



# Fiscal Year 2026 Business and Capital Plans

Lower Colorado River Authority





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These business and capital plans present a long-term vision and summary of operational plans for LCRA and its nonprofit corporations. The business and capital plans should not be used as a basis for making a financial decision regarding LCRA or any of its securities or other obligations. These business and capital plans are intended to satisfy the official intent requirements set forth in IRS Treasury Regulations Section 1.150-2. For more complete information on LCRA and its obligations, refer to LCRA's annual financial report, the official statements relating to LCRA's bonds, and the annual and material event disclosures filed by LCRA with nationally recognized municipal securities information repositories and the State Information Depository pursuant to Rule 15c2-12 of the U.S. Securities and Exchange Commission. The information in this report and within each of the documents referenced applies only as of the report's date. The business and capital plans include forecasts based on current assumptions used for planning purposes only and are subject to change. Copies of the documents referenced in this report may be obtained from Dawn Reed, senior vice president of Financial Planning and Analysis, LCRA, 3700 Lake Austin Blvd., Austin, TX 78703.





# OUR *Mission*

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





# OUR *Vision*

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We will be the public utility  
that sets the standard for excellence.



# Serving Texans Through Dedication and Innovation

The tremendous growth in Texas provides unprecedented challenges and opportunities. LCRA is honored to serve our growing region through our innovative approach to anticipating and responding to growth.

LCRA is helping meet the increasing need for reliable, dispatchable power in Texas by building not one – but two – electric generating units at our natural gas-fired peaker Timmerman Power Plant in Caldwell County. We also have increased our support for transmission projects significantly in recent years, with plans to invest about \$5.9 billion over the next five years to build transmission facilities and improve existing ones.

Our telecommunications business is helping connect more and more people in Texas. We're making strategic investments to greatly increase the amount of data that can be sent over our radio system to facilitate smart technologies for metering, inspections, physical security, mobility and public safety. And under authority from the Texas Legislature, we are implementing new ways to help connect people to broadband services by using excess capacity in our fiber infrastructure.

On the water side, we are taking significant actions to conserve and extend the supplies we have, while also focusing on developing new regional water supply projects. Our biggest project underway is the Arbuckle Reservoir in Wharton County. It's the first significant new water supply reservoir developed in the lower Colorado River basin in decades and will be the first water storage facility LCRA has downstream of the Highland Lakes. Our Water business plans to invest about \$159.5 million over the next five years for development of new water supply projects, including the Arbuckle Reservoir. We also plan to invest about \$44.4 million in dam rehabilitation projects (excluding projects strictly for hydroelectric power facilities) over the next five years for the continued safe and effective operation of our dams.

LCRA is committed to continuing to find innovative solutions that are aligned with our mission, vision, strategic goals and values to help meet the needs of current and future generations of Texans in our growing state.

## Our mission

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

## Our vision

**We will be the public utility that sets the standard for excellence.**

## Our strategic goals

- **Run an effective, cost-aware business.**
- **Manage and develop water.**
- **Implement digital tools and use data effectively.**
- **Build today's workforce for the future.**

## Our values

- **Focus on safety.**
- **Operate with integrity.**
- **Show respect.**
- **Take initiative.**
- **Focus on service.**





A man with a grey beard and glasses, wearing a blue long-sleeved shirt and a black cap, stands in a workshop. He is holding a large, dark metal wrench diagonally across his body. The background shows industrial equipment, including yellow railings and various tools hanging on the wall.

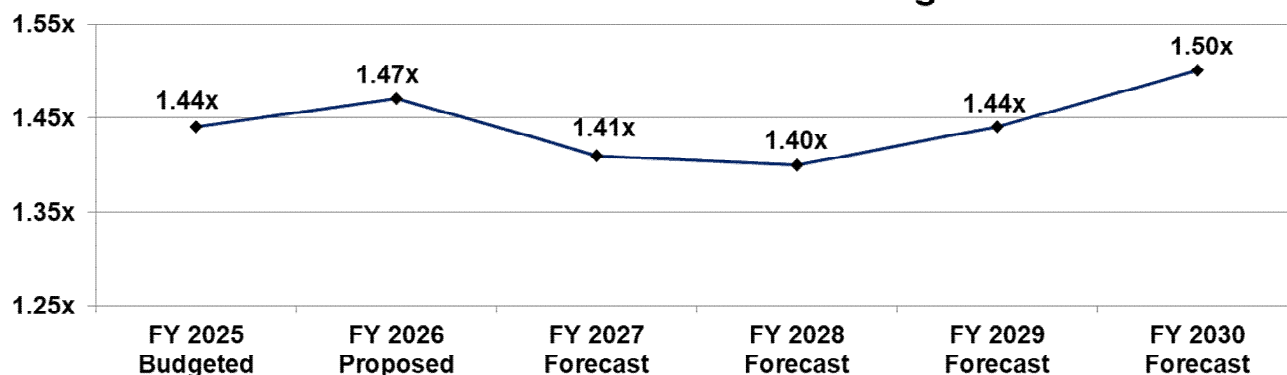
TOGETHER.



# LCRA Financial Summary

- Approval of this business plan authorizes LCRA to spend \$591.4 million for operations in fiscal year 2026.
- Debt service coverage, a widely used measure of financial performance, is forecast to be 1.47x in FY 2026.
- Debt service coverage is projected to remain between 1.40x and 1.50x over the five-year planning horizon.
- Stable debt service coverage reflects LCRA's commitment to manage costs and grow LCRA's business to support growth in Texas.

## LCRA Debt Service Coverage



(Dollars in millions)

|                                              | Budgeted   | Proposed | Forecast |         |         |         |
|----------------------------------------------|------------|----------|----------|---------|---------|---------|
|                                              | FY 2025    | FY 2026  | FY 2027  | FY 2028 | FY 2029 | FY 2030 |
| Revenues <sup>1</sup>                        | \$ 1,582.5 | 1,823.1  | 1,965.8  | 2,087.3 | 2,279.8 | 2,492.3 |
| Expenses <sup>1</sup>                        | 903.1      | 1,048.4  | 1,100.9  | 1,140.6 | 1,179.6 | 1,245.2 |
| <b>Net Operating Margin</b>                  | 679.4      | 774.6    | 864.9    | 946.7   | 1,100.2 | 1,247.0 |
| Less: GenTex Funds <sup>2</sup>              | (1.4)      | (7.5)    | (2.4)    | (1.7)   | (6.6)   | (0.8)   |
| <b>Net Margin for Debt Service, Adjusted</b> | 678.0      | 767.2    | 862.5    | 945.1   | 1,093.6 | 1,246.2 |
| <b>Debt Service</b>                          | \$ 471.6   | 523.1    | 610.8    | 672.7   | 762.1   | 828.5   |
| <b>Debt Service Coverage</b>                 | 1.44x      | 1.47x    | 1.41x    | 1.40x   | 1.44x   | 1.50x   |

Note: Totals throughout this document may not equal the sum of numbers shown due to rounding.

