



Board Agenda
Wednesday, Nov. 13, 2024
Dalchau Service Center – Building A
Conference Rooms A504-A505
3505 Montopolis Drive
Austin, TX 78744
Earliest start time: 10 a.m.

Item From the Chair

- 1. Comments From the Public 3

Items From the General Manager

- General Manager’s Update
- 2. Resolutions..... 5

Consent Items

- 3. LCRA Board Policy 603 – Energy Transactions 7
- 4. Minutes of Prior Meeting..... 13

Action/Discussion Items

- 5. LCRA Board Policies 101, 102, 103, 104, 105, 106 and 107 20
- 6. Contracts and Contract Changes 38

Executive Session

- 1. Appendix A to LCRA Board Policy 603 – Energy Transactions
- 2. Fiscal Year 2025 LCRA Wholesale Energy Rates
- 3. Telecommunications Technology Fiscal Year 2026 Upgrade
- 4. Litigation Update
- 5. Legal Advice on Legal Matters

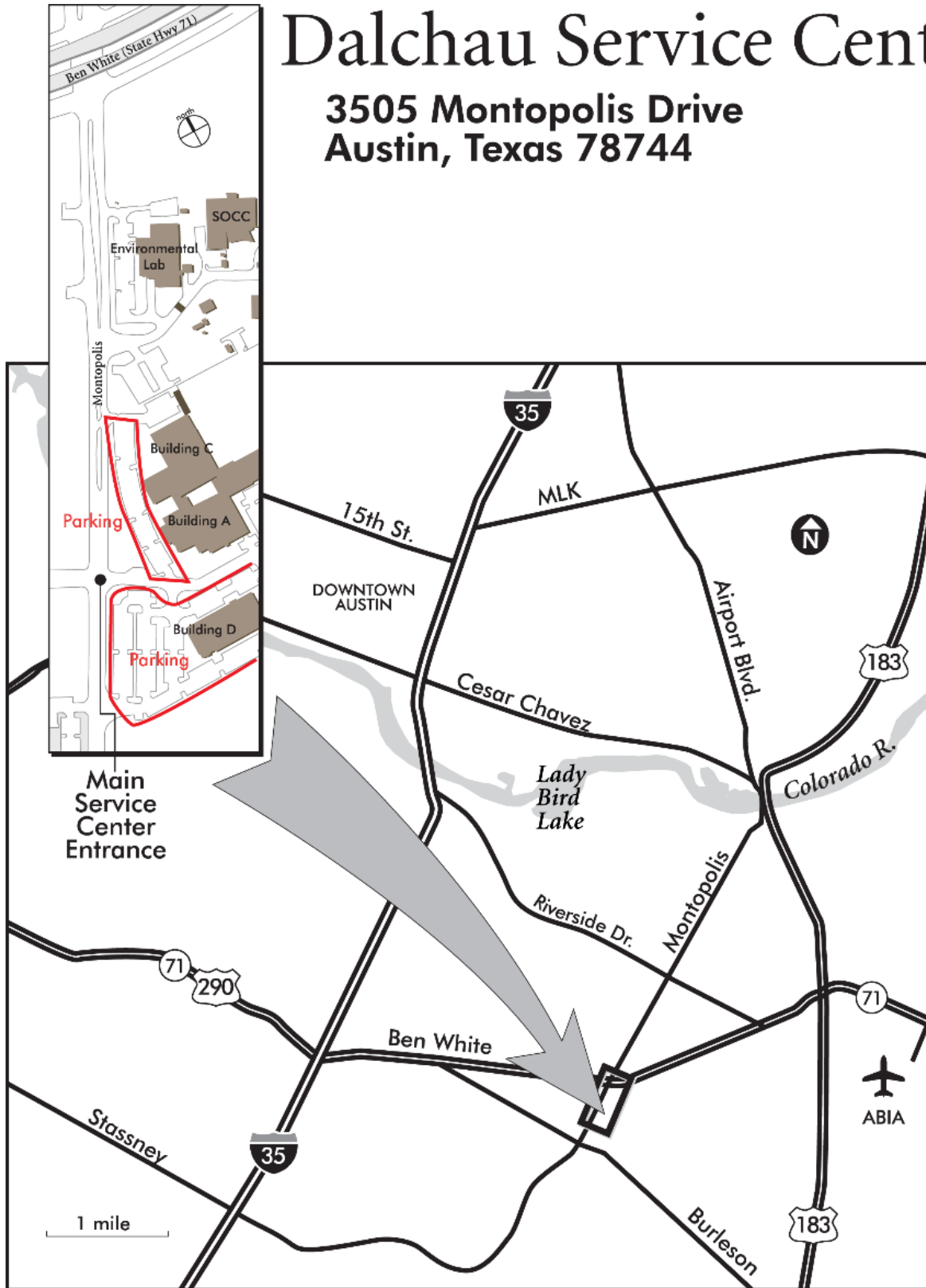
The Board also may go into executive session on any item listed above, pursuant to Chapter 551 of the Texas Government Code, including, but not limited to, sections 551.071, 551.072, 551.074, 551.076, 551.086, 551.089 and 418.183(f) of the Texas Government Code.

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>

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

2. Resolutions

Proposed Motion

Approve the LCRA Board of Directors resolutions as presented to the Board.

Board Consideration

The Board will be asked to approve honorary and retiree resolutions as they occur.

Summary

LCRA recognizes longtime employees who have retired from the organization with a retiree resolution. Other individuals may be recognized from time to time with an honorary resolution.

