



Board Agenda

Wednesday, Jan. 28, 2026
LCRA General Office Complex
Board Room – Hancock Building
3700 Lake Austin Blvd.
Austin, TX 78703
Earliest start time: 11:30 a.m.

Item From the Chair

- 1. Comments From the Public 3

Item From the Chief Financial Officer

- 2. LCRA Financial Report..... 5

Consent Items

- *3. Conveyance of Access Easements in Matagorda County 6
- *4. Conveyance of Easements in Bastrop County 9
- *5. Sale of Land in Matagorda County 12
- 6. Directors’ Fees and Expenses..... 15
- 7. Minutes of Prior Meeting..... 16

Action Items

- 8. Capital Improvement Project Approval – Rural Broadband Middle-Mile Expansion..... 21
- 9. LCRA Interruptible Agricultural Water Rates for Garwood, Gulf Coast and Lakeside Agricultural Divisions 25
- 10. Contracts and Contract Changes 27

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

Executive Session

- 1. Competitive Electric Matters – Response to Large Loads Update
- 2. Litigation Update
- 3. Legal Advice on Contracts
- 4. Legal Advice on Legal Matters

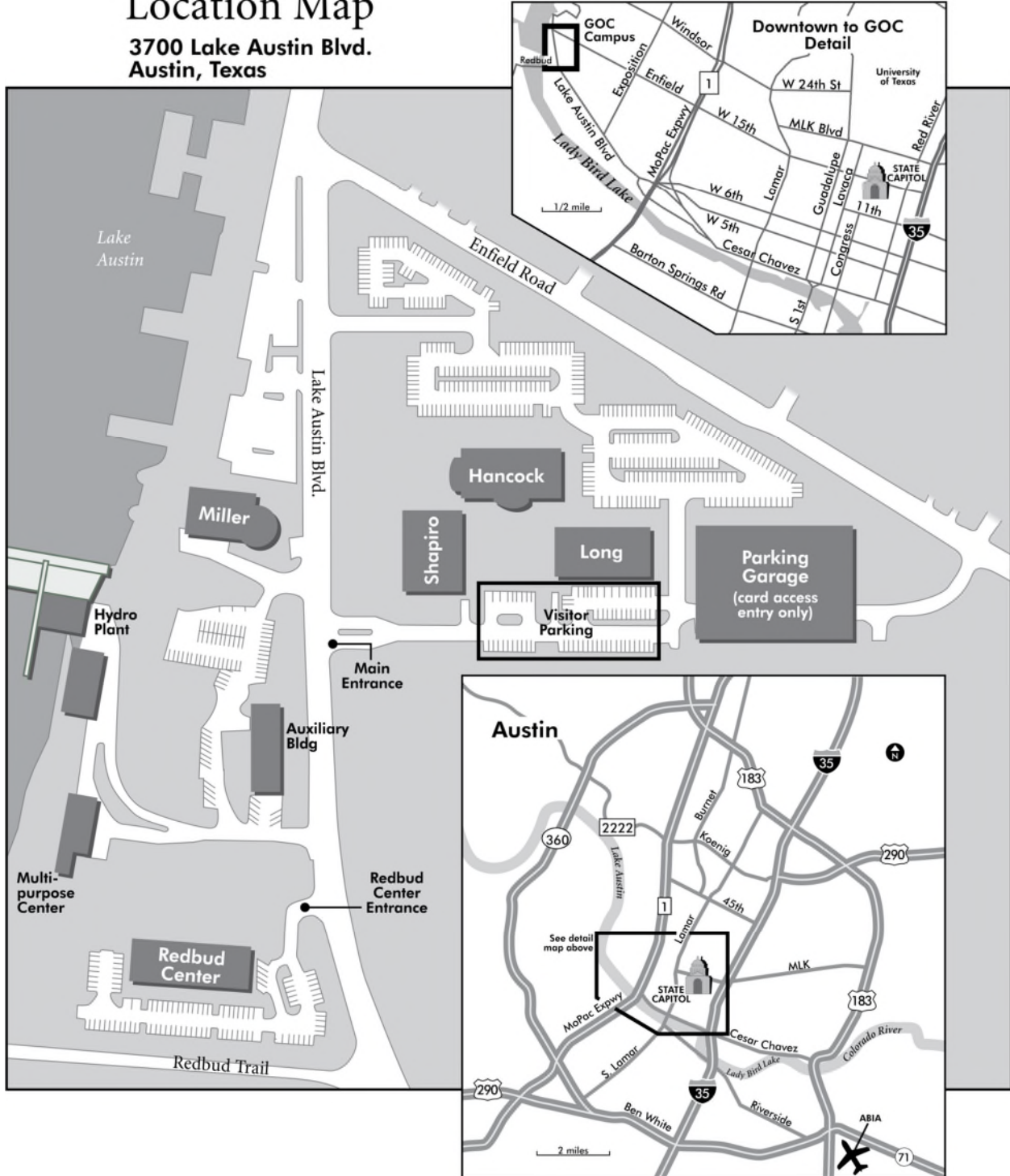
The Board also may go into executive session on any item listed above, pursuant to Chapter 551 of the Texas Government Code, including, but not limited to, sections 551.071, 551.072, 551.074, 551.076, 551.086, 551.089 and 418.183(f) of the Texas Government Code.

Legal Notice

Legal notices are available on the Texas secretary of state website 72 hours prior to the meeting at the following link: <https://www.sos.texas.gov/open/index.shtml>

LCRA General Office Complex Location Map

3700 Lake Austin Blvd.
Austin, Texas



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 DISCUSSION

2. Financial Report

Summary

Staff will present financial highlights for LCRA covering the fiscal year to date.

Presenter(s)

Jim Travis

Chief Financial Officer

Lower Colorado River Authority
Financial Highlights
December 2025

Lower Colorado River Authority
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Key term:

Net margin – Total operating revenues, including interest income, less direct and assigned expenses.

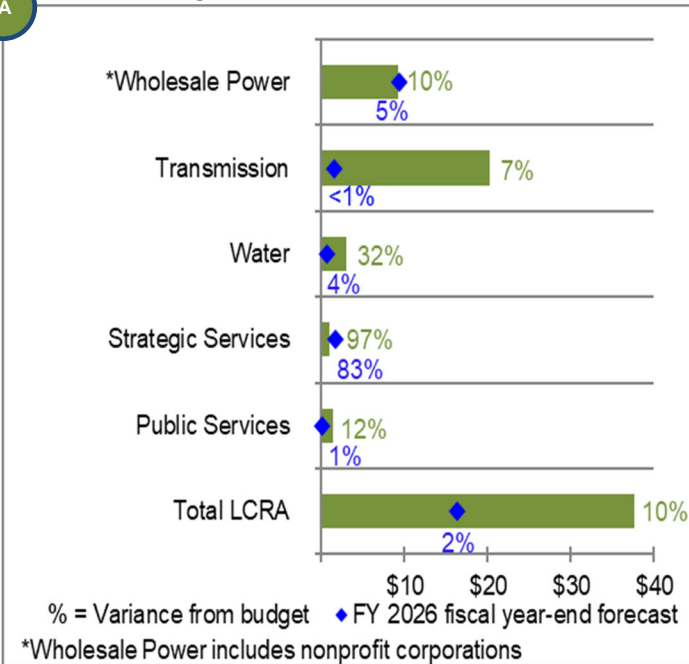
Lower Colorado River Authority

Dec. 31, 2025

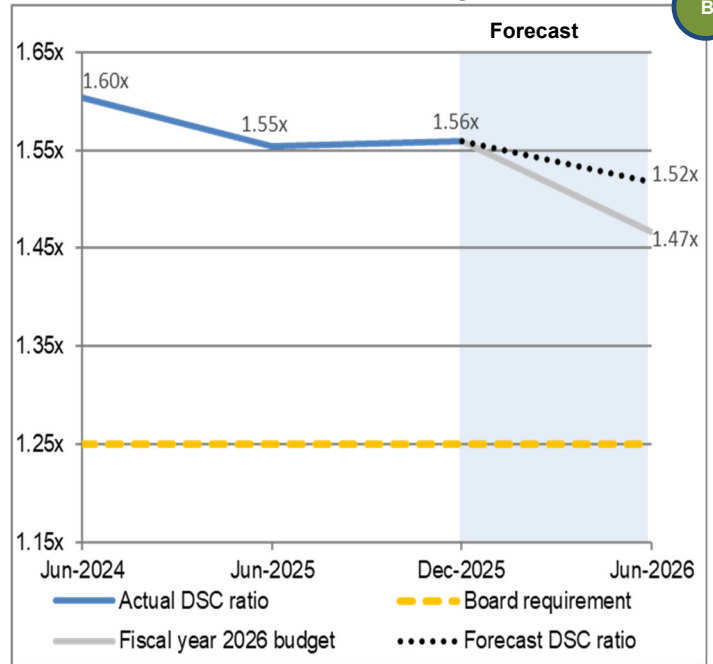
(Dollars in Millions)

