of \$5,000 will be credited to the LCRA Strategic Reserve Fund.

### **Summary**

The landowner, HIF Global, LLC, owns real property on both sides of an LCRA-owned canal in Matagorda County. The landowner asked LCRA to convey an easement permitting the landowner to construct an access bridge crossing to build the company's planned eFuels facility. The canal is part of the Gulf Coast Irrigation Division's canal system.

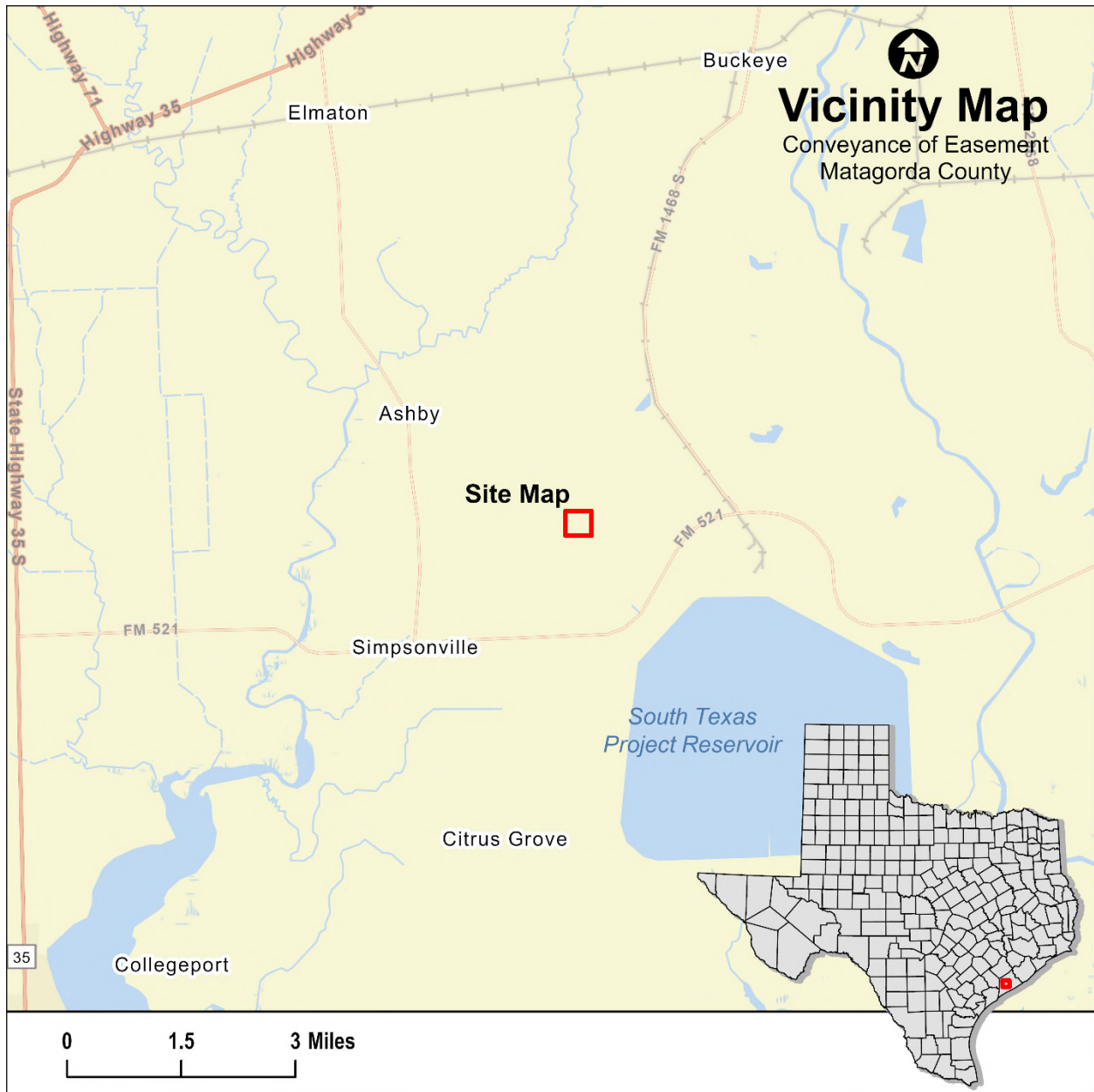
LCRA staff reviewed the available market data and determined that the \$5,000 purchase price is at or above the market value of the easement to be conveyed. HIF Global, LLC is working with Gulf Coast Irrigation Division to approve construction plans, which require the installation of an access bridge consisting of four 60-inch culverts crossing the canal.

LCRA staff will comply with environmental and cultural due diligence procedures set forth in Board Policy 401.403 – Land Disposition before the conveyance of this easement.

