



Board Agenda

Wednesday, March 22, 2023
Dalchau Service Center – Building A
Conference Rooms A504-A505
3505 Montopolis Drive
Austin, TX 78744
Earliest start time: 10:30 a.m.

Items From the Chair

- 1. Comments From the Public 3

Consent Items

- 2. Minutes of Prior Meeting..... 5

Action/Discussion Items

- 3. Fiscal Year 2023 LCRA Transmission Services Corporation Capital Plan
Amendment 9
- 4. Fiscal Year 2023 LCRA Capital Plan Amendment..... 10
- 5. Contracts and Contract Changes 11
- 6. Tour of the Dalchau Service Center Facilities

Executive Session

- 1. Contracts and Contract Changes
- 2. Legislative Update
- 3. Litigation Update
- 4. General Auditor Midyear Evaluation
- 5. General Manager Midyear Evaluation
- 6. Tour of the System Operations Control Center

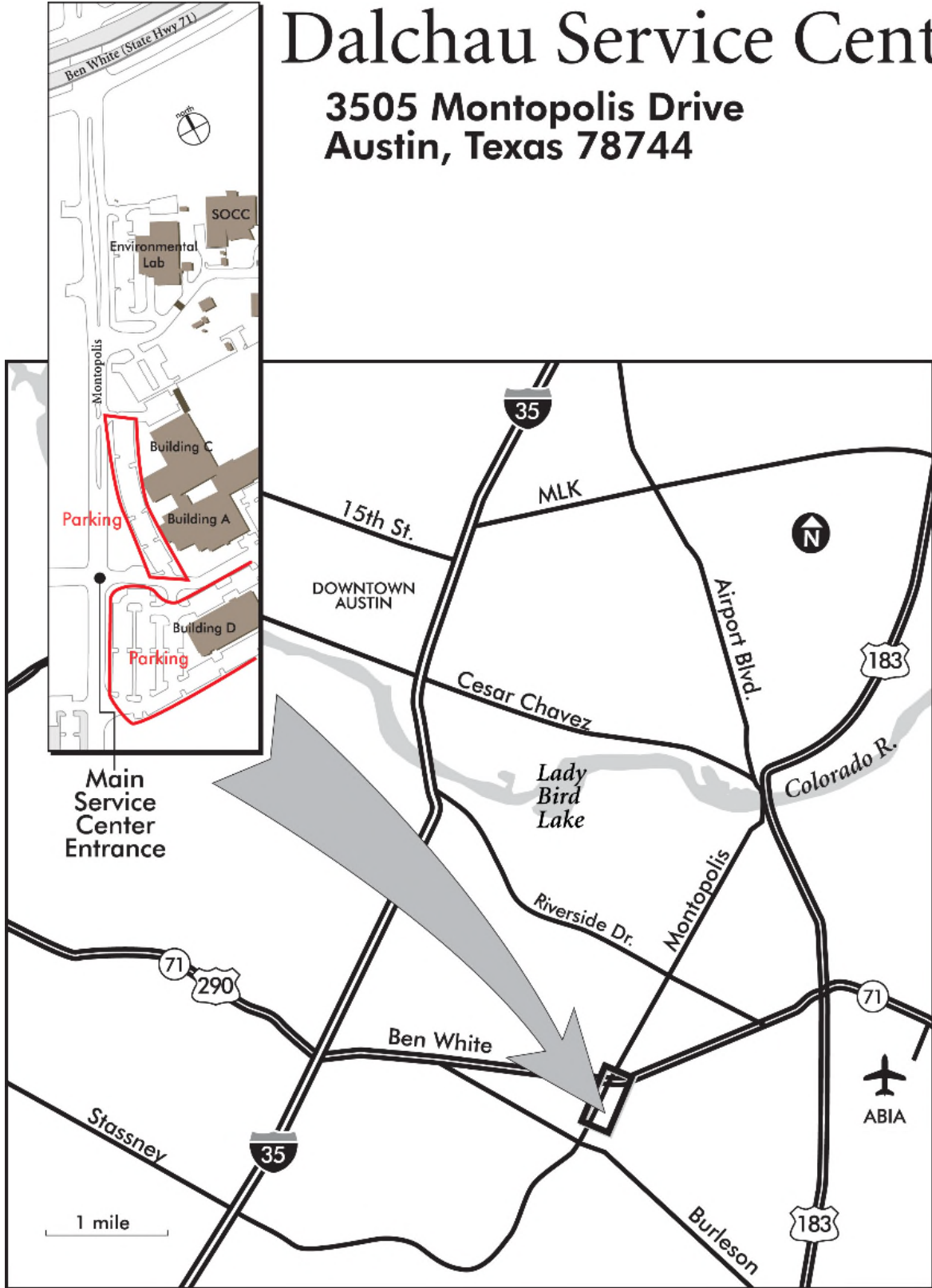
The Board also may go into executive session on any item listed above, pursuant to Chapter 551 of the Texas Government Code, including, but not limited to, sections 551.071, 551.072, 551.074, 551.076, 551.086, 551.089 and 418.183(f) of the Texas Government Code.

