
LCRA BOARD POLICY

404 – GRANTS AND ECONOMIC DEVELOPMENT

June 18, 2025

404.10 PURPOSE

This policy establishes guidelines under which assistance, including grants or loans of money, services or property, may be extended by LCRA for economic development purposes consistent with Chapter 152 of the Texas Water Code (Chapter 152).

404.20 POLICY

It is the policy of LCRA to sponsor and participate in appropriate economic development programs that are intended to strengthen the economic base and further the economic development of LCRA's statutory district and electric and water service areas. The goal of any such program will be to:

- Encourage economic diversification;
- Contribute to the health and development of a community to improve the attractiveness of the community to public and private enterprises; or
- Improve the quality or quantity of services essential for the development of viable communities and economic growth, including services related to education, transportation, public safety, recreation, health care, training, community planning or employment.

In no event will LCRA make receiving electric service from LCRA a condition for participation in or receiving a benefit from an economic development program. Furthermore, LCRA will not use an economic development program to promote fuel switching or the substitution of electric power for another fuel or energy source or provide an economic incentive or other incentive to use electric power to preferentially market the use of electric power over another fuel or energy source.

404.30 APPLICABILITY AND LIMITS OF THIS SECTION

This policy applies to those LCRA economic development activities that are authorized solely under Chapter 152, including routine economic development programs, extraordinary economic development programs and LCRA community grants, as further defined and explained in separate sections below. The economic development policy is not intended to address or limit in any way any LCRA activity for which LCRA has authority independent of Chapter 152, such as developing parks and recreation facilities within

LCRA's statutory district and providing water and electric services, regardless of the fact that such activities may produce incidental economic benefits.

404.40 ROUTINE PROGRAMS

In addition to the specific programs addressed by this policy, LCRA may implement routine economic development programs with the intent of strengthening the economic base and furthering the economic development of the LCRA service area. Funding for these routine programs must be consistent with the LCRA business plan and be within the budget of the line of business undertaking the activity.

404.50 EXTRAORDINARY PROGRAMS

Grants or loans of money, services or property by LCRA for economic development purposes that are not routine economic development programs or otherwise addressed by this policy are extraordinary economic development programs and require specific approval of the Board.

404.60 LCRA COMMUNITY GRANTS

Pursuant to Texas Water Code Chapter 152, LCRA will implement a grant program to provide community development grants to governmental and nonprofit entities for capital projects in LCRA's service area consistent with this section.

All communities of the LCRA service area are eligible for grants under this program. Grants will be made on behalf of LCRA and its wholesale power customer serving the grant recipient's area, if applicable.

404.601 Review Committee. LCRA will maintain a 12-member Review Committee to oversee the implementation of the Community Grants program.

The 12-member Review Committee will consist of:

- The general manager (GM)/CEO and the chair of the Transmission Committee, both serving continuously.
- Three LCRA Board members appointed by the LCRA Board chair, each serving continuously.
- Six electric customer representatives, serving two-year rotating terms.
- One water customer representative, serving for a two-year term.

The LCRA Board Chair will appoint an LCRA Board member as chair of the Review Committee, serving continuously. A vice chair will be designated by a vote of the Review Committee members, serving a two-year term concurrent with their committee membership term.

All committee members will continue to serve until successors are appointed. Members unable to attend a Review Committee meeting may designate a proxy from their representative group.

404.602 Grant Application Process and Limitations. LCRA will post grant application requirements and deadlines on the LCRA website. The following limitations apply to applications:

- Applications must be for capital improvement projects, except for applications from public firefighting organizations (including volunteer fire departments).
- Applications exceeding \$5,000 must include a 20% cash and/or in-kind match.
- Recipients may only receive one grant within a 24-month period.

LCRA staff will evaluate, score and recommend grants for approval by the Review Committee. Funds allocated for the Community Grants program will not be used for administrative or operating expenses.

404.603 Project Monitoring. LCRA staff will monitor and ensure the completion of each project that receives an award by the Review Committee.

404.70 GM DISCRETIONARY FUND

The GM/CEO may award grants up to \$5,000, not to exceed a total of \$100,000 annually. Such grants are not subject to the Community Grants program application and review process.

404.80 AUTHORITY

LCRA enabling legislation, Chapter 8503, Texas Special District Local Laws Code
Texas Water Code, Chapter 152

EFFECTIVE: Sept. 21, 2016 (moved from Board Policy 403 – Community Services).
Amended Dec. 11, 2018; Aug. 21, 2019; May 20, 2020; and June 18, 2025