
LCRA BOARD POLICY
401 – LAND RESOURCES

June 18, 2025

401.10 PURPOSE

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

401.20 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.

Nonutility Lands – All LCRA-owned lands other than utility-related lands and government administrative lands. These lands include, without limitation, lands acquired and/or managed for the public's benefit and/or use, such as land used for parks, campgrounds, lodging, food services, boat launching, water access or other public recreational use; land managed in its natural state for purposes of conservation, preservation or natural science programming; land surrounding and under the Highland Lakes; and land having significant archaeological, scenic or historical features managed for preservation.

Utility-Related Lands – Lands that are acquired and/or used for utility-related functions of LCRA. These lands include, for example, land used for locating electric facilities and water storage and distribution facilities, including irrigation canals and other irrigation-related facilities.

Government Administrative Lands – Lands that are developed, leased, or managed for LCRA's government offices or administrative or maintenance activities.

401.30 POLICY

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

401.40 PROCEDURES: LAND ACQUISITION, MANAGEMENT, DISPOSITION

401.401 Land Acquisition. LCRA will acquire sufficient land rights to complete approved projects and programs. In selecting land, LCRA will consider, as appropriate, the effects on environmental integrity, community values, parks and recreation areas, historical and

aesthetic values, applicable regulatory constraints and costs, and the cost of the project or program.

LCRA may acquire land rights in excess of that required for projects or programs in those instances when the property owner and LCRA agree to such conditions, or when it is in LCRA's best economic interest to do so. Mineral rights may be acquired for the protection of the improvements to be constructed or to prevent interference with the surface use.

- A. Board Authorization: Board approval of the business plan, capital plan and/or a capital improvement project constitutes authorization for the acquisition of land rights and authorizes the general manager (GM)/CEO or his or her designee to acquire the land rights to complete the approved projects or programs.

Prior specific Board approval is required for:

1. Acquisitions of land rights that have a purchase or lease price exceeding \$1.5 million per parcel.
2. A purchase or lease option for any parcel, tract or interest that exceeds \$150,000 or two years in length. Any option payment must be applied toward the purchase or lease price if the purchase or lease is consummated.

Board authorization is not required for the acquisition of land rights when the land rights are acquired at no cost to LCRA.

- B. Market Value: LCRA negotiates for land right acquisitions based on a reasonable opinion of market value. An appraisal completed by an independent appraiser holding a valid license from the state of Texas is required if: (i) the area of the land rights being acquired is larger than 100 acres; (ii) the value of the land rights may exceed \$1.5 million; (iii) otherwise required to comply with applicable law or LCRA policies; or (iv) if the GM/CEO or his designee determines it is appropriate under the circumstances.
- C. Environmental Diligence: An environmental due diligence assessment will be prepared and considered for all land prior to final 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.

- D. Eminent Domain Proceedings: Prior Board approval and a formal written offer are required prior to initiating eminent domain proceedings for the acquisition of land rights.

LCRA may use its power of eminent domain to acquire land rights if: (i) LCRA and the landowner have been unable and are unlikely to reach agreement through continued negotiation; (ii) title cannot be conveyed without a court judgment; or (iii) the GM/CEO or his designee determines it is appropriate under the circumstances.

401.402 Land Management.

- A. Land Use Agreements: LCRA will maintain an inventory of all its land rights, including its nonutility related lands, utility-related lands and government administrative lands. Such inventory will be periodically reviewed and updated, as needed.

1. To ensure that LCRA's land resources are appropriately managed, protected and maintained, land use agreements will conform to the following criteria:
 - a. Monetary consideration for the following uses will be market rental value as determined pursuant to this policy: agriculture/grazing, commercial (recreation or non-recreation) and private uses. An appraisal completed by an independent appraiser holding a valid license from the state of Texas is required if: (i) the revenue generated over the term of the land use agreement may exceed \$1.5 million; (ii) otherwise required to comply with applicable law or LCRA policies; or (iii) the GM/CEO or his designee determines it is appropriate under the circumstances.
 - b. Land use agreements may be granted for non-monetary consideration to governmental entities, nonprofit organizations or utility service providers when the use of the property furthers LCRA's ability to meet its statutory responsibilities or is deemed to be in LCRA's best interest.
 - c. Staff will develop procedures to ensure all land use agreements include, as appropriate, provisions addressing the following: (i) the user maintains full financial responsibility for proper maintenance, use, and risk to the land and/or the facility; (ii) periodic adjustments of monetary consideration, except for easements, where monetary consideration is in the form of a one-time payment; (iii) the term is commensurate with the use of the land, purposes of the agreement, amount of capital to be invested and anticipated capital payback period, and the projected revenue to LCRA; (iv) environmental protection and compliance with applicable laws and regulations, including LCRA ordinances and policies for water quality, nonpoint-source pollution prevention, and other environmental quality considerations, such as impacts to cultural resources, wetlands, and

threatened or endangered species and their habitats; and (v) all leases of LCRA property will obligate the lessee to pay all property taxes that may become due as a result of the lease or the lessee's use of the property.

