



Board Agenda

Wednesday, June 18, 2025
LCRA General Office Complex
Board Room – Hancock Building
3700 Lake Austin Blvd.
Austin, TX 78703
Earliest start time: 10:15 a.m.

Items From the Chair

1. Comments From the Public 3
2. Resolutions..... 5
3. Appointment of LCRA Board Committee Members and Committee Chairs..... 7

Consent Items

4. Appointment of Directors to GenTex Power Corporation Board of Directors 9
5. Appointment of Directors to LCRA Retirement Benefits Board of Trustees 11
- *6. Conveyance of Easement in Travis County 13
7. LCRA Board Policies 102, 301, 401, 403, 404, 405 and 603 16
8. Directors' Fees, Expenses..... 56
9. Minutes of Prior Meeting..... 57

Action Items

- *10. Approve the LCRA Transmission Services Corporation Transmission Contract
Refunding Revenue Bonds Issuance and Forty-Ninth Supplemental
Resolution 63
11. Contracts and Contract Changes 66

Executive Session

1. Competitive Electric Matters
- *2. Sale of Real Property in Bastrop County
3. Litigation Update
4. Legal Advice on Legal Matters
5. Legislative Update

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

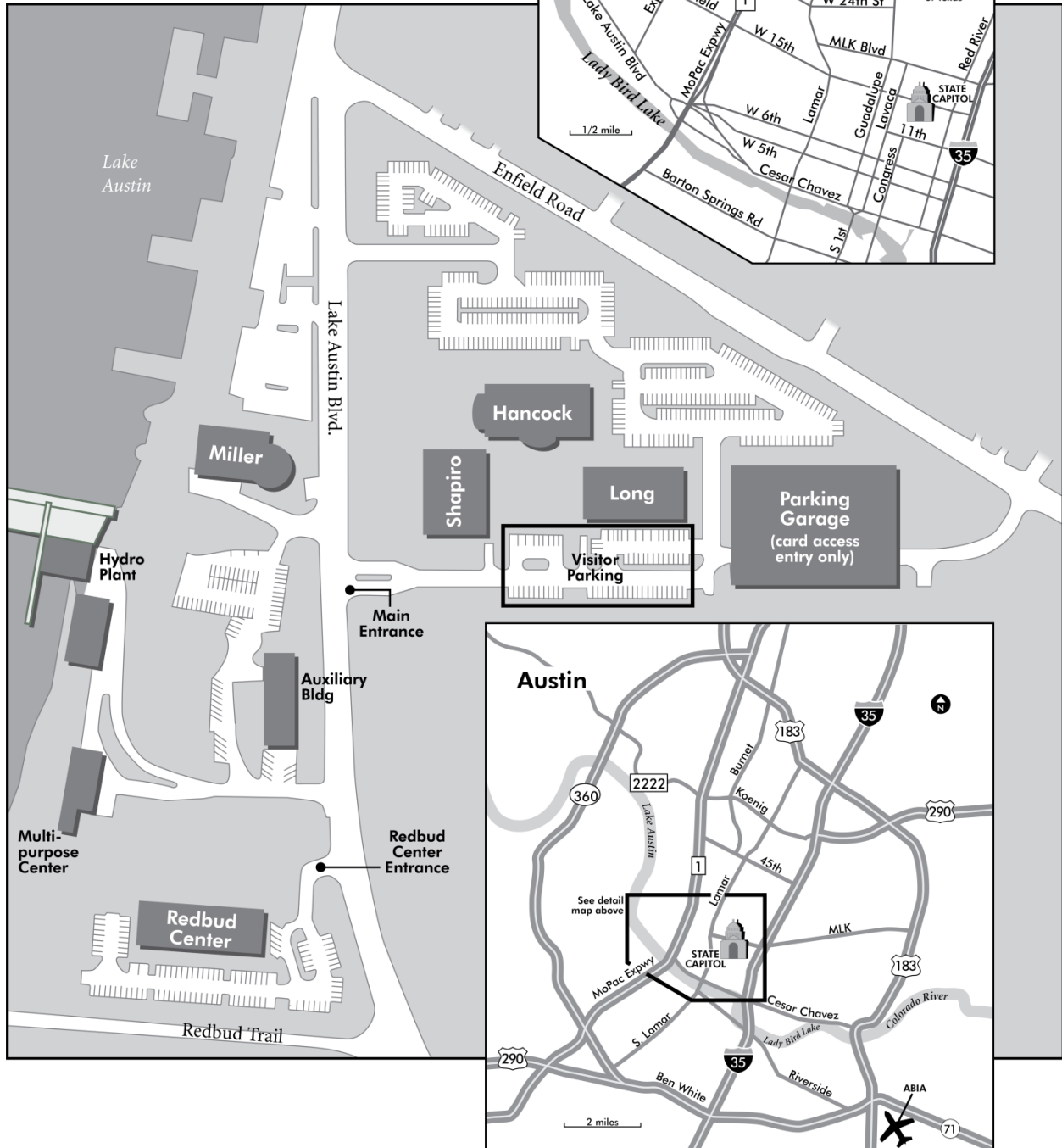
The Board also may go into executive session on any item listed above, pursuant to Chapter 551 of the Texas Government Code, including, but not limited to, sections 551.071, 551.072, 551.074, 551.076, 551.086, 551.089 and 418.183(f) of the Texas Government Code.

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>

LCRA General Office Complex Location Map

3700 Lake Austin Blvd.
Austin, Texas



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.

Budget Status and Fiscal Impact

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

Stephen F. Cooper
LCRA Board Chair

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

Honoring Charlie Wilson

Whereas, Charlie Wilson retired from the Lower Colorado River Authority on June 7, 2025, as a Substation Engineering director in Transmission Design and Protection after 30-plus years of service to LCRA; and

Whereas, Charlie began his career at LCRA on Nov. 21, 1994, as an engineer within Transmission's Relay and Control group. He spent his entire career in Transmission, rising to supervisory positions and ensuring the engineers and technicians he led effectively designed infrastructure to safely and reliably deliver power to Texans. In 2007, Charlie was honored by LCRA General Manager Joseph Beal after Charlie successfully merged two work groups to form the Substation Design and Protection team; and

Whereas, Charlie encouraged innovative approaches to establishing long-standing design standards, whether for substations that could accommodate new 345-kilovolt transmission lines in Competitive Renewable Energy Zones in West Texas or tied to the framework for future growth by LCRA Transmission Services Corporation, such as in the form of designing 765-kV transmission lines or building gas-insulated substations. Charlie also mentored young engineers, often saying, "Don't leave money on the table!" as he urged them to acquire knowledge that would benefit them and LCRA; and

Whereas, Charlie's co-workers, including his daughter, Sarah, admired his ability to combine a no-shortcuts leadership approach with a gentle hand that directed yearly cleanups at Lake Bastrop and fundraisers that raised more than \$50,000 for the Salvation Army Angel Tree program since 2011; and

Whereas, while Charlie's former teammates will miss the vast institutional knowledge he generously shared, his kindness and contagious laugh, they are happy he will have more time for his favorite pursuits - family get-togethers, including weekly dinners, ski trips and other outdoor activities, especially with his grandchildren, and his hobbies of woodworking and crafting with stained glass;

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

Approved this 18th day of June 2025.

Stephen F. Cooper, Board Chair

Phil Wilson, General Manager

THIS PAGE LEFT BLANK INTENTIONALLY

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

Honoring Michael L. Allen

Whereas, Michael L. Allen served on the Lower Colorado River Authority Board of Directors from April 26, 2019, to June 16, 2025, having been appointed by Gov. Greg Abbott as a representative of LCRA's service area from Kerr County; and

Whereas, Mike's financial expertise, with more than 45 years of experience in the banking industry, made him a tremendous asset to LCRA. As chair of the Finance Committee, his leadership and skill of looking at issues through a financial lens assisted the Board in fulfilling its responsibilities with respect to oversight of all financial and budgetary matters, expenditure of funds, and employee pension plans. His work on LCRA's Retirement Benefits Board of Trustees helped LCRA continue operating as a financially sound organization while maintaining retirement plans for retirees. Additionally, Mike's desire to build consensus during his service on the Executive Committee supported LCRA's objective to provide vital services at competitive rates; and

Whereas, Mike's participation on the Planning and Public Policy Committee contributed to LCRA's ability to plan for the future with projects like Timmerman Power Plant and Arbuckle Reservoir to help address the growing need for power and water. Mike's experience from prior service on a water district board of directors and a river authority board, in addition to his many years spent living in Texas and his deep appreciation of the lakes, made him passionate about his work on the Water Operations Committee and helped LCRA manage water supplies for our region; and

Whereas, Mike's service on the LCRA Transmission Services Corporation Board of Directors helped move forward plans to invest about \$5.9 billion in transmission projects over the next five years. During his six-year tenure on the LCRA Board, Mike helped oversee more than \$4.5 billion in capital projects. His service on the Energy Operations Committee and LCRA WSC Energy, WSC Energy II and GenTex Power Corporation boards contributed to providing competitively priced wholesale power solutions and strengthened relationships with our wholesale electric customers. Mike also enjoyed participating in Community Development Partnership Program grant presentations. He is a Texas history connoisseur, and he entertained his CDPP traveling companions with his knowledge about points of interest, including details about the "Old Yeller" author's childhood home near Mason and the legendary Y.O. Ranch near Mountain Home bought in 1880 by a Texas Ranger;

Now, Therefore, Be It Resolved that LCRA and the LCRA Board of Directors are grateful to Michael L. Allen for his leadership on the LCRA Board that has helped LCRA serve the people of Texas. The directors will miss his friendship, his extensive knowledge, sharing hunting stories and his encouraging attitude, and they wish him well in all of his future endeavors.

Approved this 18th day of June 2025.

Stephen F. Cooper, Board Chair

Phil Wilson, General Manager

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

Honoring Thomas Michael Martine

Whereas, Thomas Michael Martine served on the Lower Colorado River Authority Board of Directors from May 6, 2009, to June 16, 2025, having been appointed by then-Gov. Rick Perry as a representative of LCRA's service area from Blanco County, reappointed in 2013 by then-Gov. Perry, and reappointed in 2019 by Gov. Greg Abbott; and

Whereas, Tom provided guidance as Board vice chair and secretary with his business acumen and enthusiasm for LCRA's mission to enhance the quality of life of the Texans we serve through water stewardship, energy and community service. His dedication to land management fit well with LCRA's stewardship role, and the depth of real estate and conservation experience Tom brought to his roles as Land and Community Resources Committee chair and vice chair were instrumental in helping the Board fulfill its responsibilities for the efficient use and management of LCRA-held lands. Tom drew on his passion for conservation and water supplies for the future, serving as Water Operations Committee chair and vice chair, as well as serving on the Water Vision Ad Hoc Committee. He led through challenges that included the 2011-era Drought of Record and flooding that broke the drought. He also contributed to LCRA increasing water supplies in the basin with projects such as Arbuckle Reservoir – the first significant new water supply reservoir developed in the lower Colorado River basin in decades; and

Whereas, Tom's appreciation for thoughtful growth guided his service as LCRA Transmission Services Corporation Board vice chair, helping to move forward plans to invest about \$5.9 billion in transmission projects over the next five years. During his 16-year LCRA Board tenure, Tom helped oversee more than \$8.3 billion in capital projects. On the Energy Operations Committee, he helped strengthen relationships with wholesale power customers. His service as vice chair on both the LCRA WSC Energy and WSC Energy II boards, along with his GenTex Power Corporation Board service, contributed to LCRA's work to provide competitively priced wholesale power solutions tailored to customer needs. As Planning and Public Policy Committee chair, Tom's unwavering commitment helped LCRA remain resilient and deliver critical services during unprecedented challenges, and his work on the Audit and Risk Committee added to LCRA's ability to maintain appropriate internal controls and effectively manage risks. Tom's efforts as Executive Committee vice chair, combined with service on its preceding Strategic Initiatives Ad Hoc Committee, contributed to LCRA's ability to provide vital services at competitive rates;

Now, Therefore, Be It Resolved that LCRA and the LCRA Board of Directors are grateful to Thomas Michael Martine for his leadership on the LCRA Board that has helped LCRA serve Texans. The directors will miss his wisdom, smile and generosity, and they wish him well in his future endeavors.

Approved this 18th day of June 2025.