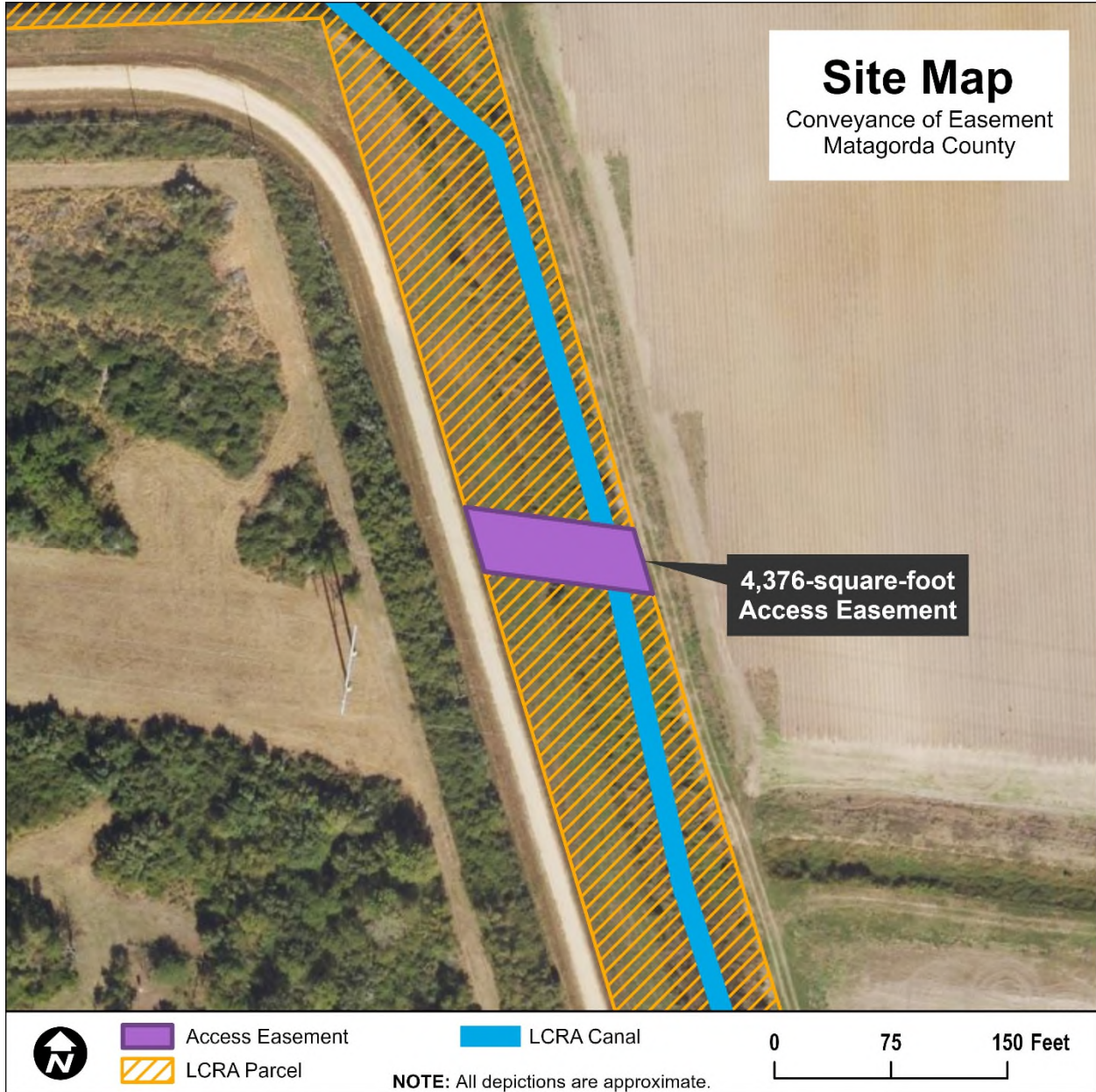
### **Exhibit(s)**

- A – Vicinity Map
- B – Site Map

**EXHIBIT A**



**EXHIBIT B**



**FOR ACTION (CONSENT)**

## **5. LCRA Board Policies 105 and 501**

### **Proposed Motion**

Approve proposed revisions to LCRA Board policies 105 and 501.

### **Board Consideration**

All Board policies currently are under review. Board of Directors approval is required for any changes to policies.

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

Approval of these items will not impact the fiscal year 2026 budget.

### **Summary**

The Office of the General Counsel initiated a review of all Board policies and those of its nonprofit corporations in fall 2024 to streamline policies, update language, and provide a higher level and more strategically directed set of policies for the Board. The 40 policies have been divided into groups and will be brought to the Board for review and consideration about every two to three months with the goal of completing the review by the end of 2025. Through October 2025, the Board has reviewed 29 of the policies and previously authorized the general counsel to approve minor, nonsubstantive or necessary conforming changes to policies throughout this project.

Staff has reviewed the following policies for this agenda item:

- Board Policy 105 – Directors’ Fees and Expense Reimbursement
- Board Policy 501 – Water Resources

The Office of the General Counsel recommends approval of the proposed amendments to Board policies 105 and 501 as described below.

- Recommended changes to Board Policy 105 would align with legal requirements regarding expense requests.
- Recommended changes to Board Policy 501 simplify language, update references, and align with current practice and legal requirements related to LCRA’s water management, water contracting and water supply development activities.

### **Exhibit(s)**

A – Proposed Amendments to LCRA Board Policy 105 – Directors’ Fees and Expense Reimbursement

B – Proposed Amendments to LCRA Board Policy 501 – Water Resources

## EXHIBIT A

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### LCRA BOARD POLICY

#### 105 – DIRECTORS’ FEES AND EXPENSE REIMBURSEMENT

~~Dec. 10, 2024~~[Insert Date]

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##### 105.10 PURPOSE

The purpose of this policy is to establish guidelines for payment of fees and for reimbursement of the expenses members of the LCRA Board of Directors incur in carrying out their responsibilities as directors of the Lower Colorado River Authority.

##### 105.20 POLICY

**105.201 Directors’ Fees.** Each director is entitled to fees in accordance with the LCRA enabling legislation, LCRA bylaws, state statutes and resolutions adopted by the Board for each day of service necessary for performing the duties of a director. Performing the duties of a director includes:

- Substantive performance of the management or business of LCRA, including participation in Board and committee meetings;
- Other activities involving the substantive deliberation of LCRA business, including meetings with LCRA staff or other officials; and
- Attendance at association meetings, conventions and conferences that are directly related to LCRA business, provided such attendance is authorized by prior resolution of the Board.

Directors are not entitled to fees for: travel days when no LCRA business is being conducted; routine or ministerial activities, such as the execution of documents or self-preparation for meetings; or other activities requiring a minimal amount of time.

For each day spent performing duties, a director will receive a per diem as set by the Texas Ethics Commission for members of the Texas Legislature, plus actual expenses, if and only if the compensation and expenses are approved by vote of the Board. The per diem may be charged only in its entirety and not modified to a lesser amount.

No director will be paid per diem fees in excess of 60 days multiplied by the daily per diem in any one calendar year or as otherwise established by state law.

**105.202 Directors' Expenses.** Directors are entitled to reimbursement of expenses incurred that are "ordinary" and "necessary" in carrying out their responsibilities as LCRA Board members. An expense is "ordinary" if it occurs with some degree of consistency in LCRA's business;<sup>2</sup> and an expense is "necessary" in terms of what is "appropriate and helpful" to the development or conduct of the business of LCRA. Normally, these expenses include travel, meals and lodging while away from home conducting LCRA business.