<sup>1</sup> Revenues and expenses are net of intracompany transfers. Revenues include interest income. Expenses exclude the LCRA Transmission Services Corporation capital charge, which is a capital expense for LCRA consolidated.

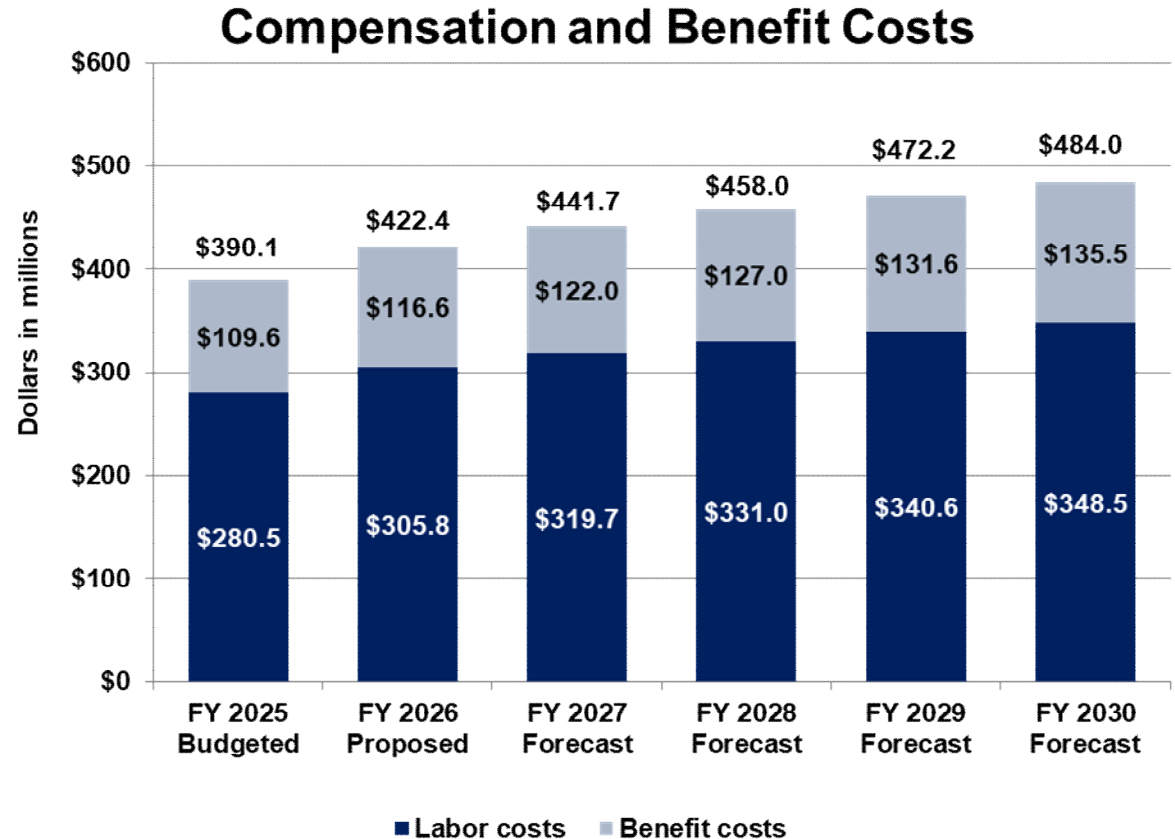
<sup>2</sup> Includes adjustments related to GenTex Power Corporation capital funding and reserve funding.

# Compensation and Benefits

Compensation and benefits are key drivers of LCRA's budget.

- Budgeted positions for FY 2026 are 2,562<sup>1</sup>, which is an increase of 102 positions (about 4%) from the FY 2025 budget.
  - These new positions are to support LCRA business areas as they meet sustained growth in Texas.
  - About half of the new positions will support the expanding Transmission business, while the rest will support all other areas of LCRA.
- FY 2026 compensation and benefit costs will increase by \$32.3 million, reflecting:
  - Position increases discussed above.
  - Base pay increases planned in FY 2026.
  - Maintaining competitive pay in key areas.

<sup>1</sup> Excludes seasonal workers.



- 1.5% base pay increases are planned in FY 2027 through FY 2030.
- LCRA continues to manage benefit costs, which range from 39% to 39.75% of labor costs for the next five years.



# Wholesale Power – Financial Summary

Wholesale Power shows continued financial strength.

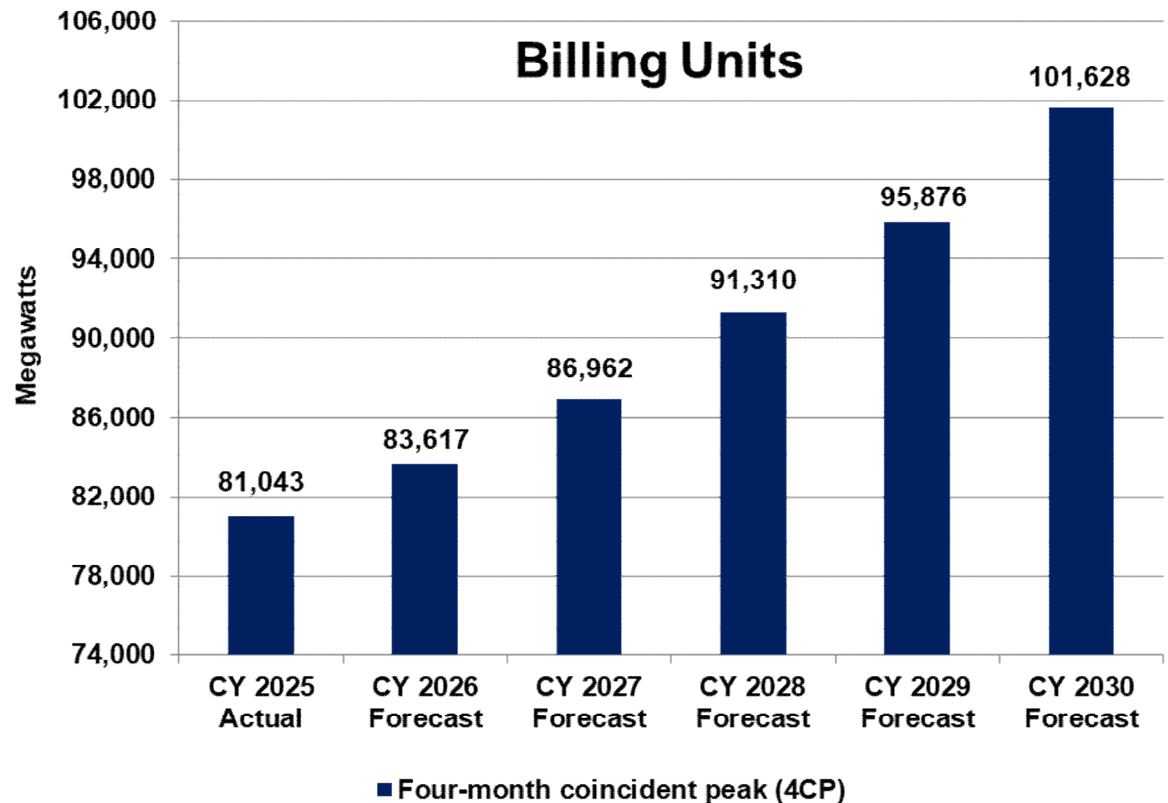
- Debt service coverage is projected to range between 1.28x and 1.41x over the five-year planning horizon.
- Financials remain strong and support our strategic goal to run an effective, cost-aware business.