Stephen F. Cooper, Board Chair

Phil Wilson, General Manager

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

Honoring Timothy Timmerman

Whereas, Timothy Timmerman served on the Lower Colorado River Authority Board of Directors from Feb. 12, 2008, to May 21, 2025, having been appointed as a representative of LCRA's service area from Travis County by then-Gov. Rick Perry, who named him LCRA Board chair in 2011 and reappointed him in 2013, followed by his reappointment in 2019 by Gov. Greg Abbott; and

Whereas, Tim's tenure of 14 years as LCRA Board chair and nearly two years as vice chair were extremely impactful, creating a strong sense of camaraderie and collaboration among directors that amplified the sentiment of serving "one basin." His leadership helped build a strong foundation on which LCRA can continue to grow, thrive and meet the needs of the communities LCRA serves. His exceptional engagement with all facets of LCRA made him instrumental in LCRA's ability to continue its vital services for Texans through challenges that included droughts, floods and a pandemic; and

Whereas, Tim's service as chair of the LCRA Transmission Services Corporation Board of Directors helped move forward plans to invest about \$5.9 billion in transmission projects over the next five years. During his 17-year LCRA Board tenure, Tim helped oversee more than \$9.3 billion in capital projects. His savvy business experience provided valuable guidance as chair of the LCRA WSC Energy, WSC Energy II and GenTex Power Corporation boards. Tim used his consensus-building skills in his role as Energy Operations Committee vice chair and as a member of the Fuels and Energy Risk Ad Hoc Committee. Tim's passion for helping ensure LCRA has the resources it needs to address growth made him an outstanding Executive Committee chair, member of its preceding Strategic Initiatives Ad Hoc Committee and vice chair of the former Finance and Administration Committee. He posed thoughtful questions about meeting the state's long-term needs that initiated critical conversations on the Water Operations Committee and the Water Vision Ad Hoc Committee. As Planning and Public Policy Committee chair, Tim's expertise as a certified public accountant and real estate developer contributed to LCRA's ability to plan for the future with projects to help address the growing need for water and power, including Arbuckle Reservoir – the first significant new water supply reservoir developed in the lower Colorado River basin in decades – and the new Timmerman Power Plant under construction, which is aptly named to honor his service;

Now, Therefore, Be It Resolved that LCRA and the LCRA Board of Directors are grateful to Timothy Timmerman for his leadership on LCRA's Board that has helped LCRA serve Texans. The directors appreciate his exemplary work and good nature – even after dropping his phone in the lake while helping a director take a fish off the hook. They will miss his lively conversation, the pleasure of his company and hearing him say, "Cooper did it," and they wish him well in all of his future endeavors.

Approved this 18th day of June 2025.

Stephen F. Cooper, Board Chair

Phil Wilson, General Manager

THIS PAGE LEFT BLANK INTENTIONALLY

FOR ACTION

3. Appointment of LCRA Board Committee Members and Committee Chairs

Proposed Motion

Approve the appointment of LCRA Board committee members and committee chairs as shown in Exhibit A.

Board Consideration

Section 2.09 of the LCRA bylaws requires the Board chair to appoint the chairs of all standing committees other than the Planning and Public Policy and the Executive committees as well as the members of the Audit and Risk, Finance, Land and Community Resources, and Transmission committees, all subject to the approval of the Board.

Budget Status and Fiscal Impact

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

Summary

Chair Cooper has appointed committee members and committee chairs as shown in Exhibit A. Board of Directors approval of these appointments is required by the LCRA bylaws. The appointments will be effective immediately. Each committee will elect its own vice chair. The committee chairs and vice chairs will serve two-year terms ending June 30, 2027.

Exhibit(s)

A – Appointment of LCRA Board Committee Members and Committee Chairs

**LCRA AGENDA ITEM NO. 3
APPOINTMENT OF LCRA BOARD COMMITTEE MEMBERS
AND COMMITTEE CHAIRS**

REVISED JUNE 18, 2025

EXHIBIT A

**APPOINTMENT OF LCRA BOARD COMMITTEE MEMBERS
AND COMMITTEE CHAIRS**

AUDIT AND RISK

Margaret D. “Meg” Voelter, chair

ENERGY OPERATIONS

Thomas L. “Tom” Kelley, chair

FINANCE

Matthew L. “Matt” Arthur, chair

Curtis E. Ford

Martha Leigh M. Whitten

David R. Willmann

LAND AND COMMUNITY RESOURCES

Aden Lasseter

TRANSMISSION

Melissa K. Blanding, chair

Joseph M. “Joe” Crane

Mark Mayo

WATER OPERATIONS

Robert “Bobby” Lewis, chair

FOR ACTION (CONSENT)

4. Appointment of Directors to GenTex Power Corporation Board of Directors

Proposed Motion

Appoint or reappoint two LCRA non-officer directors to the GenTex Power Corporation Board of Directors to serve terms expiring Dec. 31, 2025.

Board Consideration

Section 2.01 of the GenTex bylaws requires the LCRA Board of Directors to appoint directors to the GenTex Board.

Budget Status and Fiscal Impact

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

Summary

Pursuant to the GenTex bylaws, the GenTex Board is composed of nine directors, including five LCRA directors and four directors representing LCRA's wholesale electric customers as follows:

- The LCRA Board chair, vice chair and secretary (officers), who automatically serve on the GenTex Board during their terms as officers of the LCRA Board.
- Two LCRA non-officer directors, including one who must be from a county other than the 10 counties in LCRA's statutory district, who serve one-year terms beginning Jan. 1 of each year.
- Two directors representing electric cooperative customers and two representing municipal customers who serve two-year terms beginning Jan. 1 of odd-numbered years.

One non-officer director's term has expired, although directors continue to serve until successors are appointed. The GenTex Board also has one open non-officer director position that must be filled by a director from a county other than the 10 counties in LCRA's statutory district. The LCRA Board now needs to appoint or reappoint two LCRA non-officer directors to serve on the GenTex Board. Each appointment is effective immediately.

Exhibit(s)

A – Appointment of Directors to GenTex Power Corporation Board of Directors

EXHIBIT A

**APPOINTMENT OF DIRECTORS TO
GENTEX POWER CORPORATION BOARD OF DIRECTORS**

**(LCRA will distribute a version of this exhibit
with names during the June 18 Board meeting.)**

Open position

LCRA non-officer director

Open position

LCRA non-officer director from electric service area

FOR ACTION (CONSENT)

5. Appointment of Directors to LCRA Retirement Benefits Board of Trustees

Proposed Motion

Approve the appointment of two LCRA Board members to serve on the LCRA Retirement Benefits Board of Trustees for the remainder of terms expiring Dec. 31, 2026.

Board Consideration

The plan document governing LCRA's retirement plans provides that a seven-member board of trustees will administer the plans. The LCRA Board of Directors shall appoint two LCRA Board members to serve three-year terms on the Board of Trustees for LCRA's retirement plans.

Budget Status and Fiscal Impact

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

Summary

In December 2023, the LCRA Board reappointed Michael L. "Mike" Allen and Stephen F. Cooper to serve on the LCRA Retirement Benefits Board of Trustees for three-year terms expiring Dec. 31, 2026. Michael L. Allen no longer serves on the LCRA Board, and Stephen F. Cooper's duties on the LCRA Board have increased, as he now serves as the LCRA Board chair. The LCRA Board needs to appoint two directors to serve on the LCRA Retirement Benefits Board of Trustees for the remainder of terms expiring Dec. 31, 2026.

Exhibit(s)

A – Appointment of Directors to LCRA Retirement Benefits Board of Trustees

**LCRA AGENDA ITEM NO. 5
APPOINTMENT OF DIRECTORS TO
LCRA RETIREMENT BENEFITS BOARD OF TRUSTEES**

REVISED JUNE 18, 2025

EXHIBIT A

**APPOINTMENT OF DIRECTORS TO
LCRA RETIREMENT BENEFITS BOARD OF TRUSTEES**

Matthew L. “Matt” Arthur LCRA director

David R. Willmann LCRA director

FOR ACTION (CONSENT)

6. Conveyance of Easement in Travis County

Proposed Motion

Authorize the general manager or his designee to convey a 20-foot-wide electric distribution overhead easement to Pedernales Electric Cooperative across a portion of LCRA parcels TS-13A, TS-13B and TS-13E in Travis County.

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 2025 LCRA TSC business plan contains the administrative costs associated with the conveyance of this easement.

Summary

LCRA acquired parcels TS-13A, TS-13B and TS-13E in 1940 to support the creation of Lake Travis. The majority of this land is leased to Travis County for Pace Bend Park. PEC requested a rerouting of the electric line to allow better access to it. LCRA Parks and Travis County have no issues with the proposed easement. PEC will not pay monetary consideration because the line is being rerouted to benefit the LCRA-owned property as well as PEC.

LCRA representatives will complete environmental and cultural resource due diligence in accordance with LCRA Board Policy 401.403 – Land Disposition prior to conveying the easement.

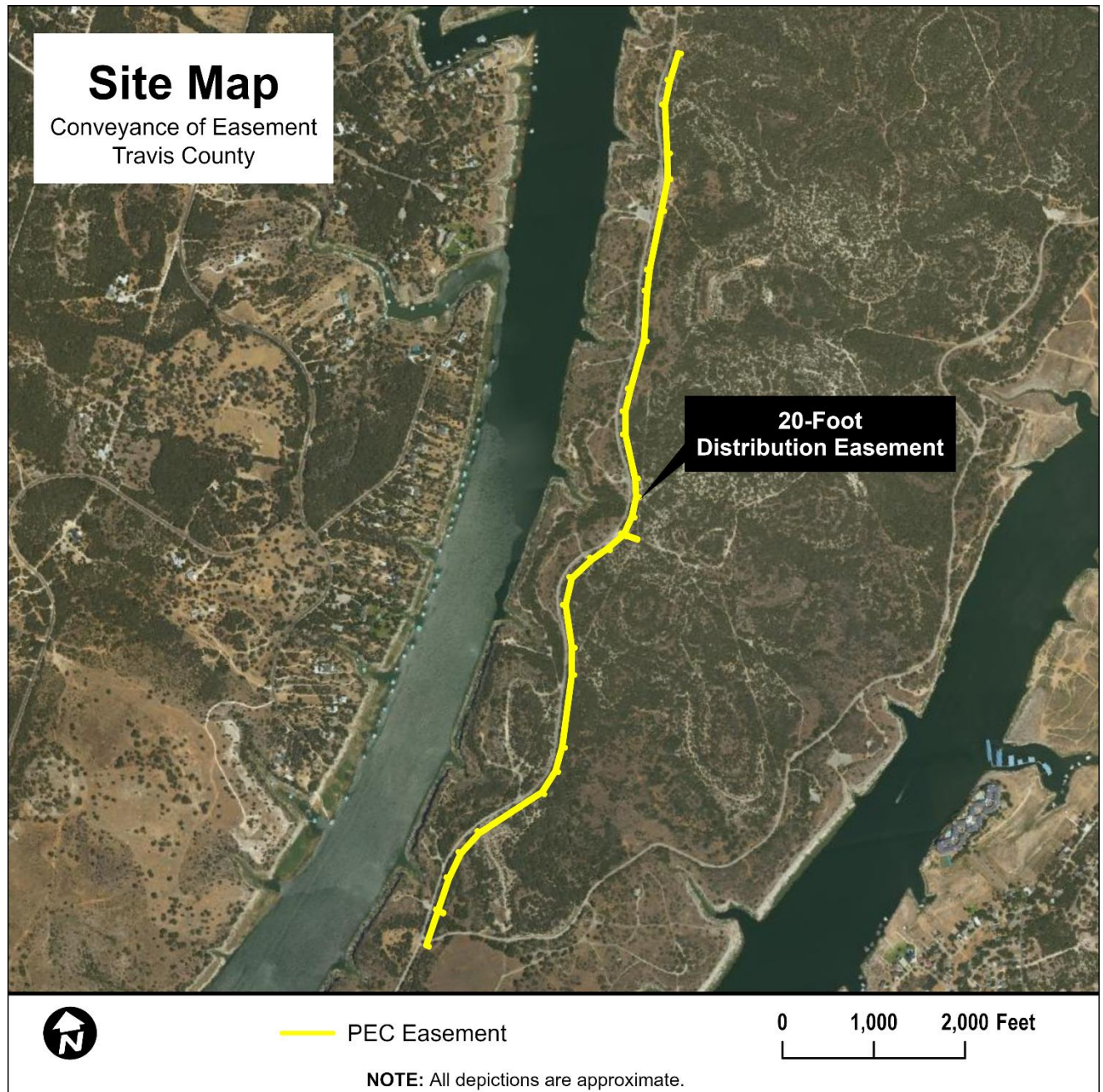
Exhibit(s)

- A – Vicinity Map
- B – Site Map

EXHIBIT A



EXHIBIT B



FOR ACTION (CONSENT)

7. LCRA Board Policies 102, 301, 401, 403, 404, 405 and 603

Proposed Motion

Reaffirm without substantive changes LCRA Board Policy 405; approve proposed revisions to LCRA Board policies 102, 301, 401, 403, 404 and 603; approve the release and transfer of any funds from the Flood Recovery and Disaster Fund and Liability Reduction Fund into the LCRA Revenue Fund; and approve the release, transfer and redesignation of funds from the Community Assistance Fund as regular management reserves.