Budget-to-Actual Highlights

Net Margin Fiscal Year-to-Date Variances



Debt Service Coverage



Key takeaways:

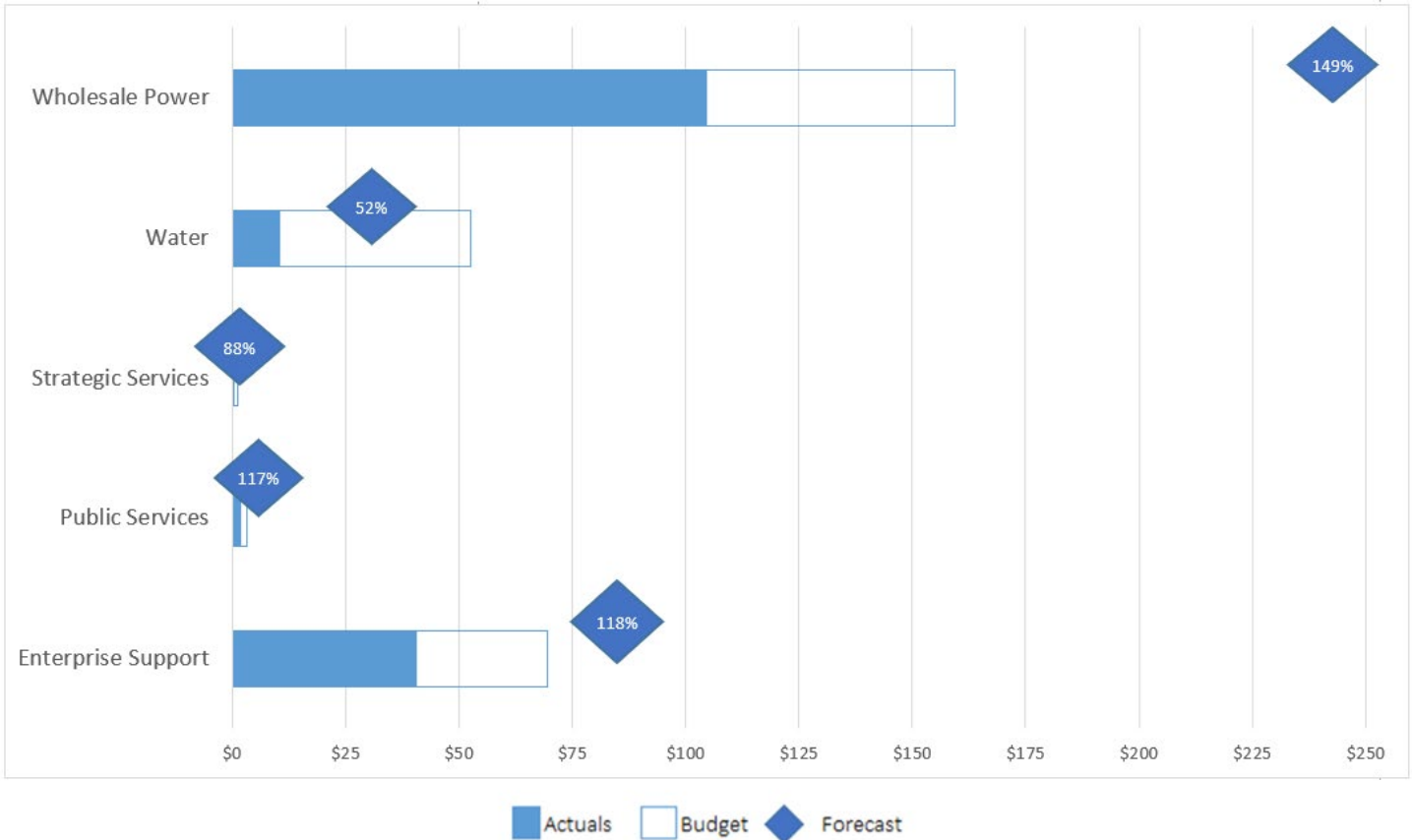
- Lower-than-budgeted nonfuel expenses, partially offset by lower-than-budgeted revenues, primarily drove Wholesale Power's year-to-date performance. Higher-than-budgeted nonfuel revenues, partially offset by higher-than-budgeted nonfuel expenses, primarily drove Wholesale Power's year-end forecast.
- Lower-than-budgeted expenses, combined with higher-than-budgeted interest income, primarily drove Transmission's year-to-date performance. Higher-than-budgeted interest income and other revenues, partially offset by lower-than-budgeted cost of service revenues due to lower billing units, primarily drove Transmission's year-end forecast.
- Lower-than-budgeted expenses, partially offset by lower-than-budgeted river management revenues, primarily drove Water's year-to-date performance and year-end forecast.
- Higher-than-budgeted Transmission and Environmental Lab net margins primarily drove Strategic Services' year-to-date performance and year-end forecast.
- Lower-than-budgeted Parks expenses primarily drove Public Services' year-to-date performance and year-end forecast.
- The debt service coverage ratio is forecast to be higher than budgeted primarily due to higher-than-budgeted LCRA net margin combined with lower-than-budgeted debt service.

Lower Colorado River Authority

Dec. 31, 2025

(Dollars in Millions)

Capital Forecast



Key takeaways:

- LCRA currently is projecting capital spending for FY 2026 will be \$66.6 million more than the capital plan budget of \$285.7 million primarily due to spending for a Wholesale Power project and an Enterprise Support project forecast to be more than their fiscal year budgets.
- Staff will continue to monitor the budget and will request an increase to the capital plan budget from the LCRA Board later this fiscal year if needed.

General manager project approvals:

- For any project not previously authorized by the Board in the capital plan, authority is delegated to the general manager/CEO to approve any capital project with a lifetime budget not to exceed \$1.5 million, according to LCRA Board Policy 301 – Finance. Additionally, the LCRA Board delegated authority to the GM/CEO to 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.

The GM/CEO approved three budget resets for capital projects this quarter:

- LTE Core from \$14 million to \$17.5 million.
- Two Wholesale Power projects were approved.

The GM/CEO approved three new projects this quarter:

- Narrows Recreation Area Improvements for \$700,000.
- Two Wholesale Power projects were approved.

