



Board Agenda

Tuesday, Oct. 20, 2026
LCRA General Office Complex
Board Room – Hancock Building
3700 Lake Austin Blvd.
Austin, TX 78703
Earliest start time: 1 p.m.

Board Chair Stephen F. Cooper
Board Vice Chair Martha Leigh M. Whitten

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Executive Session

1. Cybersecurity Briefing
2. Competitive Electric Matters, Including Generation and Generation Project Updates, Market and Risk Updates, Resource Planning, Resource Options and Agreements
3. Legal Advice on Pending and Anticipated Litigation, Claims and Settlements
4. Legal Advice on Legal Matters

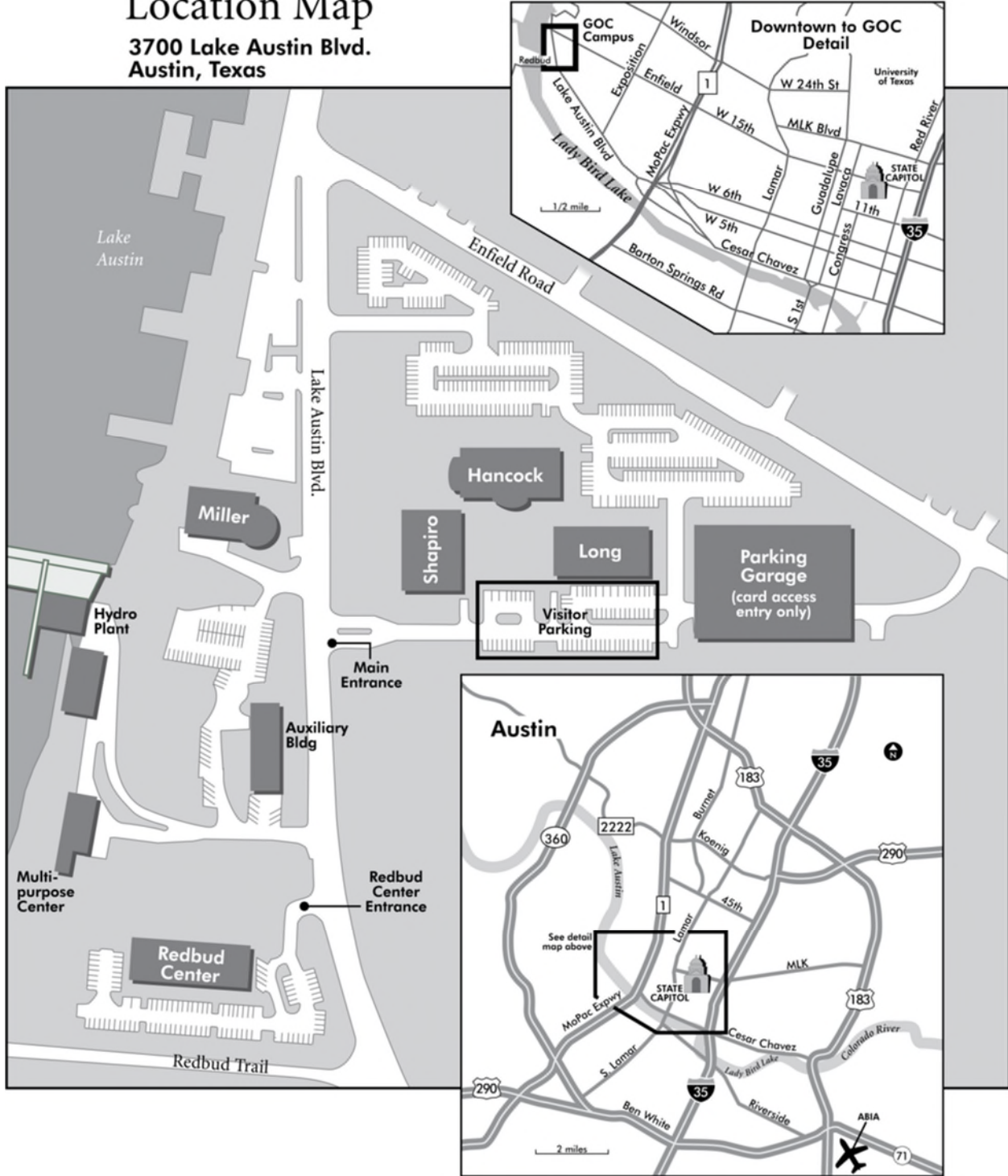
The Board may go into executive session on any item listed above, pursuant to Chapter 551 of the Texas Government Code, including, but not limited to, sections 551.071, 551.072, 551.074, 551.076, 551.086, 551.089 and 418.183(f) of the Texas Government Code.