Board Consideration

All Board policies currently are under review. LCRA Board of Directors approval is required for any changes to policies.

Budget Status and Fiscal Impact

Approval of these items will not impact the fiscal year 2025 budget.

Summary

The Office of the General Counsel initiated a review of all Board policies and those of its nonprofit corporations in fall 2024 to streamline policies, update language, and provide a higher level and more strategically directed set of policies for the Board. The 40 policies have been divided into groups and will be brought to the Board for review and consideration about every two to three months with the goal of completing the review by the end of 2025. The Board has reviewed 17 policies since December 2025 and previously authorized the general counsel to approve minor, nonsubstantive or necessary conforming changes to policies throughout this project.

Staff has reviewed the following policies for this agenda item:

- LCRA Board Policy 102 – Authority and Responsibilities
- LCRA Board Policy 301 – Finance
- LCRA Board Policy 401 – Land Resources
- LCRA Board Policy 403 – Community Services
- LCRA Board Policy 404 – Grants and Economic Development
- LCRA Board Policy 405 – Property Rights
- LCRA Board Policy 603 – Energy Transactions

The Office of the General Counsel recommends affirmation of LCRA Board Policy 405 without substantive changes. The Office of the General Counsel recommends approval of the proposed amendments to Board policies 102, 301, 401, 403, 404 and 603 as described below.

- Recommended changes to Board Policy 102 would incorporate policies related to the LCRA Rangers and improve clarity for these policies.

- Recommended changes to Board Policy 301 would remove duplicative requirements, improve clarity and flexibility, and simplify language related to funding operating reserves and special funds. If approved, staff recommends any money within the special funds proposed for elimination be transferred to operating reserves.
- Recommended changes to Board Policy 401 would update the dollar thresholds for various real estate transactions to align with general manager authority for capital projects and otherwise help streamline processes. Changes also reflect significant reorganization and edits to improve clarity and remove redundancy or unnecessary language.
- Recommended changes to Board Policy 403 would change the name to Parks, Education and Conservation to better reflect the content after relocating the Ranger policies. Edits also improve clarity and align with current practice and legal requirements.
- Recommended changes to Board Policy 404 would simplify and clarify language throughout to align with current practice and remove unnecessary language. The Community Development Partnership Program would be renamed the Community Grants program, and the existing award allocation requirements for the program would be removed to increase program flexibility to meet the changing needs of the communities LCRA serves.
- Recommended changes to Board Policy 603 would remove limitations related to hedging transactions to allow hedging as needed while risks continue to be appropriately managed.

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

Presenter(s)

Leigh Sebastian
General Counsel

Exhibit(s)

- A – Proposed Amendments to LCRA Board Policy 102 – Authority and Responsibilities
- B – Proposed Amendments to LCRA Board Policy 301 – Finance
- C – Proposed Amendments to LCRA Board Policy 401 – Land Resources
- D – Proposed Amendments to LCRA Board Policy 403 – Parks, Education and Conservation
- E – Proposed Amendments to LCRA Board Policy 404 – Grants and Economic Development
- F – LCRA Board Policy 405 – Property Rights
- G – Proposed Amendments to LCRA Board Policy 603 – Energy Transactions (without Appendix A)

EXHIBIT A

LCRA BOARD POLICY

102 – AUTHORITY AND RESPONSIBILITIES

~~Dec. 10, 2024~~ June 18, 2025

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 general manager (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 LCRA RANGERS

The GM/CEO ~~may is authorized to~~ employ and commission peace officers licensed by the state of Texas ~~and establish pursuant to the Texas Water Code and the LCRA enabling legislation to meet the requirements of this policy.~~

~~The LCRA Rangers will enforce the laws, rules, regulations and ordinances of the state of Texas and LCRA in accordance with the authority given under state law. The Rangers may provide assistance to other public safety agencies in law enforcement and emergency response.~~

~~The chief of Public Safety will establish and maintain written policies and procedures describing the required conduct, authority and training of the LCRA Rangers.~~

~~The GM/CEO or his or her designee may determine~~ the priority and level of services to be provided by the LCRA Rangers in their enforcement of laws, rules, regulations and ordinances of the state of Texas and LCRA. Such services will include, but are not limited to:

- A. Protecting people, assets, and interests of LCRA and the natural resources of Texas;
- B. Enforcing laws and rules on LCRA-managed waterways and ~~in~~ LCRA landsparks and other lands; and
- C. Responding to requests for assistance to other public safety agencies in law enforcement and emergency response.

The GM/CEO or his designee will establish and maintain written procedures describing the required conduct, authority and training of the LCRA Rangers, in accordance with applicable legal requirements.

102.40 AUTHORITY

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

Texas Water Code, Section 49.216

LCRA bylaws, sections 2.01, 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 Dec. 10, 2024; and amended June 18, 2025.

EXHIBIT B

LCRA BOARD POLICY

301 – FINANCE

~~Aug. 23, 2023~~ June 18, 2025

301.10 PURPOSE

This policy provides a framework from which LCRA's financial integrity will be maintained while serving the long-term interests of its customers and other constituencies. LCRA recognizes that maintaining financial integrity is critical to accomplishing its goals and discharging LCRA's primary customer and public service responsibilities. This policy establishes processes to be used by the LCRA Board of Directors (Board) to define the strategic plan for LCRA and to approve specific program goals, objectives and associated budgets.

301.20 DEFINITIONS

Business Plan – The business plan is the document approved by the Board annually that establishes the Board's goals and priorities. The business plan includes operating and capital budgets as well as projections of LCRA's overall financial performance and capital financing plans. It describes the projects, products and services that support the associated revenues and expenditures over a five-year period.

Debt Service Coverage (Coverage) – Debt service coverage is the ratio of the fiscal year's ending total revenues minus total operating and maintenance expenses (net of depreciation, amortization, and other revenue and expense exclusions resulting from prior period funding), divided by scheduled debt service on all obligations as approved in the business plan.

Equity Ratio (Ratio) – The calculation is the ratio of total equity divided by total assets.

Fixed-Rate Debt – Fixed-rate debt consists of coupon securities that have a scheduled maturity or mandatory sinking fund redemption date. Fixed-rate debt that has been synthetically converted to variable rate debt via a derivative instrument will be classified as variable-rate debt for the term of the derivative instrument.

Long-Term Liabilities – Long-term liabilities are (1) principal amounts on long-term debt instruments, (2) pension liabilities, and (3) amounts owed on long-term obligations.

Operating and Maintenance Expenses – Operating and maintenance expenses consist of all reasonable and necessary costs and expenses incurred in the operation and maintenance of the LCRA system.

Variable-Rate Debt – Variable-rate debt consists of securities on which the interest rate varies over time (a) based on an index or formula ~~such as variable-rate demand notes or auction-rate bonds~~, or (b) because the securities are sold in the short-term market (with a maturity not exceeding 270 days), such as commercial paper.

301.30 FINANCIAL OBJECTIVES

In seeking to fulfill its customer and public service objectives, LCRA will maintain a high level of financial stability and will not compromise long-term financial integrity to achieve short-term benefits.

The general manager (GM)/CEO is authorized to engage financial service providers and other related professional service providers if deemed necessary and appropriate by the GM/CEO in consultation with the chief financial officer, considering the expertise and cost of any such service provider. ~~The GM/CEO will provide an annual report to the Board listing all contracts into which LCRA entered pursuant to this paragraph.~~

301.301 Debt Service Coverage. To maintain a high level of financial integrity~~provide a margin of safety in LCRA's financial affairs~~, revenue levels will be set to target a debt service coverage ratio of 1.25x on the total debt service for all debt obligations. In the event overall debt service coverage is projected to be below 1.25x for any fiscal year, the Board will promptly implement a plan, to be recommended by staff, which could include rate increases, cost reductions or other means to achieve a debt service coverage ratio of 1.25x.

In the event the actual LCRA system fiscal year debt service coverage ratio exceeds 1.25x, the financial performance of the wholesale power business will be evaluated to determine if the actual wholesale power debt service coverage ratio exceeds 1.25x for the fiscal year. If such excess exists, staff will submit to the Board a plan to provide the existing long-term wholesale electric customers with appropriate credits or other rate relief in an amount equal to the excess, provided that after such credit or rate relief, LCRA will achieve an actual system debt service coverage ratio of 1.25x and be in compliance with any covenant requirement in any bond resolution or policy of LCRA. This policy will be applicable except in periods when funds are needed to provide equity for the generation capital program and meet operating reserve requirements.

Upon completion of the annual audit of fiscal year-end financial statements, the existing long-term wholesale electric customers will be provided an analysis of LCRA's financial performance for that period in order to provide a complete accounting of funds above a 1.25x debt service coverage ratio.

301.302 Rates and Prices. LCRA will design rates and prices that are intended to ensure LCRA meets its financial obligations, recover reasonable costs in a timely fashion, and maintain financial integrity as required by regulatory and contractual requirements. These rates will provide a stable and predictable flow of revenues to maintain appropriate levels of revenue to achieve LCRA's goals. Revenue levels will be evaluated in consideration of, but not limited to, bond ratings, capital funding requirements, current business conditions, economic projections and load-growth assumptions, delays inherent in the regulatory process, and the projected size and frequency of necessary rate adjustments. These revenues will be adequate to cover operating and maintenance expenses, debt service, covenanted debt service reserves, liquidity requirements, and equity funding for the capital program.

Rates and prices for wholesale power services to existing long-term wholesale electric customers will be consistent with contractual commitments regarding rates and prices. Revenue collected from wholesale power rates, with the exception of contributions to the Public Service Fund (PSF), will be used for the benefit of the generation system. Rates and prices for service to other electric customers will be set, at a minimum, to recover the cost of providing the services.

Rates and prices for LCRA's raw water services will be based on criteria as specified in LCRA Board Policy 501 – Water Resources.

For other LCRA services for which rates are charged, LCRA may employ other appropriate pricing methods as approved by the GM/CEO.

301.303 Sources of Financing. LCRA will use a combination of equity and debt to finance capital additions to the system such that both current and future customers are allocated an equitable portion of the costs. LCRA may borrow for capital projects when it is appropriate to spread the cost of capital assets over their useful lives.

The issuance of debt requires an affirmative vote of three-fourths of the Board. LCRA will not issue debt for working capital items.

Capital market considerations require an equity base to support financing. LCRA will build equity during those periods when major capital projects are not being undertaken by financing capital projects from revenues. In this way, LCRA will build equity sufficient to maintain financial integrity, ensure access to the debt markets and provide for the growing needs of customers.

As appropriate, LCRA will evaluate mechanisms to restructure or refinance debt. LCRA will continually evaluate alternatives to conventional financing to lower the overall cost of capital for ratepayers. Separate system financing also will be considered.

LCRA may structure debt issues such that the average maturity of the debt funding the assets approximates the average life of the assets financed; however, debt issues may be structured with a shorter average maturity if economically justified. LCRA will attempt

to maintain a long-term average 30% equity ratio. At no time will the equity ratio fall below 20% without specific Board approval in the business plan. Equity funding of the capital program will be approved in the business plan in compliance with this policy and taking into consideration the extent of contractual obligations of customers to provide the sources of revenue that will support the financing program.

301.304 Variable-Rate Financing. LCRA may use variable-rate debt to provide flexibility in its overall capital program and to manage its overall interest rate exposure.

The variable-rate limit is 25% of total capitalization, long-term debt plus capital employed as presented periodically in LCRA's financial statements.

301.305 Debt Service Reserves. LCRA will covenant debt service reserves in the amount of six months of average annual debt service requirements on outstanding debt.

Debt service reserves may be collected through nonfuel rates or met with proceeds from additional debt or through the use of a surety to mitigate rate impacts.

301.306 Operating Reserves. LCRA will target three months of average operating and maintenance expense for purposes of operating liquidity and maintain reserves for liquidity of two to three months. Compliance will be evaluated at the end of each fiscal year.

~~These reserves will be collected through nonfuel rates.~~

If at any time the level of the operating reserves is projected to fall below the minimum two months established by this policy, the Board will promptly implement a plan, to be recommended by staff, to increase rates, reduce costs or otherwise cause there to be sufficient revenues to replenish the level of operating reserves to such target levels within 12 months.