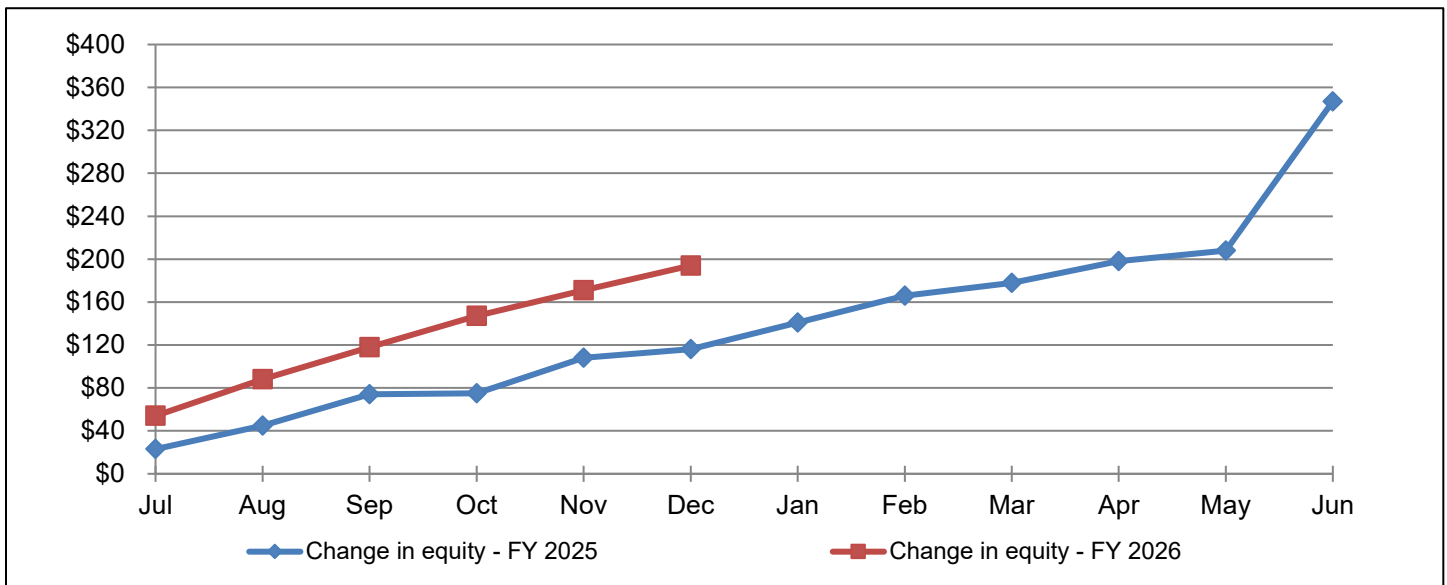
Lower Colorado River Authority

Dec. 31, 2025
(Dollars in Millions)

Board Metrics

| Board Metric | Description | Compliant |
|------------------------------|---|-----------|
| Equity Ratio | 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. | ✓ |
| 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. | ✓ |
| Operating Reserves | LCRA will target three months of average operating and maintenance expense for the purposes of operating liquidity and maintaining 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 operating reserves are 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 operating reserves to such target levels within 12 months. | ✓ |

Consolidated Net Income Trends Cumulative Fiscal Year to Date



Key takeaway:

- Net income increased compared with the prior year primarily due to an increase in electric revenue and a decrease in regulatory expense, partially offset by an increase in fuel and purchased power expense. The increase in electric revenue was the result of increases in transmission and wholesale electric rates, combined with wholesale electric customer sales volume. The decrease in regulatory expense was due to the discontinuation of accounting for regulated operations related to depreciation expense at the end of FY 2025.

Lower Colorado River Authority

Dec. 31, 2025

(Dollars in Millions)

Consolidated Condensed Statements of Net Position

| | Dec. 31, 2025 | Dec. 31, 2024 |
|--|---------------|---------------|
| Assets | | |
| Cash and cash equivalents - unrestricted | \$ 641 | \$ 422 |
| Current assets | 527 | 587 |
| Total current assets | 1,168 | 1,009 |
| | | |
| Cash and cash equivalents - restricted | 41 | 40 |
| Capital assets | 8,464 | 7,310 |
| Noncurrent assets | 1,014 | 1,053 |
| Total noncurrent assets | 9,519 | 8,403 |
| | | |
| Total Assets | \$ 10,687 | \$ 9,412 |
| Liabilities | | |
| Bonds and notes payable | \$ 882 | \$ 720 |
| Current liabilities | 436 | 366 |
| Total current liabilities | 1,318 | 1,086 |
| | | |
| Bonds and notes payable | 6,181 | 5,388 |
| Pension liability | 152 | 182 |
| Noncurrent liabilities | 394 | 539 |
| Total noncurrent liabilities | 6,727 | 6,109 |
| | | |
| Equity | | |
| Total equity | 2,642 | 2,217 |
| | | |
| Total Liabilities and Equity | \$ 10,687 | \$ 9,412 |

Key takeaway:

- Assets and liabilities are trending higher compared with December 2024 due to construction activities related to the capital plan.

Lower Colorado River Authority

Dec. 31, 2025

(Dollars in Millions)

Consolidated Condensed Statements of Revenues, Expenses and Changes in Equity

| | Fiscal Year | |
|--|-------------|----------|
| | 2026 | 2025 |
| Operating Revenues | | |
| Electric | \$ 840 | \$ 731 |
| Water and irrigation | 20 | 19 |
| Other | 25 | 44 |
| Total Operating Revenues | 885 | 794 |
| Operating Expenses | | |
| Fuel and purchased power | 252 | 214 |
| Operations and maintenance | 223 | 221 |
| Depreciation, depletion and amortization | 124 | 127 |
| Total Operating Expenses | 599 | 562 |
| Operating Income | 286 | 232 |
| Nonoperating Revenues (Expenses) | | |
| Interest on debt | (121) | (104) |
| Other nonoperating income (expenses) | 29 | (12) |
| Total Nonoperating Expenses | (92) | (116) |
| Change in Equity | 194 | 116 |
| Equity - Beginning of Period | 2,448 | 2,101 |
| Equity - End of Period | \$ 2,642 | \$ 2,217 |

Lower Colorado River Authority

Dec. 31, 2025

(Dollars in Millions)

Consolidated Condensed Statements of Cash Flows

| | Fiscal Year | |
|---|---------------|---------------|
| | 2026 | 2025 |
| Cash Flows From Operating Activities | | |
| Received from customers | \$ 944 | \$ 809 |
| Payments | (554) | (545) |
| Net cash provided by operating activities | 390 | 264 |
| Cash Flows From Noncapital Financing Activities | 2 | (2) |
| Cash Flows From Capital and Related Financing Activities | | |
| Purchase of property, plant and equipment | (706) | (500) |
| Other capital and financing activities | 524 | 344 |
| Net cash used in capital and financing activities | (182) | (156) |
| Cash Flows From Investing Activities | | |
| Sale and maturity of investment securities | 161 | 89 |
| Purchase of investment securities | (170) | (223) |
| Note payments and interest received | 23 | 20 |
| Net cash provided by (used in) investing activities | 14 | (114) |
| Net Increase (Decrease) in Cash and Cash Equivalents | 224 | (8) |
| Cash and Cash Equivalents - Beginning of Period | 458 | 470 |
| Cash and Cash Equivalents - End of Period | <u>\$ 682</u> | <u>\$ 462</u> |