**Confidential competitive electric information has been removed from this version of the document.**

# LCRA Transmission Services Corporation – Billing Units

LCRA TSC's billing unit is the four-month coincident peak in the Electric Reliability Council of Texas market.

- 4CP is the average of the peak ERCOT electrical demands (measured in kilowatts) during the months of June, July, August and September of the previous calendar year.
- The Public Utility Commission of Texas approves the average of these four ERCOT system peaks each year to establish a 4CP for the following calendar year.
- 4CP is forecast to grow about 3% to 6% per year between calendar years 2026 and 2030 across ERCOT.



Note: One megawatt equals 1,000 kilowatts.

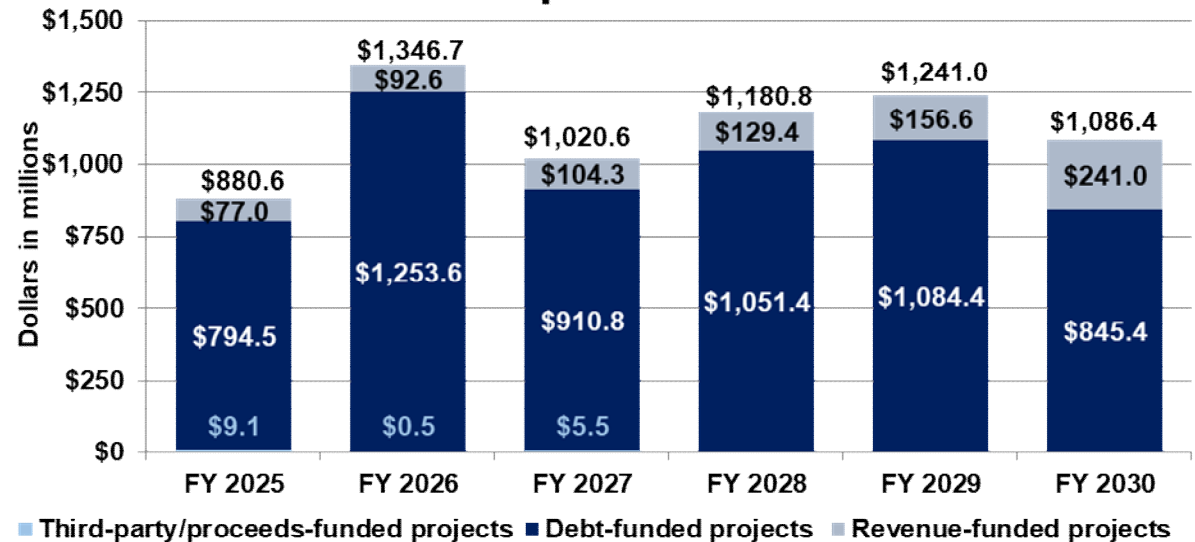


# LCRA TSC – Capital and Rates

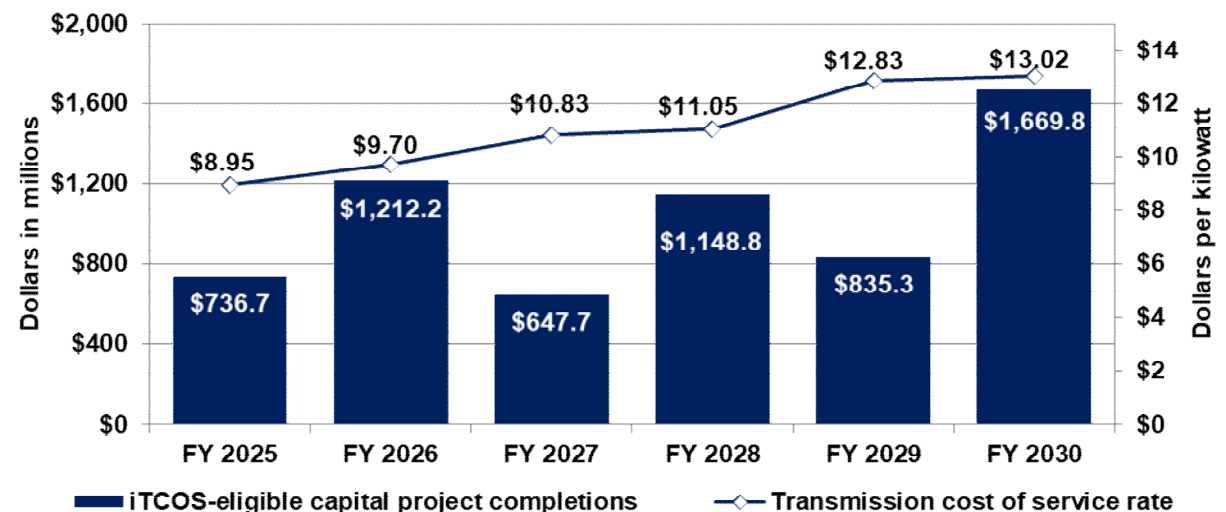
**We're growing the transmission system to meet customer needs:**

- LCRA TSC plans to invest about \$5.9 billion in capital projects over the five-year planning period to support the needs of the ERCOT and LCRA TSC systems.
- LCRA TSC plans to recover its capital investment for projects that are completed and energized through interim transmission cost of service filings in FY 2026 through FY 2030. Additionally, LCRA TSC plans to file a TCOS rate case using an FY 2027 test year with new rates going into effect in FY 2029.
- LCRA TSC will continue to recover costs associated with additional projects beyond FY 2026 after they are completed and energized.