301.307 Management Reserves. The GM/CEO may establish reserves from time to time for management activities.

301.40 PLANNING

301.401 Business Plan. LCRA will prepare a business plan to be submitted for Board approval before the start of each fiscal year. The business plan will include the organization's goals and objectives and will describe the projects, products and services that comprise a five-year forecast for:

- Operating and maintenance expenses.
- Capital expenditures.
- Capital funding sources.
- Operating and other reserve requirements.
- Debt service requirements.

This information will be provided in appropriate detail for LCRA's lines of business and ~~affiliated nonprofit~~ corporations and for LCRA as a whole.

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 resolution adopting the business plan will establish the capital and operating budgets for the upcoming fiscal year. Such amounts may not be exceeded without Board approval. Approval of the business plan constitutes authorization to proceed with capital projects included in year one of the plan and establishes the projects' respective lifetime budgets. The resolution adopting the business plan also will include guidelines for authorizing capital spending and reporting requirements for business plan results.

If annual expenditures for operations or capital are expected to exceed Board-authorized levels, additional approval from the Board will be required, except as otherwise provided below. Staff will provide sufficient support for the additional funding request and provide analysis for impacts on current and future rates.

For any project not previously authorized by the Board in the capital plan, authority is delegated to the GM/CEO to approve any capital project with a lifetime budget not to exceed \$1.5 million. Such approval by the GM/CEO will meet the official intent requirements set forth in Section 1.150-2 of the IRS Treasury Regulations. This delegation will apply only when such approval does not cause total capital expenditures to exceed the approved capital plan or materially adversely impact business planning assumptions. In such a situation, Board approval will be required. Staff will communicate any GM/CEO-approved projects to the Board on a quarterly basis. If Board approval is required, staff will communicate to the Board the funding source and rate impact of any new project when Board approval is requested. A new project may require an amendment to the existing capital plan or be managed within the previously authorized annual spending limits.

The ~~general manager and chief executive officer~~ GM/CEO may approve additional funding for an approved capital project that is expected to exceed its lifetime budget, so long as such additional funding does not cause total capital expenditures to exceed the approved capital plan or materially adversely impact business planning assumptions.

301.402 Quarterly Business Plan Update. The GM/CEO will provide quarterly updates that include indicators of year-to-date operational and financial performance, progress toward key goals, general manager and chief executive officer-approved capital project funding, and financial performance projections.

301.403 Customer Involvement. LCRA will ~~seek~~ consider appropriate input from its customers before the Board's approval of the business plan.

301.50 ~~AFFILIATED-NONPROFIT~~ CORPORATIONS

Each LCRA ~~affiliatednonprofit~~ corporation will implement a planning process similar to the process used by LCRA. However, each ~~affiliated~~ corporation should use a process appropriate for its level of activity. The business plan of the ~~affiliatednonprofit~~ corporation submitted for Board approval will include the following components:

- A description of the ~~affiliated~~ corporation's major programs.
- Operating and capital budgets for the upcoming fiscal year.
- A summary of its annual goals and objectives.
- Five-year forecasts of operating and capital budgets.
- A summary of its rate plan, if applicable.

301.60 SPECIAL FUNDS

~~The Board may establish special funds with appropriate funding mechanisms, implementation policies and program guidelines in order to set aside funds for mission-based activities, long-term resource development and other purposes.~~

~~LCRA will establish a process to transfer a portion of its revenues derived from its various product lines into special funds to be used to support mission-based activities, long-term resource development, and other activities.~~

~~The Board may establish special funds with appropriate implementation policies and program guidelines in order to set aside funds for these various special purposes.~~

In the event LCRA's financial performance from non-electric operations exceeds the budget targets set forth in the business plan, the Board may approve the supplemental transfer of funds to the established special funds. Any funds approved for transfer by the Board will be subject to compliance with LCRA's bond resolutions.

To the extent established special funds, including accumulated interest earnings, are not disbursed for the special purposes described in the separate policy and program guidelines, LCRA may use the funds for any lawful purpose. In the event that LCRA net revenues are insufficient to satisfy bond obligations, the monies from the Public Service Fund (PSF), Infrastructure Reserve Fund, Resource Development Fund, ~~Liability Reduction Fund~~, Agriculture Reserve Fund or Public Recreation and Conservation Land Acquisition Fund (PRCLA Fund) – with the exception of any loans, grants or gifts comprising a portion of the PRCLA Fund – may be applied to such deficiencies.

301.601 LCRA Public Service Fund. The LCRA enabling legislation, as amended, and other applicable state laws provide that LCRA has certain statutory duties in the area of community services. While these service activities produce some revenues, the level of their revenue potential is insufficient to provide LCRA the means of implementing effective service programs. LCRA will maintain the PSF to support those activities. The LCRA enabling legislation contemplates the use of revenues derived from LCRA's

wholesale power, transmission and water operations for service activities as described in the business plan. Wholesale power, transmission, and water rates ~~tariffs~~ will include, as an element of the cost of service, revenue transfers to support community service activities.

The amount available to annually fund service activities will equal a total of 5% of budgeted operational gross revenues of the LCRA transmission activities, accomplished through LCRA Transmission Services Corporation; 5% of budgeted operational gross revenues of Strategic Services; and 5% of budgeted operational gross revenues of raw water activities, with the specific allocation of such funds between PSF and the Resource Development Fund to be established by the Board in the LCRA business plan. Amounts available to fund service activities through the PSF from LCRA's interruptible water business activities will be 3%.

Wholesale power customers and wholesale power ~~affiliated~~ corporations will fund service activities in accordance with their contracts.

~~**301.602 Flood Recovery and Disaster Fund.** LCRA will maintain a Flood Recovery and Disaster Fund (FRD Fund) of up to \$500,000 to aid in the response to a natural flood disaster that causes structural, environmental or navigational damage or creates a hazard to public health and safety along the Highland Lakes and Colorado River within LCRA's 10-county statutory district. LCRA intends the fund to be used to assist cities, counties and local communities in restoring essential services, mitigating public health hazards and ensuring public safety. LCRA expects that LCRA's assistance using this fund will be in support of the affected communities' self-help response to the disaster. Unless otherwise approved by the Board, expenditures from this fund for any single flood event will be limited to \$200,000 and will not extend past the expiration date of a state disaster declaration.~~

~~The types of activities that qualify under the FRD Fund are related to public health and safety and may include some or all of the following activities:~~

- ~~(1) Inspection of septic systems.~~
- ~~(2) Water quality assessments.~~
- ~~(3) Emergency repair of water and wastewater treatment plants.~~
- ~~(4) Removal of major navigational hazards within LCRA lakes and the Colorado River.~~
- ~~(5) Use of heavy equipment to clear roadways and shorelines of major flood debris.~~
- ~~(6) Assistance of LCRA personnel in public safety activities.~~

~~The following types of activities do not qualify under the FRD Fund:~~

- ~~(1) The repair or improvement of private property.~~
- ~~(2) The repair or improvement of LCRA facilities except those facilities that are for public use and enjoyment.~~

~~As monies in the FRD Fund are used for eligible expenditures, the Board may approve additional transfers to replenish the fund.~~

301.603 Agricultural Water Conservation Fund. Section 8503.029, Texas Special District Local Laws Code, requires that a separate charge of at least 10% of LCRA's applicable water rates be applied for any new surface water transfers to the Brazos River watershed in Williamson County. LCRA may use money from this fund only for the development of water resources or other water use strategies to replace or offset the amount of surface water to be transferred to Williamson County. The water development or water use strategies must take into consideration the surface water and groundwater needs of the affected Colorado River basin users and will benefit the water service areas of LCRA's irrigation operations. The Board may deposit other monies within its discretion in the Agricultural Water Conservation Fund.

The staff will consult, as required by Section 8503.029, with an advisory committee representing agricultural irrigation interests before using money from the Agricultural Water Conservation Fund. The Board must approve all expenditures from the Agricultural Water Conservation Fund, but will not consider using the funds to buy out the production of a second crop.

On or before the April Board meeting of each year, the general manager will submit to the Board a report summarizing activities related to the implementation of Section 8503.029, including management and use of the Agricultural Water Conservation Fund, the sufficiency of the separate charge to implement the requirements of Section 8503.029, and updated projections of anticipated water demands for customers subject to the requirements of Section 8503.029.

301.604 Infrastructure Reserve Fund. LCRA will maintain a fund in which the Board may set aside proceeds from above-budget performance from water, park and strategic services activities. Availability of these funds, if any, will be determined after completion of the annual financial audit. Additionally, PSF monies not identified for a specific purpose during the preparation of the annual business plan also may be set aside in this fund. The Board may use these funds at its discretion for purposes of improving existing or developing new infrastructure or any other lawful purpose. The Board must approve all expenditures from the Infrastructure Reserve Fund. The Infrastructure Reserve Fund is part of the revenue fund and accounted for separately.

301.605 Resource Development Fund. LCRA will maintain a fund to specifically support investment in and payment of debt service on borrowings that have been used to construct long-term capital assets that (i) provide for the development of water supply resources for the Colorado River basin, or (ii) otherwise support LCRA's mission activities. The deposit of monies into this fund will be pursuant to Board action authorizing a one-time transfer of funds or creating a program that creates periodic transfers from sources described in this policy. The Board must approve all expenditures from the Resource Development Fund. The Resource Development Fund is part of the revenue fund and accounted for separately.

301.606 Public Recreation and Conservation Land Acquisition Fund. LCRA ~~has established~~will maintain a Public Recreation and Conservation Land Acquisition Fund (PRCLA Fund) to be used for non-utility land acquisition and/or the development of any project included in LCRA's Public Services or Enterprise Capital Improvement Plan. The PRCLA Fund is part of the revenue fund and accounted for separately.

LCRA intends to maintain a minimum balance in the PRCLA Fund of at least \$1 million. If the PRCLA Fund is drawn down below this level, the Board may direct staff to replenish it with an equal or greater amount from the approved sources within a reasonable time frame. At any time that it is anticipated that an expenditure will draw the balance below the \$1 million level, the source of funds, the process and the time period for replenishing the PRCLA Fund will be subject to approval by the Board.

The Board must approve all expenditures from the PRCLA Fund. The monies for the PRCLA Fund may come from the following sources:

- Proceeds from the sale of nonessential non-utility lands.
- Loans, grants or gifts allocated to the acquisition of non-utility lands.
- Revenues resulting from LCRA's agreements with the private sector for managing and operating park, recreation and natural science projects.
- Other sources as approved by the Board.

~~**301.607 Community Assistance Fund.** A Community Assistance Fund will be established to provide money for LCRA's Community Development Partnership Program (CDPP). The LCRA PSF will be the source of funds for the Community Assistance Fund. The Community Assistance Fund is part of the revenue fund and is accounted for separately.~~

~~The CDPP operates as a grants program, and LCRA intends the CDPP to support communities and economic growth by contributing to education, transportation, public safety, recreation, health care, training, community planning or employment efforts in LCRA's service area. Specific program guidelines governing the process, criteria and procedures for disbursements made from the Community Assistance Fund and PSF will be approved by the Board.~~

~~**301.608 Liability Reduction Fund.** LCRA will establish a fund specifically for the reduction of long-term liabilities. The purpose of this fund is to reduce LCRA's long-term cost structure by paying for liabilities when appropriate and funds are available. The Board will approve the source of funds for the Liability Reduction Fund and the disbursements from the Liability Reduction Fund.~~

~~The Liability Reduction Fund is part of the revenue fund and accounted for separately. Interest income attributable to the Liability Reduction Fund may be deposited into the fund periodically and no less frequently than once per fiscal year.~~

301.609 Agriculture Reserve Fund. LCRA will ~~maintain~~establish a fund specifically to be used for mitigating rate shock to customers. The monies for the Agriculture Reserve Fund may come from any source approved by the Board. The Board must approve all expenditures from the Agriculture Reserve Fund. The Agriculture Reserve Fund is part of the revenue fund and accounted for separately.

301.70 RESPONSIBILITIES

~~An annual report will be submitted to the Board on the activities of the Flood Recovery and Disaster Fund and the Agricultural Water Conservation Fund.~~ It is the responsibility of the GM/CEO, chief financial officer and the Board to review this policy statement periodically and make recommendations for necessary revisions to ensure that LCRA maintains a high level of financial integrity.