Expenses that qualify for reimbursement include travel expenses for airfare, car rental, taxi, and use of a personal automobile or airplane. The mode and method of travel will be at the discretion of each director. Airfare on a common carrier may not be reimbursed in an amount exceeding the lowest available fare.

Expenses will be reimbursed consistent with the Texas Comptroller of Public Account's use of the U.S. General Services Administration's domestic maximum per diem rates to establish maximum reimbursement rates for Texas "key officials." Reimbursement to Board members for qualifying meals, lodging, travel, and personal automobile or airplane use will be reimbursed based on the costs actually incurred but will not exceed the maximum reimbursement amounts established for "key officials." In accordance with exceptional situations as established by the Federal Travel Regulation, lodging will be reimbursed at actual expense (up to 300% of per diem for the location of stay) with approval of the chief financial officer. Maximum reimbursement rates will be communicated periodically by LCRA's controller. Also qualifying as reimbursable expenses are any other "ordinary" and "necessary" expenses. Generally, no reimbursement is allowed for the cost of entertainment or recreation unless the expense is directly related to the active conduct of the business of LCRA.

## **105.30 RESPONSIBILITIES**

To receive fees of office and reimbursement for expenses, Board members must attest to file an affidavit showing the number of days actually spent in LCRA's service and a general description of the duties performed for each day of service. Board members must complete the Directors' Fees and Expense Report form and attach original receipts for itemized expenses in excess of \$25 per day. The Directors' Fees and Expense Report form, receipts, and attestation must will be submitted to the general manager (GM)/CEO or his or her staff.

The Board's Audit and Risk Committee has general oversight over directors' fees and expenses and will require periodic audits of compliance with this policy to be conducted by the general auditor. Written results of that audit will be presented to the Audit and Risk Committee. In addition, the Audit and Risk Committee will provide oversight of the annual budget for directors' fees and expenses and will conduct a periodic review of the incurred board support expenses

**105.40      AUTHORITY**

Texas Water Code, Section 49.060

LCRA enabling legislation, Texas Special District Local Laws Code, Chapter 8503

LCRA bylaws, section 2.08

Texas Comptroller of Public Accounts – Travel Reimbursement Rates, Key Official

U.S. General Services Administration Maximum Domestic Per Diem Rates

Federal Travel Regulation, Chapter 301 Part 300-11, Subpart D – Actual Expense

**EFFECTIVE:** Dec. 5, 1986. Amended Dec. 12, 1991; Dec. 13, 2000; Aug. 22, 2001; March 26, 2008; April 21, 2009; Dec. 14, 2011; May 21, 2014; Sept. 21, 2016; Nov. 15, 2023; ~~and~~ Dec. 10, 2024; and [insert date].

## EXHIBIT B

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### LCRA BOARD POLICY

#### 501 – WATER RESOURCES

~~Aug. 21, 2019~~ [Insert Date]

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#### 501.10 PURPOSE

This policy establishes ~~principles and~~ guidelines for implementing LCRA's responsibilities regarding: water supply management, planning and development; water conservation; environmental flows; water quality protection; water contracts and rates; and the temporary lowering of LCRA-operated lakes.

#### 501.20 WATER SUPPLY MANAGEMENT, PLANNING AND DEVELOPMENT

**501.201 Water Supply.** LCRA will take initiative in appropriate management, planning, programs and projects to control, store, preserve, use, develop, conserve and manage the water supplies under its jurisdiction. To guide this effort, LCRA will adhere to the following general principles:

1. As a regional water supplier, LCRA will, where practically feasible, cooperate with regional efforts to benefit the Colorado River basin.
2. LCRA will optimize its water supply by managing ~~theits available~~ water supplies stored in lakes Buchanan and Travis with a basinwide perspective of ensuring firm water supplies are available during an extended drought while continuing to make interruptible supplies available whenever possible. With regard to water stored in lakes Buchanan and Travis, LCRA will achieve this objective, in part, through the development and implementation of its state-approved Water Management Plan.
3. While maximizing the potential supplies available from its Colorado River water rights in ~~a cost-effective~~ an economically feasible manner, LCRA may consider development of new, ~~cost-effective~~ economically feasible supplies to serve its customers.
4. LCRA will monitor developments ~~in-state~~ affecting water law ~~and,~~ water rights permitting ~~and,~~ and federal regulation of water resources and, where necessary, take action to ensure the legal rights and obligations LCRA has ~~to manage the state's~~ as a regional water ~~resource~~ supplier are not significantly and adversely affected by such activities.

5. LCRA will explore opportunities to improve the reliability of water supply for agricultural needs through diverse, ~~cost-effective~~economically feasible strategies that increase available supply in the lower basin while minimizing the impact on firm water customers.
6. A preference for a basinwide approach ~~to benefit both upstream and downstream interests~~ will be given when pursuing water supply strategies.

**501.202 Public Engagement.** LCRA will provide information to the public about plans for future water supply projects and will solicit feedback from the public in the decision-making process. LCRA's public engagement process may include the use of one or more of the following: advisory committees, community forums, town hall meetings or open houses, ~~newspaper advertisements~~media outreach, dedicated webpages, online feedback forms, and other strategies, as appropriate, in addition to any applicable regulatory agency-required public process. The timing, scope, and details of LCRA's public engagement process for any ~~proposed~~specific project will be determined by the general manager (GM)/CEO or his or her designee and will depend on the size and nature of the ~~proposed~~ project.

For example, for any new water supply project that is expected to create 10,000 acre-feet or more per year, staff ~~will, at a minimum~~ may:

- Meet with stakeholder groups and, as appropriate, individuals to provide information about the proposed project, answer questions and solicit input.
- Create a dedicated webpage designed to educate the public about the proposed project and to solicit input from stakeholders and other interested participants. The webpage ~~will~~may provide information relevant to the proposed project, including meeting presentations, participant comments and LCRA's responses, and appropriate technical information.
- Provide periodic progress reports to the Water Operations Committee in public meetings of the committee, including reports on feedback and input received from the public.

Nothing in this policy shall be construed as requiring the disclosure of information that is protected under Texas open government laws.

## **501.30 WATER CONSERVATION**

LCRA will meet or exceed state water conservation requirements and provide leadership in promoting the conservation of water. LCRA's commitment to conserving water will be achieved by implementing a variety of programs designed to encourage the conservation of water.