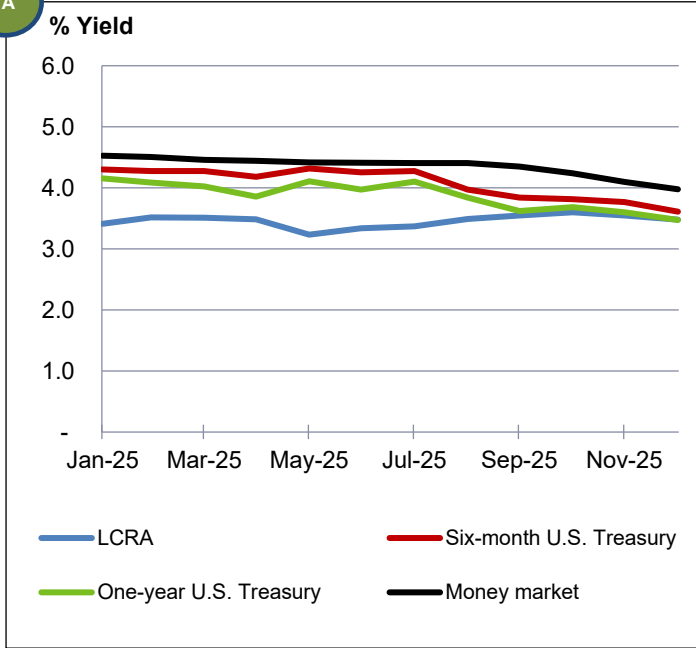
Lower Colorado River Authority

Dec. 31, 2025

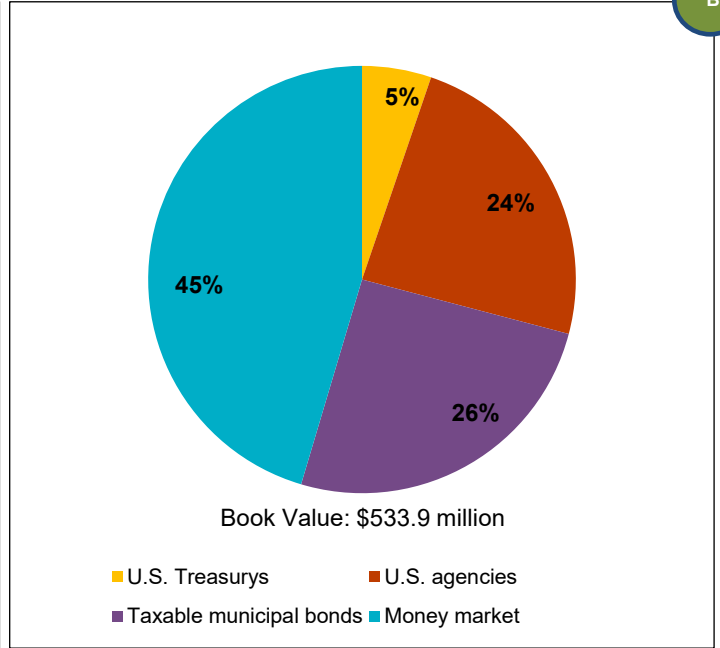
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Investments and Debt

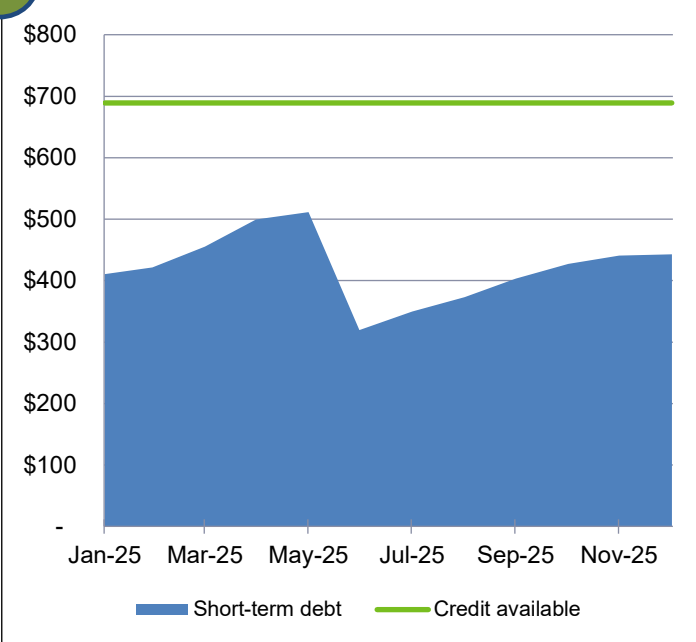
Investment Portfolio Yield



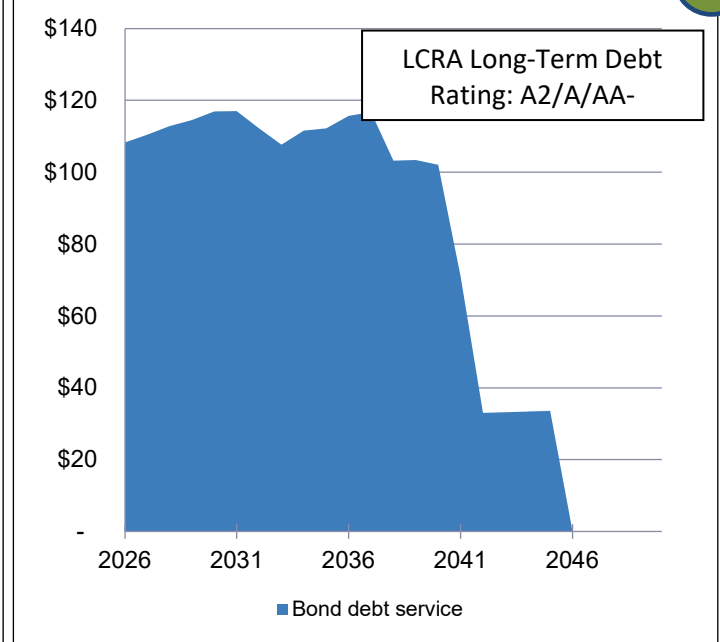
Investment Portfolio Composition



Short-Term Debt



Bond Debt Service



Key takeaways:

- The Federal Open Market Committee lowered its target range by one-fourth percent at its December 2025 meeting.
- The federal funds rate range is 3.5%-3.75%.
- The Core Consumer Price Index (year over year) as of November 2025 was 2.6%.

FOR ACTION (CONSENT)

3. Conveyance of Access Easements in Matagorda County

Proposed Motion

Authorize the general manager or his designee to grant two access easements across an LCRA-owned irrigation canal in the Gulf Coast Irrigation Division in Matagorda 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 2026 business plan contains the administrative costs associated with the conveyance of these easements. The proceeds of \$10,000 will be credited to the LCRA Strategic Reserve Fund.

Summary

Duffy Energy Storage LLC and CenterPoint Energy Houston Electric LLC lease property on both sides of an LCRA-owned canal in the Gulf Coast Irrigation Division in Matagorda County. Duffy and CenterPoint have asked LCRA to grant each an easement across the canal to access a planned energy storage facility they will construct on the adjacent property they lease.

LCRA staff reviewed available market data and determined \$10,000 (\$5,000 for each easement) is at or above the market value of the easements to be conveyed. Duffy and CenterPoint are working with LCRA to approve construction plans that require the replacement and extension of an existing culvert in the canal.

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

Exhibit(s)