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. Per the Texas Open Meetings Act, for topics not related to an item listed on the Board of Directors agenda, the Board cannot respond to or take action 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
September 2026

Lower Colorado River Authority

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Key term:

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

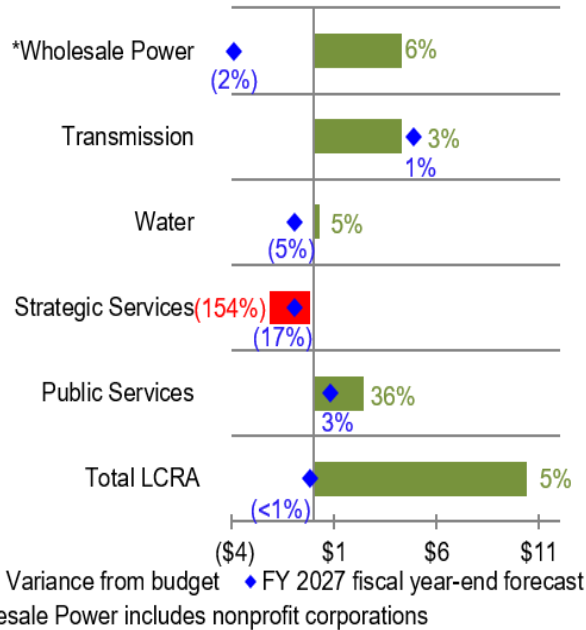
Lower Colorado River Authority

Sept. 30, 2026

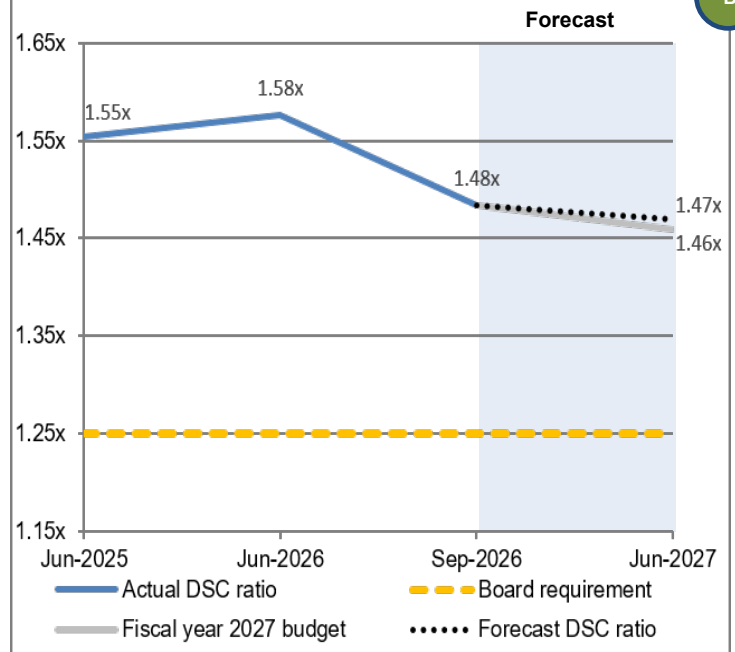
(Dollars in Millions)

Budget-to-Actual Highlights

Net Margin Fiscal Year-to-Date Variances



Debt Service Coverage



Key takeaways:

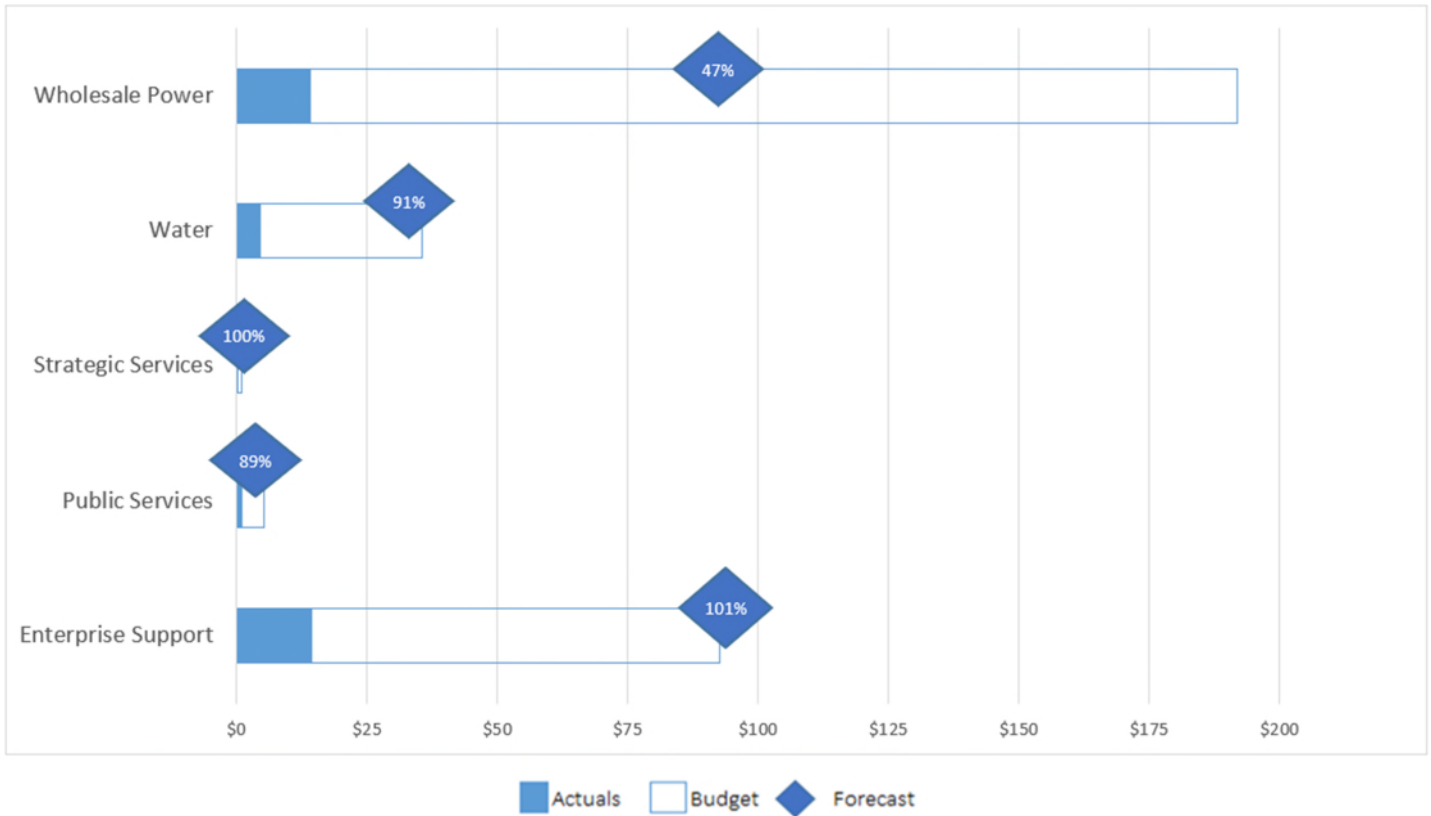
- Lower-than-budgeted nonfuel expenses, partially offset by lower-than-budgeted revenues, primarily drove Wholesale Power's year-to-date performance. Lower-than-budgeted revenues, partially offset by lower-than-budgeted nonfuel expenses, primarily drove Wholesale Power's year-end forecast.
- Higher-than-budgeted revenues, partially offset by higher-than-budgeted expenses, primarily drove Transmission's year-to-date performance and year-end forecast.
- Lower-than-budgeted river management expenses, partially offset by lower-than-budgeted agricultural revenues, primarily drove Water's year-to-date performance. Lower-than-budgeted agricultural revenues, partially offset by lower-than-budgeted river management expenses, primarily drove Water's year-end forecast.
- Higher-than-budgeted Telecommunications expenses primarily drove Strategic Services' year-to-date performance and year-end forecast.
- Lower-than-budgeted park expenses combined with higher-than-budgeted park revenues primarily drove Public Services' year-to-date and year-end forecast performance.
- The debt service coverage ratio is forecast to be higher than budgeted primarily due to lower-than-budgeted debt service.