2. Board approval is required for all easements on LCRA land and all land use agreements, except for the following:
 - a. Leases, temporary use permits, licenses, construction permits and other land use agreements with terms of 15 years or less.
 - b. Agreements for the temporary location of marinas during low lake levels.
 - c. Agreements for private, noncommercial boat piers, ramps or docks, swim platforms, and fishing piers or docks on or over LCRA-owned land, if:
 - i. The person requesting the agreement owns or controls the real property abutting the LCRA-owned land and can exercise direct control over land access to LCRA-owned land and any dock or pier on such land.
 - ii. There is no apparent conflict with other adjacent or nearby real property owners. LCRA may require the person requesting the agreement to furnish written evidence of non-objection from real property owners identified by LCRA to be affected by the agreement.
 - d. Agreements for the co-location of electric, gas, water, wastewater, communication or other utility facilities on LCRA land, easements or leases.

B. Encroachment:

1. LCRA Lands: Public or private use of (including aerial use above or over) LCRA land, except where expressly authorized by LCRA, will be considered an encroachment. Those encroaching on or over LCRA lands will be required to either purchase the land from LCRA 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. The GM/CEO or his or her designee may institute appropriate legal action to remove any nonconforming encroachments.
2. LCRA Easements: The GM/CEO may agree to allow an entity to occupy a portion of an LCRA easement only if: (i) LCRA has no objection to the requesting entity's proposed use because it will not interfere with LCRA's superior easement rights, safety and efficient operations within the easement area; and (ii) the requesting entity obtains sufficient rights, subordinate to LCRA's superior easement rights, from the landowner(s) if the GM/CEO determines it is necessary.

- C. Mitigation: Any use of land for mitigation purposes under the Endangered Species Act and associated regulations must be specifically approved by the Board.

401.403 Land Disposition. LCRA may dispose of land the Board has declared as nonessential (not necessary or convenient or of beneficial use to the business of LCRA). The proceeds from the sale of nonessential lands may be used to support LCRA activities. The Board's declaration of land as nonessential and the terms of any resulting sale or exchange requires the affirmative vote of at least three-fourths of the statutory membership of the Board.

- A. Market Value: LCRA negotiates for land right dispositions based on a reasonable opinion of market value. An appraisal completed by an independent appraiser holding a valid license from the state of Texas is required if: (i) the area of the land rights being sold or exchanged is larger than 100 acres; (ii) the value of the land rights may exceed \$1.5 million; (iii) otherwise required to comply with applicable law or LCRA policies; or (iv) the GM/CEO or his designee determines it is appropriate under the circumstances.
- B. Environmental Diligence: An environmental due diligence assessment will be prepared and considered on all land prior to final 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.
- C. Easement Release: LCRA easements on private lands that are not necessary to LCRA operations may be released by the GM/CEO or his or her designee to the current landowner when the best interests of LCRA and the public are served. Releases are subject to a staff-developed procedure that ensures sufficient review of LCRA's anticipated needs in the area to be released. The party requesting the release must pay any associated costs.

401.50 AUTHORITY

LCRA enabling legislation, Chapter 8503, Texas Special District Local Laws Code
Texas Local Government Code, Chapter 272
Texas Constitution, Article XVI, Section 59 and Article I, Section 17
U.S. Constitution, Amendment V

EFFECTIVE: January 1985. Amended April 23, 1987; June 24, 1987; Sept. 24, 1987; Feb. 22, 1990; June 20, 1990; Aug. 23, 1990; Oct. 18, 1990; May 21, 1992; Jan. 18, 1996; April 24, 1997; Feb. 18, 1998; Nov. 19, 2003; Nov. 17, 2004; Sept. 17, 2008; Sept. 21, 2016; Oct. 17, 2018; and June 18, 2025.