- A – Vicinity Map
- B – Site Map

EXHIBIT A

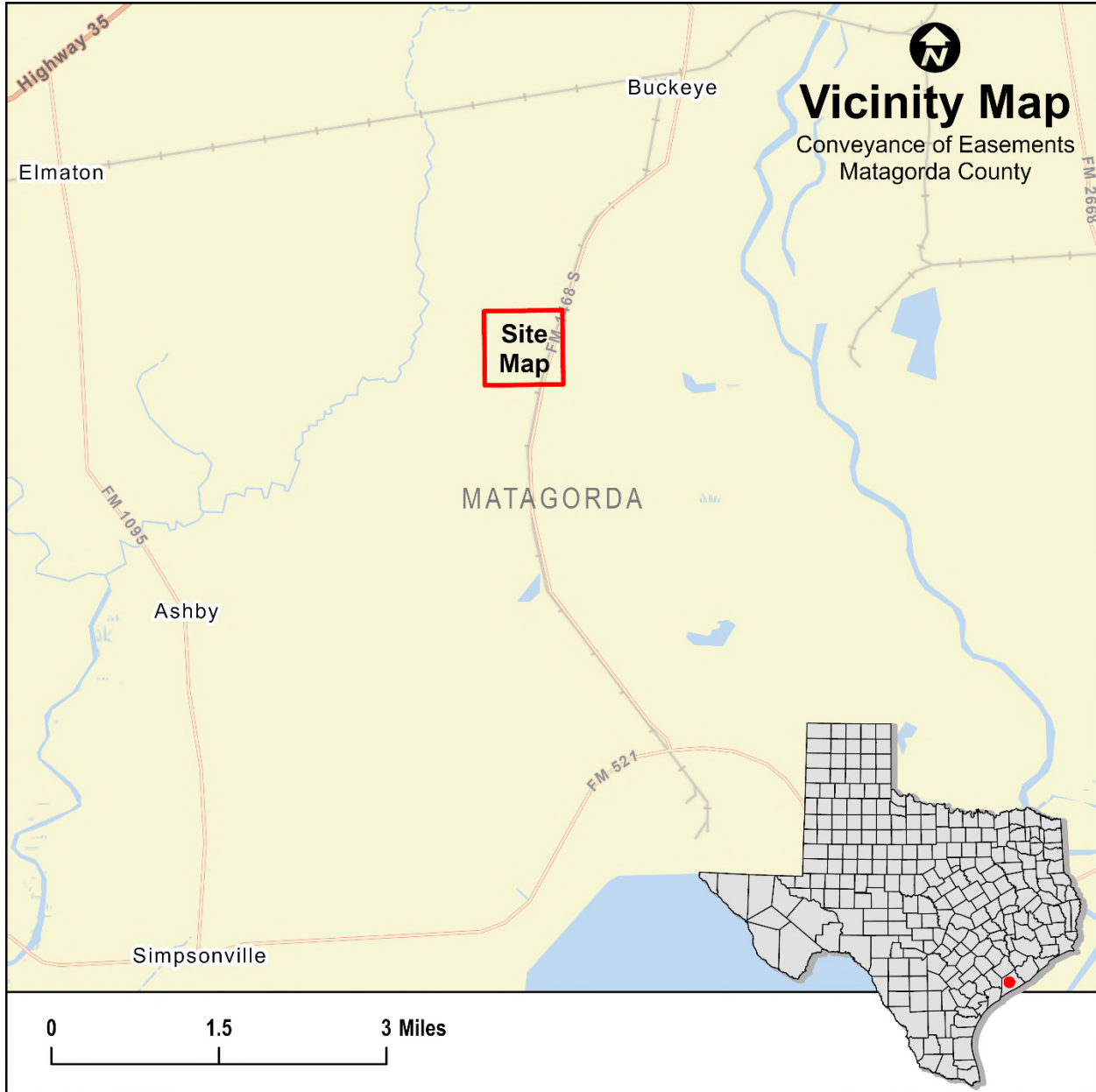
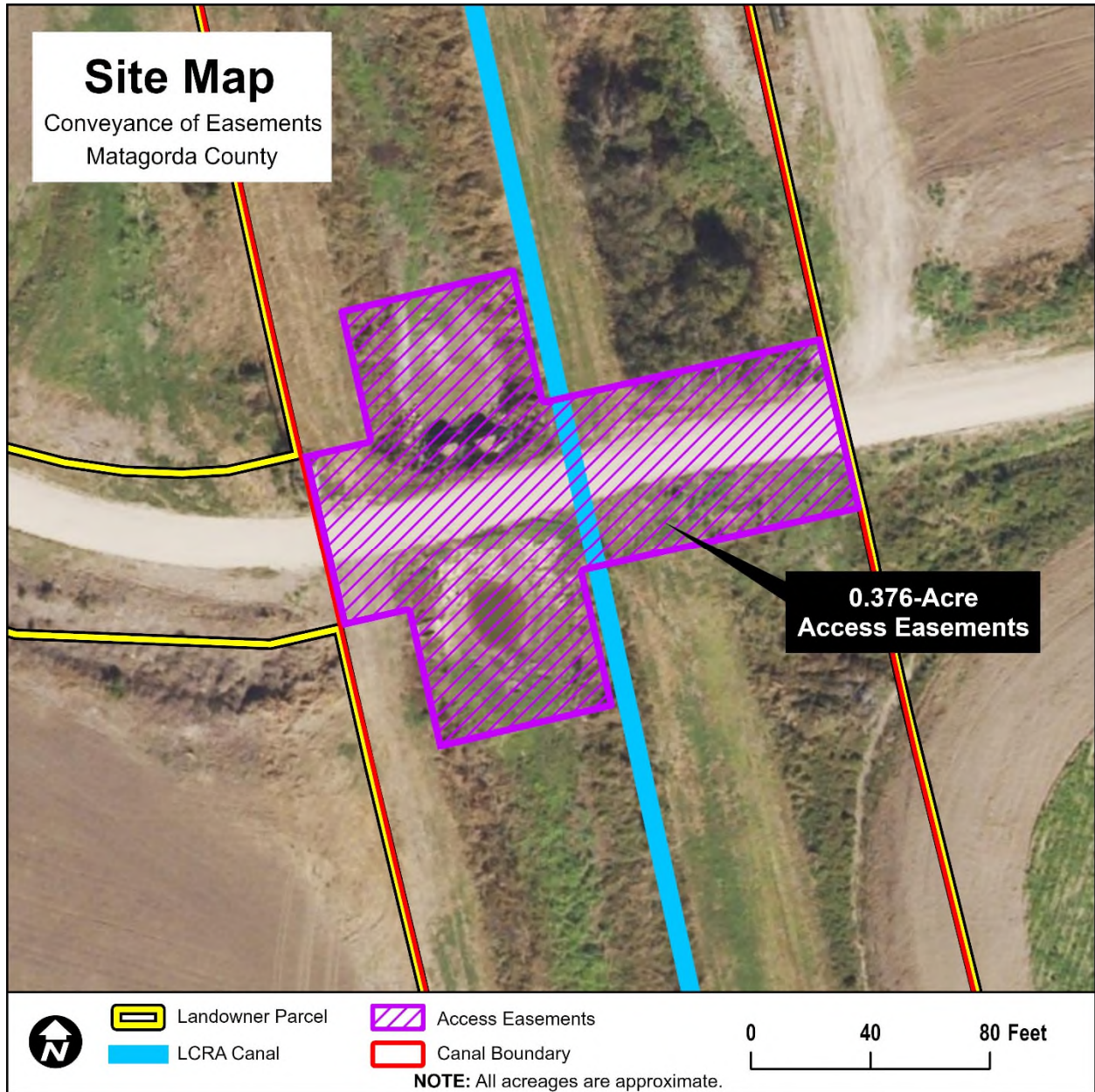


EXHIBIT B



FOR ACTION (CONSENT)

4. Conveyance of Easements in Bastrop County

Proposed Motion

Authorize the general manager or his designee to convey two electric distribution easements to Bluebonnet Electric Cooperative across portions of LCRA parcels LB-20 and LB-21 in Bastrop 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 2026 LCRA business plan contains the administrative costs associated with the conveyance of these easements.

Summary

LCRA acquired parcels LB-20 and LB-21 in 1962 to build Sim Gideon Power Plant on property known today as Lost Pines Power Park, which also includes Lost Pines 1 Power Project. Extending electrical service from the existing Bluebonnet infrastructure located on the property is necessary for projects at Lost Pines Power Park. Bluebonnet has asked LCRA to grant the two easements to add the new distribution line extensions needed to serve LCRA's telecommunications projects. There will be no charge to Bluebonnet for the easements as the electric lines will serve LCRA property.

LCRA staff will complete environmental and cultural resource due diligence assessments in accordance with LCRA Board Policy 401.403 before conveying the easements.

Exhibit(s)