## Capital Plan



## Rate Plan



iTCOS: interim transmission cost of service

# LCRA TSC – Financial Summary

- LCRA continues to expand the Transmission organization, adding staff and equipment needed to increase its current capacity to operate and construct facilities for LCRA TSC and provide customer services.

(Dollars in millions)

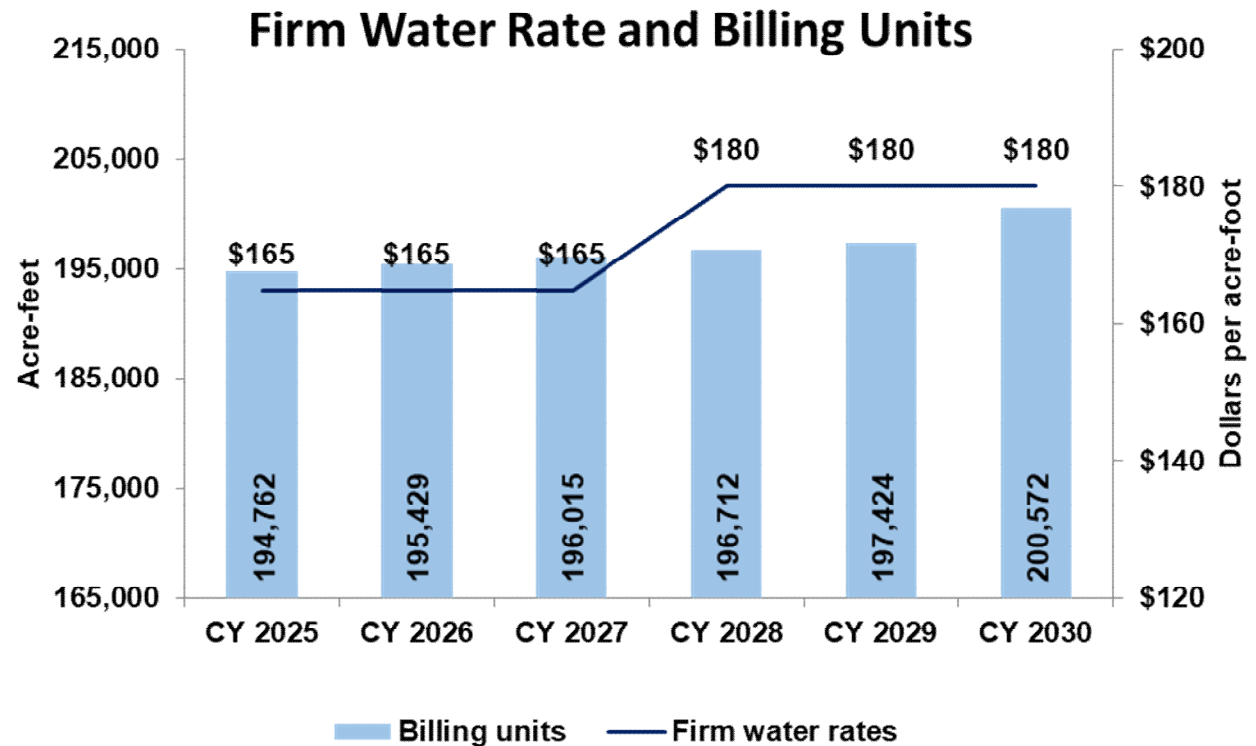
|                                              |
|----------------------------------------------|
| Revenues                                     |
| Operations and Maintenance                   |
| <b>Net Operating Margin</b>                  |
| Plus: Interest Income                        |
| Less: Assigned Enterprise Expense            |
| Public Service Fund                          |
| Resource Development Fund                    |
| <b>Net Margin Available for Debt Service</b> |
| <b>Debt Service</b>                          |
| <b>Debt Service Coverage</b>                 |

|    | Budgeted | Proposed | Forecast |         |         |         |
|----|----------|----------|----------|---------|---------|---------|
|    | FY 2025  | FY 2026  | FY 2027  | FY 2028 | FY 2029 | FY 2030 |
| \$ | 738.3    | 823.0    | 926.4    | 1,009.6 | 1,163.4 | 1,324.4 |
|    | 158.7    | 181.9    | 186.3    | 194.0   | 208.3   | 221.5   |
|    | 579.6    | 641.1    | 740.1    | 815.6   | 955.1   | 1,102.8 |
|    | 9.1      | 9.4      | 9.8      | 9.8     | 9.6     | 8.4     |
|    | 78.4     | 74.7     | 92.5     | 94.9    | 100.8   | 110.6   |
|    | 22.1     | 24.7     | 27.8     | 30.3    | 34.9    | 39.7    |
|    | 14.8     | 16.5     | 18.5     | 20.2    | 23.3    | 26.5    |
|    | 473.4    | 534.7    | 611.1    | 680.0   | 805.7   | 934.4   |
| \$ | 346.5    | 388.4    | 452.6    | 509.0   | 594.9   | 657.5   |
|    | 1.37x    | 1.38x    | 1.35x    | 1.34x   | 1.35x   | 1.42x   |

# Water – Firm Billing Units and Rates

LCRA projects increasing the firm water rate in calendar year 2028.

- Billing units are forecast to increase in each calendar year of the five-year planning period.
- The firm water rate is projected to increase from \$165 per acre-foot to \$180 per acre-foot in the January 2028 billing period.