Lower Colorado River Authority

Sept. 30, 2026

(Dollars in Millions)

Capital Forecast



Key takeaway:

- LCRA currently is projecting capital spending for FY 2027 will be \$101.5 million under the capital plan budget of \$326.5 million primarily due to a Wholesale Power project that is forecast to be under the fiscal year budget.

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. The LCRA Board also delegated authority to the GM/CEO to approve additional funding for any 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 one Wholesale Power project budget reset this quarter.

The GM/CEO approved one new Wholesale Power project this quarter.

Lower Colorado River Authority

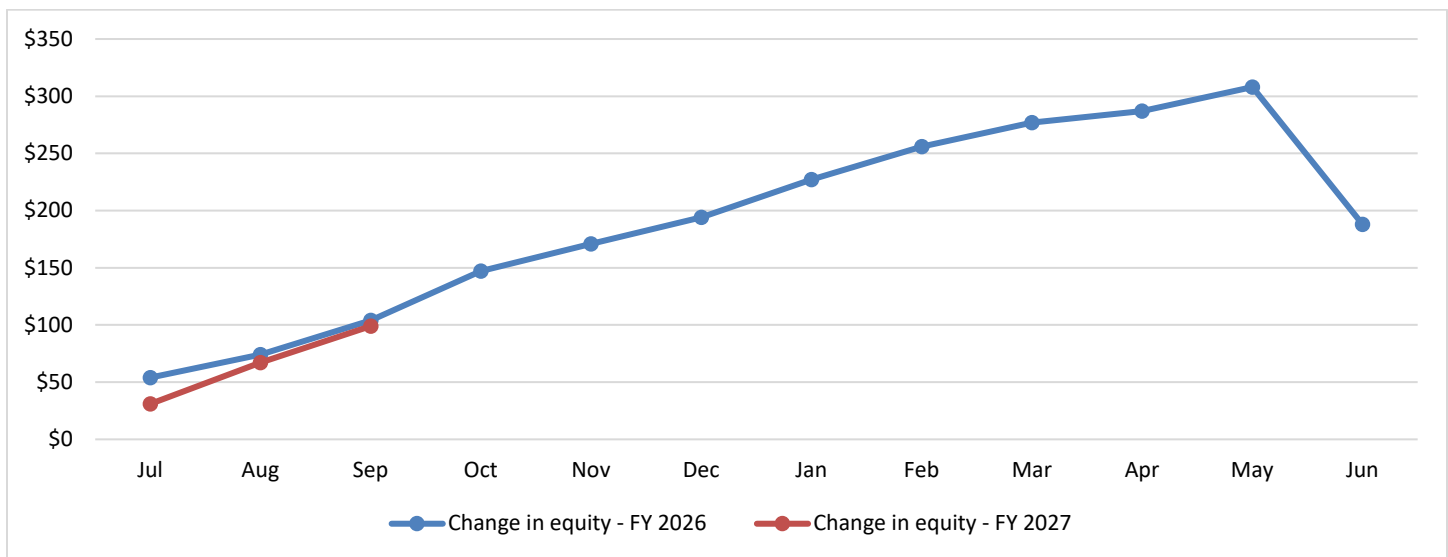
Sept. 30, 2026

(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 decreased compared with the prior year primarily due to an increase in interest on debt and a decrease in interest income. This was partially offset by increases in gain on asset retirements and capital contributions.

Lower Colorado River Authority

Sept. 30, 2026

(Dollars in Millions)

Consolidated Condensed Statements of Net Position

	Sept. 30, 2026	Sept. 30, 2025
Assets		
Cash and cash equivalents - unrestricted	\$ 688	\$ 587
Current assets	672	561
Total current assets	1,360	1,148
Cash and cash equivalents - restricted	58	134
Capital assets	9,256	8,110
Noncurrent assets	1,048	1,047
Total noncurrent assets	10,362	9,291
Total Assets	\$ 11,722	\$ 10,439
Liabilities		
Bonds and notes payable	\$ 511	\$ 626
Current liabilities	632	534
Total current liabilities	1,143	1,160
Bonds and notes payable	7,216	6,198
Pension liability	97	152
Noncurrent liabilities	539	377
Total noncurrent liabilities	7,852	6,727
Equity		
Total equity	2,727	2,552
Total Liabilities and Equity	\$ 11,722	\$ 10,439

Key takeaway:

- Assets and liabilities are trending higher compared with September 2025 due to construction activities related to the capital plan.