A – Vicinity Map

B – Site Maps

EXHIBIT A

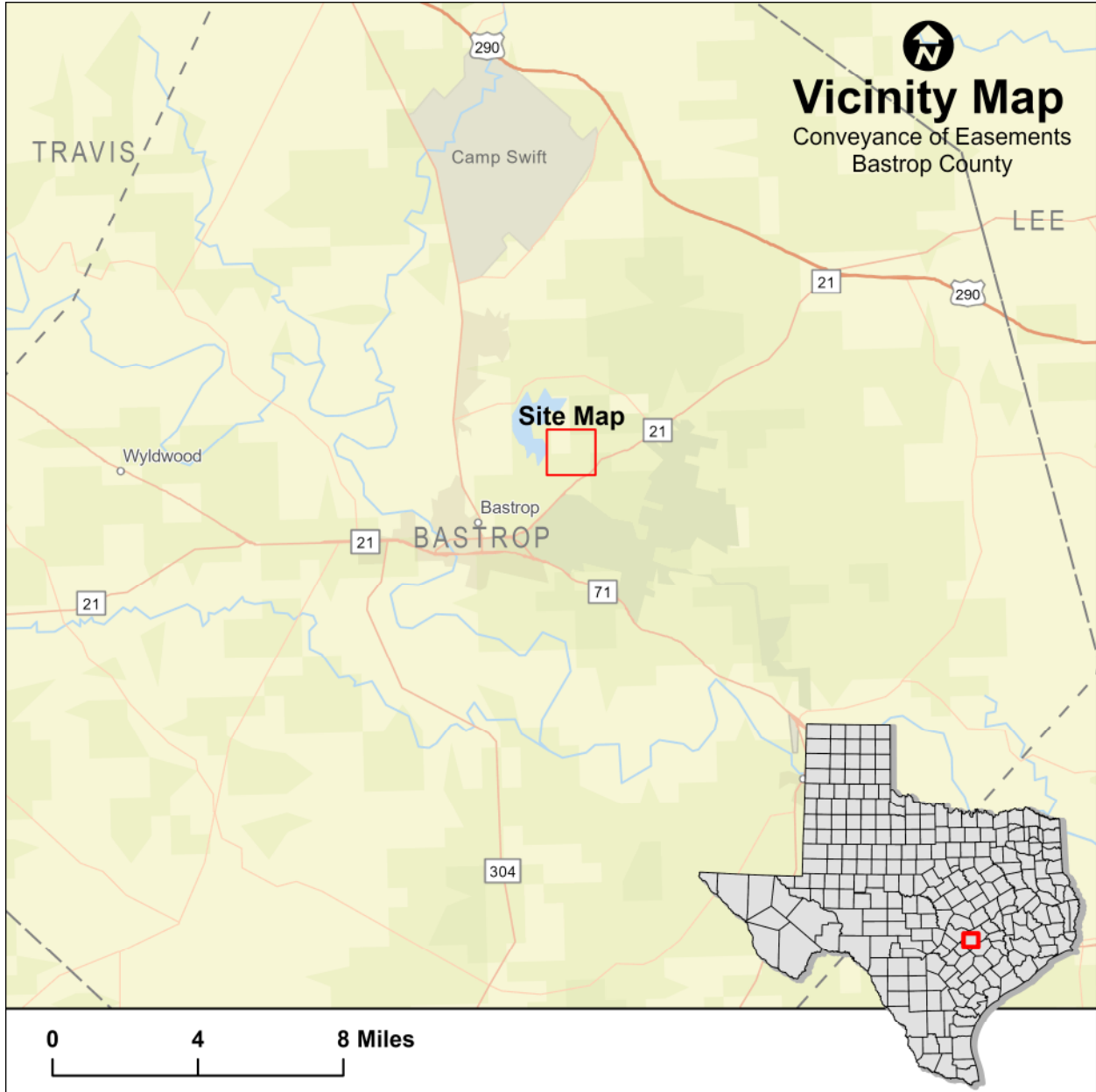
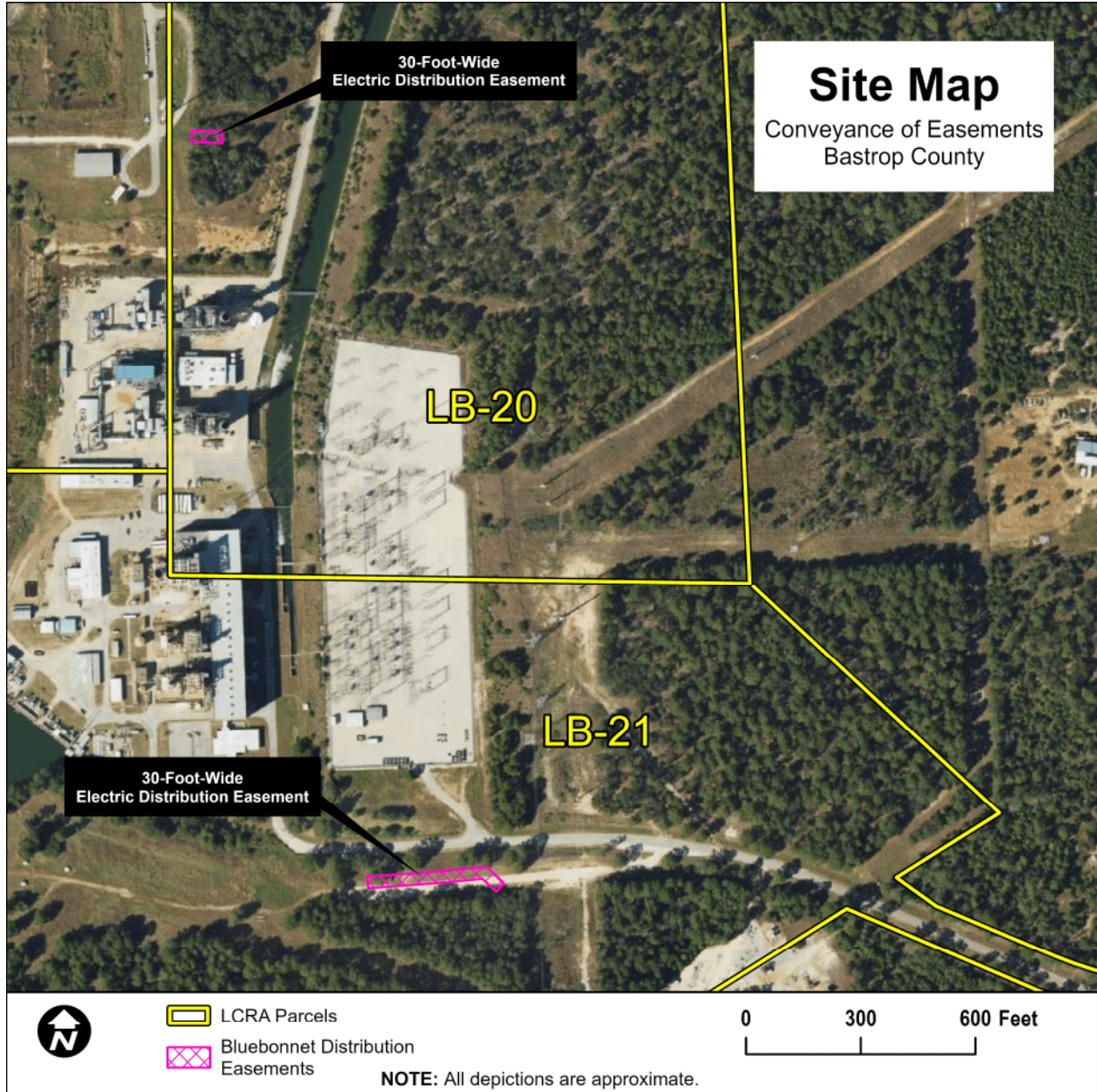


EXHIBIT B



FOR ACTION (CONSENT)

5. Sale of Land in Matagorda County

Proposed Motion

Declare an approximately 24.44-acre tract of land, being an unused portion of LCRA's Skelly Lateral canal in Matagorda County, nonessential, and authorize the general manager or his designee to sell the property to the adjacent landowner.

Board Consideration

Section 8503.020(b) of the Texas Special District Local Laws Code requires the approval of at least 12 members of the LCRA Board of Directors to convey any interest in real property. LCRA Board Policy 401 – Land Resources requires at least 12 members of the LCRA Board to declare the land no longer necessary or of beneficial use to the business of LCRA before conveyance. Additionally, Section 8503.020 of the Texas Special District Local Laws Code and LCRA Board Policy 401 require Board approval of the terms of all land sales before conveyance.

Budget Status and Fiscal Impact

The fiscal year 2026 business plan contains the administrative costs associated with the sale of this land. The proceeds of \$185,744 will be credited to the LCRA Strategic Reserve Fund.

Summary

Barrett Franz, the adjacent landowner, has agreed to buy the 24.44-acre tract for \$185,744. Staff determined the price based on the Matagorda County Appraisal District's assessed values of nearby properties.

LCRA staff will complete environmental and cultural resource due diligence assessments in accordance with Board Policy 401.403 – Land Disposition before the sale of the property.

The property will be sold subject to the following reservations and restrictions:

- 1) LCRA will reserve all presently held oil, gas and other mineral rights of every kind or character in, on and under the property, provided that LCRA shall not be permitted to drill or excavate for minerals on the surface of the property.
- 2) The purchaser will waive the right to receive water from the portion of the canal being conveyed, and LCRA will no longer maintain the canal for water deliveries.
- 3) LCRA will reserve the right to use the land for access to the Skelly Lateral canal.