## 501.40 ENVIRONMENTAL FLOWS

LCRA is committed to maintaining, and where reasonably possible, improving fish, wildlife and recreation resources ~~in~~within the lower Colorado river basin and ~~bay~~Matagorda Bay system. LCRA will continue to be a leader in developing high-quality science on environmental flows for the benefit of the lower Colorado River basin ~~and~~ comply consistent with all ~~state and federal~~legal requirements ~~in the most efficient way possible~~and Board policies. LCRA will provide water to help meet environmental flow needs in a manner that does not diminish or hamper its ability to meet current and future water demands of other beneficial users in the basin.

## 501.50 WATER QUALITY PROTECTION

LCRA will provide leadership in protecting water quality and, where reasonably possible, improving the quality of the surface water and groundwater within the lower Colorado River watershed. LCRA will seek to protect against degradation of water quality and will support recreation, aquatic life and water supply uses of the waters under its jurisdiction. LCRA will implement this goal through monitoring, assessment, advocacy, contracting, regulatory oversight, and reliance on the best available science, technology and innovation. LCRA will cooperate with other concerned public and private entities to help address issues of concern related to water quality within the lower Colorado River watershed, including groundwater.

## 501.60 WATER CONTRACTS AND RATES

**501.601 Water Contracts.** LCRA will ~~develop~~adopt and implement reasonable rules for the consideration, issuance ~~and administration of raw water contracts. Such rules should address requirements for water conservation, drought contingency, interbasin transfers, water quality impacts, and other requirements necessary for the~~ fair and appropriate administration of ~~water contracts. The rules should be updated from time to time to reflect changes to Board policy, applicable law or other business needs. LCRA staff will develop standard form~~ raw water contracts consistent with all legal requirements and Board policies. The GM/CEO or his or her designee shall develop standard contract terms and conditions consistent with all legal requirements, Board policies and rules.

**501.602 Water Rates.** LCRA's rates will be just and reasonable, not unduly discriminatory, and set to fully recover LCRA's costs to control, store, preserve, conserve, use, plan, develop, manage, distribute and sell the water supplies under its jurisdiction, consistent with state law. The rates will be designed to allow LCRA to be self-supporting in providing these services and with the goal of providing for a stable and predictable flowsource of revenue.

**501.603 Board Consideration and Public Input.** Implementation of new rates will be carried out within a time frame that attempts to minimize adverse impacts upon the customers of LCRA. All contract rules and rates will be presented to the LCRA Board of Directors for approval, and the public, including all water customers, will be afforded an opportunity to comment on such actions before the Board's consideration for approval.

## 501.70 LOWERING LCRA-OPERATED LAKES

The GM/CEO may authorize the temporary lowering of Inks Lake, Lake LBJ, Lake Marble Falls and Lake Austin only if such lowering will not interfere with LCRA's essential operations, unreasonably impact aquatic habitat, or result in any unrecovered losses related to water supply and are otherwise consistent with LCRA's water rights and existing contracts and leases. ~~Further, such lowerings will not result in any unreasonable losses related to hydro-generation revenues for any~~ Any lowering of Lake Austin, or any lowering of Inks Lake, Lake LBJ or Lake Marble Falls that occurs with a frequency of more than once every four years, ~~shall not result in any unreasonable losses related to hydro-electric revenues as determined by the GM/CEO or his or her designee. The GM/CEO may approve a lowering of a lake on a more frequent basis than allowed above if the GM/CEO determines it is necessary to address health and safety concerns associated with major flood events or maintenance or repairs at LCRA-owned or operated facilities.~~

## 501.80 AUTHORITY

Texas Water Code, chapters 11 and 12  
Texas Special District Local Laws Code sections 8503.001, 8503.004, 8503.0105, 8503.011, 8503.012, 8503.013, 8503.028, 8503.029 and 8503.030

**EFFECTIVE:** Dec. 15, 2010. Amended Sept. 21, 2016; ~~and~~ Aug. 21, 2019; ~~and~~ insert date.

**FOR ACTION (CONSENT)**

## **6. GenTex Power Corporation Bylaws**

**Proposed Motion**

Approve proposed revisions to the GenTex Power Corporation bylaws.

**Board Consideration**

Changes to GenTex bylaws require approval of both the LCRA and GenTex boards.

**Budget Status and Fiscal Impact**

Approval of these items will have no budgetary or fiscal impact.

**Summary**

The Office of the General Counsel initiated a review of all LCRA Board policies and those of its nonprofit corporations in fall 2024 to streamline policies, update language, and provide a higher level and more strategically directed set of policies for the Board. This included review of the GenTex bylaws.

The Office of the General Counsel recommends approval of the proposed amendments to the GenTex bylaws, which generally update internal references and authorities, improve clarity, and ensure consistency with relevant policies and law.

**Exhibit(s)**

A – Proposed Changes to GenTex Bylaws

**EXHIBIT A**

**AMENDED AND RESTATED BYLAWS OF**

**GENTEX POWER CORPORATION**

**As Amended Aug. 22, 2018[Insert Date]**

**ARTICLE I**

**OFFICES**

SECTION 1.01. The principal office of GenTex Power Corporation (the Corporation) shall be ~~at~~in the city of Austin, Texas.

**ARTICLE II**

**DIRECTORS**

SECTION 2.01. The affairs of the Corporation shall be managed by a board of directors (Board), which shall be composed of nine directors appointed by the Board of Directors of the Lower Colorado River Authority (LCRA). The directors shall include:

- (i) the chair, vice chair, and secretary of the LCRA Board (LCRA Officers) and two LCRA Board members who are not officers of the LCRA Board (Non-Officer Directors), provided that one of the five directors shall have been appointed to the LCRA Board from a county other than the 10 counties named in Section 1 of the LCRA Act (Electric Directors), and provided further that if none of the LCRA Officers are Electric Directors and no Electric Director is willing to serve on the Board, then any Non-Officer Director may serve on the Board; and
- (ii) two directors representing LCRA's electric cooperative customers, or their successors in interest; and
- (iii) two directors representing LCRA's municipal customers, or their successors in interest.

Such directors shall serve at the will of the LCRA Board of Directors, and the LCRA Board may remove a director from the Board at any time without cause.