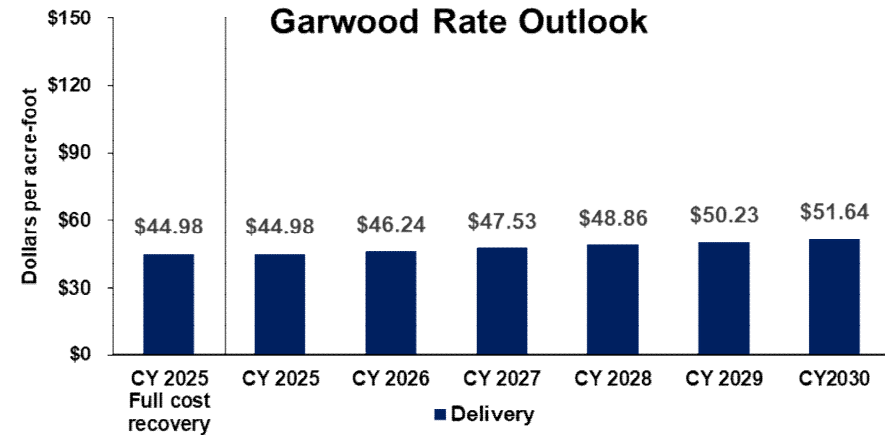
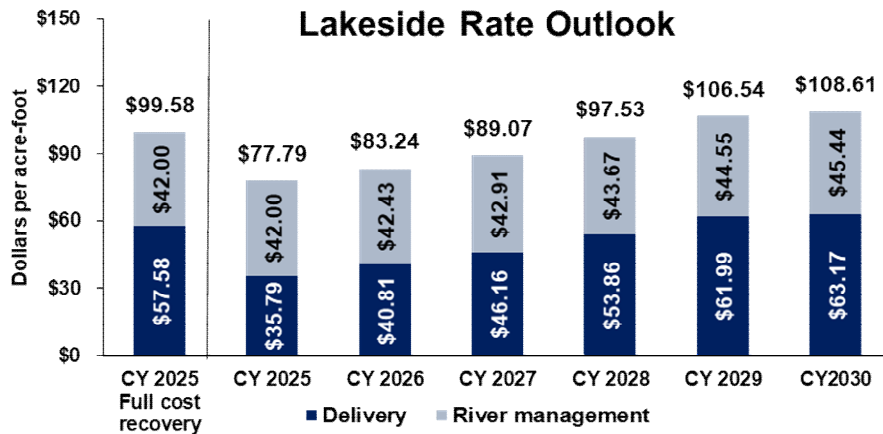
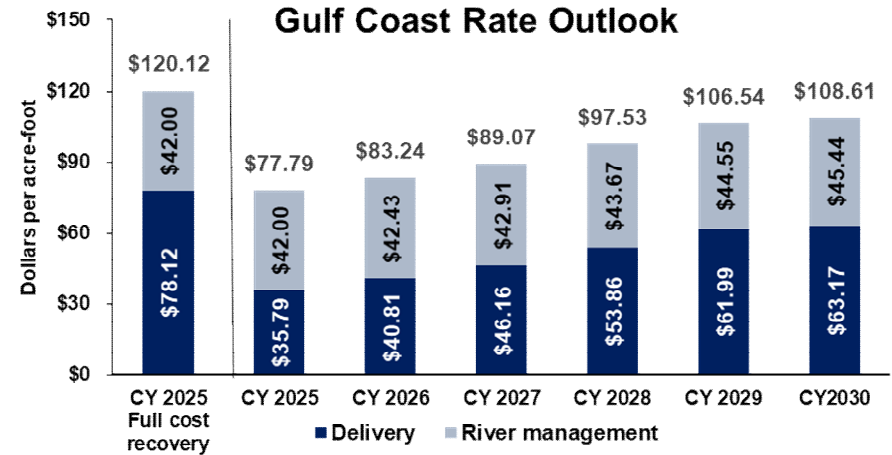
Note: Water supplies managed by LCRA are divided into firm and interruptible water. Firm water is available even during a severe drought. During drought or times of shortage, interruptible water is cut back or cut off. All rates for 2026 and beyond, including firm and interruptible rates, are subject to change based on actual and projected costs and billing units.



# Water – Interruptible Rates

Full cost recovery assumes a gradual approach.

- Gulf Coast and Lakeside agricultural divisions are cut off for water deliveries in calendar year 2025. Full water availability is assumed to resume in CY 2026.
- Rates for Gulf Coast and Lakeside are projected to increase to gradually recover the divisions' costs, including river management costs, assuming full water availability. The Garwood Agricultural Division is not subject to river management costs.
- The rates for Gulf Coast and Lakeside for 2026 through 2030 reflect an annual contribution from the Agriculture Reserve Fund. The rate impact of the contributions is reflected in the delivery component of the rate.



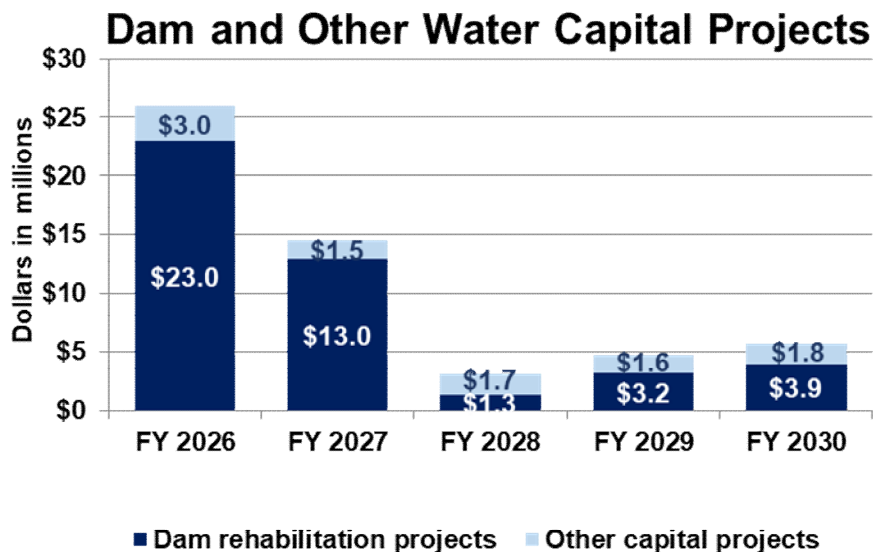
# Water – Capital

## Dam rehabilitation projects:

- LCRA plans to invest about \$44.4 million in dam rehabilitation projects (excluding projects strictly for hydroelectric power facilities) over the next five years for the continued safe and effective operation of the dams. As the projects continue, the costs to rehabilitate the dams could increase. LCRA primarily will issue debt to pay for these projects and recover the costs in the firm water rate.

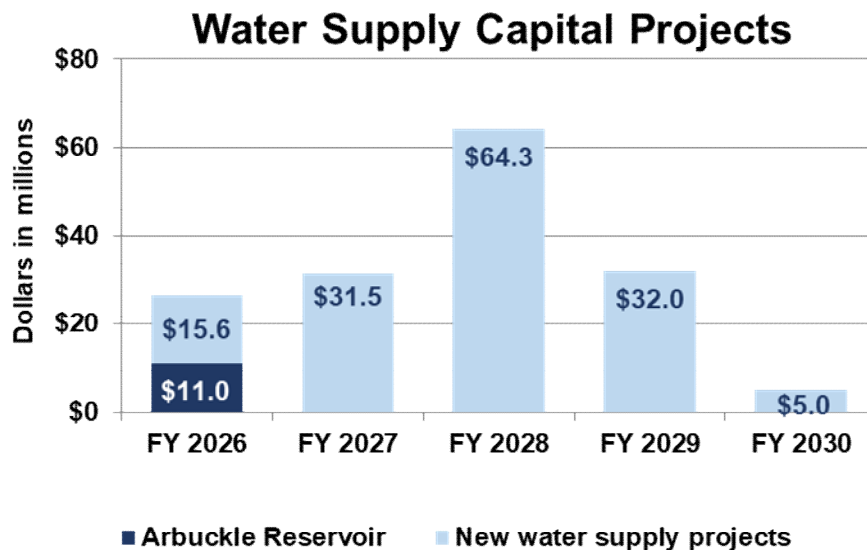
## Other capital projects:

- Other capital projects include general additions, minor capital, and projects that cover multiple water facilities and the agricultural divisions.



