



# Board Agenda

Thursday, April 25, 2024

The Barnhill Center

111 W. Main St.

Brenham, TX 77833

Earliest start time: 9:30 a.m.

## Item From the Chair

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

## Consent Items

- \*2. Conveyance of Access Easement in Matagorda County ..... 5
- 3. Minutes of Prior Meeting..... 8

## Action/Discussion Items

- 4. Basin Conditions Update ..... 13
- 5. LCRA Drought Contingency Plan and Drought Contingency Plan Rules ..... 15
- 6. LCRA Water Conservation Plan Presentation ..... 16
- 7. LCRA Water Conservation Plan ..... 17
- 8. Contracts and Contract Changes ..... 18
- 9. LCRA’s Private Long-Term Evolution Radio Technology..... 21
- 10. LCRA Fiscal Year 2025 Business and Capital Plans
  - Opening Remarks
  - Wholesale Power Customer Communication (10:30 a.m. time certain)
  - LCRA
  - LCRA Transmission Services Corporation

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

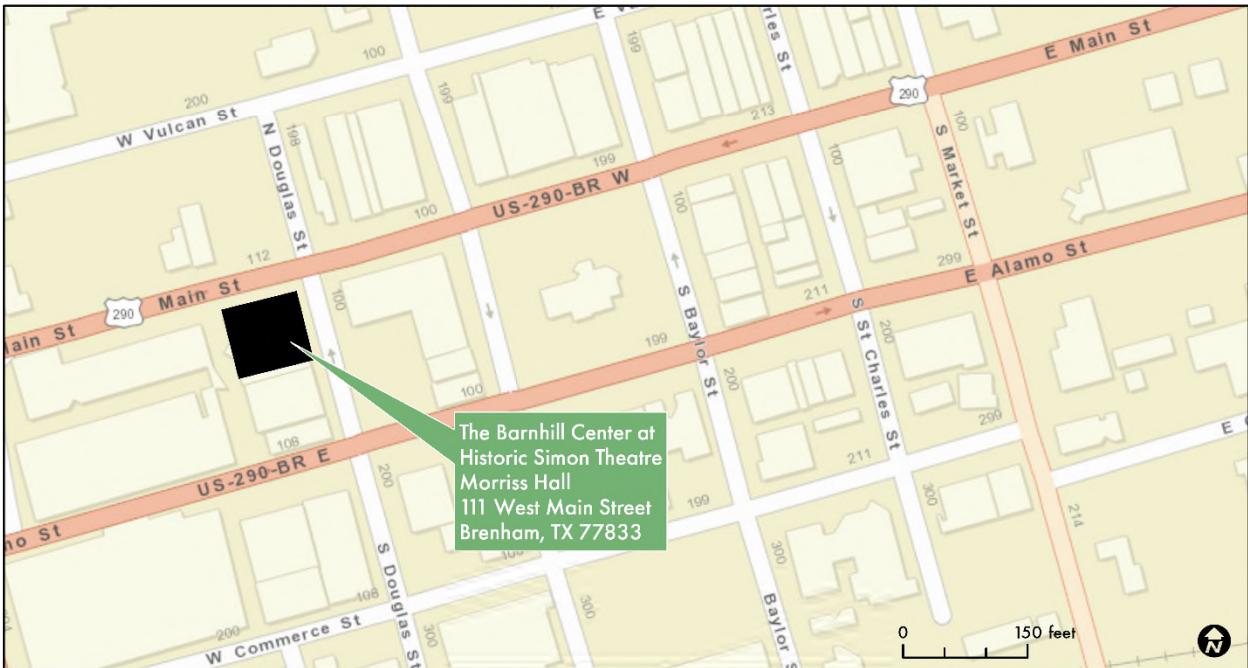
## Executive Session

- 1. Legal Advice on Critical Infrastructure and LCRA’s Private Long-Term Evolution Radio Technology
- 2. Competitive Electric Matters
- 3. Litigation Update
- 4. Legal Advice on Legal Matters
- 5. Fiscal Year 2025 Business and Capital Plans
  - LCRA (Wholesale Power portion)
  - LCRA WSC Energy
  - WSC Energy II
  - GenTex Power Corporation

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>



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

### **Proposed Motion**

Authorize the general manager or his designee to grant an 8,053-square-foot access easement across an LCRA-owned irrigation canal in the Gulf Coast agricultural 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 2024 business plan contains the administrative costs associated with the conveyance of this easement. The proceeds of \$40,000 will be credited to the LCRA Strategic Reserve Fund.