SECTION 2.02. Unless a director is removed from the Board as provided in Section 2.01, directors shall serve the following terms:

- (i) directors who are directors of the LCRA Board shall serve one-year terms commencing on Jan. 1 of each year; and
- (ii) directors representing electric cooperative customers and municipal customers, or their successors in interest, shall serve two-year terms commencing on Jan. 1, 1999, and on Jan. 1 of each odd-numbered year thereafter.

Directors shall continue to serve until their successors are appointed.

The chair of the LCRA Board shall serve as chair of the Board, and the Board shall select as vice chair a director from among those representing the electric cooperative customers and municipal customers.

SECTION 2.03. As the membership of the Board is changed by vacancy, removal, lawful appointment or operation of law, the open positions ~~Vacancies in the Board, including vacancies to be filled by reason of an increase in the number of directors,~~ shall be filled for the unexpired term by the appointment of ~~successor directors by~~ the LCRA Board ~~of Directors~~.

SECTION 2.04. The property and business of the Corporation shall be managed by the Board, which may exercise all powers of the Corporation and do all lawful acts that the Corporation is authorized to perform. In exercising its powers and responsibilities, the Board, officers, employees and agents shall be subject to and governed by such policies as may be adopted from time to time by the Board. The Corporation shall not issue bonds or other indebtedness, nor shall the Corporation dispose of or encumber all or a substantial portion of its assets without approval of the LCRA Board.

SECTION 2.05. The Board shall meet two times per year and at such other times as may be requested by the LCRA Board or as provided in Section 2.06. The Board meetings shall be convened at such times as may be determined by the Corporation president, and shall be held at LCRA's principal office or at such other places as determined by the president or the Board.

SECTION 2.06. Special meetings of the Board may be called by the Corporation president on three days' notice to each director, either personally, electronically, or by mail, ~~or by telegram~~; special meetings shall be called by the Corporation president or secretary in like manner on like notices on the written request of five directors.

SECTION 2.07. At all meetings of the Board, the presence of a majority of the directors shall be necessary and sufficient to constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board, except as may be otherwise specifically provided by these bylaws. If a quorum shall not be present at any meeting of the directors,

the directors present thereat may recess the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

A director who is present at a meeting of the Board at which action on any matter is taken shall be presumed to have assented to the action unless his or her dissent, abstention or recusal shall be entered in the minutes of the meeting or unless he or she shall file his or her written dissent to such action with the person acting as secretary of the meeting before the adjournment thereof or shall forward such dissent by certified mail to the secretary immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

SECTION 2.08. The Board may establish one or more committees, each committee to consist of three or more of the directors of the Board Corporation. Such committee or committees shall have such name or names, and such powers, as may be determined from time to time by resolution adopted by the Board.

SECTION 2.09. The committees shall keep regular minutes of their proceedings and report the same to the Board when required.

SECTION 2.10. Directors, as such, shall receive no compensation for services rendered as directors, but shall be reimbursed for all reasonable expenses incurred in performing their duties as directors.

### **ARTICLE III**

#### **NOTICES**

SECTION 3.01. Whenever under the provisions of any statute or these bylaws notice is required to be given to any directors, it shall not be construed to require personal notice; but such notice may be given electronically or in writing, by mail, addressed to such director at such address as appears on the books of the Corporation, and such notice shall be deemed to be given at the time when the same shall be thus mailed or electronically forwarded.

SECTION 3.02. Whenever any notice is required to be given under the provisions of any statute or these bylaws, a waiver thereof in writing signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

SECTION 3.03. The attendance of a director at a meeting shall constitute a waiver of notice of the meeting unless the director attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

## ARTICLE IV

### OFFICERS

SECTION 4.01. The Board shall appoint or elect a president, a vice president, a treasurer, and a secretary, who may or may not be members of the Board, but who shall be officers or employees of LCRA. Any two or more offices may be held by the same person, except the offices of president and secretary.

SECTION 4.02. The Board may appoint or elect such other officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board. The Board may authorize any officer or agent to negotiate and enter into contracts or execute and deliver any instrument in the name of the Corporation. This authority may be limited to a specific type of contract or instrument or it may extend to any number and type of possible contracts and instruments.

SECTION 4.03. Any officer elected or appointed by the Board may be removed at any time by the affirmative vote of a majority of the whole Board. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board.

#### The President

SECTION 4.04. The president, who shall be the chief executive officer of the Corporation, shall have general supervision of the management of the business of the Corporation, and shall see that all orders and resolutions of the Board are carried into effect. The president shall preside at all meetings of the Board and shall perform such other duties as the Board may from time to time direct. The president shall have plenary power and authority over the affairs of the Corporation between meetings of the Board.

#### The Vice President

SECTION 4.05. The vice president, who shall be the chief operating officer of the Corporation, shall, in the absence or disability of the president, perform the duties and exercise the powers of the president, and shall perform such other duties, as the Board or the president shall prescribe. In the absence of both the president and vice president at a Board meeting, the directors present shall elect one of their ~~members numbers~~ to preside.

#### The Secretary

SECTION 4.06. The secretary shall keep, or have kept under his or her direction, minutes of all meetings of the Board and shall keep, or have kept under his or her direction, and have custody of all corporate books, documents, and records. The secretary or a designated assistant secretary shall be authorized to attest to all

appropriate documents. The secretary shall perform such other duties as may be assigned by the president or Board.

#### The Treasurer

SECTION 4.07. The treasurer, who shall be the chief financial officer of the Corporation, shall maintain, or have maintained under his or her direction, the financial books and records of the Corporation. The treasurer also shall have custody and be responsible for all funds and securities of the Corporation. The treasurer shall perform such other duties as may be assigned by the president or Board.

### **ARTICLE V**

#### FISCAL PROVISIONS

SECTION 5.01. Each year, consistent with the time requirements for the preparation of the LCRA Business Plan, the Corporation shall prepare a budget for the upcoming fiscal year, which shall begin on July 1. The budget shall be submitted to the LCRA Board of Directors for approval.

SECTION 5.02. No dividends shall ever be paid by the Corporation, and no part of its net earnings remaining after payment of its expenses shall be distributed to or inure to the benefit of its directors or officers or any individual, firm, corporation, or association, except that in the event the Board shall determine that sufficient provision has been made for the full payment of the expenses and other obligations of the Corporation, then any net earnings of the Corporation thereafter accruing shall be paid to LCRA. No part of the Corporation's activities shall be carrying on propaganda, or otherwise attempting to influence legislation, and it shall not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of or in opposition to any candidate for public office.