301.80 AUTHORITY

LCRA enabling legislation, Chapter 8503, Texas Special District Local Laws Code
Texas Water Code, Chapter 152
Public Funds Investment Act, Chapter 2256, Texas Government Code
IRS Treasury Regulations, Section 1.150-2

EFFECTIVE: March 1984. Amended December 1988; Dec. 13, 1990; Aug. 20, 1992; March 19, 1998; Feb. 24, 1999; Aug. 18, 1999; Oct. 20, 1999; June 21, 2000; Dec. 13, 2000; Dec. 17, 2003; Nov. 17, 2004; Dec. 13, 2006; June 3, 2009; March 31, 2010; Dec. 15, 2010; May 16, 2012; and May 21, 2014. Amended and combined with Board Policy 304 Sept. 21, 2016. Amended April 18, 2018; Dec. 10, 2019; Dec. 14, 2021; ~~and~~ Aug. 23, 2023; and June 18, 2025.

EXHIBIT C

LCRA BOARD POLICY

401 – LAND RESOURCES

~~Oct. 17, 2018~~ June 18, 2025

401.10 PURPOSE

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

401.20 DEFINITIONS

Land Rights – Interests in real property including, but not limited to, easements, leases, and fee simple ownership and aerial, subsurface, land and water surface rights.

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

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

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

401.30 POLICY

LCRA will acquire, develop, use, manage, operate and dispose of its land resources to fulfill its essential purposes and responsibilities prescribed by state law and the Board's policies. ~~LCRA may dispose of land that has been declared by the LCRA Board of Directors to be "nonessential" (not necessary or convenient or of beneficial use to the business of LCRA).~~

401.40 PROCEDURES: LAND ACQUISITION, MANAGEMENT, DISPOSITION

401.401 ~~—Land~~AND Acquisition~~QUISITION.~~

LCRA will acquire sufficient ~~non-utility, utility-related, and government administrative~~ land rights to complete approved projects and programs. In selecting land, LCRA will consider, as appropriate, the effects on environmental integrity, community values, parks and recreation areas, historical and aesthetic values, applicable regulatory constraints and costs, and the cost of the project or program.

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

~~In acquiring land rights, LCRA will attempt to minimize adverse effects upon property owners and will use due diligence to adequately compensate property owners.~~

~~Property owners contacted by representatives of LCRA will be treated courteously and dealt with in a forthright manner. Contacts and negotiations will be initiated in a timely fashion to allow the property owner to consult with legal, tax and other advisors as may be necessary.~~

- A. Board Authorization: Board approval of the business plan, capital plan and/or a capital improvement project ~~will constitute~~s authorization for the acquisition of land rights ~~as necessary~~ and ~~will authorize~~s the general manager (GM)/CEO or his or her designee to acquire the land rights ~~necessary~~ to complete the approved projects or programs, ~~subject to the following conditions:~~

~~Acquisitions of land rights that may be purchased or leased for \$600,000 or less per parcel, where the purchase or lease price for the term is within the amount budgeted for the project or program, may be finalized by the GM/CEO or his or her designee without further Board action.~~

Prior specific Board approval is required for:

1. Acquisitions of land rights that have a purchase ~~price~~ or lease price exceeding ~~\$600,000~~1.5 million per parcel ~~require the Board's specific prior approval.~~
2. A purchase or lease option for any parcel, tract, or interest that exceeds \$150,000 or two years in length. Any option payment must be applied toward the purchase or lease price if the purchase or lease is consummated.

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

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

~~B. Method of Acquisition: Staff will determine whether acquisition of particular land rights is in the best interest of LCRA, its customers and the public.~~

~~— In determining the method of land acquisition, staff will consider (a) the purpose, type and life of the facilities to be located on the land; (b) how the surface of the land will be used; (c) the significance of mineral rights to the integrity of the facility; and (d) the present or future use of the land by the property owner.~~

~~— Consideration paid by LCRA to secure a purchase or lease option may not exceed \$60,000 per parcel, tract or interest, nor may the term of the option exceed two years, unless specifically approved by the Board. Such payment must be applied toward the purchase or lease price if the purchase or lease is consummated.~~

C. Environmental Diligence: An environmental due diligence assessment will be prepared ~~on all land~~ and considered for all land prior to final acquisition. For the acquisition of leases and property in fee simple, an assessment for the potential presence of environmental contamination will be performed in accordance with U.S. Environmental Protection Agency (EPA) “all appropriate inquiries” regulations (40 C.F.R. Part 312) and related Society for Testing and Materials International (ASTM) standards unless a variance is granted by LCRA’s general counsel. For the acquisition of easements, the assessment may follow less stringent standards and practices provided the standards and practices followed are consistent with industry practice and are documented, except that in the case of easement acquisitions where prior or future land use may present risks that, in the opinion of the environmental professional, warrant a full assessment, the more stringent “all appropriate inquiries” regulations will be followed.

~~D. Eminent Domain Proceedings: Prior Board approval and a formal written offer are required prior to initiating eminent domain proceedings for the acquisition of land rights. Information obtained during the due diligence and on-site assessments will be evaluated prior to final acquisition.~~

~~Appraisals: LCRA will base all negotiations on a reasonable opinion of market value on all land right acquisitions. Staff will have the discretion to either prepare an opinion based on available market data or employ an independent appraiser, based on the size and complexity of the transaction; however staff will be required to employ an independent appraiser if (i) the area of the land rights being acquired~~

~~is larger than 100 acres; (ii) staff has reason to believe the value of the such land rights exceeds \$600,000; or (iii) employing an independent appraiser is necessary to avoid the appearance of a conflict of interest.~~

~~Any independent appraiser engaged by LCRA must hold a valid license from the state of Texas.~~

~~LCRA may use its power of eminent domain to acquire land rights if: (i) if a LCRA and the landowner have been unable and are unlikely to reach agreement through continued negotiation; to agree with LCRA on the fair market value of the land rights being acquired by LCRA and further negotiations for settlement have become futile; (ii) if the title cannot be conveyed without a court judgment; or (iii) the GM/CEO or his designee determines it is appropriate under the circumstances if there is a conflict of interest of the owner(s). LCRA may initiate eminent domain proceedings only after an official written offer to purchase the land rights has been sent to the landowner. In any event, LCRA Board authorization is required prior to initiation of eminent domain proceedings for the acquisition of land rights.~~

401.402 Land ~~Development, Conservation and~~ Management

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

~~Agreements: LCRA may enter into permits, leases, easements, development agreements or other legally binding land use agreements with public, private or nonprofit entities.~~

1. To ensure that LCRA's land resources are appropriately managed, protected, and maintained, land use agreements will conform to the following criteria:
 - a. Monetary consideration for the following uses will be market rental value as determined pursuant to this policy: agriculture/grazing, commercial (recreation or non-recreation) and private uses.
 - b. ~~LCRA's leases will be managed to conserve, protect and maintain LCRA's land resources.~~ An appraisal completed by an independent appraiser holding a valid license from the state of Texas is required if: (i) the revenue generated over the term of the land use agreement may exceed \$1.5 million; (ii) otherwise required to comply with applicable law or LCRA policies; or (iii) the GM/CEO or his designee determines it is appropriate under the circumstances.

- ~~eb.~~ Land use agreements may be granted for non-monetary consideration to governmental entities ~~or~~, nonprofit organizations, or utility service providers when the use of the property furthers LCRA's ability to meet its statutory responsibilities or is deemed to be in LCRA's best interest.
- ~~dc.~~ Staff will develop procedures to ensure all Land use agreements ~~require~~include, as appropriate, provisions addressing the following: (i) the user ~~to undertake~~maintains full financial responsibility for proper maintenance, use, and ~~use of~~risk to the land and/or the facility; ~~as may be appropriate under the circumstances. Such financial responsibility may include liability insurance coverage protecting LCRA.~~
- ~~e.~~ Land use agreements will include provisions allowing (ii) periodic adjustments of monetary consideration, except for easements, where monetary consideration is in the form of a one-time payment; -
- ~~f.~~ The (iii) ~~the~~ term ~~of any land use agreement will be~~is commensurate with the use of the land, ~~the~~ purposes of the agreement, ~~the~~ amount of capital to be invested ~~by LCRA and/or the user, the~~ anticipated capital payback period, and the projected revenue to LCRA; -
- ~~g.~~ Land use agreements will contain, ~~as appropriate and necessary, provisions for~~ (iv) environmental protection and compliance with applicable laws and regulations, including LCRA ordinances and policies for water quality, nonpoint-source pollution prevention, and other environmental quality considerations, such as impacts to cultural resources, wetlands, and threatened or endangered species and their habitats; and-
- ~~h.~~ Every lease (v) all leases of LCRA property will ~~include a provision obligating~~obligate the lessee to pay all property taxes that may become due as a result of the lease or the lessee's use of the property.
- 2. ~~The following types of land use agreements may be executed by the GM/CEO or his or her designee without LCRA Board approval; is required for all other~~easements on LCRA land and all land use agreements ~~must be specifically approved by the LCRA Board, except for the following:~~
 - a. Leases, temporary use permits, licenses ~~and~~, construction permits, and other land use agreements with terms of 15 years or less.
 - b. Agreements for the temporary location of marinas during low lake levels.
 - c. Agreements for private, noncommercial boat piers, ramps or docks, swim platforms, and fishing piers or docks on or over LCRA-owned land, if:

- i. The person requesting the agreement ~~must own~~s or controls the real property abutting the LCRA-owned land and ~~must be able to can~~ exercise direct control over land access to LCRA-owned land and any dock or pier on such land.
- ii. There ~~must be~~is no apparent conflict with other adjacent or nearby real property owners. LCRA may require the person requesting the agreement to furnish written evidence of non-objection from real property owners identified by LCRA to be affected by the agreement.
- d. Agreements for the co-location of electric, gas, water, wastewater, communication or other utility facilities on LCRA land, easements or leases.

~~B. Easements: LCRA may grant easements across land it owns, may permit easements to occupy the same easement corridor it has acquired, and may release its easement rights or portions of land from easements when the best interests of LCRA, its customers and the public are served.~~

~~1. Requests for easements across LCRA land will conform to the following criteria and must be specifically approved by the LCRA Board:~~

~~a. Monetary consideration for easements that serve a private or commercial use will be the market value as determined pursuant to this policy.~~

~~b. Consideration for easements that serve a public or nonprofit use may be non-monetary at the discretion of the LCRA Board.~~

~~c. The monetary consideration, if any, will be a one-time payment.~~

~~d. Easements will contain, as appropriate and necessary, provisions for environmental protection and compliance with existing laws, regulations and LCRA ordinances and policies for water quality, nonpoint-source pollution prevention and other environmental quality considerations, such as impacts to cultural resources, wetlands, and threatened or endangered species and their habitats.~~

~~2. Requests to occupy a portion of an LCRA easement across lands that are not owned by LCRA may be approved by the GM/CEO or his or her designee if they meet the following criteria:~~

~~a. The requesting entity first will obtain the written statement of LCRA's non-objection to the proposed easement/use. Such statement of non-objection only will be granted if the proposed joint use of the easement corridor will not interfere with LCRA's superior easement rights, safety and efficient operations within the easement area.~~

- ~~b. The requesting entity may be required to obtain the easement rights, subordinate to LCRA's superior easement rights, from the landowner(s).~~
- ~~3. LCRA's easements on private lands that are not necessary to the operation of LCRA may be released by the GM/CEO or his or her designee subject to the following:~~
- ~~a. Staff will determine that LCRA has no further or anticipated need for easement rights in the area to be released.~~
- ~~b. Any processing costs, including the cost of a survey, if required, will be at the expense of the property owner or party requesting the release.~~
- ~~B. c. Easement rights that are considered unnecessary due to an abandonment of a line or facility by LCRA may be released to the current landowner(s).~~
- ~~C.~~
- ~~B. C. Encroachment:~~
1. LCRA Lands: Public or private use of (including aerial use above or over) LCRA land, except where expressly authorized by LCRA, will be considered an encroachment. Those encroaching on or over LCRA lands will be required to either purchase the land from LCRA on terms approved by the Board, remove the encroachment, or secure rights to use the land by entering into an acceptable land use agreement with LCRA. The GM/CEO or his or her designee may institute appropriate legal action to remove any nonconforming encroachments.
 2. LCRA Easements: The GM/CEO may agree to allow an entity to occupy a portion of an LCRA easement only if: (i) LCRA has no objection to the requesting entity's proposed use because it will not interfere with LCRA's superior easement rights, safety and efficient operations within the easement area; and (ii) the requesting entity obtains sufficient rights, subordinate to LCRA's superior easement rights, from the landowner(s) if the GM/CEO determines it is necessary.
- C. Mitigation: Any use of land for mitigation purposes under the Endangered Species Act and associated regulations must be specifically approved by the Board. ~~Staff will notify the Board upon receipt of any request for use of LCRA land for mitigation purposes or any proposal to donate land to LCRA for mitigation purposes.~~

401.403 Land Disposition

LCRA may dispose of land ~~that the Board~~ has ~~been~~ declared ~~by the Board to be~~ nonessential (not necessary or convenient or of beneficial use to the business of LCRA). The proceeds from the sale of nonessential lands may be used to support LCRA activities. The Board's declaration of land as nonessential and the terms of any resulting sale or

exchange ~~will require~~requires the affirmative vote of at least three-fourths of the statutory membership of the Board.