### **Summary**

The landowner, Lodestar Energy Group, LLC, owns property on both sides of an LCRA-owned canal in Matagorda County. The landowner asked LCRA to convey an easement allowing up to six railroad crossings and two vehicular crossings to build the company's planned railyard. The canal is part of the Gulf Coast agricultural division's canal system.

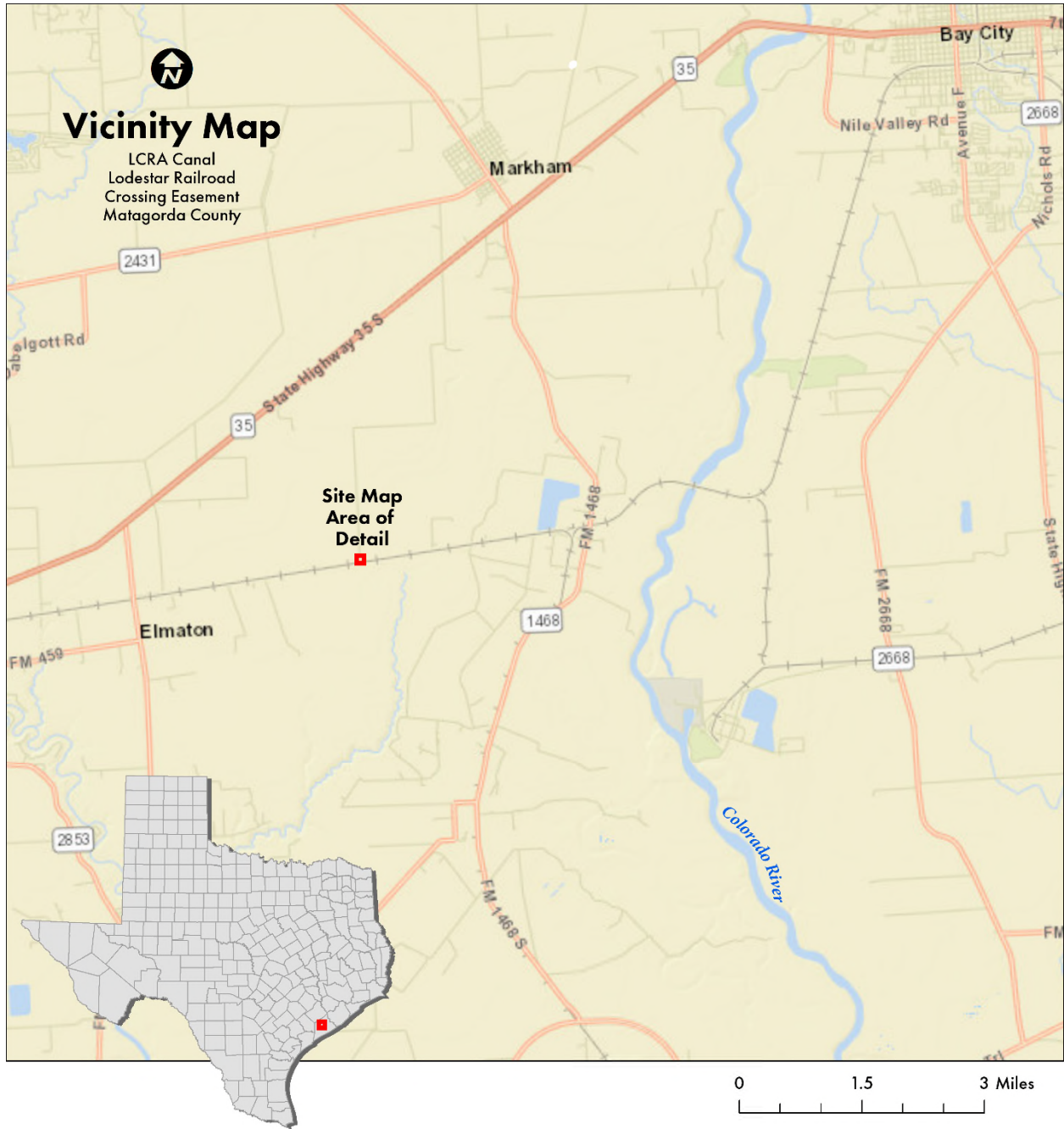
LCRA staff reviewed the available market data and determined that \$40,000 is at or above the market value of the easement to be conveyed. Lodestar is working with LCRA to approve construction plans, which require the replacement and extension of an existing culvert in the canal.