Lower Colorado River Authority

Sept. 30, 2026

(Dollars in Millions)

Consolidated Condensed Statements of Revenues, Expenses and Changes in Equity

	Fiscal Year	
	2027	2026
Operating Revenues		
Electric	\$ 505	\$ 457
Water and irrigation	12	12
Other	15	11
Total Operating Revenues	532	480
Operating Expenses		
Fuel and purchased power	172	157
Operations and maintenance	131	108
Depreciation, depletion and amortization	80	70
Total Operating Expenses	383	335
Operating Income	149	145
Grant Revenue	2	-
Nonoperating Revenues (Expenses)		
Investment income and interest on financings, net	(66)	(46)
Gain (loss) on disposition of property, net	8	4
Capital contributions	6	1
Total Nonoperating Expenses	(52)	(41)
Change in Net Position	99	104
Net Position - Beginning of Period	2,628	2,448
Net Position - End of Period	<u>\$ 2,727</u>	<u>\$ 2,552</u>

Lower Colorado River Authority

Sept. 30, 2026

(Dollars in Millions)

Consolidated Condensed Statements of Cash Flows

	Fiscal Year	
	2027	2026
Cash Flows From Operating Activities		
Received from customers	\$ 627	\$ 505
Payments	(349)	(299)
Net cash provided by operating activities	278	206
Cash Flows From Noncapital Financing Activities	8	-
Cash Flows From Capital and Related Financing Activities		
Purchase of property, plant and equipment	(313)	(320)
Other capital and financing activities	257	409
Net cash provided by (used in) capital and financing activities	(56)	89
Cash Flows From Investing Activities		
Sale and maturity of investment securities	66	93
Purchase of investment securities	(200)	(135)
Note payments and interest received	(1)	10
Net cash used in investing activities	(135)	(32)
Net Increase in Cash and Cash Equivalents	95	263
Cash and Cash Equivalents - Beginning of Period	651	458
Cash and Cash Equivalents - End of Period	<u>\$ 746</u>	<u>\$ 721</u>

Lower Colorado River Authority

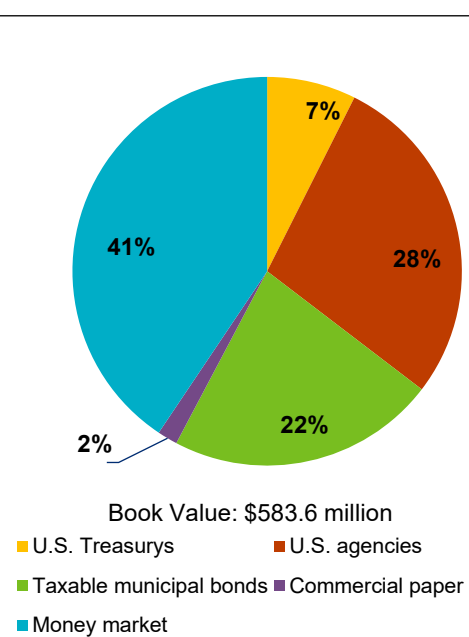
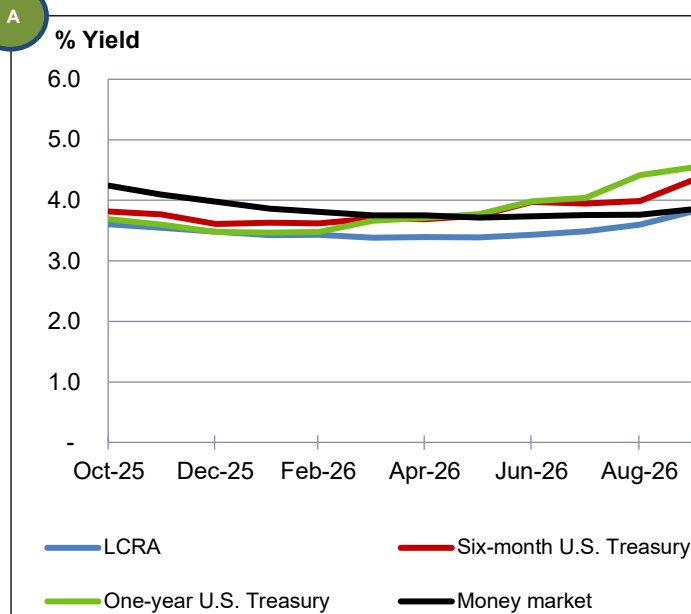
Sept. 30, 2026