## New water supply capital projects:

- LCRA plans to invest about \$159.5 million over the next five years for new water supply projects, including the Arbuckle Reservoir. LCRA expects to pay for these projects with existing funds or by issuing debt and recovering the costs in the firm water rate.
- LCRA continues to evaluate the timing and funding for the construction phases of future projects.



# Water – Financial Summary

We are providing long-term water supply at a low rate.

- The firm rate is projected to increase in the January 2028 billing period.

- The Gulf Coast and Lakeside agricultural divisions are cut off in calendar year 2025. Full water availability is assumed to resume in CY 2026.

- During FY 2026, Rate Stabilization funds are used to help mitigate the revenue loss from the CY 2025 Gulf Coast and Lakeside cutoff.

- Annual debt service includes the Texas Water Development Board Arbuckle Reservoir debt paid from the Resource Development Fund.

(Dollars in millions)

## Revenues

Firm Water

Agriculture

Other

## Total Revenues

Operations and Maintenance

## Net Operating Margin

Plus: Interest Income

Less: Assigned Enterprise Expense

Public Service Fund

Resource Development Fund

## Net Margin Available for Debt Service

## Debt Service

## Debt Service Coverage

Plus: Resource Development Funding

## Debt Service Coverage, Adjusted

|                                              | Budgeted       | Proposed     | Forecast     |              |              |              |
|----------------------------------------------|----------------|--------------|--------------|--------------|--------------|--------------|
|                                              | FY 2025        | FY 2026      | FY 2027      | FY 2028      | FY 2029      | FY 2030      |
| \$                                           |                |              |              |              |              |              |
| Firm Water                                   | 35.1           | 36.1         | 33.3         | 33.8         | 34.5         | 34.8         |
| Agriculture                                  | 8.2            | 8.3          | 11.9         | 12.6         | 13.5         | 14.1         |
| Other                                        | 2.9            | 3.5          | 3.1          | 2.2          | 2.2          | 2.2          |
| <b>Total Revenues</b>                        | <b>46.2</b>    | <b>48.0</b>  | <b>48.2</b>  | <b>48.6</b>  | <b>50.2</b>  | <b>51.0</b>  |
| Operations and Maintenance                   | 20.7           | 22.1         | 21.6         | 19.8         | 20.1         | 20.3         |
| <b>Net Operating Margin</b>                  | <b>25.5</b>    | <b>26.0</b>  | <b>26.7</b>  | <b>28.8</b>  | <b>30.1</b>  | <b>30.8</b>  |
| Plus: Interest Income                        | 2.5            | 2.3          | 2.4          | 2.4          | 2.6          | 2.3          |
| Less: Assigned Enterprise Expense            | 7.9            | 8.2          | 8.6          | 8.4          | 9.3          | 9.9          |
| Public Service Fund                          | 1.3            | 1.3          | 1.4          | 1.4          | 1.4          | 1.5          |
| Resource Development Fund                    | 0.7            | 0.7          | 0.7          | 0.7          | 0.7          | 0.7          |
| <b>Net Margin Available for Debt Service</b> | <b>18.1</b>    | <b>17.9</b>  | <b>18.4</b>  | <b>20.7</b>  | <b>21.3</b>  | <b>21.0</b>  |
| <b>Debt Service</b>                          | <b>\$ 26.4</b> | <b>28.3</b>  | <b>31.7</b>  | <b>33.1</b>  | <b>34.9</b>  | <b>34.8</b>  |
| <b>Debt Service Coverage</b>                 | <b>0.69x</b>   | <b>0.63x</b> | <b>0.58x</b> | <b>0.63x</b> | <b>0.61x</b> | <b>0.60x</b> |
| Plus: Resource Development Funding           | 19.1           | 22.0         | 22.0         | 22.1         | 22.3         | 22.4         |
| <b>Debt Service Coverage, Adjusted</b>       | <b>1.41x</b>   | <b>1.41x</b> | <b>1.27x</b> | <b>1.29x</b> | <b>1.25x</b> | <b>1.25x</b> |



# Public Service Fund

LCRA uses the Public Service Fund on statutory programs that do not fully recover their costs.

- FY 2026 Public Service Fund operating fund requirements include:
  - \$11.6 million for parks.
  - \$6.1 million for water quality programs.
  - \$3.8 million for natural resource conservation.
  - About \$800,000 for water surface management.

(Dollars in millions)

|                                   |  |
|-----------------------------------|--|
| <b>Revenue</b>                    |  |
| <b>Total Operating Expense</b>    |  |
| <b>Operating Fund Requirement</b> |  |
| Capital Spending                  |  |
| Assigned Enterprise Capital       |  |
| Reserves                          |  |
| Grants                            |  |
| <b>Total Funding Requirement</b>  |  |

|    | Budgeted | Proposed | Forecast |         |         |         |
|----|----------|----------|----------|---------|---------|---------|
|    | FY 2025  | FY 2026  | FY 2027  | FY 2028 | FY 2029 | FY 2030 |
| \$ | 6.5      | 6.2      | 6.5      | 6.7     | 6.9     | 7.1     |
|    | 29.1     | 29.0     | 30.0     | 31.7    | 32.1    | 32.4    |
|    | 22.6     | 22.7     | 23.5     | 25.0    | 25.2    | 25.4    |
|    | 2.7      | 3.0      | 3.0      | 3.3     | 2.6     | 3.0     |
|    | 0.8      | 0.3      | 0.3      | 0.3     | 0.2     | 0.2     |
|    | 0.5      | 0.0      | 0.3      | 0.4     | 0.1     | 0.1     |
|    | 2.6      | 2.8      | 2.6      | 2.4     | 2.4     | 2.4     |
| \$ | 29.2     | 28.8     | 29.6     | 31.4    | 30.4    | 31.0    |

- These services provide some revenue but require annual support to cover the costs of operations, Enterprise Support and capital.