LCRA staff will complete and document environmental and cultural due diligence assessments in accordance with Board Policy 401.403 – Land Disposition before the conveyance of the easement.

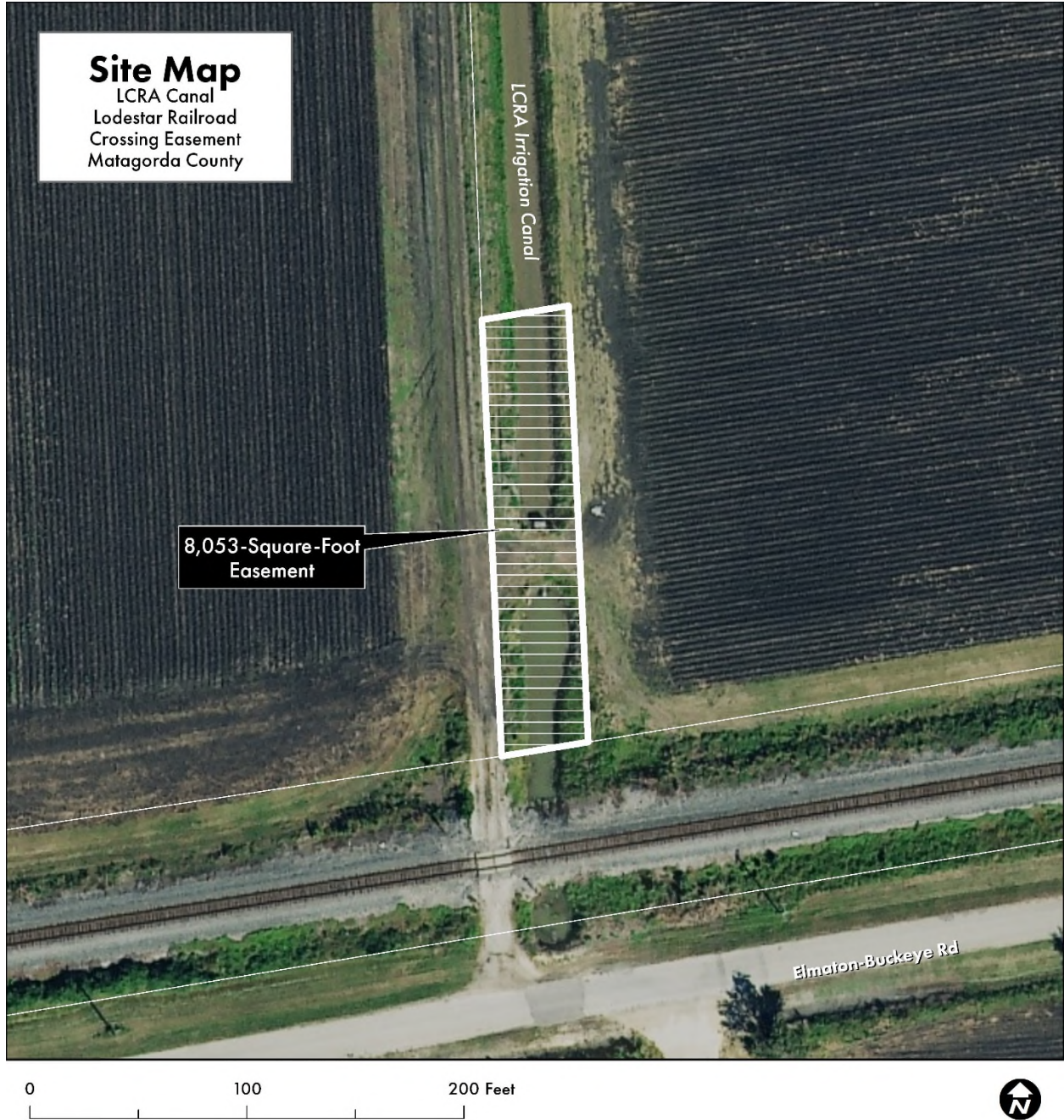
### **Exhibit(s)**

- A – Vicinity Map
- B – Site Map

**EXHIBIT A**



**EXHIBIT B**



**FOR ACTION (CONSENT)**

### **3. Minutes of Prior Meeting**

**Proposed Motion**

Approve the minutes of the March 26, 2024, Board 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 March 26, 2024, Board meeting



## **EXHIBIT A**

LCRA Board of Directors  
Minutes Digest  
March 26, 2024

- 24-22 Approval of a resolution honoring Andy Verrett, LCRA retiree.
- 24-23 Authorization for the general manager or his designee to convey an underground pipeline easement, temporary workspace easement and access road easement over LCRA parcels OCP-03 and OCP-04 in Colorado County to Blackfin Pipeline, LLC.
- 24-24 Approval of the minutes of the Feb. 21, 2024, Board meeting.
- 24-25 Approval of the LCRA Drought Contingency Plan for Firm Water Customers and authorization for the general manager or his designee to submit the plan to the Texas Commission on Environmental Quality.
- 24-26 Approval of the LCRA Drought Contingency Plan for Domestic Use, Temporary, and Landscape Irrigation and Recreation Customers, and authorization for the general manager or his designee to submit the plan to the Texas Commission on Environmental Quality.