Presenter(s)

Phil Wilson
General Manager

Timothy Timmerman
LCRA Board Chair

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Resolution of the Board of Directors Of the Lower Colorado River Authority

Honoring Allan Kunze

Whereas, Allan Kunze retired from the Lower Colorado River Authority on June 22, 2024, as a Transmission customer solutions manager after an extraordinary 51 years of service to LCRA; and

Whereas, Allan in 1972 worked part time for LCRA and became a regular employee on May 24, 1973. He served in a variety of departments while earning his bachelor's degree in electrical engineering from The University of Texas at Austin. Upon his graduation in 1975, Allan became a full-time associate engineer; and

Whereas, in the earlier years of his career, Allan contributed to several projects that have left a lasting impact on LCRA. These projects include starting LCRA's Doble testing program to gather data about the performance of transformers and other electrical equipment; helping get Fayette Power Project Unit 1 online; and designing and implementing LCRA's first remote-controlled radio system, which brought in the initial Hydromet data. In addition, for more than 20 years, he organized a regional conference where representatives of municipal electric utilities gathered to learn how to improve their operations; and

Whereas, in recent years, Allan worked as a primary customer relations contact for LCRA Transmission Services Corporation. He helped LCRA support the reliability of substations, transmission lines and related facilities owned by cities or electric cooperatives. Allan provided excellent customer service by facilitating and arranging contracts, calculating cost estimates, and developing out-of-the-box solutions, all while looking at things from the customer's point of view; and

Whereas, Allan's former co-workers are thankful for his legacy, not just in the solutions Allan provided, but also in the relationships he built and the trust he earned. He embodies the ultimate blend of engineering know-how and impeccable customer service skills. Allan believes that when you enjoy your job, it's not work, and he enjoyed working at LCRA. Although his co-workers will miss his friendship, cheery attitude and "It's great to be Allan Kunze" catch phrase, they are happy he will have more time to do the things he likes most – enjoying the outdoors, especially playing golf, and spending time with family.

Now, Therefore, Be It Resolved that the LCRA Board of Directors and employees, with extra emphasis from Transmission Asset Optimization, express their appreciation to Allan Kunze for his years of dedication to LCRA and its employees, and they wish him well in all of his future endeavors.

Approved this 13th day of November 2024.

Timothy Timmerman, Board Chair

Phil Wilson, General Manager

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FOR ACTION (CONSENT)

3. LCRA Board Policy 603 – Energy Transactions

Proposed Motion

Review and approve LCRA Board Policy 603 – Energy Transactions (except for Appendix A, which will be discussed in executive session) as attached in Exhibit A.

Board Consideration

Section 603.80 of Board Policy 603 – Energy Transactions requires the Board of Directors to review the policy annually.

Budget Status and Fiscal Impact

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

Summary

The Board must fulfill the requirement under Section 603.80 of Board Policy 603 to review the policy annually and must approve the policy. The Board may require modifications to the policy or approve with no changes to the prior version. Staff has reviewed Board Policy 603 in conjunction with its review of the LCRA Energy Commodity Risk Control Program Policy and recommends no changes to the policy.

An appendix to Board Policy 603 containing competitive electric information will be discussed separately in executive session.

Exhibit(s)

A – LCRA Board Policy 603 – Energy Transactions (without Appendix A)

EXHIBIT A

LCRA BOARD POLICY

603 – ENERGY TRANSACTIONS

~~Nov. 15, 2023~~ Nov. 13, 2024

603.10 PURPOSE

This policy will govern the management of LCRA's wholesale power portfolio to ensure the use of those assets, along with appropriate market products, provides a cost-effective, risk-managed supply portfolio for LCRA's wholesale electric customers.

603.20 OVERVIEW

The purchase and sale of fuels, power and other power-related products are necessary to satisfy LCRA's contractual obligations to its wholesale electric customers. These activities expose LCRA to the price fluctuations inherent in the fuel and power markets. LCRA strives to reduce its financial uncertainty driven by market volatility, within established risk tolerances. This policy articulates the objectives, framework and delegation of authorities necessary to govern LCRA's activities related to its Energy Commodity Risk Control Program (program).

LCRA will conduct energy risk management activities in a manner that supports the objectives stated herein. All program objectives, activities, controls and procedures will be conducted in accordance with this policy.

603.30 RISK MANAGEMENT OBJECTIVES

Activities conducted pursuant to the program are intended to decrease financial risks inherent in providing wholesale electrical power and related services in the Electric Reliability Council of Texas (ERCOT) market compared to the financial uncertainty present without a program. The program's objectives are: identifying exposures to movements in energy prices and related market prices; quantifying the impacts of these exposures on LCRA's financial objectives; and mitigating these exposures in line with LCRA's identified level of risk tolerance. LCRA will conduct its program activities solely for appropriate risk mitigation objectives herein and never for purposes of financial speculation.

Risk mitigating activities, including hedging activities permitted by Texas Water Code Section 152.251, include:

Market Risk Mitigation Activities: Given volatile energy markets, manage costs from energy and fuel purchases and revenues from LCRA's generation and purchased power assets, mitigating potentially unfavorable financial results and promoting financial results that fall within acceptable boundaries.

Transaction Risk Mitigation Activities: Mitigate transactional risk by monitoring execution of the program for compliance with risk program documentation approved by the GM/CEO and measuring the potential impact of commodity price movements with respect to the approved financial objectives of LCRA.

Subject to the program's objectives and risk mitigation activities, activities conducted pursuant to the program also may seek to improve upon LCRA's financial expectations.

603.40 DELEGATION OF AUTHORITY

603.401 General Manager/Chief Executive Officer. The GM/CEO is charged with administration of this policy and is granted authority and responsibilities:

1. To ensure all program activities of LCRA are in accordance with this policy.
2. To approve documentation for the administration of the program.
3. To approve initially, and from time to time modify, LCRA's tolerance for exposure to energy price volatility.
4. To delineate responsibilities and activities assigned to front, middle and back office functions to ensure a clear separation of duties.
5. To approve controls and periodically review the effectiveness of all aspects of the program.
6. To approve contracts and other transactions necessary to implement the program.

603.402 Risk Management Committee. The GM/CEO will create a Risk Management Committee (RMC) comprised of employees of LCRA to monitor program performance and compliance with the program documentation. The RMC will establish and from time to time modify program risk limits consistent with risk tolerances approved by the GM/CEO. Additionally, the RMC will advise the GM/CEO regarding:

1. Creation, amendment, approval and administration of program documentation.
2. Setting risk tolerances.
3. Ensuring all program activities are performed in accordance with the policy and approved program documentation.
4. Material violations or potential material violations of the policy or program requirements.

603.403 Chief Financial Officer. The chief financial officer (CFO) is charged with the daily administration and management of the program and will serve as the chair of the

RMC. The CFO, in addition to other duties, will report periodically to the GM/CEO and the LCRA Board of Directors. The CFO will maintain appropriate financial controls, maintain a separation of duties between individuals authorized to execute commodity transactions and those who monitor and report on such transactions, and ensure documents and procedures developed to execute this policy are reviewed periodically.