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>

Dalchau Service Center

3505 Montopolis Drive
Austin, Texas 78744



FOR DISCUSSION

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 ACTION (CONSENT)

2. Minutes of Prior Meeting

Proposed Motion

Approve the minutes of the Feb. 22, 2023, meeting.

Board Consideration

Section 2.04 of the LCRA 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 Feb. 22, 2023, meeting

EXHIBIT A

Minutes Digest
Feb. 22, 2023

- 23-08 Authorization for the general manager or his designee to convey to the City of Cedar Park a permanent water pipeline easement, being an approximate 1.09-acre tract, across a portion of LCRA Parcel TN-10A in Travis County.
- 23-09 Approval of changing the date of the April 2023 LCRA Board of Directors meeting to Tuesday, April 18.
- 23-10 Approval of the minutes of the Jan. 18, 2023, meeting.
- 23-11 Approval of the distribution rate for long-term industrial customers receiving firm water delivered through the Gulf Coast agricultural division canals.

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE
LOWER COLORADO RIVER AUTHORITY
Austin, Texas
Feb. 22, 2023

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 10:02 a.m. Wednesday, Feb. 22, 2023, in the Board Room of the Hancock Building, at the principal office of LCRA, 3700 Lake Austin Blvd., Austin, Travis County, Texas. The following directors were present, constituting a quorum:

Timothy Timmerman, Chair
Stephen F. Cooper, Vice Chair
Joseph M. "Joe" Crane, Secretary
Michael L. "Mike" Allen
Matthew L. "Matt" Arthur
Melissa K. Blanding
Laura D. Figueroa
Carol Freeman
Thomas L. "Tom" Kelley
Robert "Bobby" Lewis
Thomas Michael Martine
Margaret D. "Meg" Voelter
Martha Leigh M. Whitten
Nancy Eckert Yeary

Absent: Raymond A. "Ray" Gill Jr.

Chair Timmerman convened the meeting at 10:02 a.m. and led the Board in pledges of allegiance to the American and Texas flags. Director Whitten provided an invocation. Chair Timmerman recognized Will Holford from Bluebonnet Electric Cooperative, who was present in the audience.

The Board heard public comments [Agenda Item 1]. Shannon Hamilton, executive director of the Central Texas Water Coalition, commented that CTWC would like to see a comprehensive study on the drought, population growth and inflows to the Highland Lakes, and an overall Water Management Plan review.

General Manager Phil Wilson gave an update on LCRA's response and work during Winter Storm Mara. He reported on LCRA's safety metrics for calendar year 2022. Wilson also shared some highlights of how LCRA is continuing to serve Texans in fiscal year 2023.

The Board next took action on the consent agenda. Upon motion by Director Voelter, seconded by Director Yeary, the Board unanimously approved consent items 2, 3 and 4 by a vote of 14 to 0 as follows:

23-08 Authorization for the general manager or his designee to convey to the City of Cedar Park a permanent water pipeline easement, being an approximate 1.09-acre tract, across a portion of LCRA Parcel TN-10A in Travis County, as recommended by staff in Consent Item 2 [attached hereto as Exhibit A].

23-09 Approval of changing the date of the April 2023 LCRA Board of Directors meeting to Tuesday, April 18, as recommended in Consent Item 3 [attached hereto as Exhibit B].

23-10 Approval of the minutes of the Jan. 18, 2023, meeting [Consent Item 4].

23-11 Vice President of Water Operations Kelly D. Payne presented for consideration a staff recommendation, described in Agenda Item 5 [attached hereto as Exhibit C], that the Board approve the distribution rate for long-term industrial customers receiving firm water delivered through the Gulf Coast agricultural division canals. Upon motion by Director Whitten, seconded by Director Figueroa, the recommendation was unanimously approved by a vote of 14 to 0.