- 24-27 Approval of updated Drought Contingency Plan Rules for Water Sale Contracts.
- 24-28 Authorization for the general manager or his designee to negotiate and execute the following contracts and contract changes: Contract No. 6466 (Siemens Energy Inc.); Contract No. 6465 (Hitachi Energy USA, Inc.); Contract No. 6470 (GE Grid Solutions, LLC); Contract No. 6458 (SHI Government Solutions, Inc.); Contract No. 6459 (Insight Public Sector, Inc.); Contract No. 6462 (CDW Government LLC); Contract No. 6477 (CLEAN HARBORS ENVIRONMENTAL SVCS, INC.); Contract No. 6218 (Southern States LLC); Contract No. 6203 (Pascor Atlantic Corporation); Contract No. 5096 (Schweitzer Engineering Laboratories, Inc. (SEL)); Contract No. 5343 (Techline, Inc.); and Contract No. 5959 (Altec Inc.).
- 24-29 Adoption and approval of the Sixty-ninth Supplemental Resolution to the Master Resolution authorizing the issuance of a taxable private placement note program in an amount not to exceed \$150 million principal amount, and also authorization for the general manager or the chief financial officer to execute a related note purchase agreement and all associated agreements necessary to support a letter of credit to the Electric Reliability Council of Texas to satisfy LCRA's financial security credit requirements pursuant to the ERCOT protocols for nodal market participants.

MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF THE  
LOWER COLORADO RIVER AUTHORITY  
Austin, Texas  
March 26, 2024

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 10:01 a.m. Tuesday, March 26, 2024, 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 [attended via videoconference]  
Matthew L. "Matt" Arthur  
Melissa K. Blanding  
Carol Freeman  
Thomas L. "Tom" Kelley  
Robert "Bobby" Lewis  
Thomas Michael Martine  
Margaret D. "Meg" Voelter  
Martha Leigh M. Whitten  
David R. Willmann  
Nancy Eckert Yeary

Absent: Joseph M. "Joe" Crane, Secretary  
Michael L. "Mike" Allen

Chair Timmerman convened the meeting at 10:01 a.m. and led the Board in pledges of allegiance to the American and Texas flags. Director Whitten provided an invocation.

There were no comments from the public during the meeting [Agenda Item 1].

General Manager Phil Wilson gave an update regarding drought conditions and drought response. Wilson stressed the need to conserve water. Wilson also noted this year's LCRA Steps Forward Day is on April 12.

24-22 General Manager Phil Wilson presented for consideration a staff recommendation that the Board approve a resolution [attached hereto as Exhibit A] honoring Andy Verrett for his service to LCRA. Upon motion by Director Martine, seconded by Director Lewis, the recommendation was unanimously approved by a vote of 12 to 0.

The Board next took action on the consent agenda. Upon motion by Director Voelter, seconded by Director Yeary, the Board unanimously approved consent items 3 and 4 by a vote of 12 to 0 as follows:

24-23 Authorization for the general manager or his designee to convey an underground pipeline easement, temporary workspace easement and access road easement over LCRA parcels OCP-03 and OCP-04 in Colorado County to Blackfin Pipeline, LLC, as recommended by staff in Consent Item 3 [attached hereto as Exhibit B].

24-24 Approval of the minutes of the Feb. 21, 2024, Board meeting [Consent Item 4].

Vice President of Water Operations Kelly D. Payne presented an update on basin conditions [Agenda Item 5].

Vice President of Water Resources Monica Masters presented proposed updates to the LCRA Drought Contingency Plan for Firm Water Customers [Agenda Item 6].

24-25 Vice President of Water Resources Monica Masters presented for consideration a staff recommendation, described in Agenda Item 7 [attached hereto as Exhibit C], that the Board approve the LCRA Drought Contingency Plan for Firm Water Customers and authorize the general manager or his designee to submit the plan to the Texas Commission on Environmental Quality. Upon motion by Director Martine, seconded by Vice Chair Cooper, the recommendation was unanimously approved by a vote of 12 to 0.

24-26 Vice President of Water Resources Monica Masters presented for consideration a staff recommendation, described in Agenda Item 8 [attached hereto as Exhibit D], that the Board approve the LCRA Drought Contingency Plan for Domestic Use, Temporary, and Landscape Irrigation and Recreation Customers, and authorize the general manager or his designee to submit the plan to the Texas Commission on Environmental Quality. Upon motion by Vice Chair Cooper, seconded by Director Whitten, the recommendation was unanimously approved by a vote of 11 to 0. [Director Kelley was absent for voting on this item.]

24-27 Vice President of Water Resources Monica Masters presented for consideration a staff recommendation, described in Agenda Item 9 [attached hereto as Exhibit E], that the Board approve updated Drought Contingency Plan Rules for Water Sale Contracts. Upon motion by Director Martine, seconded by Director Yearly, the recommendation was unanimously approved by a vote of 12 to 0.