A. Market Value Appraisals: LCRA ~~will base all negotiations for land right dispositions based on a reasonable opinion of market value, on all land right dispositions. Staff will have the discretion to either prepare an opinion based on available market data or employ~~An appraisal completed by an independent appraiser holding a valid license from the state of Texas is required if: based on the size and complexity of the transaction; however staff will be required to employ an independent appraiser if (i) the area of the land rights being sold, ~~leased~~ or exchanged is larger than 100 acres; (ii) ~~staff has reason to believe that the value of the such land rights may exceeds \$600,000~~1.5 million; or (iii) ~~employing an independent appraiser is necessary to avoid the appearance of a conflict of interest, otherwise required to comply with applicable law or LCRA policies; or (iv) the GM/CEO or his designee determines it is appropriate under the circumstances.~~

B. Environmental Diligence: An environmental due diligence assessment will be prepared and considered on all land ~~considered for~~prior to final disposition. For the disposition of leases, easements and property in fee simple, the assessment may follow standards and practices less stringent than “all appropriate inquiries” described ~~in 401.401 B~~ above, provided the standards and practices used are consistent with industry practice and are documented. However, for disposition of leases, easements and property in fee simple, when prior or future land use may present risks that, in the opinion of the environmental professional, warrant a full assessment, the more stringent “all appropriate inquiries” regulations will be followed.

C. ~~Information obtained during the due diligence and on-site assessments will be evaluated prior to final disposition.~~Easement Release: LCRA easements on private lands that are not necessary to LCRA operations may be released by the GM/CEO or his or her designee to the current landowner when the best interests of LCRA and the public are served. Releases are subject to a staff-developed procedure that ensures sufficient review of LCRA’s anticipated needs in the area to be released. The party requesting the release must pay any associated costs.

401.50 AUTHORITY

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

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

EXHIBIT D

LCRA BOARD POLICY

403 – ~~COMMUNITY SERVICES~~ PARKS, EDUCATION AND CONSERVATION

~~Sept. 21, 2016~~ June 18, 2025

403.10 PURPOSE

This policy establishes guidelines for LCRA staff in developing and carrying out LCRA activities related to its parks, education and conservation. ~~community services programs.~~

403.20 ~~POLICY PARKS, RECREATION, AND NATURAL RESOURCE PROGRAMS AND EDUCATION~~

~~403.201 POLICY~~ Under the provisions of the LCRA enabling legislation and other applicable laws and regulations, LCRA will develop and manage parks, recreational facilities and natural science centers and laboratories; preserve adequate open space for conservation and public recreation; promote the preservation of fish and wildlife; and promote soil and water conservation within its 10-county statutory district and Lampasas County.

~~LCRA will provide recreational access, as appropriate, to its non-utility lands and water. In recognition of LCRA's stewardship role of providing public access for, to promote recreational and conservation use on LCRA lands and waters on the surface of LCRA lakes, and to promote an appreciation and awareness of the value of water resources, LCRA may acquire land rights for such purposes within the its 10-county LCRA statutory district and Lampasas County.~~

~~The GM/CEO will notify the LCRA Board of Directors within 30 days after any adjustment has been made to the schedule of park fees.~~

403.30 -DEFINITIONS

For purposes of this policy, the following definitions apply:

Park. Nonutility land that LCRA may open to the public for recreation and educational programs. A park may have natural science centers and recreational facilities; offer improved amenities, such as boat ramps, fishing docks, swim areas, trails, playgrounds,

picnic pavilions, RV and tent sites, accommodations, improved restrooms, or showers; and offer basic infrastructure and trail systems.

Natural Resource Area. An area open to the public on a limited basis or are accessible only to LCRA. Some tracts are either open for limited use or seasonally. Others are generally designated as preserves due to endangered species habitat or the presence of distinct or rare cultural, historical, geological or ecological features.

403.~~40202~~ -COST RECOVERY ~~FOR PARKS~~

~~The Board recognizes the need for park operations to establish~~ Park operations will have a cost-recovery goal to promote efficient operations and continually challenge existing procedures. Funding sources counting toward this goal include all park-related sources of income used to pay for park expenses, including but not limited to user fees, sales and revenues from contractual agreements.

403.~~20350~~ -LOCATION OF LCRA PARKS AND NATURAL RESOURCE AREAS

LCRA may provide recreational access to its nonutility lands and waters. LCRA has a unique responsibility in the state in its stewardship of the Colorado River and associated tributaries and properties. In keeping with this responsibility, LCRA's parks and natural resource areas will be located in its statutory district ~~along~~adjacent to or in the vicinity of the Highland Lakes, the Colorado River, its tributaries, associated bays and estuaries, or its power plant reservoirs, unless decided otherwise by action of the Board. LCRA may consider trades of its existing lands ~~without water access, in accordance with its policies on land disposition,~~ to acquire park lands and natural resource areas adjacent to or in the vicinity of such water bodies.

403.~~20660~~ -NATURAL SCIENCE EDUCATION

LCRA's natural science programming will ~~be directed toward~~ include an improved understanding of the natural sciences as they relate to LCRA's mission and resources under LCRA's stewardship and care.

403.70 -AGREEMENTS AND PROGRAMS WITH OTHERS

403.~~204701~~ Participation with Other Entities. LCRA may participate with other state and local governments to develop parks, ~~conservation use areas and other public recreational facilities and maintain natural resources areas~~ -within the LCRA 10-county statutory district and Lampasas County wherever feasible for the public benefit. Consistent with Chapter 152 of the Texas Water Code, LCRA may participate in education and recreation projects outside of the 10-county district but within the electric and water service area.

403.~~205702~~ Agreements with the Private Sector. LCRA may enter into contractual arrangements with private, public and nonprofit entities for the development, use,

operation and management of its ~~lands and public recreational facilities~~parks, natural resource areas, and natural science laboratories.

~~403.703 207~~ Creekside Conservation Program. Soil and Water Conservation Programs on Private Lands. When funding is available, LCRA will implement programs to educate and encourage private landowners within its 10-county statutory district and Lampasas County to implement best management practices related to conserving soil and water resources. Such programs may include participating in voluntary cost-sharing grant programs, like the Creekside Conservation Program. ~~The Creekside Conservation Program is a voluntary cost-share (grant) program made available to private land owners for the purpose of conserving soil and water resources. Through agreements with landowners, the program will promote the implementation of best management practices consistent with LCRA's role as a conservation and reclamation district. Education and outreach are used to enhance the effectiveness of the treatments.~~

~~This program is implemented within the boundaries of LCRA's 10-county district and Lampasas County and is intended to conserve soil and water resources within the 11-county area.~~

~~LCRA operates the Creekside Conservation Program in cooperation with the local soil and water conservation districts, U.S. Department of Agriculture Natural Resources Conservation Service, and other federal, state and local agencies and associations that promote soil and water conservation.~~

~~Soil and water conservation projects are funded on a cost-share basis not to exceed a 50 percent LCRA match.~~

~~403.30~~ LCRA RANGERS

~~403.301 Purpose and Policy. This policy establishes guidelines pertaining to the LCRA Rangers' role and responsibilities.~~

~~The GM/CEO is authorized to employ and commission peace officers licensed by the state of Texas pursuant to the Texas Water Code and the LCRA enabling legislation to meet the requirements of this policy.~~

~~The LCRA Rangers will enforce the laws, rules, regulations and ordinances of the state of Texas and LCRA in accordance with the authority given under state law. The Rangers may provide assistance to other public safety agencies in law enforcement and emergency response.~~

~~The chief of Public Safety will establish and maintain written policies and procedures describing the required conduct, authority and training of the LCRA Rangers.~~

~~The GM/CEO or his or her designee may determine the priority and level of services to be provided by the LCRA Rangers. Such services will include, but are not limited to:~~

- A. ~~Protecting people, assets, and interests of LCRA and the natural resources of Texas;~~
- B. ~~Enforcing laws and rules on LCRA-managed waterways and in LCRA parks and other lands; and~~
- C. ~~Responding to requests for assistance.~~

403.10040. AUTHORITY

~~Texas Water Code, Section 49.216~~

Texas Water Code, Chapter 152, ~~Texas Water Code~~

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

Texas Water Code, Section 49.226

Texas Constitution, Article XVI, Section 59 and Article I, Section 17

Texas Parks and Wildlife Code, Chapter 25

EFFECTIVE: Nov. 17, 2004. Amended Jan. 21, 2009; ~~and Sept. 21, 2016;~~ and June 18, 2025.

EXHIBIT E

LCRA BOARD POLICY

404 – GRANTS AND ECONOMIC DEVELOPMENT

~~May 20, 2020~~ June 18, 2025

404.10 PURPOSE

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

404.20 POLICY

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

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

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

404.30 APPLICABILITY AND LIMITS OF THIS SECTION

This policy applies to those LCRA economic development activities that are authorized solely under Chapter 152, including routine economic development programs, extraordinary economic development programs and ~~the LCRA Community grants, Development Partnership Program,~~ as further defined and explained in separate sections

below. The economic development policy is not intended to address or limit in any way any LCRA activity for which LCRA has authority independent of Chapter 152, such as developing parks and recreation facilities within LCRA's statutory district and providing water and electric services, regardless of the fact that such activities may produce incidental economic benefits.

404.40 ROUTINE PROGRAMS

In addition to the specific programs addressed by this policy, LCRA may implement routine economic development programs with the intent of strengthening the economic base and furthering the economic development of the LCRA service area. ~~are those programs and activities that involve any of the following:~~

- ~~• Providing used equipment of minimal value or materials and services that do not unreasonably impact LCRA's normal business operations;~~
- ~~• Sponsoring economic development efforts through grants of \$20,000 or less;~~
- ~~• Participating in nonprofit regional economic development coalitions and organizations intended to promote viable communities and economic growth within LCRA's statutory district and service areas;~~
- ~~• Recruiting new business and expansion efforts;~~
- ~~• Promoting tourism; and~~
- ~~• Providing scholarships to students through the LCRA Scholarship Program.~~

~~Examples of routine economic development programs include donations of used computers to schools; grants to nonprofit organizations for scholarships; use of LCRA equipment for installation of holiday lights, flagpoles and other fixtures at public facilities; Steps Forward Day and similar community activities; and membership and participation in strategic coalitions and other nonprofit organizations that contribute to the economic development of the region. Routine economic development programs are intended and expected to carry out the purposes of strengthening the economic base and furthering the economic development of the LCRA service area.~~

~~The participant in or recipient of the program will be required to be located within LCRA's statutory district or electric or water service areas.~~

Funding for these a routine economic development programs must be consistent with the LCRA business plan and be within the budget of the line of business undertaking the activity.

404.50 EXTRAORDINARY PROGRAMS

Grants or loans of money, services or property by LCRA for economic development purposes that are not routine economic development programs or otherwise addressed by this policy are ~~considered to be~~ extraordinary economic development programs and require specific approval of the Board. ~~No extraordinary economic development program will be undertaken by LCRA without the specific approval of the LCRA Board of Directors.~~

404.60 LCRA COMMUNITY GRANTS DEVELOPMENT PARTNERSHIP PROGRAM

~~Under the authority granted in Pursuant to Texas Water Code Chapter 152, and at the discretion of the Board, LCRA will implement a grant operate the Community Development Partnership Program (CDPP) to provide community development grants to governmental and nonprofit entities for capital projects in LCRA's electric and water service areas consistent with this section.~~

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

404.601 CDPP Review Committee. ~~The LCRA Board will create maintain~~ a 12-member ~~Review Committee to oversee the implementation of the Community Grants program. review, score and award all CDPP grants and services valued at more than \$1,000, except for grants awarded pursuant to the GM/CEO's discretionary authority as described below.~~

The 12-member ~~CDPP~~ Review Committee will consist of:

- ~~The will be made up of the general manager (GM)/CEO and the chair of the Transmission Committee, who will both serve~~ continuously;
- ~~Three additional LCRA Board members, appointed by the LCRA Board chair, each serving continuously for one calendar year term;~~
- ~~Six electric customer representatives, serving for two-year rotating terms; and~~
- ~~One water customer representative, serving for a two-year term.~~

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

All committee members will continue to serve until ~~their~~ successors are selected appointed. ~~Any Mmembers~~ unable to attend a CDPP Review Ccommittee meeting may appoint designate a proxy from their representativeng the member's interest group ~~on the committee~~.