603.50 ENERGY TRANSACTING AND RISK MANAGEMENT ACTIVITIES

603.501 Energy Transacting and Risk Management Activities. LCRA's energy transacting and risk management activities will comply with this policy, other related Board directives, and all applicable laws, rules and requirements, including those of ERCOT, the Public Utility Commission of Texas (PUC), and the Commodity Futures Trading Commission (CFTC). Energy transacting and risk management activities will include:

1. **Commodity-related transactions** – LCRA may enter into transactions as needed to effectively manage its fuel and power portfolio position. Commodity-related transactions include financial and physical transactions related to the purchase and sale of power and related services, natural gas and associated transportation, coal and associated transportation, instruments necessary to manage transmission and transportation risks, instruments to manage full load requirement risk, including load following and weather products, and transactions related to emissions and renewable energy.
2. **Physical resources** – Consistent with Board Policy 401 – Land Resources, LCRA may construct, purchase, dispose, retire, exchange and/or lease wholesale power resources, including generation resources, energy and fuel storage facilities, transportation systems, pipelines and related equipment, railcars and related equipment, and other facilities.
3. **Credit risk management** – LCRA will integrate credit provisions into contracts as appropriate, evaluate counterparty risk, require collateral as needed and monitor credit-related financial exposure with the goal of preserving LCRA's financial integrity.

603.502 Power and Energy Not Immediately Needed. From time to time, LCRA produces power and energy that is not immediately needed. The Board delegates to the GM/CEO or his or her designee the authority to determine the available amount and to negotiate terms and conditions for the sale of such power and energy.

603.503 Posting of Collateral. The Board finds it is necessary and convenient to the exercise of LCRA's authority to enter into energy transacting and risk management activities for LCRA to be able to post collateral to counterparties to such transactions. The Board authorizes the use of designated reserves, debt or available revenues for such purposes as deemed appropriate by the GM/CEO.

603.504 Transactions Related to Affiliated Corporations. LCRA may enter into energy and risk management transactions on behalf of affiliated corporations, provided that

LCRA does so pursuant to an agreement between LCRA and such affiliated corporation, and provided that the GM/CEO or his or her designee determines that such transactions do not materially increase risks to LCRA or otherwise conflict with the objectives of this policy.

603.60 DELEGATION AND PROCUREMENT LIMITS

All transactions under the program will be conducted subject to the following delegation and procurement limits specified in Appendix A (confidential):

1. Approved transacting activities and products.
2. Term/tenor limits.
3. Approved product locations and sources.
4. Approved counterparties.

LCRA will not execute hedges that exceed 100 percent of forecast requirements and “unwinding” (closing a position by executing an offsetting transaction) will be permitted for the purpose of managing collateral risk and mark-to-market losses. Under no circumstances may transactions be executed that are not related to LCRA’s core business objectives.

603.70 STANDARDS

603.701 Standards of Conduct. All LCRA Wholesale Power personnel and others in the procurement, trading, risk management, information technology, and finance and accounting functions who are involved in any program activities will conduct themselves in a manner consistent with sound business practices and LCRA’s Code of Ethics, under standards established in the program documentation to avoid impropriety or the appearance of impropriety. All such employees will be required to annually read and attest in writing to compliance with this policy and the program documentation.

603.702 Standard of Care. The program will be managed in a way that a person of ordinary prudence, discretion and intelligence, exercising the judgment and care under the circumstances then prevailing, would follow in the management of the person’s own affairs, not in regard to speculation but in regard to the permanent disposition of the person’s money considering: (1) the probable income; and (2) the probable safety of the person’s capital.

603.80 REPORTING AND INTERNAL CONTROLS

The GM/CEO will update the Energy Operations Committee at least quarterly on the actions taken pursuant to the policy covering, at a minimum, risk tolerances, program impacts and material changes in program requirements. The Board will review this policy at least annually.

603.90 AUTHORITY

LCRA enabling legislation, Chapter 8503, Texas Special District Local Laws Code
Texas Water Code, Chapter 152
Texas Government Code, Chapter 1371
Texas Utilities Code, Title 2 (Public Utility Regulatory Act)
Clean Air Act, Acid Deposition Control, § 401 et seq.; 42 U.S.C.A. § 7651 et seq.
Code of Federal Regulations, Title 17
Code of Federal Regulations, Title 40, parts 72, 73 and 75

EFFECTIVE: April 19, 1990. Amended July 17, 1991; May 20, 1993; May 18, 1995; Oct. 28, 1998; Dec. 13, 2000; March 20, 2002; Jan. 22, 2003; Feb. 20, 2008; Nov. 18, 2009; Dec. 15, 2010; and April 18, 2012. Replaced Sept. 17, 2014. Amended Aug. 19, 2015; and Sept. 21, 2016. Re-approved Oct. 18, 2017; and Oct. 17, 2018. Amended Oct. 23, 2019. Re-approved Oct. 21, 2020; Oct. 20, 2021; Oct. 19, 2022; ~~and~~ Nov. 15, 2023; and Nov. 13, 2024.

FOR ACTION (CONSENT)

4. Minutes of Prior Meeting

Proposed Motion

Approve the minutes of the Oct. 23, 2024, LCRA 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 Oct. 23, 2024, LCRA Board meeting

EXHIBIT A

LCRA Board of Directors
Minutes Digest
Oct. 23, 2024

- 24-64 Declaration of an approximately 0.008-acre tract of land, being a portion of LCRA Parcel JE-03 in Burnet County, nonessential, and authorization for the general manager or his designee to sell the land to the adjoining landowner.
- 24-65 Approval of directors' fees and expense reimbursements.
- 24-66 Approval of the minutes of the Sept. 18, 2024, Board meeting.
- 24-67 Approval of firm rates for water made available to firm customers within LCRA's water service area, including use, reservation and inverted block rates.
- 24-68 Approval of the distribution rate for long-term industrial customers receiving firm water delivered through the Gulf Coast Agricultural Division canals.
- 24-69 Approval of the distribution rate for temporary customers receiving firm water delivered through the Gulf Coast Agricultural Division [canals].
- 24-70 Authorization for the general manager or his designee to negotiate and execute the renewal of a firm raw water contract with Kingsland Water Supply Corporation for municipal use of LCRA's firm water supply that would increase the supply to up to 1,500 acre-feet per year for a term of 40 years. The contract will include the addition of 350 acre-feet to the current contract amount of 1,150 acre-feet.
- 24-71 Approval of the fiscal year 2024 audited financial statements, and authorization of the filing of the audited financial statements with the executive director of the Texas Commission on Environmental Quality.
- 24-72 Adoption of the Forty-sixth Supplemental Resolution to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program to authorize a note purchase agreement (the Series E Agreement) among LCRA, LCRA Transmission Services Corporation and U.S. Bank National Association (the Bank) for the LCRA Transmission Contract Revenue Notes, Series E (Series E Notes), for a term not to exceed four years, and authorization for the general manager, chief financial officer or treasurer to select the Bank, negotiate and execute such Series E Agreement and any related documents, setting forth the

terms and conditions governing the issuance of the debt directly to the Bank in an amount up to \$100 million for the Series E Notes and authorization for any other necessary agreements.