24-28 Vice President of Supply Chain Matt Chavez presented for consideration a staff recommendation, described in Agenda Item 10 [attached hereto as Exhibit F], that the Board authorize the general manager or his designee to negotiate and execute the following contracts and contract changes: Contract No. 6466 (Siemens Energy Inc.); Contract No. 6465 (Hitachi Energy USA, Inc.); Contract No. 6470 (GE Grid Solutions, LLC); Contract No. 6458 (SHI Government Solutions, Inc.); Contract No. 6459 (Insight Public Sector, Inc.); Contract No. 6462 (CDW Government LLC); Contract No. 6477 (CLEAN HARBORS ENVIRONMENTAL SVCS, INC.); Contract No. 6218 (Southern

States LLC); Contract No. 6203 (Pascor Atlantic Corporation); Contract No. 5096 (Schweitzer Engineering Laboratories, Inc. (SEL)); Contract No. 5343 (Techline, Inc.); and Contract No. 5959 (Altec Inc.). Upon motion by Director Kelley, seconded by Director Voelter, the recommendation was unanimously approved by a vote of 11 to 0. [Director Blanding abstained from voting on this item.]

Chair Timmerman declared the meeting to be in executive session at 11:02 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.

24-29 Director Lewis moved, seconded by Director Kelley, that the Board adopt and approve the Sixty-ninth Supplemental Resolution to the Master Resolution [attached hereto as Exhibit G], as discussed in executive session, authorizing the issuance of a taxable private placement note program in an amount not to exceed \$150 million principal amount, and also authorize the general manager or the chief financial officer to execute a related note purchase agreement and all associated agreements necessary to support a letter of credit to the Electric Reliability Council of Texas to satisfy LCRA's financial security credit requirements pursuant to the ERCOT protocols for nodal market participants. The Board unanimously approved the motion by a vote of 12 to 0.

There being no further business to come before the Board, the meeting adjourned at 11:23 a.m.

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Joseph M. Crane  
Secretary  
LCRA Board of Directors  
Approved: April 25, 2024

**FOR DISCUSSION**

## **4. Basin Conditions Update**

**Summary**

Staff will present an update on basin conditions.

**Presenter(s)**

Kelly D. Payne

Vice President, Water Operations

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## **FOR ACTION**

# **5. LCRA Drought Contingency Plan and Drought Contingency Plan Rules**

### **Proposed Motion**

Approve the updated LCRA Drought Contingency Plan for Firm Water Customers and the updated Drought Contingency Plan Rules for Water Sale Contracts, and authorize the general manager or his designee to submit the plan to the Texas Commission on Environmental Quality.

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

The proposed updates have no impact on the fiscal year 2024 budget.

### **Summary**

In March 2024, the Board adopted the Drought Contingency Plan for Firm Water Customers and the Drought Contingency Plan Rules for Water Sale Contracts. The plan and rules include requirements that customers adopt and implement drought response measures. These are an important part of the response to the significant drought conditions our region is experiencing.

Staff proposes an update to the plan and rules to clarify the potential penalties for a firm water customer that does not adopt or implement appropriate drought response measures as required by the plan and rules. As detailed in the proposed updates, LCRA could impose penalties on firm water customers ranging from a notice of violation letter to a fine of up to \$10,000 per violation.

Staff submitted the proposed updates to the Board under separate cover. LCRA posted the proposed plan online at [www.lcra.org](http://www.lcra.org) from April 3-17 and notified firm water customers through email.

### **Presenter(s)**

Monica Masters  
Vice President, Water Resources

**FOR DISCUSSION**

## **6. LCRA Water Conservation Plan Presentation**

**Summary**

Staff will present the LCRA Water Conservation Plan.

**Presenter(s)**

Monica Masters

Vice President, Water Resources



## **FOR ACTION**

# **7. LCRA Water Conservation Plan**

### **Proposed Motion**

Approve the LCRA Water Conservation Plan and authorize the general manager or his designee to submit the plan to the Texas Commission on Environmental Quality.

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

The proposed amendments have no impact on the fiscal year 2024 budget.

### **Summary**

Texas, through the TCEQ, requires certain water rights holders and water suppliers to adopt and periodically update water conservation plans for various types of water uses. As a water rights holder for municipal, industrial and non-irrigation water rights of more than 1,000 acre-feet and a water rights holder for irrigation water rights of more than 10,000 acre-feet, LCRA is required to submit a plan every five years. The next plan update is due to TCEQ on May 1, 2024.