(Dollars in Millions)

Investments and Debt

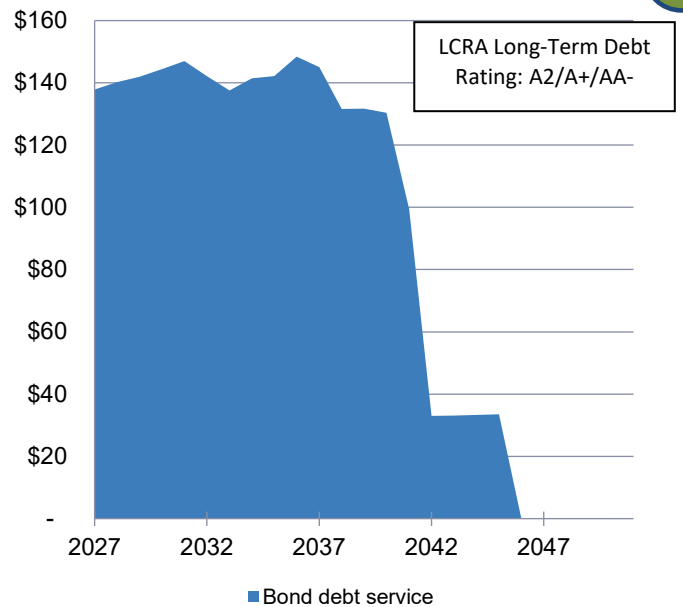
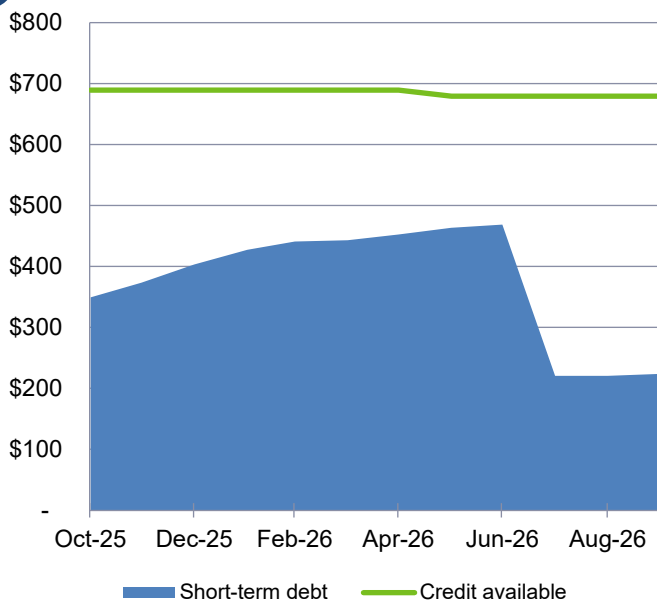
Investment Portfolio Yield

Investment Portfolio Composition



Short-Term Debt

Bond Debt Service



Key takeaways:

- The Federal Open Market Committee hiked the target rate at its Sept. 2026 meeting by 25 basis points.
- The federal funds target rate range is 3.75%-4%.
- The Core Consumer Price Index (year over year) as of Aug. 2026 was 2.4%.
- The Personal Consumption Expenditure Index (year over year) as of Aug. 2026 was 3%

FOR ACTION (CONSENT)

3. November 2026 LCRA Board Meeting Date Change

Proposed Motion

Approve changing the date of the November 2026 LCRA Board of Directors meeting to Monday, Nov. 9.

Board Consideration

Section 2.05 of the LCRA bylaws provides that, unless otherwise authorized by a vote of the Board, the Board will convene in regular session no less than once each quarter. The regular meeting of the Board will be on the last Wednesday prior to the 25th day of a calendar month. The regular meeting of the Board may be held at other times and places as may be determined by the chair or by the Board.

Budget Status and Fiscal Impact

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

Summary

The Board approved its calendar year 2026 Board and committee meetings schedule on Aug. 20, 2025. The proposed change would move the November 2026 Board meeting from Nov. 10 to Nov. 9.