Exhibit(s)

- A – Vicinity Map
- B – Site Map

EXHIBIT A



EXHIBIT B



FOR ACTION (CONSENT)

6. Directors' Fees, Expenses

Proposed Motion

Approve directors' fees and the reimbursement of directors' expenses.

Board Consideration

LCRA Board Policy 105 – Directors' Fees and Expense Reimbursement and Section 2.08 – Per Diem and Expenses of the LCRA bylaws require Board of Directors approval for directors' fees and expenses.

Budget Status and Fiscal Impact

The budget in the business plan provides for directors' fees and expenses.

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)

7. Minutes of Prior Meeting

Proposed Motion

Approve the minutes of the Dec. 9, 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 Dec. 9, 2025, LCRA Board meeting

EXHIBIT A

LCRA Board of Directors
Minutes Digest
Dec. 9, 2025

- 25-75 Appointment of Baker Tilly US, LLP, as LCRA’s independent auditor to perform the external audits of the fiscal year 2026 financial statements of LCRA and its nonprofit corporations.
- 25-76 Reappointment of two LCRA non-officer directors, Thomas L. “Tom” Kelley and Mark Mayo, to the GenTex Power Corporation Board of Directors to serve one-year terms expiring Dec. 31, 2026.
- 25-77 Approval of directors’ attendance at seminars or conferences for calendar year 2026.
- 25-78 Approval of directors’ fees and the reimbursement of directors’ expenses.
- 25-79 Approval of the minutes of the Nov. 12, 2025, LCRA Board of Directors meeting.
- 25-80 Adoption and approval of the Fiftieth Supplemental Resolution to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program 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 \$700 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) current refunding of certain long-term Transmission Contract Debt; (iii) funding certain capital projects of LCRA TSC, if necessary; (iv) funding debt service reserve funds for any Series of Bonds; and (v) paying for issuance costs.

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE
LOWER COLORADO RIVER AUTHORITY
Austin, Texas
Dec. 9, 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 1:29 p.m. Tuesday, Dec. 9, 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
Martha Leigh M. Whitten, Vice Chair
Matthew L. "Matt" Arthur
Melissa K. Blanding
Curtis E. Ford
Thomas L. "Tom" Kelley
Aden Lasseter
Robert "Bobby" Lewis
Mark Mayo
Margaret D. "Meg" Voelter
David R. Willmann
Nancy Eckert Yeary

Absent: Joseph M. "Joe" Crane, Secretary
Carol Freeman

Chair Cooper convened the meeting at 1:29 p.m.

The Board heard comments from the public [Agenda Item 1]. The following speakers expressed concerns about the coordination and siting of battery energy storage system facilities in the Kerr, Kendall and Gillespie county region: Rich Paces, Kerr County Commissioner, Precinct 2, and president of the Hill Country Energy Sub-Regional Planning Commission; Audrey Boerner and Jeff Boerner.

General Manager Phil Wilson reported on employees' participation in the recent Transmission Resilience Summit, hosted by LCRA Transmission Services Corporation, and GridEx, hosted by the North American Electric Reliability Corporation. Wilson noted LCRA Parks' receipt of an award from Outdoor Hospitality Industry. He shared examples of employee giving and volunteering during the holidays and year-round, and he also shared a video highlighting LCRA's accomplishments this past year and how LCRA continues to serve the people of Texas.

Vice President of Safety Fran Scott Diehl presented the Safety Services Update [Agenda Item 2].

The Board next took action on the consent agenda. Upon motion by Director Voelter, seconded by Director Blanding, the Board unanimously approved consent items 3, 4, 5, 6 and 7 by a vote of 12 to 0 as follows:

25-75 Appointment of Baker Tilly US, LLP, as LCRA's independent auditor to perform the external audits of the fiscal year 2026 financial statements of LCRA and its nonprofit corporations, as recommended in Consent Item 3 [attached hereto as Exhibit A].

25-76 Reappointment of two LCRA non-officer directors, Thomas L. "Tom" Kelley and Mark Mayo, to the GenTex Power Corporation Board of Directors to serve one-year terms expiring Dec. 31, 2026, as recommended in Consent Item 4 [attached hereto as Exhibit B].

25-77 Approval of directors' attendance at seminars or conferences for calendar year 2026, as recommended in Consent Item 5 [attached hereto as Exhibit C].

25-78 Approval of directors' fees and the reimbursement of directors' expenses, as recommended in Consent Item 6 [attached hereto as Exhibit D].

25-79 Approval of the minutes of the Nov. 12, 2025, LCRA Board of Directors meeting [Consent Item 7].

25-80 Chief Financial Officer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 8 [attached hereto as Exhibit E], that the Board adopt and approve the Fiftieth Supplemental Resolution to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program 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 \$700 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) current refunding of certain long-term Transmission Contract Debt; (iii) funding certain capital projects of LCRA TSC, if necessary; (iv) funding debt service reserve funds for any Series of Bonds; and (v) paying for issuance costs.

The resolution also will:

1. Approve related documents in substantially final form, including, if required, an escrow agreement, a paying agent/registrars 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 Fiftieth 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 Fiftieth 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, 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 bond purchase agreement for such Series of Bonds.

Upon motion by Director Lewis, seconded by Vice Chair Whitten, the recommendation was unanimously approved by a vote of 12 to 0.

Chair Cooper declared the meeting to be in executive session at 2:08 p.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 2:55 p.m.

There being no further business to come before the Board, the meeting adjourned at 2:55 p.m.

Joseph M. Crane
Secretary
LCRA Board of Directors

Approved: Jan. 28, 2026

FOR ACTION

8. Capital Improvement Project Approval – Rural Broadband Middle-Mile Expansion

Proposed Motion

Approve the Capital Improvement Project Approval Request for the Rural Broadband Middle-Mile Expansion project.

Board Consideration

Section 301.401 of Board Policy 301 – Finance requires the LCRA Board to approve any project not previously authorized by the Board in the capital plan if the lifetime budget will exceed \$1.5 million.

Budget Status and Fiscal Impact

- This project is an addendum to the LCRA fiscal year 2026 capital plan.
- Staff seeks approval for a total lifetime budget of \$23.9 million to be spent in FY 2026-FY 2028.
- The recommended project completion date is Dec. 31, 2027, as required by the terms of a grant that will be used to partially fund the project.
- Staff will monitor the fiscal year forecasts and will request a fiscal year budget increase if needed.

Summary

The Texas Broadband Development Office has allocated money from the state's Broadband Infrastructure Fund for grants to fund projects for the construction and improvement of telecommunications middle-mile infrastructure. Staff recommends the Rural Broadband Middle-Mile Expansion project located in multiple counties throughout the LCRA service area. This project reflects the goals and terms of a roughly \$29.6 million grant administered by the Texas Broadband Development Office, with the funds to be distributed as reimbursement for capital project costs. The Rural Broadband Middle-Mile Expansion project will add essential middle-mile infrastructure to facilitate last-mile broadband service delivery to underserved Texas communities. A portion of the grant would cover a portion of the Rural Broadband Middle-Mile Expansion project costs, and the remainder of the grant would be used for a separate project for third-party fiber easements.

LCRA Telecommunications has identified about 100 sites across 30 counties that meet the grant criteria. The project scope includes telecommunications towers, communications shelters, dense wavelength division multiplexing equipment, fiber vaults and easements. The project scope will expand LCRA's Telecommunications development plan to include sites that meet the terms and goals of the grant. The recommended project scope is consistent with Board Policy 220 – Telecommunications.

The grant agreement with the Texas Broadband Development Office was signed by all parties in December 2025.