The plan includes separate water conservation strategies for municipal wholesale water customers, LCRA agricultural divisions, LCRA power plants, and other nonagricultural and agricultural irrigation, recreation and industrial uses. TCEQ regulations require the plan to include specific five- and 10-year goals for water savings. In comparison with the objectives outlined in the 2019 plan, the proposed plan includes increases to the water savings goals, building upon the continued implementation of water conservation strategies. Staff is not proposing any major changes to the strategies from the 2019 plan. As with the current plan, LCRA's general manager would be authorized to implement the plan.

Staff submitted the proposed plan to the Board under separate cover. LCRA posted the proposed plan on its website March 11-27 and notified customers through email.

### **Presenter(s)**

Monica Masters  
Vice President, Water Resources

## **FOR ACTION**

# **8. 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 – 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.
- 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.

### **Summary**

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

### **Presenter(s)**

Matt Chavez  
Vice President, Supply Chain

### **Exhibit(s)**

A – New Contracts  
B – Contract Changes

## **EXHIBIT A**

<b>New Contracts</b>
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**Contract Number:** 6446

**Supplier Name:** Dell Marketing LP

**Contract Amount:** \$15 million

**Description:** This master contract is for Dell branded devices such as laptops, desktops, workstations, monitors, etc. The term of the contract is for five years. Expenditures to date on the expiring four-year contract are \$5.62 million. Total projected contract expenditures are forecast to increase due to the continued growth of LCRA and the exchange of older devices reaching their end of support.

## **EXHIBIT B**

### **Contract Changes**

**Contract Number:** 6008

**Supplier Name:** Pinnacle Steel Inc.

**Current Approved Contract Amount:** \$12 million

**Requested Change:** \$6 million

**New Contract Amount:** \$18 million

**Description:** The Board originally approved this master contract in May 2022 to provide fabricated transmission steel structures used by LCRA Transmission Services Corporation for substation and transmission line projects. Historical expenditures under this contract are \$2.74 million. Demand associated with the growth of the LCRA TSC capital plan is higher than anticipated, and Pinnacle Steel has short turnaround times and favorable commercial terms in LCRA's existing contract. Staff is requesting Board approval to add \$6 million to the existing approved contract amount to fund the contract through its remaining term ending in 2027.

**Contract Number:** 5151

**Supplier Name:** Trench Limited

**Current Approved Contract Amount:** \$44.8 million

**Requested Change:** \$30 million

**New Contract Amount:** \$74.8 million

**Description:** The Board originally approved this master contract in May 2019 to provide instrument transformers for LCRA TSC. Historical expenditures under this contract are \$14.05 million. This contract's use has been higher than anticipated because Trench offers a wide range of voltages, shorter lead times than other suppliers in this category, and favorable commercial terms. Staff is requesting Board approval to add \$30 million to the existing approved contract amount to fund the contract through its remaining term ending in May 2029.

**Contract Number:** 4822

**Supplier Name:** Sam Packs Five Star Ford

**Current Approved Contract Amount:** \$17.5 million

**Requested Change:** \$14.5 million

**New Contract Amount:** \$32 million

**Description:** The Board originally approved this master contract in May 2018 to provide vehicles used by Fleet Operations to support all operating units. Historical expenditures under this contract are \$14.7 million. Fleet Operations is experiencing an increased need for vehicles and increased costs in equipment, and previous manufacturing allocation limits are pushing purchases into future fiscal years. Staff is requesting Board approval to add \$14.5 million to the existing approved contract amount to fund fleet vehicle acquisitions through the end of the contract term in May 2026.

**FOR DISCUSSION**

## **9. LCRA's Private Long-Term Evolution Radio Technology**

**Summary**

Staff will brief the Board on LCRA's Private LTE Radio Technology.

**Presenter(s)**

Stephen Kellicker  
Executive Vice President, Enterprise Resources

Jason Ervin  
Senior Vice President, Telecommunications

Leigh Sebastian  
General Counsel

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