FOR ACTION (CONSENT)

4. December 2026 LCRA Board Meeting Date Change

Proposed Motion

Approve changing the date of the December 2026 LCRA Board of Directors meeting to Tuesday, Dec. 15.

Board Consideration

Section 2.05 of the LCRA bylaws provides that, unless otherwise authorized by a vote of the Board, the Board will convene in regular session no less than once each quarter. The regular meeting of the Board will be on the last Wednesday prior to the 25th day of a calendar month. The regular meeting of the Board may be held at other times and places as may be determined by the chair or by the Board.

Budget Status and Fiscal Impact

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

Summary

The Board approved its calendar year 2026 Board and committee meetings schedule on Aug. 20, 2025. The proposed change would move the December 2026 Board meeting from Dec. 8 to Dec. 15.

FOR ACTION (CONSENT)

5. 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)

6. Minutes of Prior Meeting

Proposed Motion

Approve the minutes of the Sept. 23, 2026, 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 Sept. 23, 2026, LCRA Board meeting

EXHIBIT A

LCRA Board of Directors
Minutes Digest
Sept. 23, 2026

- 26-62 Authorization for the general manager or his designee to grant an approximately 1.24-acre easement, an approximately 1.88-acre temporary easement, an approximately 0.54-acre temporary easement and an approximately 1.65-acre access easement across LCRA-owned property and an LCRA-owned irrigation canal in the Lakeside Agricultural Division in Colorado County.
- 26-63 Authorization for the general manager or his designee to grant an approximately 0.376-acre access easement across an LCRA-owned irrigation canal in the Gulf Coast Agricultural Division in Matagorda County.
- 26-64 Approval of changing the date of the October 2026 LCRA Board of Directors meeting to Tuesday, Oct. 20.
- 26-65 Approval of directors' fees and the reimbursement of directors' expenses.
- 26-66 Approval of the minutes of the Aug. 19, 2026, LCRA Board of Directors meeting.
- 26-67 Approval of firm rates for water made available to firm customers within LCRA's water service area, including use, reservation and inverted block rates.
- 26-68 Authorization for the general manager or his designee to negotiate and execute the following contracts and contract changes: Contract No. 7232 (Central Texas Stone and Aggregate, LLC); Contract No. 7237 (Colorado Materials, LTD); Contract No. 7077 (Martin Marietta Materials Southwest, LTD); and Contract No. 7240 (Cemex, Inc).

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE
LOWER COLORADO RIVER AUTHORITY
Austin, Texas
Sept. 23, 2026

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 1:36 p.m. Wednesday, Sept. 23, 2026, 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
Joseph M. "Joe" Crane, Secretary
Matthew L. "Matt" Arthur
Melissa K. Blanding
Curtis E. Ford
Carol Freeman
Aden Lasseter
Mark Mayo
Margaret D. "Meg" Voelter
David R. Willmann
Nancy Eckert Yeary

Absent: Thomas L. "Tom" Kelley
Robert "Bobby" Lewis

Chair Cooper convened the meeting at 1:36 p.m.

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

The Board next took action on the consent agenda.

Upon motion by Director Voelter, seconded by Director Blanding, the Board unanimously approved consent items 2, 3, 4, 5 and 6 by a vote of 12 to 0 as follows:

26-62 Authorization for the general manager or his designee to grant an approximately 1.24-acre easement, an approximately 1.88-acre temporary easement, an approximately 0.54-acre temporary easement and an approximately 1.65 acre access easement across LCRA-owned property and an LCRA-owned irrigation canal in the Lakeside Agricultural Division in Colorado County, as recommended by staff in Consent Item 2 [attached hereto as Exhibit A].

26-63 Authorization for the general manager or his designee to grant an approximately 0.376-acre access easement across an LCRA-owned irrigation canal in the Gulf Coast Agricultural Division in Matagorda County, as recommended by staff in Consent Item 3 [attached hereto as Exhibit B].

26-64 Approval of changing the date of the October 2026 LCRA Board of Directors meeting to Tuesday, Oct. 20, as recommended in Consent Item 4 [attached hereto as Exhibit C].

26-65 Approval of directors' fees and the reimbursement of directors' expenses, as recommended in Consent Item 5 [attached hereto as Exhibit D].

26-66 Approval of the minutes of the Aug. 19, 2026, LCRA Board of Directors meeting [Consent Item 6].