- 24-73 Approval of the resolution amending and extending the note purchase agreement (the Series C Agreement) with U.S. Bank National Association (U.S. Bank) related to LCRA Series C and Taxable Series C Revenue Revolving Notes (the Series C Notes) for a term not to exceed four years, and authorizing the general manager, chief financial officer or treasurer to negotiate and execute such Series C Agreement; and also 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 U.S. Bank in an amount up to \$160 million for the Series C Notes, and authorization for any other necessary agreements.
- 24-74 Authorization for the general manager or his designee to negotiate and execute the following contracts and contract changes: Contract No. 6657 (Pike Electric, LLC); Contract No. 6665 (Irby Construction Company, Inc.); Contract No. 6664 (kV Energy Services, LLC); Contract No. 6666 (Techline, Inc.); Contract No. 6667 (KBS Electrical Distributors, Inc.); Contract No. 6668 (WESCO International); and Contract No. 6658 (Oracle America, Incorporated).

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE
LOWER COLORADO RIVER AUTHORITY
Burnet, Texas
Oct. 23, 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 9:15 a.m. Wednesday, Oct. 23, 2024, in the Live Oak Room, at Canyon of the Eagles, 16942 Ranch Road 2341, Burnet, Burnet County, Texas. The following directors were present, constituting a quorum:

Timothy Timmerman, Chair
Stephen F. Cooper, Vice Chair
Michael L. "Mike" Allen
Matthew L. "Matt" Arthur
Melissa K. Blanding
Carol Freeman
Thomas L. "Tom" Kelley
Thomas Michael Martine
Margaret D. "Meg" Voelter
Martha Leigh M. Whitten
David R. Willmann
Nancy Eckert Yeary

Absent: Joseph M. "Joe" Crane, Secretary
Robert "Bobby" Lewis

Chair Timmerman convened the meeting at 9:15 a.m.

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

Chief Financial Officer Jim Travis presented financial highlights for LCRA covering September 2024 and the fiscal year to date [Agenda Item 2].

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, 4 and 5 by a vote of 12 to 0 as follows:

24-64 Declaration of an approximately 0.008-acre tract of land, being a portion of LCRA Parcel JE-03 in Burnet 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 A].

24-65 Approval of directors' fees and expense reimbursements, as recommended in Consent Item 4 [attached hereto as Exhibit B].

24-66 Approval of the minutes of the Sept. 18, 2024, Board meeting [Consent Item 5].

24-67 Vice President of Water Resources Monica Masters presented for consideration a staff recommendation, described in Agenda Item 6 [attached hereto as Exhibit C], that the Board approve firm rates for water made available to firm customers within LCRA's water service area, including use, reservation and inverted block rates. [Staff discussed this item with the Water Operations Committee on Oct. 22.] Upon motion by Director Whitten, seconded by Director Yeary, the recommendation was unanimously approved by a vote of 12 to 0.

24-68 Vice President of Water Resources Monica Masters presented for consideration a staff recommendation, described in Agenda Item 7 [attached hereto as Exhibit D], that the Board approve the distribution rate for long-term industrial customers receiving firm water delivered through the Gulf Coast Agricultural Division canals. [Staff discussed this item with the Water Operations Committee on Oct. 22.] Upon motion by Director Arthur, seconded by Director Kelley, the recommendation was unanimously approved by a vote of 12 to 0.

24-69 Vice President of Water Resources Monica Masters presented for consideration a staff recommendation, described in Agenda Item 8 [attached hereto as Exhibit E], that the Board approve the distribution rate for temporary customers receiving firm water delivered through the Gulf Coast Agricultural Division canals. [Staff discussed this item with the Water Operations Committee on Oct. 22.] Upon motion by Vice Chair Cooper, seconded by Director Yeary, the recommendation was unanimously approved by a vote of 12 to 0.

24-70 Vice President of Water Resources Monica Masters presented for consideration a staff recommendation, described in Agenda Item 9 [attached hereto as Exhibit F], that the Board authorize the general manager or his designee to negotiate and execute the renewal of a firm raw water contract with Kingsland Water Supply Corporation for municipal use of LCRA's firm water supply that would increase the supply to up to 1,500 acre-feet per year for a term of 40 years. The contract will include the addition of 350 acre-feet to the current contract amount of 1,150 acre-feet. Upon motion by Director Yeary, seconded by Director Willmann, the recommendation was unanimously approved by a vote of 12 to 0.

24-71 Chief Financial Officer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 10 [attached hereto as Exhibit G], that the Board approve the fiscal year 2024 audited financial statements, and authorize the filing of the audited financial statements with the executive director of the Texas Commission on Environmental Quality. Upon motion by Director Whitten, seconded by Director Voelter, the recommendation was unanimously approved by a vote of 12 to 0.

24-72 Chief Financial Officer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 11 [attached hereto as Exhibit H], that the Board adopt the Forty-sixth Supplemental Resolution to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program to authorize a note purchase agreement (the Series E Agreement) among LCRA, LCRA Transmission Services Corporation and U.S. Bank National Association (the Bank) for the LCRA Transmission Contract Revenue Notes, Series E (Series E Notes), for a term not to exceed four years, and authorize the general manager, chief financial officer or treasurer to select the Bank, negotiate and execute such Series E Agreement and any related documents, setting forth the terms and conditions governing the issuance of the debt directly to the Bank in an amount up to \$100 million for the Series E Notes and authorize any other necessary agreements. Upon motion by Director Allen, seconded by Director Whitten, the recommendation was unanimously approved by a vote of 12 to 0.

24-73 Chief Financial Officer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 12 [attached hereto as Exhibit I], that the Board approve the resolution amending and extending the note purchase agreement (the Series C Agreement) with U.S. Bank National Association (U.S. Bank) related to LCRA Series C and Taxable Series C Revenue Revolving Notes (the Series C Notes) for a term not to exceed four years, and authorizing the general manager, chief financial officer or treasurer to negotiate and execute such Series C Agreement; and also 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 U.S. Bank in an amount up to \$160 million for the Series C Notes, and authorize any other necessary agreements. Upon motion by Director Allen, seconded by Director Whitten, the recommendation was unanimously approved by a vote of 12 to 0.