Project Recap

Total Project Estimated Cost: \$23.9 million

Previous Project Lifetime Budget: \$0

Lifetime Budget Approval Sought: \$23.9 million

Fiscal Year Budget Impact:

FY 2026 \$6.5 million

FY 2027 \$11.9 million

FY 2028 \$5.5 million

Total: \$23.9 million

Project Direction

Project Manager: Nick O'Sullivan

Project Sponsor: Stephen Kellicker

Project Number: 1034225

Presenter(s)

Stephen Kellicker

Executive Vice President, Enterprise Resources

Exhibit(s)

A – Table of Impacted Counties

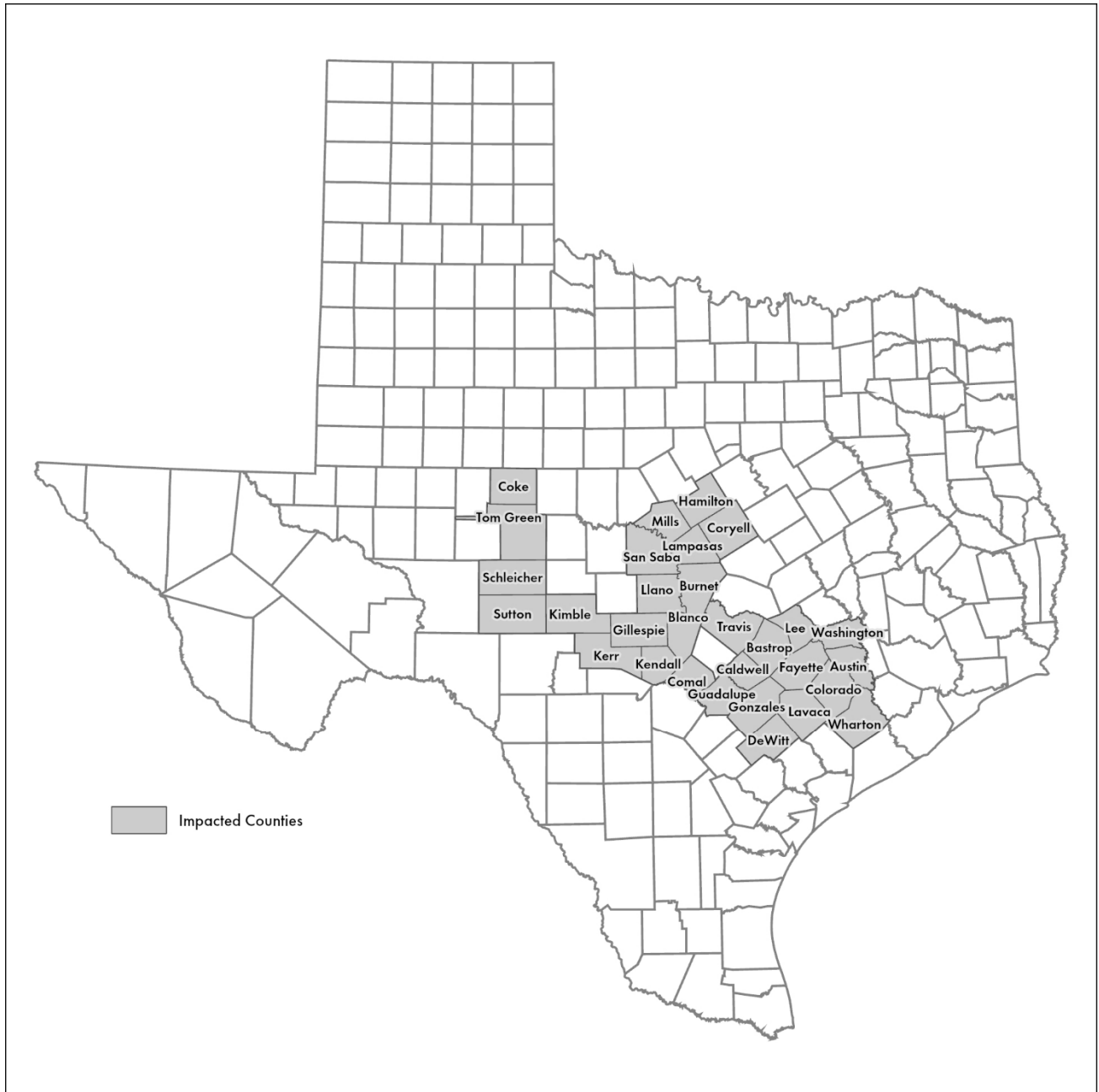
B – Map of Impacted Counties

EXHIBIT A

| Table of Impacted Counties | | |
|-----------------------------------|-----------|------------|
| Austin | Fayette | Lee |
| Bastrop | Gillespie | Llano |
| Blanco | Gonzales | Mills |
| Burnet | Guadalupe | San Saba |
| Caldwell | Hamilton | Schleicher |
| Coke | Kimble | Sutton |
| Colorado | Kendall | Tom Green |
| Comal | Kerr | Travis |
| Coryell | Lampasas | Washington |
| DeWitt | Lavaca | Wharton |

EXHIBIT B

Map of Impacted Counties



FOR ACTION

9. LCRA Interruptible Agricultural Water Rates for Garwood, Gulf Coast and Lakeside Agricultural Divisions

Proposed Motion

Approve updated interruptible agricultural water rates for the Garwood, Gulf Coast and Lakeside agricultural divisions.

Board Consideration

Consistent with LCRA Board Policy 501 – Water Resources and Section 8503.011 of the Texas Special District Local Laws Code, the LCRA Board of Directors is required to approve water rates.

Budget Status and Fiscal Impact

The proposed rates have no impact on the fiscal year 2026 budget.

The proposed interruptible rates are based on full cost recovery of the physical delivery of water through LCRA's canal system for each division, with an adjustment to the Gulf Coast and Lakeside rates to mitigate the degree of rate increase in those divisions. The rates for Gulf Coast and Lakeside include a portion of river management costs that represents the full share of river management costs attributed to these interruptible customers.

The full cost recovery rate for Garwood is consistent with the 1998 Purchase Agreement between LCRA and Garwood Irrigation Company.

Summary

As in prior years, the proposed rates vary by division and reflect the unique costs associated with operating each division. The proposed surcharge rates for higher water use would continue to be tiered with rates that are 40%, 80% and 150% of the volumetric rate for the respective division. The proposed rates are shown as Exhibit A.

Following Board action on this item, staff will update the water contract forms for the agricultural divisions to reflect the approved changes consistent with Board policies and rules. The proposed rates were available for comment through the LCRA website, and LCRA in December 2025 met with interruptible water customers to discuss the upcoming crop year.

Presenter(s)

Kelly D. Payne
Senior Vice President, Water Operations

Exhibit(s)

A – Proposed Calendar Year 2026 Interruptible Water Rates

EXHIBIT A

**Proposed Calendar Year 2026 Interruptible Water Rates
(per acre-foot)**

| Division | Rice/Turf and Supplemental | Excess Use Surcharge | | |
|---------------------|----------------------------|----------------------|---------|----------|
| | | Tier 1 | Tier 2 | Tier 3 |
| Gulf Coast | \$71.52 | \$28.61 | \$57.22 | \$107.28 |
| Lakeside | \$71.52 | \$28.61 | \$57.22 | \$107.28 |
| Garwood – one lift | \$39.51 | \$15.80 | \$31.61 | \$59.27 |
| Garwood – two lifts | \$46.83 | | | |

Gulf Coast and Lakeside agricultural divisions: Minimum charge of \$32.18 per acre-foot of interruptible stored water allocated under contract (45% of the interruptible water rate).

Garwood Agricultural Division: Minimum charge of \$25 per acre of rice under contract.

Minimum charges at all divisions are applicable to first season contracts and second season contracts.

Application fee: \$100 per contract applicable to supplemental use only

Irrigation coordinator cost recovery fee: \$75 per hour

Canceled order surcharge: \$5 per acre applicable to the individual field for which water was ordered

Early drainage surcharge: \$10 per acre

Groundwater delivery fee: \$30 per day for first structure; \$15 per day for each additional structure

FOR ACTION

10. 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: 7001

Supplier Name: S&K Electrical Contracting, LLC

Contract Amount: \$25 million

Description: This master contract will serve as an additional provider of construction services to support the construction of new private LTE telecommunications towers equipped with built-out fiber, as well as dressed-out and powered-up new telecommunications shelters, cabinets, generators and fuel cells. The term of the contract is for one year, with annual options to extend up to a total of four years. This timeframe will coincide with the expiration of other telecommunications construction contracts currently in place.

EXHIBIT B

Contract Changes

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