Director Voelter, as chair of the LCRA Community Grants Review Committee, gave an update on the LCRA Community Grants program and shared a video showing the impact of some grant-funded projects.

26-67 Senior Vice President of Water Resources Monica Masters presented for consideration a staff recommendation, described in Agenda Item 7 [attached hereto as Exhibit E], that the Board approve firm rates for water made available to firm customers within LCRA's water service area, including use, reservation and inverted block rates. Staff discussed this item with the Water Operations Committee earlier in the day. [The Board received approximately 20 written public comments regarding LCRA firm water rates, which were submitted prior to the meeting.] Upon motion by Director Crane, seconded by Vice Chair Whitten, the recommendation was unanimously approved by a vote of 12 to 0.

26-68 Senior Vice President of Supply Chain Matt Chavez presented for consideration a staff recommendation, described in Agenda Item 8 [attached hereto as Exhibit F], that the Board authorize the general manager or his designee to negotiate and execute the following contracts and contract changes: Contract No. 7232 (Central Texas Stone and Aggregate, LLC); Contract No. 7237 (Colorado Materials, LTD); Contract No. 7077 (Martin Marietta Materials Southwest, LTD); and Contract No. 7240 (Cemex, Inc.). Upon motion by Director Blanding, seconded by Director Willmann, the recommendation was unanimously approved by a vote of 12 to 0.

Chair Cooper declared the meeting to be in executive session at 1:51 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 2:44 p.m.

There being no further business to come before the Board, the meeting adjourned at 2:44 p.m.

Joseph M. Crane
Secretary
LCRA Board of Directors

Approved: Oct. 20, 2026

FOR ACTION

7. Fiscal Year 2026 Financial Statements and Independent Auditors' Report

Proposed Motion

Approve the fiscal year 2026 audited financial statements, and authorize the filing of the audited financial statements with the executive director of the Texas Commission on Environmental Quality.

Board Consideration

TCEQ, under authority granted to it within Section 49.194 of the Texas Water Code, requires river authorities such as LCRA to file with TCEQ an annual audit report approved by the LCRA Board of Directors.

Budget Status and Fiscal Impact

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

Summary

The Board received the audited financial statements under separate cover.

Presenter(s)

Jim Travis
Chief Financial Officer

FOR ACTION

8. Contracts and Contract Changes

Proposed Motion

Authorize the general manager or his designee to negotiate and execute the following contracts and contract changes as described in the attached exhibits.

Board Consideration

LCRA Board Policy 308 – 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)

Jim Travis
Chief Financial Officer

Exhibit(s)

A – New Contracts
B – Contract Changes

EXHIBIT A

New Contracts

Contract Number: 7208

Supplier Name: USA Wire & Cable, Inc.

Contract Amount: \$40 million

Description: This master contract provides control and power cable, wire and ancillary services primarily used by transmission for LCRA's substation control houses. The term of this contract is one year with annual options to extend up to a total of five years.

EXHIBIT B

Contract Changes

Contract Number: Multiple

Supplier Name: Multiple

Current Approved Contract Amount: \$33.5 million

Requested Change: \$27 million

New Contract Amount: \$60.5 million

Description: These contracts were approved by the LCRA Board in January 2021 to provide telecommunication equipment for networking, microwave, fiber, cable and related materials for LCRA's telecommunications system. Due to competitive contract terms and strong historical supplier performance, staff recommends extending the current contract term by an additional three years and requests the Board's approval to add \$27 million to the existing approved contract amounts to cover forecasted future demand for the extended term.

Contract Number	Supplier	Current Approved Contract Amount	Requested Change	New Contract Amount
5747	Tessco, LLC	\$22 million	\$15 million	\$37 million
5746	Anixter, Inc.	\$11.5 million	\$12 million	\$23.5 million

Contract Number: 6435

Supplier Name: Burns and McDonnell

Current Approved Contract Amount: \$4.7 million

Requested Change: \$2 million

New Contract Amount: \$6.7 million

Description: This one-time Owner's Engineer Contract was initiated in January 2024 to provide oversight service for the Bakersfield Dynamic Reactive Substation Upgrade (Synchronous Condenser) project. Staff is requesting Board approval to add \$2 million to the existing approved contract amount to fund the remainder of the project due to additional engineering and procurement document reviews, additional document control and technical coordination, and additional project management and coordination efforts that were not anticipated originally.