24-74 Senior Vice President of Supply Chain Matt Chavez presented for consideration a staff recommendation, described in Agenda Item 13 [attached hereto as Exhibit J], that the Board authorize the general manager or his designee to negotiate and execute the following contracts and contract changes: Contract No. 6657 (Pike Electric, LLC); Contract No. 6665 (Irby Construction Company, Inc.); Contract No. 6664 (kV Energy Services, LLC); Contract No. 6666 (Techline, Inc.); Contract No. 6667 (KBS Electrical Distributors, Inc.); Contract No. 6668 (WESCO International); and Contract No. 6658 (Oracle America, Incorporated). Upon motion by Director Whitten, seconded by Director Kelley, the recommendation was unanimously approved by a vote of 12 to 0.

Chair Timmerman declared the meeting to be in executive session at 9:41 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 10:05 a.m.

There being no further business to come before the Board, the meeting adjourned at 10:05 a.m.

Joseph M. Crane
Secretary
LCRA Board of Directors
Approved: Nov. 13, 2024

FOR DISCUSSION

5. LCRA Board Policies 101, 102, 103, 104, 105, 106 and 107

Summary

The Office of the General Counsel currently is reviewing all Board policies to streamline policies, update language, and provide for a higher level and more strategically directed set of policies for the Board. The general counsel will present an update on LCRA's review and recommended changes of the following policies:

- LCRA Board Policy 101 – LCRA Mission Statement
- LCRA Board Policy 102 – Authority and Responsibilities
- LCRA Board Policy 103 – Public Information and Communication to the Board, and Executive Session
- LCRA Board Policy 104 – Communication on Legislation
- LCRA Board Policy 105 – Directors' Fees and Expense Reimbursement
- LCRA Board Policy 106 – Ethics
- LCRA Board Policy 107 – Process of Evaluating the General Manager/Chief Executive Officer and General Auditor

The general counsel also will discuss seeking your approval in a future meeting for LCRA to make minor, nonsubstantive changes or necessary conforming changes to policies throughout this project as needed.

Presenter(s)

Leigh Sebastian
General Counsel

Exhibit(s)

- A – LCRA Board Policy 101 – LCRA Mission Statement
- B – LCRA Board Policy 102 – Authority and Responsibilities
- C – Proposed Amendments to LCRA Board Policy 103 – Public Information and Communication to the Board, and Executive Session
- D – LCRA Board Policy 104 – Communication on Legislation
- E – Proposed Amendments to LCRA Board Policy 105 – Directors' Fees and Expense Reimbursement
- F – Proposed Amendments to LCRA Board Policy 106 – Ethics
- G – Proposed Amendments to LCRA Board Policy 107 – Process of Evaluating the General Manager/Chief Executive Officer and General Auditor

EXHIBIT A

LCRA BOARD POLICY

101 – LCRA MISSION STATEMENT

~~Dec. 16, 2014~~ [Insert Date]

101.10 LCRA MISSION STATEMENT

To enhance the quality of life of the Texans we serve through water stewardship, energy and community service.

EFFECTIVE: August 1984. Amended Oct. 25, 1991; March 22, 2000; April 18, 2012; and Dec. 16, 2014. Reaffirmed [insert date].

EXHIBIT B

LCRA BOARD POLICY

102 – AUTHORITY AND RESPONSIBILITIES

Sept. 21, 2016[Insert Date]

102.10 PURPOSE

This policy defines the relationship between the LCRA Board of Directors and the management of LCRA through the description of responsibilities and expectations and through the establishment of guidelines for the delegation of certain powers and duties.

102.20 POLICY

102.201 Responsibilities of the Board of Directors. The Board of Directors (Board) will establish the overall goals and objectives of LCRA, review them on an ongoing basis and adopt Board policies setting forth desired direction of management actions to attain such goals and objectives. The Board will approve an annual business plan that provides funding for the realization of those goals and objectives.

The Board will consider and establish policies in the public interest. The Board will faithfully discharge its public trust by conducting its affairs in a highly moral, ethical and sound business manner. Board members, collectively and severally, will not direct the policies and actions of LCRA from perspectives of private gain or personal advantage.

102.202 Delegations to the GM/CEO. The Board of Directors delegates to the GM/CEO all general powers and duties in the LCRA enabling legislation, other applicable law, LCRA bylaws and Board policies necessary to accomplish LCRA's purpose, plans and objectives as approved by the Board, except for those specifically reserved for the Board by provisions of the LCRA enabling legislation, bylaws, Bond resolutions and other Board policies. Notable exceptions include:

- A. Authorization to borrow money or approve bond resolutions.
- B. Approval of agreements related to joint ownership of generating facilities.
- C. Setting rates charged for water and power.
- D. Approval of sale of any real property.

- E. Approval of certain contracts and purchase orders for the acquisition of consulting services, materials, supplies, equipment and related services, in accordance with related Board policies.

The Board will articulate clear and coherent goals and statements of its expectations through its policies and plans.

102.203 Responsibilities of the GM/CEO. The GM/CEO, as the chief executive officer of LCRA, is responsible for carrying out the business and activities of LCRA according to state law, the LCRA bylaws and Board policies.

The GM/CEO may delegate in writing any general powers, duties and related authorities, as deemed appropriate, to officers and staff members.

The GM/CEO is responsible for bringing policy matters to the attention of the Board when its current policies give inadequate direction to LCRA operations or leave LCRA at a disadvantage because of changing conditions. The GM/CEO will provide thorough, well-organized information to the Board in a timely manner. Communications to the Board will be made forthrightly and with candor in the evaluation of the conduct of business and operations of LCRA.

The GM/CEO will ensure appropriate contracting procedures are developed and implemented.

102.30 PROCEDURES

102.301 Goals and Priorities. As provided in the bylaws, the GM/CEO each year will present to the Board objectives, goals and priorities for its consideration. These goals will clearly establish the Board's direction in key areas of LCRA affairs.

102.302 Annual Budget. The GM/CEO will present to the Board an annual business plan that will include operating and capital budgets to carry out the Board's goals and priorities. The business plan will include projections of LCRA's overall financial performance and capital financing plans and describe the projects, programs, and the associated revenues and expenditures for the next fiscal year.