(Dollars in millions)

## Sources

### **Public Service Fund**

|                          |  |
|--------------------------|--|
| Wholesale Power          |  |
| GenTex Power Corporation |  |
| LCRA WSC Energy          |  |
| WSC Energy II            |  |
| LCRA TSC                 |  |
| Water                    |  |
| Strategic Services       |  |
| Subtotal                 |  |

|    | Budgeted | Proposed | Forecast |         |         |         |
|----|----------|----------|----------|---------|---------|---------|
|    | FY 2025  | FY 2026  | FY 2027  | FY 2028 | FY 2029 | FY 2030 |
| \$ | 8.4      | 9.9      | 11.2     | 11.1    | 11.2    | 11.6    |
|    | 1.5      | 2.3      | 1.9      | 1.9     | 2.0     | 1.7     |
|    | 0.1      | 0.2      | 0.0      | 0.0     | 0.0     | 0.0     |
|    | 0.0      | 0.0      | 0.0      | 0.0     | 0.0     | 0.0     |
|    | 22.1     | 24.7     | 27.8     | 30.3    | 34.9    | 39.7    |
|    | 1.3      | 1.3      | 1.4      | 1.4     | 1.4     | 1.5     |
|    | 0.6      | 0.7      | 0.8      | 0.9     | 1.0     | 1.4     |
|    | 34.1     | 39.1     | 43.0     | 45.6    | 50.6    | 55.9    |

- The PSF grants include \$2.1 million annually for the Community Development Partnership Program, plus an additional \$200,000 for the 30th anniversary in FY 2026 only; \$500,000 annually for the Colorado River Land Trust through FY 2027; and \$250,000 annually for the Colorado River Land Trust for FY 2028 through FY 2030.

## Uses

|                           |  |
|---------------------------|--|
| Public Service Activities |  |
| Resource Development Fund |  |
| Infrastructure Reserve    |  |
| Strategic Reserve Fund    |  |
| Subtotal                  |  |

|    |      |      |      |      |      |      |
|----|------|------|------|------|------|------|
|    | 29.2 | 28.8 | 29.6 | 31.4 | 30.4 | 31.0 |
|    | 1.0  | 2.0  | 2.0  | 2.0  | 2.0  | 2.0  |
|    | 4.0  | 5.0  | 6.0  | 6.0  | 7.0  | 7.0  |
|    | 0.0  | 3.3  | 5.4  | 6.2  | 11.1 | 15.9 |
|    | 34.1 | 39.1 | 43.0 | 45.6 | 50.6 | 55.9 |
| \$ | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |

## **Remaining in PSF**

- Fund sources include contributions from budgeted nonfuel Wholesale Power costs; budgeted LCRA WSC Energy and WSC Energy II net margin; and budgeted revenue from GenTex, LCRA TSC, Water and Strategic Services.

# Strategic Services

Strategic Services includes external services that people pay LCRA to provide.

- Strategic Services primarily includes:
  - Telecommunications radio and broadband services.
  - LCRA Environmental Laboratory Services.
  - Transmission customer service.

(Dollars in millions)

|                                   | Budgeted | Proposed | Forecast |         |         |         |
|-----------------------------------|----------|----------|----------|---------|---------|---------|
|                                   | FY 2025  | FY 2026  | FY 2027  | FY 2028 | FY 2029 | FY 2030 |
| Revenues                          | \$ 19.1  | 22.6     | 25.0     | 29.1    | 34.9    | 46.3    |
| Operations and Maintenance        | 14.8     | 16.6     | 16.7     | 17.0    | 17.5    | 18.1    |
| <b>Net Operating Margin</b>       | 4.3      | 6.0      | 8.3      | 12.1    | 17.4    | 28.2    |
| Less: Assigned Enterprise Expense | 3.4      | 4.0      | 4.3      | 4.5     | 4.8     | 5.1     |
| Public Service Fund               | 0.6      | 0.7      | 0.8      | 0.9     | 1.0     | 1.4     |
| Resource Development Fund         | 0.4      | 0.5      | 0.5      | 0.6     | 0.7     | 0.9     |
| <b>Net Margin Available</b>       | \$ (0.1) | 0.9      | 2.8      | 6.1     | 10.8    | 20.7    |

# Enterprise Support

Enterprise Support costs consist of essential functions that support business operations across LCRA.

- Enterprise Support includes:
  - Cybersecurity.
  - Digital Services.
  - Facilities.
  - Finance.
  - Legal.
  - Public Safety.
  - Regulatory.
  - Telecommunications.
  - Others.
- Some costs are direct-charged when specific services are performed for a product line.
- Most other costs are assigned based on a three-factor formula of assets, labor hours and revenue.

(Dollars in millions)

| (Dollars in millions)                      | Budgeted | Proposed | Forecast |         |         |         |
|--------------------------------------------|----------|----------|----------|---------|---------|---------|
|                                            | FY 2025  | FY 2026  | FY 2027  | FY 2028 | FY 2029 | FY 2030 |
| Net Enterprise Costs                       | \$ 172.3 | 184.3    | 195.2    | 203.2   | 210.2   | 215.1   |
| <b><u>Cost Assignment</u></b>              |          |          |          |         |         |         |
| Wholesale Power and Nonprofit Corporations | 36.2     | 40.1     | 44.3     | 44.7    | 43.3    | 42.7    |
| LCRA TSC                                   | 78.4     | 74.7     | 92.5     | 94.9    | 100.8   | 110.6   |
| Water                                      | 7.9      | 8.2      | 8.6      | 8.4     | 9.3     | 9.9     |
| Public Service Fund Activities             | 5.4      | 5.3      | 5.6      | 5.8     | 5.9     | 6.0     |
| Strategic Services                         | 3.4      | 4.0      | 4.3      | 4.5     | 4.8     | 5.1     |
| Capital/Other                              | 41.0     | 52.0     | 39.9     | 44.8    | 46.1    | 40.6    |
| Total                                      | 172.3    | 184.3    | 195.1    | 203.1   | 210.2   | 215.1   |
| <b><u>Capital Expenditures</u></b>         |          |          |          |         |         |         |
| Debt-Funded                                | 9.4      | 3.1      | 0.0      | 0.0     | 0.0     | 7.8     |
| Revenue-Funded                             | 55.8     | 61.4     | 59.2     | 49.1    | 66.1    | 44.0    |
| Third Party or Proceeds-Funded             | 5.0      | 5.0      | 0.0      | 0.0     | 0.0     | 0.0     |
| Total Capital                              | \$ 70.1  | 69.6     | 59.2     | 49.1    | 66.1    | 51.7    |



# LCRA Capital Plan – by Status

- Approval of this capital plan authorizes the initiation of all recommended projects at their individually stated lifetime budgets as shown in the plan.
- Staff may bring future projects individually to the Board for approval after scope and cost estimates have been further refined, and staff includes future projects in this document for financial planning purposes.
- Board approval of this plan also authorizes the proposed \$285.7 million budget for FY 2026 capital spending, which includes \$108.2 million for recommended projects and \$177.5 million for projects the Board approved previously.