### **ARTICLE VI**

#### AMENDMENTS

SECTION 6.01. These bylaws may be altered, changed, or amended at any meeting of the Board at which a quorum is present, provided notice of the proposed alteration, change, or amendment is contained in the notice of such meeting, by the affirmative vote of a majority of the directors at such meeting and present thereafter. No amendment shall be effective until approved by the LCRA Board of Directors.

## ARTICLE VII

### INDEMNIFICATION

SECTION 7.01. The Corporation will indemnify a director, officer, employee, or agent of the Corporation who was, is, or is threatened to be made a named defendant or respondent in any proceedings as a result of that person's actions or omissions within the course and scope of the person's official capacity in the Corporation to the full extent provided by ~~Art. 717p, Texas Revised Civil Statutes, as amended, or by other~~ applicable law.

**EFFECTIVE:** Oct. 2, 1998. Amended Oct. 20, 1998; March 4, 1999; Aug. 12, 1999; Nov. 8, 2001; Dec. 18, 2002; Aug. 22, 2018; and [insert date].

**FOR ACTION (CONSENT)**

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

**Proposed Motion**

Approve the minutes of the Sept. 24, 2025, LCRA Board of Directors meeting.

**Board Consideration**

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

**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 Sept. 24, 2025, LCRA Board meeting

## **EXHIBIT A**

LCRA Board of Directors  
Minutes Digest  
Sept. 24, 2025

- 25-50 Declaration of an approximately 0.60-acre tract of land, being a portion of LCRA Parcel BW-09 in Llano County, nonessential, and authorization for the general manager or his designee to sell the land to the adjoining landowner.
- 25-51 Declaration of an approximately 0.402-acre tract of land, being a portion of LCRA Parcel BW-18A in Llano County, nonessential, and authorization for the general manager or his designee to sell the land to the adjoining landowner.
- 25-52 Declaration of an approximately 0.060-acre tract of land, being a portion of LCRA Parcel BW-29 in Llano County, nonessential, and authorization for the general manager or his designee to sell the land to the adjoining landowners.
- 25-53 Authorization for the general manager or his designee to negotiate and execute a lease for 101,029 square feet of warehouse space in Travis County.
- 25-54 Approval and authorization for the Board chair or his designee to execute Amendment No. 9 to the Lower Colorado River Authority Deferred Compensation Plan.
- 25-55 Authorization of the filing of the Texas Energy Fund Completion Bonus Grant Program application with the Public Utility Commission of Texas, including all understandings and assurances contained therein, and direction and authorization for Executive Vice President and Chief Operating Officer of Wholesale Power Randa Stephenson as the official representative of LCRA to act in connection with the CBG Program application and to provide such additional information to the PUC as may be required.
- 25-56 Approval of an additional conference for directors to attend in calendar year 2025.
- 25-57 Approval of directors' fees and the reimbursement of directors' expenses.
- 25-58 Approval of the minutes of the Aug. 20, 2025, LCRA Board of Directors meeting.

- 25-59 Approval of the resolution amending and extending the note purchase agreement (the Series E Agreement) with a bank to be determined related to LCRA Series E and Taxable Series E Revenue Revolving Notes (the Series E Notes) for a term not to exceed five years, and authorizing the general manager, chief financial officer or treasurer to negotiate and execute such Series E Agreement; authorization for the general manager or his designee to negotiate and execute related documents, setting forth the terms and conditions governing the issuance of the debt directly to a bank to be determined in an amount up to \$200 million for the Series E Notes, and authorization for any other necessary agreements.
- 25-60 Authorization for the general manager or his designee to negotiate and execute the following contract and contract change: Contract No. 5967 (KGA Architecture).

MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF THE  
LOWER COLORADO RIVER AUTHORITY  
Austin, Texas  
Sept. 24, 2025

Pursuant to notice posted in accordance with the Texas Open Meetings Act, the Board of Directors (Board) of the Lower Colorado River Authority (LCRA) convened in a regular meeting at 11:14 a.m. Wednesday, Sept. 24, 2025, in Conference Rooms A504/A505 of Building A, at the Dalchau Service Center, 3505 Montopolis Drive, Austin, Travis County, Texas. The following directors were present, constituting a quorum:

Stephen F. Cooper, Chair  
Martha Leigh M. Whitten, Vice Chair  
Joseph M. "Joe" Crane, Secretary  
Matthew L. "Matt" Arthur  
Melissa K. Blanding  
Curtis E. Ford  
Carol Freeman  
Aden Lasseter  
Robert "Bobby" Lewis  
Mark Mayo  
Margaret D. "Meg" Voelter  
David R. Willmann  
Nancy Eckert Yeary

Absent: Thomas L. "Tom" Kelley

Chair Cooper convened the meeting at 11:14 a.m.

The Board heard public comments [Agenda Item 1a]. Kenny Anshewitz with Utilyze.co commented on his company's work on utility analytics, including solutions for water leak detection, loss reduction and conservation.

Director Voelter, chair of the review committee for the LCRA Community Grants program, gave an update and shared program highlights for fiscal year 2025, including a video [Agenda Item 1b].

The Board next took action on the consent agenda. Upon motion by Director Lewis, seconded by Director Crane, the Board unanimously approved consent items 2, 3, 4, 5, 6, 7, 8, 9 and 10 by a vote of 13 to 0 as follows:

25-50 Declaration of an approximately 0.60-acre tract of land, being a portion of LCRA Parcel BW-09 in Llano County, nonessential (no longer necessary, convenient or of beneficial use to the business of LCRA), and authorization for the general manager or

his designee to sell the land to the adjoining landowner, as recommended by staff in Consent Item 2 [attached hereto as Exhibit A].

25-51 Declaration of an approximately 0.402-acre tract of land, being a portion of LCRA Parcel BW-18A in Llano County, nonessential (no longer necessary, convenient or of beneficial use to the business of LCRA), and authorization for the general manager or his designee to sell the land to the adjoining landowner, as recommended by staff in Consent Item 3 [attached hereto as Exhibit B].