Adoption of the business plan authorizes the GM/CEO to complete work plans and make associated expenditures within budgets as provided for in accordance with Board policies. The GM/CEO will provide quarterly updates that include indicators of performance toward key goals, actual revenues and expenditures compared to budget, future financial performance projections, and status of major capital projects. The resolution adopting the budget will establish the amount that may not be exceeded without Board approval and the guidelines for approving amendments, reallocations or adjustments to the capital and operating budgets.

102.40 AUTHORITY

LCRA enabling legislation, Chapter 8503, Special District Local Laws Code
LCRA bylaws, sections 3.02, 6.01, 6.02

EFFECTIVE: December 1984. Amended Dec. 14, 1989; Oct. 25, 1991; Sept. 22, 1994;
Dec. 15, 1999; March 22, 2000; July 1, 2002; Nov. 19, 2003; Dec. 14, 2011; and
Sept. 21, 2016. Reaffirmed [insert date].

EXHIBIT C

LCRA BOARD POLICY

103 – PUBLIC INFORMATION AND COMMUNICATION TO THE BOARD, AND EXECUTIVE SESSION

~~Sept. 21, 2016~~ [Insert Date]

103.10 PURPOSE

LCRA is a political subdivision governed by its enabling legislation (Chapter 8503, Texas Special District Local Laws Code), LCRA bylaws and various other statutes, including several chapters of the Water Code and Chapters 551 (Texas Open Meetings Act) and 552 (Texas Public Information Act) of the Government Code. The purpose of this policy is to ensure LCRA has in place procedures that provide the public with an opportunity to understand issues facing LCRA, appropriate access to information and documents held by LCRA, and the opportunity to provide timely input to the LCRA Board of Directors.

This policy also establishes guidelines for maintaining confidential records of executive sessions of the LCRA Board and its committees ~~and establishes a policy regarding when LCRA may purchase advertising as part of carrying out specific LCRA goals and programs.~~

103.20 POLICY

Public trust is critical to the success of LCRA operations. This trust must be based on appropriate access to public information and credible, two-way communications between LCRA and the public. LCRA will provide the public and the media with information pertaining to LCRA in an open and forthright manner. LCRA will provide information, within a reasonable amount of time, based on the best factual data available.

The LCRA Board values public input and will afford the public reasonable opportunity to provide written or oral comment on proposed Board actions. The Board will allow reasonable time for presentations and ensure consideration is shown to all members of the public attending any public meeting of the LCRA Board. The LCRA Board will conduct all of its meetings, including those in executive session, in compliance with the Texas Open Meetings Act.

LCRA will maintain records, in the form of certified agendas or audio tapes, as determined by the general counsel, of executive sessions of the LCRA Board and its committees as required by the Texas Open Meetings Act.

Public access to any records of LCRA will be in compliance with the provisions of the LCRA enabling legislation, the LCRA bylaws, the Texas Public Information Act and other applicable law.

~~In addition, there are times when LCRA may require advertising as part of carrying out specific LCRA goals and programs. Section 103.50 establishes guidelines for the purchase of such advertising.~~

103.30 PUBLIC COMMUNICATION TO THE BOARD AT BOARD MEETINGS

The LCRA Board will establish the procedures for presentations by the public during LCRA Board meetings. The GM/CEO is directed to ensure the public has ready access to the procedures by posting and maintaining the procedures on the LCRA website.

103.40 EXECUTIVE SESSION RECORDS

The general counsel or his or her designee will be responsible for ensuring that all executive session records of the LCRA Board and its committees are preserved and kept under the control of the general counsel.

Except as required by court order, other applicable law or under the provisions of this section, no one other than an LCRA Board member will be granted access to executive session records. Requests for access or review of such records by an LCRA staff member or legal counsel retained to represent LCRA must be made in writing to the general counsel and must state the reasons for the request. Access to the records will be granted only by the general counsel. The general counsel will be responsible for maintaining the confidentiality of executive session records.

~~**103.50 ADVERTISING**~~

~~LCRA may purchase advertising when it is an effective, cost-efficient means of informing, educating, notifying or protecting the public as part of carrying out specific LCRA goals and programs.~~

103.60 AUTHORITY

LCRA enabling legislation, Chapter 8503, Texas Special District Local Laws Code
Texas Government Code, Chapter 551
Texas Government Code, Chapter 552
LCRA bylaws, sections 2.01 and 2.10

EFFECTIVE: Dec. 13, 1984. Amended Dec. 12, 1991; March 22, 2000; April 20, 2005; Feb. 15, 2006; Sept. 17, 2008; Aug. 24, 2011; ~~and~~ Sept. 21, 2016, and [insert date].

EXHIBIT D

LCRA BOARD POLICY

104 – COMMUNICATION ON LEGISLATION

Sept. 21, 2016[Insert Date]

104.10 PURPOSE

The purpose of this policy is to provide guidance on LCRA communication regarding legislation and other issues before the Texas Legislature or the United States Congress.

104.20 POLICY

All communications before the Texas Legislature or the United States Congress by members of the LCRA Board of Directors, the GM/CEO, or his or her designee must be consistent with the policies of LCRA and the LCRA Board. This policy does not limit and is not intended to affect the constitutional rights of LCRA Board and staff members, as individuals, to express their individual opinions, provided they make it clear they are not speaking for LCRA.

104.30 RESPONSIBILITIES

104.301 GM/CEO. The GM/CEO will be responsible for keeping the Board informed on potential or pending legislation that, if enacted, could materially impact LCRA's ability to carry out its statutory responsibilities. Before the beginning of each regular session of the Texas Legislature, the GM/CEO will brief the Board on anticipated legislative measures that may be considered by the Legislature and the potential impact, if any, of those measures on LCRA.

The GM/CEO or his or her designee will be responsible for representing LCRA in legislative hearings and other communications with legislators and their staff. Such communications will be conducted in adherence with the policies of LCRA and the LCRA Board.

During the course of the Texas legislative session, the GM/CEO will continue to provide information to the Board on significant legislative actions impacting LCRA, and upon completion of the legislative session, provide the Board with a summary of significant legislative matters that were considered and/or enacted into law that impact LCRA.

104.302 Board of Directors. The Board of Directors may from time to time provide direction to the GM/CEO on major legislative policy issues affecting LCRA that are being considered by the Texas Legislature or the United States Congress.