Chair Timmerman declared the meeting to be in executive session at 10:20 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 Timmerman declared the meeting to be in public session at 11:22 a.m.

There being no further business to come before the Board, Chair Timmerman adjourned the meeting at 11:22 a.m.

Joseph M. Crane
Secretary
LCRA Board of Directors

Approved: March 22, 2023

FOR ACTION

3. Fiscal Year 2023 LCRA Transmission Services Corporation Capital Plan Amendment

Proposed Motion

Approve an amendment to the fiscal year 2023 LCRA Transmission Services Corporation capital plan to increase authorization for capital spending in FY 2023 from \$488.7 million to \$750 million.

Board Consideration

Texas Water Code Chapter 152 requires the Board of Directors to approve LCRA TSC's budget and capital plan.

Budget Status and Fiscal Impact

The proposed amendment to increase LCRA TSC's capital budget authorization in FY 2023 will have no impact on LCRA TSC's existing rates for provision of regulated transmission services. All of these costs will be recoverable in a future interim capital addition or full rate case filing. There is no impact to LCRA.

Summary

Because LCRA TSC anticipates exceeding the capital spending budget, staff is seeking approval to increase the FY 2023 capital budget. The additional FY 2023 funding will cover costs for materials and construction to keep approved projects on schedule.

The LCRA TSC Board approved the FY 2023 LCRA TSC capital plan in May 2022, establishing a capital spending limit of \$488.7 million for FY 2023. The current fiscal year-end forecast for capital spending exceeds this amount, and staff is requesting an increase in the fiscal year budget to authorize spending of up to \$750 million. This is an increase of \$261.3 million or about 54% of the original budget. The increase in FY 2023 capital spending is primarily the result of increased project costs, project schedule changes and new projects.

This amendment does not increase the lifetime budget for any individual capital project but amends the spending limit established for FY 2023 to reflect changes to LCRA TSC's expectation of spending within the current fiscal year.

Presenter(s)

Kristen Senechal

Executive Vice President and Chief Operating Officer of Transmission

FOR ACTION

4. Fiscal Year 2023 LCRA Capital Plan Amendment

Proposed Motion

Approve an amendment to the fiscal year 2023 LCRA capital plan to increase authorization for capital spending in FY 2023 from \$180.6 million to \$213 million.

Board Consideration

LCRA Board Policy 301 – Finance requires annual approval of a capital plan by the LCRA Board of Directors. The policy states that if annual expenditures for operations or capital are expected to exceed Board-authorized levels, additional approval from the Board will be required.

Budget Status and Fiscal Impact

The proposed amendment to increase the LCRA capital budget authorization in FY 2023 will have no impact on current LCRA rates.

Summary

Because LCRA anticipates exceeding the capital spending budget, staff is seeking approval to increase the FY 2023 capital budget. The increase in FY 2023 capital spending is primarily the result of the new peaker power plant project.

The LCRA Board approved the FY 2023 LCRA capital plan in May 2022, establishing a capital spending limit of \$180.6 million for FY 2023. The current fiscal year-end forecast for capital spending is \$213 million. This is an increase of \$32.4 million or about 18%.

Presenter(s)

Jim Travis
Chief Financial Officer

FOR ACTION

5. 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 exhibit(s).

Board Consideration

LCRA Board Policy 308 – Purchasing Contracts requires Board of Directors approval for:

- Any contract for consulting services with projected expenditures exceeding \$250,000, whether under the original contract or as a result of a change; and
- Any contract for goods, services (excluding consulting services), construction or software with projected expenditures exceeding \$5 million, whether under the original contract or as a result of a change.

Budget Status and Fiscal Impact

Board of Directors 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 and LCRA Transmission Services Corporation Board Policy T301 – Finance.

Summary

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

Presenter(s)

Matt Chavez
Vice President, Supply Chain

Exhibit(s)

A – New Contract
B – Contract Administration

EXHIBIT A

New Contracts

Contract Number: 6203

Supplier Name: Pascor Atlantic Corporation

Contract Amount: \$15 million

Description: This master contract provides air break switches primarily used by LCRA Transmission Services Corporation for substation capital projects and general maintenance activities. The term of the contract is for one year, with annual options to extend up to a total of five years. Historical contract expenditures for this category of spending were \$14.8 million under existing five-year contracts. Total projected contract expenditures are forecast to increase from prior years due to the continued growth of the LCRA TSC capital plan.