25-52 Declaration of an approximately 0.060-acre tract of land, being a portion of LCRA Parcel BW-29 in Llano County, nonessential (no longer necessary, convenient or of beneficial use to the business of LCRA), and authorization for the general manager or his designee to sell the land to the adjoining landowners, as recommended by staff in Consent Item 4 [attached hereto as Exhibit C].

25-53 Authorization for the general manager or his designee to negotiate and execute a lease for 101,029 square feet of warehouse space in Travis County, as recommended by staff in Consent Item 5 [attached hereto as Exhibit D].

25-54 Approval and authorization for the Board chair or his designee to execute Amendment No. 9 to the Lower Colorado River Authority Deferred Compensation Plan, as recommended by staff in Consent Item 6 [attached hereto as Exhibit E].

25-55 Authorization of the filing of the Texas Energy Fund Completion Bonus Grant Program application with the Public Utility Commission of Texas, including all understandings and assurances contained therein, and direction and authorization for Executive Vice President and Chief Operating Officer of Wholesale Power Randa Stephenson as the official representative of LCRA to act in connection with the CBG Program application and to provide such additional information to the PUC as may be required, as recommended by staff in Consent Item 7 [attached hereto as Exhibit F].

25-56 Approval of an additional conference for directors to attend in calendar year 2025, as recommended in Consent Item 8 [attached hereto as Exhibit G].

25-57 Approval of directors' fees and the reimbursement of directors' expenses, as recommended in Consent Item 9 [attached hereto as Exhibit H].

25-58 Approval of the minutes of the Aug. 20, 2025, LCRA Board of Directors meeting [Consent Item 10].

25-59 Chief Financial Officer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 11 [attached hereto as Exhibit I], that the Board approve the resolution amending and extending the note purchase agreement (the Series E Agreement) with a bank to be determined related to LCRA Series E and Taxable Series E Revenue Revolving Notes (the Series E Notes) for a term not to exceed five years, and authorizing the general manager, chief financial officer or

treasurer to negotiate and execute such Series E Agreement; authorize the general manager or his designee to negotiate and execute related documents, setting forth the terms and conditions governing the issuance of the debt directly to a bank to be determined in an amount up to \$200 million for the Series E Notes, and authorize any other necessary agreements. Upon motion by Director Lewis, seconded by Vice Chair Whitten, the recommendation was unanimously approved by a vote of 13 to 0.

25-60 Senior Vice President of Supply Chain Matt Chavez presented for consideration a staff recommendation, described in Agenda Item 12 [attached hereto as Exhibit J], that the Board authorize the general manager or his designee to negotiate and execute the following contract and contract change: Contract No. 5967 (KGA Architecture). Upon motion by Director Crane, seconded by Director Willmann, the recommendation was unanimously approved by a vote of 13 to 0.

Chair Cooper declared the meeting to be in executive session at 11:33 a.m. pursuant to sections 551.071, 551.072, 551.074, 551.076, 551.086, 551.089 and 418.183(f) of the Texas Government Code. Executive session ended, and Chair Cooper declared the meeting to be in public session at 12:28 p.m.

Chief of Public Safety Damon Derr presented an overview of LCRA's Public Safety functions [Agenda Item 13].

There being no further business to come before the Board, the meeting adjourned at 12:43 p.m.

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Joseph M. Crane  
Secretary  
LCRA Board of Directors

Approved: Oct. 21, 2025

**FOR ACTION**

## **8. Firm Water Contract Renewal for Municipal Use – City of Dripping Springs**

### **Proposed Motion**

Authorize the general manager or his designee to negotiate and execute the renewal of a firm raw water contract with the City of Dripping Springs for municipal use of LCRA's firm water supply that would increase the supply to up to 2,564 acre-feet per year for a term of 40 years. The contract will include the addition of 126 acre-feet to the current contract amount of 2,438 acre-feet.

### **Board Consideration**

Consistent with the LCRA water contract rules, replacement contracts or amendments with a maximum annual quantity of 1,000 acre-feet per year or more require Board consideration.

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

Reservation fees on the additional 126 acre-feet under the new contract will increase revenue by about \$10,395 per year.

### **Summary**

Dripping Springs has submitted an application to increase its current municipal raw water contract amount from 2,438 acre-feet per year to 2,564 acre-feet per year for a 40-year term. The additional 126 acre-feet will be used to supply water to the proposed Driftwood Economic Development Management District's development located in Hays County southeast of Dripping Springs. The project is expected to be a low-density development that will include approximately 250 single-family residential connections.

Staff has reviewed and approved Dripping Springs water conservation and drought contingency plans, which include reducing water loss through leak detection and repairing water line leaks, providing conservation education and outreach to its customer base, and using water reuse for irrigation of rights of way, parks, and open spaces.

Staff recommends the Board approve the contract for 2,564 acre-feet per year of firm water supply. Staff also determined there are sufficient firm water supplies in lakes Buchanan and Travis or other sources of supply, including LCRA's run-of-river water rights, to meet the recommended amount.