104.40 AUTHORITY

U.S. Constitution, Amendment I
LCRA enabling legislation, Chapter 8503, Texas Special District Local Laws Code

EFFECTIVE: Dec. 5, 1986. Republished March 19, 1987. Amended Dec. 12, 1991, and March 22, 2000. Reaffirmed June 18, 2008, and April 20, 2011. Amended Sept. 21, 2016. Reaffirmed [insert date].

EXHIBIT E

LCRA BOARD POLICY

105 – DIRECTORS’ FEES AND EXPENSE REIMBURSEMENT

Nov. 15, 2023 [Insert Date]

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 only be charged 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; 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 percent 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

~~Board members must complete the Directors' Fees and Expense Report form and attach receipts for meal expenses in excess of \$25 per day; original itemized receipts for lodging; and any other expense receipts, such as receipts for taxis, telephone calls, etc., that are greater than \$25 per day. Directors also will provide itemized receipts for meal and other expenses of an individual nature charged directly to LCRA.~~

To receive fees of office and reimbursement for expenses, Board members must 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 affidavit will be submitted to the general manager or his or her designee.

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, Chapter 8503, Special District Local Laws Code

LCRA bylaws, sections 2.08 and 2.10

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; and Nov. 15, 2023; and [insert date].

EXHIBIT F

LCRA BOARD POLICY

106 – ETHICS

~~Dec. 11, 2018~~ [Insert Date]

106.10 PURPOSE

The purpose of this policy is to provide guidance to the LCRA Board of Directors regarding standards of ethical conduct and conflicts of interest.

106.20 POLICY

106.201 Ethical Standards of Conduct. LCRA directors must conduct themselves so as to bring continuing respect to LCRA and avoid any questionable conduct that could bring discredit to LCRA. In accordance with state law, no director should:

- A. Accept or solicit any gift, favor or service that might reasonably tend to influence him or her in the discharge of his or her official duties, or that he or she knows or should know is being offered to him or her with the intent to influence his or her official conduct;
- B. Accept or solicit employment or engage in any business or professional activity that he or she might reasonably expect would require or induce him or her to disclose confidential information acquired by reason of his or her official position;
- C. Accept or solicit other employment or compensation that could reasonably be expected to impair his or her independence of judgment in the performance of his or her official duties;
- D. Make personal investments that could reasonably be expected to create substantial conflicts between his or her private interest and the public interest;
- E. Intentionally or knowingly solicit, accept or agree to accept any benefit for having exercised his or her official powers or performed his or her official duties in favor of another; or
- F. Misapply or misuse LCRA property, information, services or personnel for personal benefit.

106.202 Conflicts of Interest. Directors will avoid conflicts of interest and conduct themselves so as to avoid even the appearance of conflicts of interest in the discharge of their official duties.

1. Before any vote or decision on a business entity or real property in which a director or family member has a substantial interest, a director will publicly disclose the interest during a meeting of the Board, file a completed affidavit (available from the general counsel) with the secretary of the Board, and abstain from further participation in the matter if:
 - A. The action on the matter will have a special economic effect on the business entity that is distinguishable from the effect on the public; or
 - B. It is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property that is distinguishable from its effect on the public.

The Board must take a separate vote on any budget item specifically dedicated to a contract in which a director or family member has a substantial interest. For purposes of this section, a “family member” is defined as the director’s spouse, parent, child, father-in-law, mother-in-law, sons-in-law, and daughters-in-law.

2. Any director who ~~is~~ also is serving as a member of the Board of Directors of the Colorado River Land Trust shall abstain from any vote taken on a matter affecting the relationship between LCRA and the land trust.
3. With regard to hiring, no director will appoint, confirm the appointment, or vote for the appointment of any individual if that individual:
 - A. Is related to that director or any other director within the third degree of consanguinity or second degree of affinity (defined as a spouse, parent, child, sibling, aunt, uncle, niece, nephew, grandparent, grandchild, great-grandparent, great-grandchild, brother-in-law, sister-in-law, mother-in-law, father-in-law, son-in-law, or daughter-in-law);
 - B. ~~W~~That individual will be compensated from LCRA funds.
4. Directors also must file a conflicts disclosure statement whenever a director becomes aware that a vendor or contractor of LCRA, or a potential vendor or contractor, has an employment or business relationship with a director or a family member of the director (defined as the director’s spouse, parent, child, father-in-law, mother-in-law, sons-in-law, and daughters-in-law). The disclosure statement also must be filed in the following circumstances:
 - A. When a director or a family member of a director receives taxable income from an LCRA vendor or contractor or a potential vendor or contractor, other than

investment income, that exceeds \$2,500 during the 12-month period preceding the date a contract is signed or first considered by LCRA;

B. When a vendor has given to a director or a family member of a director one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date a contract is signed or first considered by LCRA; or

C. When a director has a family relationship with an LCRA vendor (defined as a relationship between a person and another person within the third degree by consanguinity or the second degree by affinity, including family members, siblings, half-siblings, grandchildren, grandparents, uncles, aunts, nephews, nieces, great-grandparents, and great-grandchildren).

A director must sign the disclosure statement (available from the general counsel) before a notary, under oath, acknowledging that it applies to the director's family members, then file it with the LCRA records custodian by the seventh business day after the director becomes aware of facts requiring the form to be filed.

106.203 Annual Financial and Disclosure Statements. The GM/CEO and each member of the Board of Directors will file an annual financial statement with the Texas Ethics Commission in accordance with Texas Government Code, Chapter 572. In addition, the GM/CEO and each Board member will submit to the general counsel a disclosure statement by June 30 of each year. The annual disclosure statement will be in a form prescribed by the general counsel that incorporates business and financial information included in the Texas Ethics Commission annual financial statement and provides a reaffirmation of adherence to this policy.

106.204 Vendors and Contractors. Vendors and contractors of LCRA, as well as their subcontractors, ~~and their employees,~~ are expected to comply with all laws and ethical requirements applicable to behave in a lawful and ethical manner in their business dealings interactions with LCRA.

106.205 GM/CEO Authority. The GM/CEO is authorized to develop and enforce a written policy of ethical conduct – which may be more restrictive than this policy or state law – applicable to employees.

106.206 Constitutional Limits on Donations. LCRA will not give away public funds, property or services in violation of Article III, Section 52, of the Texas Constitution.