404.602 Grant Application Process and Limitations.

~~The CDPP Review Committee will develop and implement the grant application, review and selection process. The GM/CEO will have the discretion to award grants or services up to \$5,000 in value without the LCRA Board or CDPP Review Committee approval, not to exceed a total of \$100,000 per program year. This policy is intended to allow LCRA to respond more quickly to smaller requests and to free the CDPP Review Committee to focus on larger grant requests.~~

~~**404.603 Funding.** No administrative or operating expenses will be taken out of the funds the Board allocates for the grant program. All operating funds and resources will come from the Governmental and Regional Affairs budget.~~

LCRA will post grant application requirements and deadlines on the LCRA website. The following limitations apply to applications:

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

LCRA staff will evaluate, score and recommend grants for approval by the CDPP Review Committee. Funds allocated for the Community Grants program will not be used for administrative or operating expenses. Grant allocation is structured as follows:

- ~~• Seventy percent of the grant money available must be awarded for grants of \$25,000 or less.~~
- ~~• Thirty percent of the grant money available may be awarded for grants of \$25,001 to \$50,000 each.~~

~~A 20% cash and/or in-kind match will be required for grants of more than \$5,000. In any event, a participant may only receive one grant in any 24-month period.~~

~~Grant funds awarded by the CDPP Review Committee will only be used for capital improvement projects and not for planning grants, hiring of consultants, training or workshops with the exception of public firefighting organizations, including volunteer fire departments. Capital improvements are defined as, but not limited to, all projects related to physical improvement, additions and betterments to the community. LCRA and the CDPP Review Committee may use rules adopted by the Texas Commission on Fire Protection as general guidelines in determining eligibility for and types of assistance to public firefighting organizations.~~

~~LCRA may provide technical assistance for parks pursuant to Chapter 152 independent of the CDPP Review Committee.~~

404.6034 - Project Monitoring. LCRA staff will monitor and ensure the completion of each grantee's project that receives an award by the GDPP Review Committee.

404.70- GM DISCRETIONARY FUND.

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

404.70 RURAL BROADBAND AND TELECOMMUNICATIONS PROGRAM

Under the authority granted in Chapter 152, and at the discretion of the Board, LCRA will establish and administer the Rural Broadband and Telecommunications Program (Project Connect) within LCRA's service area to facilitate rural broadband connectivity and telecommunications services in rural communities through the deployment of excess broadband infrastructure and fiber optic line capacity.

404.701 Program Goal. The goal of Project Connect is to leverage LCRA's excess fiber optic lines and excess transport network capacity to facilitate broadband connectivity and telecommunications services in underserved rural communities within LCRA's service area in an effort to:

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

404.702 Participant Requirements. Entities eligible to participate in the Project Connect program include governmental entities, utility cooperatives, hospitals, public school districts and other education organizations, and internet service providers.

404.703 Restrictions, Procedures and Budget.

A. Restrictions on Participants.

1. Participants must use the program to provide rural broadband or telecommunications service to end users within LCRA's service area.
2. Participants may not use the program to initiate service to end users located within any municipality with more than 50,000 residents, based on the most recent census.

B. Restrictions on Program.

1. Necessary property rights will be acquired.
2. The program will use excess capacity available in the system.
3. The program does not include delivery of content or last-mile service.

- ~~4. The program is limited to facilitating broadband connectivity and telecommunications services only.~~
- ~~5. The program may provide either dim, lit or dark fiber.~~
- ~~6. The program does not include two-way radio service.~~
- ~~7. This program will not cause LCRA to become either a telecommunications common carrier or an internet service provider.~~

~~C. Procedures.~~

- ~~1. Participant initiates the request for use of broadband infrastructure or telecommunications facilities.~~
- ~~2. Participant must enter into legally binding, individually negotiated agreement with LCRA.~~
- ~~3. Staff will develop and follow an internal process for review and approval of each economic development opportunity.~~

~~D. Budget Limits. The Board will establish an annual budget for the Project Connect program each year in the LCRA business plan.~~

404.80-_____ AUTHORITY

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

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

EXHIBIT F

LCRA BOARD POLICY

405 – PROPERTY RIGHTS

~~Sept. 21, 2016~~ June 18, 2025

405.10 PURPOSE

LCRA's activities, performed in the best interest of the general public, may affect the manner in which people use their private property and may require that LCRA use or acquire private property for public purposes.

The purpose of this policy is to ensure the protection of private property rights in the course of LCRA business and completion of LCRA business in the manner least disruptive to private property rights and the general public.

405.20 POLICY

In order to serve the public and fulfill its statutory mission, LCRA will strive to earn public support for its programs, construction projects, ordinances and other projects and work to:

1. Minimize disruptions to business and intrusions into private lives caused by LCRA activities;
2. Provide appropriate notification of LCRA activities to affected parties and provide opportunity for affected parties to provide input to LCRA;
3. Respond to requests for information about LCRA projects and programs in compliance with the Texas Open Records Act; and
4. Identify LCRA staff and agents as LCRA representatives in interactions with owners and occupiers of private property affected by LCRA projects or programs.

The LCRA Board of Directors recognizes that not every person's expectations can be fully met by an organization entrusted with the job of constructing large-scale public facilities, enforcing environmental regulations and performing other tasks that have substantial public impact authorized by its enabling legislation. In each case, however, staff is directed to consider the impact on property owners and the public in determining whether planned actions are in the public interest.

In no case should this policy prevent LCRA from responding to electric system emergencies, environmental emergencies, fires, floods or other instances in which prompt action to protect property, health or human safety is required.

405.30 AUTHORITY

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

EFFECTIVE: Jan. 19, 1995. Amended Sept. 20, 2000. Reaffirmed June 18, 2008. Amended Dec. 19, 2012; and Sept. 21, 2016. [Affirmed June 18, 2025.](#)

EXHIBIT G

LCRA BOARD POLICY

603 – ENERGY TRANSACTIONS

~~Nov. 13, 2024~~ June 18, 2025

603.10 PURPOSE

This policy ~~will govern~~s 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 general manager (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, ~~sell~~~~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; Nov. 15, 2023; and Nov. 13, 2024. Amended June 18, 2025.

FOR ACTION (CONSENT)

8. Directors' Fees, Expenses

Proposed Motion

Approve directors' fees and expense reports.

Board Consideration

LCRA Board Policy 105 – Directors' Fees and Expense Reimbursement and the LCRA bylaws require Board approval for directors' fees and expenses.

Budget Status and Fiscal Impact

Directors' fees and expenses are provided for in the budget in the business plan.

Summary

LCRA Board Policy 105 establishes guidelines for the payment of fees and reimbursement of the expenses that directors incur as they carry out their responsibilities as LCRA Board members.

FOR ACTION (CONSENT)

9. Minutes of Prior Meeting

Proposed Motion

Approve the minutes of the May 21, 2025, LCRA Board of Directors meeting.

Board Consideration

Section 2.04 of the LCRA bylaws requires the secretary to keep minutes of all meetings of the Board.

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 May 21, 2025, LCRA Board meeting

EXHIBIT A

LCRA Board of Directors Minutes Digest May 21, 2025

- 25-21a Election of Martha Leigh M. Whitten as LCRA Board vice chair for a term to begin immediately and expire on June 30, 2027.
- 25-21b Election of Joseph M. “Joe” Crane as LCRA Board secretary for a term to begin immediately and expire on June 30, 2027.
- 25-22 Approval of the minutes of the April 22, 2025, LCRA Board of Directors meeting.
- 25-23 Authorization for the general manager or his designee to provide two one-time extraordinary grants of up to \$100,000 each using LCRA’s existing Community Development Partnership Program grant application review, selection and administrative processes.
- 25-24 Adoption and approval of the Seventy-Second Supplemental Resolution to the Master Resolution authorizing the issuance of Refunding Revenue Bonds (Bonds) in one or more series in an amount not to exceed \$550 million for the following purposes: (i) current refunding of certain outstanding LCRA revenue bonds; (ii) current refunding of portions of the LCRA Commercial Paper Notes, Series B and Taxable Series B, and any series of LCRA Revenue Revolving Notes; (iii) funding the debt service reserve fund or purchase a reserve fund obligation for the Bonds; and (iv) paying for issuance costs of the Bonds.
- 25-25 Adoption of resolutions approving the fiscal year 2026 business and capital plans for LCRA and each of its nonprofit corporations [LCRA Transmission Services Corporation; GenTex Power Corporation; LCRA Wholesale Energy Services Corporation, known as LCRA WSC Energy; and WSC Energy II], authorizing the initiation of recommended projects and expenditures.
- 25-26 Authorization for the general manager or his designee to negotiate and execute the following contracts and contract changes: Contract No. 6818 (Zachry Construction Corporation); Contract No. 6465 (Hitachi Energy USA, Inc.); Contract No. 6466 (Siemens Energy, Inc.); and Contract No. 6409 (Siemens Energy, Inc.).
- No Action: Consent Item 4, directors fees and expenses reimbursement was postponed until June 18, 2025.

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE
LOWER COLORADO RIVER AUTHORITY

Austin, Texas
May 21, 2025

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 10:31 a.m. Wednesday, May 21, 2025, 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:

Stephen F. Cooper, Chair [appointed April 29, 2025]
Martha Leigh M. Whitten, Vice Chair [elected May 21, 2025]
Joseph M. “Joe” Crane, Secretary [reelected May 21, 2025]
Michael L. “Mike” Allen
Matthew L. “Matt” Arthur
Melissa K. Blanding
Carol Freeman
Thomas L. “Tom” Kelley
Robert “Bobby” Lewis
Thomas Michael Martine
Margaret D. “Meg” Voelter
David R. Willmann
Nancy Eckert Yeary

Chair Cooper convened the meeting at 10:31 a.m.

Wayne Berger, president of the Board of Directors of the Rates and Resources Council, a group of LCRA’s wholesale electric customers, provided feedback on the proposed fiscal year 2026 LCRA business plan.

The Board heard public comments [Agenda Item 1]. Dave Stauch, president and chair of the Central Texas Water Coalition Board of Directors, thanked LCRA staff for working with CTWC to help solve collective water problems, noted CTWC’s mission and efforts to advocate for water policy that promotes sustainability, expressed appreciation for the opportunity to participate in the process for updating the Water Management Plan, and commented that considering the current water situation, the WMP [which is approved by the Texas Commission on Environmental Quality] needs to be updated more frequently.

Chair Cooper introduced Agenda Item 2 – Election of LCRA Board officers [attached hereto as Exhibit A]. Director Yeary, chair of the Nominating Committee, reported the committee’s nominations as follows: Martha Leigh M. Whitten for vice chair and Joseph M. “Joe” Crane for secretary. [Directors Arthur and Freeman served on the Nominating Committee.]

25-21a Upon motion by Director Yeary, seconded by Director Crane, the Board elected Martha Leigh M. Whitten as LCRA Board vice chair for a term to begin immediately and expire on June 30, 2027, by a vote of 13 to 0.

25-21b Upon motion by Director Yeary, seconded by Director Allen, the Board reelected Joseph M. “Joe” Crane as LCRA Board secretary for a term to begin immediately and expire on June 30, 2027, by a vote of 13 to 0.

General Manager Phil Wilson gave an update on safety, including reminders shared with employees about how to stay safe while working in the heat. He commented on outdoor watering and stressed the importance of water conservation. He gave an update on summer preparations for LCRA’s generation facilities and the process for energizing the Timmerman Power Plant in March. He highlighted the fiscal year 2026 business and capital plans, including investment in key capital projects and how LCRA will continue serving Texans. Wilson expressed appreciation for employee contributions and accomplishments, and he noted the recent LCRA Steps Forward Day.

Chief Financial Officer Jim Travis presented financial highlights for LCRA covering April 2025 and the fiscal year to date [Agenda Item 3].

The Board next took action on the consent agenda.

25-22 Upon motion by Director Yeary, seconded by Director Voelter, the Board unanimously approved the minutes of the April 22, 2025, LCRA Board meeting [Consent Item 5] by a vote of 12 to 0. [Director Martine was absent for voting on this item].

General Counsel Leigh Sebastian gave an update on the review and recommended changes to the following LCRA Board policies [Discussion Item 6]: 102 – Authority and Responsibilities; 301 – Finance; 401 – Land Resources; 403 – Community Services; 404 – Grants and Economic Development; 405 – Property Rights; and 603 – Energy Transactions.