Contract Number: 6208

Supplier Name: The Day & Zimmermann Group Inc.

Contract Amount: \$50 million

Description: This master contract is for general temporary staffing services. The term of this contract is for one year, with annual options to extend up to a total of five years. Historical contract expenditures were about \$42 million under the existing five-year contract. The positions that are intended to be provided under this contract are primarily basic craft, clerical or administrative in nature; however, the contract is not limited to only those types of positions. Services also include administration of LCRA's vendor management system, which will be used to manage temporary contracted resources, both for DZConneX-provided labor, as well as those from separate contracts LCRA holds directly with other specialized staff augmentation service providers.

EXHIBIT B

Contract Changes

Contract Number: 4823

Supplier Name: Hubbell Power Systems Inc.

Current Approved Contract Amount: \$8.5 million

Requested Change: \$5 million

New Contract Amount: \$13.5 million

Description: This master contract was approved by the LCRA Board in May 2018 to provide air break switches used by LCRA Transmission Services Corporation. Based on the supplier's capabilities to provide 345-kilovolt air break switches, past delivery performance and favorable terms in LCRA's existing contract, staff recommends amending the term of the contract to allow for five additional annual extensions for a total of 10 years. Staff is requesting Board approval to add \$5 million to the existing approved contract amount to cover the additional five years. Expenditures to date are about \$7.3 million.

Contract Number: 5122

Supplier Name: Dailey-Wells Communications Inc.

Current Approved Contract Amount: \$20.5 million

Requested Change: \$15 million

New Contract Amount: \$35.5 million

Description: This master contract was approved by the LCRA Board in May 2019 to provide L3Harris telecommunications infrastructure sites, portable radios, and ancillary equipment and services used by LCRA and LCRA's Telecommunications customers, including more than 180 cities, counties, volunteer fire departments and utilities in Central Texas. Dailey-Wells Communications Inc. is the sole-source distributor for L3Harris Corporation technology and services. Staff is requesting Board approval for an additional \$15 million to cover forecast demand for the remainder of the contract term, which expires in May 2026. Expenditures to date are about \$14.4 million.

Contract Number: 5343

Supplier Name: Techline, Inc.

Current Approved Contract Amount: \$59 million

Requested Change: \$46 million

New Contract Amount: \$105 million

Description: This master contract was approved by the LCRA Board in October 2019 to provide transmission line hardware and electrical distribution materials. Historical and projected future contract expenditures have increased due to the growth of the LCRA TSC overall capital plan and commodity price inflation. LCRA uses several contracts for this category of spending, with Techline, Inc. receiving the majority of LCRA's orders based on its competitive pricing and/or ability to meet required lead times. Staff is requesting Board approval for an additional \$46 million to support projected demand for the remainder of the contract term, which expires in October 2024. Expenditures to date are about \$58.2 million.

Contract Number: 5539*

Supplier Name: SIEMENS Energy Inc.

Current Approved Contract Amount: \$27 million

Requested Change: \$11 million

New Contract Amount: \$38 million

Description: In May 2019, the Board approved a master contract with Siemens Energy to provide high-voltage circuit breakers for substations used by LCRA Transmission Services Corporation. Due to higher demand and commodity price inflation, staff is requesting approval for an additional \$11 million to cover planned expenditures required to support LCRA TSC's capital plan through the remaining contract term, which expires in May 2024. Expenditures to date are about \$29.6 million.

*Contract No. 5157 with SIEMENS Power Transmission was assigned to Contract No. 5539 with SIEMENS Energy Inc. in March 2020.

Contract Number: 5441*

Supplier Name: Hitachi Energy USA Inc.

Current Approved Contract Amount: \$18 million

Requested Change: \$11 million

New Contract Amount: \$29 million

Description: In May 2019, the Board approved a master contract with Hitachi Energy USA Inc. to provide high-voltage circuit breakers for substations used by LCRA Transmission Services Corporation. Due to higher demand and commodity price inflation, staff is requesting approval for an additional \$11 million to cover planned expenditures required to support LCRA TSC's capital plan through the remaining contract term, which expires in May 2024. Expenditures to date are about \$9 million.

*Contract No. 5158 with ABB Inc. was assigned to Contract No. 5441 with Hitachi Energy USA, Inc. in October 2019.