106.30 AUTHORITY

Texas Local Government Code, Chapters 171 and 176

Texas Government Code, Chapters 572 and 573

Texas Penal Code, Chapters 36 and 39

Texas Water Code, Section 49.199

LCRA bylaws, Section 2.01

30 Tex. Admin. Code, Chapter 292

EFFECTIVE: August 1987. Amended Oct. 18, 1990; March 19, 1992; Sept. 22, 1994; Sept. 20, 2000; and May 21, 2008. Reaffirmed April 20, 2011. Amended Sept. 21, 2016; ~~and Dec.11, 2018;~~ and [insert date].

EXHIBIT G

LCRA BOARD POLICY

107 – PROCESS OF EVALUATING THE GENERAL MANAGER/CHIEF EXECUTIVE OFFICER AND GENERAL AUDITOR

~~Sept. 21, 2016~~ [Insert Date]

107.10 PURPOSE

This policy establishes the process and guidelines for an annual performance evaluation of the LCRA Board of Directors' direct reports, which include the GM/CEO and the general auditor.

107.20 EVALUATION

The purpose of each evaluation is to provide feedback and a forum for discussion between the Board and the Board's direct reports ~~of issues surrounding successful implementation of about performance related to~~ Board policies, goals and objectives. The evaluation also serves as a forum to set future goals and objectives. ~~Specifically, the Board will hold the direct reports accountable for achieving specific objectives approved by the Board. The direct reports will deliver their objectives for the coming year to the Board at each year's annual evaluation.~~

107.201 GM/CEO: The Board annually will evaluate the performance of the general manager as the chief executive officer responsible for the business operations and activities of the organization.

107.202 General Auditor: The Board annually will evaluate the performance of the general auditor. ~~In general, the Board will evaluate the general auditor's execution of his or her responsibilities, powers and duties assigned by the Board in the bylaws and Board Policy 221 – Auditors, including the specific objectives approved by the Board.~~

107.30 EVALUATION PROCESS

The Executive Committee of the Board will implement the review process for the GM/CEO. The Audit and Risk Committee will implement the review process for the general auditor. The GM/CEO and general auditor each will provide the respective committees a written self-evaluation of their past fiscal year's performance and proposed goals for the next year. The committees s will solicit input from the remainder of the Board and may solicit input from the LCRA staff reporting directly to the GM/CEO ~~and~~ general auditor. The GM/CEO will provide feedback to the Audit and Risk Committee ~~also may~~

~~ask the GM/CEO related to the performance a preliminary evaluation~~ of the general auditor.

Annually, the committees will ~~share with the Board a summary of performance feedback received review the self-evaluations, and Board members' and staff input, and then prepare a summary written evaluation of the last fiscal year, and a make~~ recommendations regarding the goals for the coming fiscal year and ~~a recommendation regarding~~ compensation. ~~The committee must provide each director a copy of the evaluation and any compensation recommendations.~~ Except as otherwise required by law, the ~~entire~~ Board will meet with each direct report in executive session to discuss each specific review. The Board will vote in open session on the goals for the coming fiscal year and any adjustments in compensation.

107.40 AUTHORITY

LCRA enabling legislation, Section 8503.007, Texas Special District Local Laws Code
LCRA bylaws, sections 3.02 and 4.02

EFFECTIVE: Feb. 20, 1997. Amended June 21, 2000; Sept. 17, 2003; Sept. 17, 2008; June 15, 2011; Aug. 15, 2012; ~~and~~ Sept. 21, 2016; and [insert date].

FOR ACTION

6. 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
Senior Vice President, Supply Chain

Exhibit(s)

A – New Contracts
B – Contract Changes

EXHIBIT A

New Contracts

Contract Number: 6675

Supplier Name: Solara, Inc.

Contract Amount: \$10 million

Description: This master contract will provide hydrogen fuel cell systems, hydrogen refueling and maintenance services for backup power generation for telecommunication towers. The term of the contract is for one year with annual automatic renewal periods up to a total of five years.

Contract Number: 6669

Supplier Name: Strata Maintenance LLC

Contract Amount: \$6.5 million

Description: This master contract will provide grounds maintenance services, including shredding, tree trimming and irrigation, for LCRA facilities, parks and industrial plants. The term of the contract is for one year with annual options to extend up to a total of five years. Historical expenditures for this category of spend were \$5.9 million under existing five-year contracts. Total projected contract expenditures are forecast to increase from prior years due to an increase in pricing on parks and industrial plant locations and anticipated irrigation repairs, upgrades and replacements for facilities.

Contract Number: 6683

Supplier Name: Gutier LLC

Contract Amount: \$10 million

Description: This master contract is for light construction services for all departments including LCRA facilities, parks, industrial plants, Transmission, Telecommunications and Water. The term of the contract is for one year with automatic annual renewal periods not to exceed a total maximum term of five years.

Contract Number: 6684

Supplier Name: Falkenberg Construction CO, Inc.

Contract Amount: \$10 million

Description: This master contract will serve as an additional supplier for light construction services as described in the prior item, Contract No. 6683.

Contract Number: 6687

Supplier Name: HCS Inc.

Contract Amount: \$10 million

Description: This master contract will serve as an additional supplier for light construction services as described in the prior item, Contract No. 6683.

Contract Number: 6686

Supplier Name: CMC Development & Construction Corporation LLC

Contract Amount: \$10 million

Description: This master contract will serve as an additional supplier for light construction services as described in the prior item, Contract No. 6683.

EXHIBIT B

Contract Changes

Contract Number: 6225

Supplier Name: Superior Concrete Products, Inc.

Current Approved Contract Amount: \$3.5 million

Requested Change: \$5 million

New Contract Amount: \$8.5 million

Description: This master contract provides the installation of high-security fences, including precast concrete fences, opaque metal gates and associated appurtenances, for LCRA Transmission Services Corporation electric substation projects. Historical expenditures under this category are \$2.6 million since contract execution in March 2023. LCRA's forecast spending is higher than anticipated due to a projected increase in volume of future substation projects on previously undeveloped sites and increased site development permits that require precast concrete fencing. Staff is requesting Board approval to add \$5 million to the existing, approved contract amount to cover needs through the end of the contract term in March 2028.

Contract Number: 6265

Supplier Name: Hill Country Concrete & Masonry Supply

Current Approved Contract Amount: \$3.5 million

Requested Change: \$5 million

New Contract Amount: \$8.5 million

Description: This master contract will serve as an additional supplier providing the installation of high-security fences, including precast concrete fences, opaque metal gates and associated appurtenances, for LCRA TSC electric substation projects as described in the previous item, Contract No. 6225.

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