25-23 Chief People Officer and Executive Vice President of External Affairs Tom Oney presented for consideration a staff recommendation, described in Agenda Item 7 [attached hereto as Exhibit B], that the Board authorize the general manager or his designee to provide two one-time extraordinary grants of up to \$100,000 each using LCRA’s existing Community Development Partnership Program grant application review, selection and administrative processes. Upon motion by Director Crane, seconded by Director Allen, the recommendation was unanimously approved by a vote of 13 to 0.

25-24 Chief Financial Officer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 8 [attached hereto as Exhibit C], that the Board adopt and approve the Seventy-Second Supplemental Resolution to the Master Resolution authorizing the issuance of Refunding Revenue Bonds (Bonds) in one or

more series in an amount not to exceed \$550 million for the following purposes: (i) current refunding of certain outstanding LCRA revenue bonds; (ii) current refunding of portions of the LCRA Commercial Paper Notes, Series B and Taxable Series B, and any series of LCRA Revenue Revolving Notes; (iii) funding the debt service reserve fund or purchase a reserve fund obligation for the Bonds; and (iv) paying for issuance costs of the Bonds.

The motion also will:

1. Approve related documents, including the bond purchase agreement: escrow agreement; paying agent/registrar agreement; remarketing agreement, if necessary; tender agreement, if necessary; and the preliminary and final official statements in substantially final form. [Bond counsel prepared or reviewed all documents.]
2. Delegate authority to the general manager, chief financial officer and/or treasurer to:
 - a. Select all or a portion of LCRA's outstanding debt to be refunded and provide for appropriate notices of redemption/defeasance/prepayment.
 - b. Approve any final changes to said documents necessary to facilitate proper issuance of the Bonds.
 - c. Establish the terms of the Bonds as provided in the resolution (including issuing such bonds in one or more separate series; principal amounts and maturity schedules; interest rates; whether the bonds are taxable or tax-exempt; tender and remarketing provisions, if any; and redemption provisions).
 - d. Select a remarketing agent and a tender agent if the Bonds are to be subject to a mandatory tender provision.
 - e. Approve the terms of the sale of the Bonds to an underwriting team and execute a bond purchase agreement.

Upon motion by Director Willmann, seconded by Director Blanding, the recommendation was unanimously approved by a vote of 13 to 0.

25-25 Chief Financial Officer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 9 [attached hereto as Exhibit D], that the Board adopt resolutions approving the fiscal year 2026 business and capital plans for LCRA and each of its nonprofit corporations [LCRA Transmission Services Corporation; GenTex Power Corporation; LCRA Wholesale Energy Services Corporation, known as LCRA WSC Energy; and WSC Energy II], authorizing the initiation of recommended projects and expenditures. The Board had a detailed discussion on the FY 2026 business and capital plans during a work session on April 22. Upon motion by Director Lewis, seconded by Director Arthur, the recommendation was unanimously approved by a vote of 13 to 0.

25-26 Senior Vice President of Supply Chain Matt Chavez presented for consideration a staff recommendation, described in Agenda Item 10 [attached hereto as Exhibit D], that the Board authorize the general manager or his designee to negotiate and execute the following contracts and contract changes: Contract No. 6818 (Zachry Construction Corporation); Contract No. 6465 (Hitachi Energy USA, Inc.); Contract

No. 6466 (Siemens Energy, Inc.); and Contract No. 6409 (Siemens Energy, Inc.). Upon motion by Director Crane, seconded by Director Freeman, the recommendation was unanimously approved by a vote of 13 to 0.

Chair Cooper declared the meeting to be in executive session at 11:19 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 Cooper declared the meeting to be in public session at 11:57 a.m.

There being no further business to come before the Board, the meeting adjourned at 11:58 a.m.

Joseph M. Crane
Secretary
LCRA Board of Directors

Approved: June 18, 2025

FOR ACTION

10. Approve the LCRA Transmission Services Corporation Transmission Contract Refunding Revenue Bonds Issuance and Forty-Ninth Supplemental Resolution

Proposed Motion

Staff recommends the Board of Directors adopt and approve the Forty-Ninth Supplemental Resolution (Forty-Ninth Supplement) to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program (Controlling Resolution) authorizing the issuance of Transmission Contract Refunding Revenue Bonds (LCRA Transmission Services Corporation Project) in one or more series (Series of Bonds) in an aggregate amount not to exceed \$550 million for the following purposes: (i) current refunding of certain LCRA Transmission Contract Revenue Commercial Paper Notes (LCRA Transmission Services Corporation Project) Tax-Exempt Series and any series of LCRA Transmission Contract Revenue Revolving Notes (LCRA Transmission Services Corporation Project); (ii) funding certain capital projects of LCRA TSC, if necessary; (iii) funding a debt service reserve fund for any Series of Bonds; and (iv) paying for issuance costs.

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

The resolution also will:

1. Approve related documents, in substantially final form, including, if required, an escrow agreement, a paying agent/registrar agreement, a preliminary and final official statement, and a Transmission Contract Revenue Debt Installment Payment Agreement Supplement related to the Series of Bonds (Installment Payment Agreement Supplement). If the Bonds are determined to also fund capital projects of LCRA TSC, the Forty-Ninth Supplement authorizes “and Improvement” to be added to the name of the Bonds. Bond counsel has prepared or reviewed all documents.
2. Delegate authority to the general manager, chief financial officer and/or treasurer to:
 - a. Select all or a portion of LCRA TSC’s outstanding short-term debt to be refunded by the particular Series of Bonds and provide for appropriate notices of redemption/prepayment/defeasance;
 - b. Approve any final changes to said documents necessary to facilitate proper issuance of such Series of Bonds;
 - c. Establish the terms of each Series of Bonds as provided in the Forty-Ninth Supplement (including issuing such bonds in one or more separate Series of Bonds, issuing the Series of Bonds as tax-exempt or taxable, principal amounts and maturity schedules, interest rates, redemption provisions, and terms of any reserve funds);
 - d. Determine whether to fund certain capital projects of LCRA TSC with a Series of the Bonds in an amount not to exceed \$200 million; and

- e. Approve the terms of the sale of each Series of Bonds to an underwriting team and execute a bonds purchase agreement for such Series of Bonds.

Board Consideration

Section 8503.004(p) of the Texas Special District Local Laws Code (LCRA Act) requires a resolution approved by at least 12 members of the Board for the issuance of any bonds by LCRA. Section 152.054 of the Texas Water Code requires the LCRA Board to approve any debt issued by LCRA TSC.

Budget Status and Fiscal Impact

The fiscal year 2026 LCRA TSC business plan anticipates the refunding of a portion of LCRA TSC's short-term obligations. Based on current market conditions, the refunding will be advantageous, increase flexibility on timing of future financings, and provide low-cost and long-term funds. The FY 2026 LCRA TSC business plan anticipates the issuance of about \$1.25 billion of short-term obligations to fund LCRA TSC's ongoing capital plan in FY 2026. The issuance of up to \$200 million of Bonds for capital projects of LCRA TSC will avoid the issuance of short-term debt for such projects.

Summary

With this action, the Board will approve one or more Series of Bonds issued for the purpose of current refunding of certain LCRA TSC commercial paper and revolving notes in an amount not to exceed \$550 million, funding certain capital projects of LCRA TSC, if necessary, establishing a debt service reserve fund for a particular Series of Bonds, and paying for the issuance costs related to such bonds. The Board also will approve the execution of documents necessary for the sale of each Series of Bonds further described below.

Background

The Forty-Ninth Supplement is a supplemental resolution to the Controlling Resolution adopted by the Board in 2001 and readopted in 2003. The Forty-Ninth Supplement authorizes the bonds to be issued in one or more Series of Bonds, approves the forms of the ancillary agreements relating to such bonds, and delegates to the general manager, the chief financial officer and/or the treasurer authority to set the specific terms of each such Series of Bonds (including obligations to be refunded, maturity, amortization, interest rates, redemption provisions, etc.) according to parameters set forth in the Forty-Ninth Supplement. State law authorized the Forty-Ninth Supplement to delegate authority to sell and deliver multiple Series of Bonds within the parameters set forth in such supplement at different times during a 12-month period. The Forty-Ninth Supplement also requires an officer of LCRA TSC to agree to the specific terms of each Series of Bonds. The Controlling Resolution, the Forty-Ninth Supplement, and the relevant pricing certificate of the LCRA officer and the LCRA TSC officer establishing the terms of the particular Series of Bonds together constitute the authorization of such Series of Bonds.

The Installment Payment Agreement Supplement is a supplemental agreement to the Transmission Installment Payment Agreement between LCRA and LCRA TSC executed in 2003 and provides for the arms' length obligation of LCRA TSC to pay

LCRA the debt service associated with a Series of Bonds and LCRA TSC's ownership of the projects refinanced with the proceeds of the Series of Bonds.

A bond purchase agreement is the contract among LCRA, LCRA TSC and the underwriters of the Series of Bonds that establishes the terms of the sale and delivery of such Series of Bonds from LCRA and LCRA TSC to such underwriters. This agreement provides for the conditions for closing on the Series of Bonds, including required legal opinions, and provides for certain limited events that may terminate LCRA TSC's obligation to deliver and/or the underwriters' obligation to accept the Series of Bonds at closing.

The paying agent/registrar agreement is the contract among LCRA, LCRA TSC and a company to be chosen at the discretion of LCRA, setting forth the rights, duties and obligations of the parties under which such bank will act as the paying agent and registrar for the particular Series of Bonds. The bank will provide paying agent and transfer agent services, maintain registration books, and facilitate providing certain notices for the Series of Bonds, among other services.

A preliminary and final official statement is the document that provides disclosure to prospective investors regarding the terms of a Series of Bonds, security, risk factors, and financing and operating information of LCRA TSC.

Use of Proceeds

Proceeds from each Series of Bonds will be used to refund certain LCRA TSC commercial paper notes and revolving notes, fund certain capital projects of LCRA TSC, if necessary, establish a debt service reserve fund for the particular Series of Bonds, and pay for issuance costs.

LCRA and LCRA TSC have authorized the issuance of commercial paper and revolving notes under programs backed by four separate credit facilities. Periodically, staff recommends refunding short-term, variable-rate debt with long-term, fixed-rate debt when market conditions are favorable and the short-term debt credit facilities approach their maximum capacity. In addition, staff periodically recommends refunding existing long-term debt with new long-term debt to capture interest rate savings and/or adjust the debt structure to benefit LCRA TSC customers.

Staff currently expects the bonds to be sold and delivered in one Series of Bonds, in the summer of 2025, subject to the approving opinions of the Office of the Attorney General and bond counsel.

Presenter(s)

Jim Travis
Chief Financial Officer

FOR ACTION

11. 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 – Procurement requires Board of Directors approval for any contract for goods or services with projected expenditures exceeding \$5 million, whether under the original contract or as a result of a change.

Budget Status and Fiscal Impact

Board 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: 6846

Supplier Name: L3Harris Technologies, Inc

Contract Amount: \$8 million

Description: This master contract provides for proprietary infrastructure hardware and software maintenance, support, ancillary equipment and services to maintain LCRA's mission-critical Land Mobile Radio communication system. The term of this contract is 10 years.

EXHIBIT B

Contract Changes

Contract Number: 4762

Supplier Name: Valmont Industries, Inc.

Current Approved Contract Amount: \$534 million

Requested Change: \$716 million

New Contract Amount: \$1.25 billion

Description: This master contract originally was approved by the LCRA Board in January 2018 to provide steel and concrete transmission poles used by LCRA Transmission Services Corporation. Due to favorable pricing and volume rebates, Valmont's available manufacturing capacity for LCRA TSC, and favorable contract terms, the contract term was extended through 2028. Valmont also has been selected to provide telecommunication towers used by LCRA Telecommunications for deploying the wireless broadband network utilizing long-term evolution (LTE) technology. Staff is requesting Board approval to add \$716 million to the existing approved contract amount to cover future transmission line and telecommunication projects through the end of the contract term in June 2028.

Contract Number: 6269

Supplier Name: Sabre Industries, Inc.

Current Approved Contract Amount: \$136 million

Requested Change: \$110 million

New Contract Amount: \$246 million

Description: This master contract originally was approved by the LCRA Board in July 2023 to provide steel tubular transmission poles used by LCRA Transmission Services Corporation for transmission line projects. Forecast expenditures are anticipated to increase with the continuous growth of the LCRA TSC capital plan and as projects are shifted to U.S. manufacturers to minimize the impact of potential import tariffs. Sabre also has been selected to provide telecommunication towers used by LCRA Telecommunications for deploying the wireless broadband network utilizing LTE technology. Staff is requesting Board approval to add \$110 million to the existing approved contract amount to cover future transmission and telecommunication projects through the end of the contract term in July 2028.

THIS PAGE LEFT BLANK INTENTIONALLY