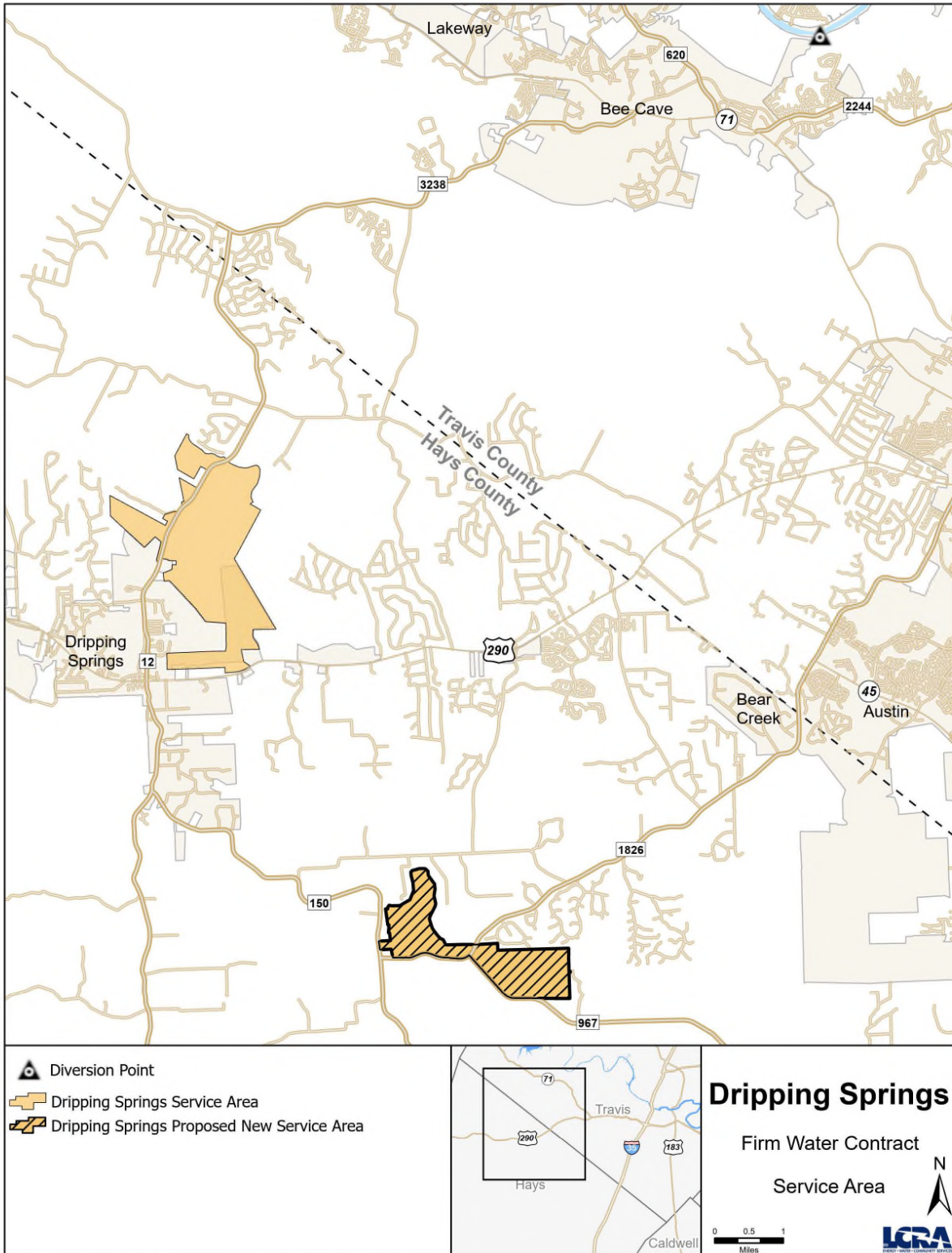
### **Presenter(s)**

Monica Masters  
Senior Vice President, Water Resources

### **Exhibit(s)**

A – General Location Map

**EXHIBIT A**



**FOR ACTION**

## **9. Fiscal Year 2025 Financial Statements and Independent Auditors' Report**

### **Proposed Motion**

Approve the fiscal year 2025 audited financial statements, and authorize the filing of the audited financial statements with the executive director of the Texas Commission on Environmental Quality.

### **Board Consideration**

TCEQ, under authority granted to it within Section 49.194 of the Texas Water Code, requires river authorities such as LCRA to file with TCEQ an annual audit report approved by the LCRA Board of Directors.

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

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

### **Summary**

The Board received the audited financial statements under separate cover.

### **Presenter(s)**

Jim Travis  
Chief Financial Officer

## **FOR ACTION**

# **10. Contracts and Contract Changes**

### **Proposed Motion**

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

### **Board Consideration**

LCRA Board Policy 308 – Procurement requires Board of Directors approval for any contract for goods or services with projected expenditures exceeding \$5 million, whether under the original contract or as a result of a change.

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

Board approval of contracts and contract changes does not create a commitment to spend funds. All commitments made under these contracts will be for budgeted items contained in separately authorized operations and capital budgets or pre-spending requirements as outlined in LCRA Board Policy 301 – Finance.

### **Summary**

Each month, the Board approves the contracts and contract changes in accordance with LCRA Board Policy 308.

### **Presenter(s)**

Matt Chavez  
Senior Vice President, Supply Chain

### **Exhibit(s)**

A – New Contracts  
B – Contract Changes

## EXHIBIT A

### **New Contracts**

**Contract Number:** 6977

**Supplier Name:** SAE Towers

**Contract Amount:** \$300 million

**Description:** This master contract provides steel lattice structures primarily used by LCRA Transmission Services Corporation for transmission line projects. The term of the contract is for one year, with annual options to extend to a total of five years. This contract adds North American manufacturing capacity to LCRA's existing supplier base, to help support forecast spend for this category through fiscal year 2029. Total projected expenditures for this category are forecast to increase from prior years due to the continued growth of the LCRA TSC capital plan.

## **EXHIBIT B**

### **Contract Changes**

**Contract Number:** 5098

**Supplier Name:** Nokia of America Corporation

**Current Approved Contract Amount:** \$20 million

**Requested Change:** \$20 million

**New Contract Amount:** \$40 million

**Description:** The LCRA Board originally approved this master contract in May 2019 to provide multiprotocol label switching equipment, synchronous optical networking equipment, maintenance, support, technical training, software and software upgrades used by LCRA Telecommunications. LCRA's 900-megahertz telecommunications network, comprised of a multiprotocol label switching and synchronous optical networking system, has been in place since July 2013. A private long-term evolution wireless network will replace LCRA's existing 900-MHz system. Staff is requesting Board approval to add \$20 million to the existing contract amount to support the purchase of critical equipment for the PLTE network and to maintain LCRA's 900-MHz system resiliency during the transition.

**Contract Number:** 5141

**Supplier Name:** Grainger, Inc.

**Current Approved Contract Amount:** \$17 million

**Requested Change:** \$7 million

**New Contract Amount:** \$24 million

**Description:** The LCRA Board originally approved this master contract in May 2019 to provide maintenance, repair, and operations materials, vending and vendor-managed inventory services. Due to strong supplier performance and service offerings, favorable pricing and rebates, and contract terms in LCRA's existing contract, staff recommends amending the term of the contract to a total of 10 years. Staff is requesting Board approval to add \$7 million to the existing contract amount to cover the additional three years.

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