## FY 2026-FY 2030 Capital Spending for Recommended, Approved and Future Projects

### LCRA Total (Excluding LCRA TSC and Including Austin Energy's Share and the City of San Marcos' Share)

(Dollars in millions)

|                                   |    | Budgeted Proposed |         | Forecast |         |         |         |                             |
|-----------------------------------|----|-------------------|---------|----------|---------|---------|---------|-----------------------------|
|                                   |    | FY 2025           | FY 2026 | FY 2027  | FY 2028 | FY 2029 | FY 2030 | Five-Year Total<br>Lifetime |
| Recommended Projects              | \$ |                   | 108.2   | 44.7     | 12.2    | 26.8    | 0.0     | 191.9 198.2                 |
| Approved Projects                 |    |                   | 177.5   | 32.3     | 1.6     | 0.0     | 7.8     | 219.1 1,445.0               |
| Subtotal Recommended and Approved |    |                   | 285.7   | 76.9     | 13.8    | 26.8    | 7.8     | 411.0 1,643.2               |
| Future Projects                   |    |                   | 0.0     | 70.5     | 141.3   | 126.4   | 89.1    | 427.2 473.1                 |
| <b>Total FY 2026 Capital Plan</b> |    |                   | 285.7   | 147.4    | 155.0   | 153.2   | 96.8    | 838.2 2,116.2               |
| Less: Co-owners' Shares           |    |                   | 5.8     | 1.7      | 6.6     | 4.2     | 1.5     | 19.8 27.5                   |
| LCRA's Share                      |    |                   | 279.9   | 145.7    | 148.4   | 149.0   | 95.3    | 818.3 2,088.7               |

### Comparison With Previous Plan

|                                             |    |       |       |       |        |       |      |                 |
|---------------------------------------------|----|-------|-------|-------|--------|-------|------|-----------------|
| Total FY 2025 Capital Plan (With Co-owners) |    | 434.6 | 238.0 | 149.2 | 177.0  | 135.1 | 0.0  | 1,134.0 2,021.8 |
| Difference*                                 | \$ | n/a   | 47.7  | (1.8) | (22.0) | 18.0  | 96.8 | (295.8) 94.4    |

\*Difference for five-year total is based on a rolling five-year comparison, i.e., FY 2026-FY 2030 spending from the current plan compared with FY 2025-FY 2029 from the plan the Board approved in May 2024.

# LCRA TSC Capital Plan – by Status

- Board approval of this plan authorizes the proposed \$1.3 billion budget for FY 2026 capital spending, which includes \$604.8 million for projects the Board approved previously and \$741.9 million of potential future projects.
- Staff will bring future projects individually to the Board or the CEO for approval after scope and cost estimates have been further refined and the budget has been established. Staff includes future projects in this document for financial planning purposes.

## FY 2026 Capital Spending for Approved and Future Projects LCRA Transmission Services Corporation

(Dollars in millions)

|                                   | Budgeted | Proposed       | Forecast       |                |                |                | Five-Year<br>Total |
|-----------------------------------|----------|----------------|----------------|----------------|----------------|----------------|--------------------|
|                                   |          |                | FY 2027        | FY 2028        | FY 2029        | FY 2030        |                    |
| Approved Projects                 | \$       | 604.8          | 125.5          | 13.3           | 0.0            | 0.0            | 743.7              |
| Future Projects                   |          | 741.9          | 895.1          | 1,167.5        | 1,241.0        | 1,086.4        | 5,131.9            |
| <b>Total FY 2026 Capital Plan</b> |          | <b>1,346.7</b> | <b>1,020.6</b> | <b>1,180.8</b> | <b>1,241.0</b> | <b>1,086.4</b> | <b>5,875.6</b>     |

### Comparison With Previous Plan

|                            |    |       |       |       |       |       |     |         |
|----------------------------|----|-------|-------|-------|-------|-------|-----|---------|
| Total FY 2025 Capital Plan | \$ | 880.6 | 837.8 | 887.1 | 690.1 | 608.6 | 0.0 | 3,904.3 |
| Difference*                |    | n/a   | 508.9 | 133.5 | 490.7 | 632.4 | n/a | 1,971.3 |

\*Difference for five-year total is based on a rolling five-year comparison, i.e., FY 2026-FY 2030 spending from the current plan compared with FY 2025-FY 2029 from the plan the Board approved in May 2024.

# LCRA Capital Plan – by Business

- LCRA's share of the total FY 2026 capital budget for recommended, approved and future projects is \$1.63 billion. About 12% of that amount will be revenue-funded or third-party or proceeds-funded.

(Dollars in millions)

## LCRA Capital Expenditures

### Revenue-Funded

|                                            | Budgeted<br>FY 2025 | Proposed<br>FY 2026 | Forecast |         |         |         |
|--------------------------------------------|---------------------|---------------------|----------|---------|---------|---------|
|                                            | FY 2025             | FY 2026             | FY 2027  | FY 2028 | FY 2029 | FY 2030 |
| Wholesale Power and Nonprofit Corporations | \$ 26.4             | 4.8                 | 6.8      | 26.5    | 36.0    | 25.0    |
| LCRA TSC                                   | 77.0                | 92.6                | 104.3    | 129.4   | 156.6   | 241.0   |
| Water                                      | 8.3                 | 9.3                 | 7.2      | 7.8     | 5.3     | 5.9     |
| Enterprise Support                         | 55.8                | 61.4                | 59.2     | 49.1    | 66.1    | 43.9    |
| Public Services                            | 2.7                 | 3.0                 | 3.0      | 3.3     | 2.6     | 3.0     |
| Strategic Services                         | 0.6                 | 0.7                 | 0.6      | 0.5     | 0.6     | 0.7     |
|                                            | 170.7               | 171.8               | 181.1    | 216.6   | 267.2   | 319.5   |

### Debt-Funded

|                                            |         |         |       |         |         |       |
|--------------------------------------------|---------|---------|-------|---------|---------|-------|
| Wholesale Power and Nonprofit Corporations | 261.6   | 124.4   | 27.8  | 0.5     | 5.9     | 2.9   |
| LCRA TSC                                   | 794.5   | 1,253.6 | 910.8 | 1,051.4 | 1,084.4 | 845.4 |
| Water                                      | 37.0    | 42.6    | 38.9  | 59.2    | 31.1    | 4.5   |
| Enterprise Support                         | 9.4     | 3.1     | -     | -       | -       | 7.8   |
| Strategic Services                         | -       | -       | -     | -       | -       | -     |
|                                            | 1,102.4 | 1,423.8 | 977.4 | 1,111.1 | 1,121.4 | 860.6 |

### Third-Party/Proceeds-Funded

|                                            |      |      |     |     |     |     |
|--------------------------------------------|------|------|-----|-----|-----|-----|
| Wholesale Power and Nonprofit Corporations | 21.3 | 24.3 | 1.4 | -   | -   | -   |
| LCRA TSC                                   | 9.1  | 0.5  | 5.5 | -   | -   | -   |
| Water                                      | -    | 0.6  | -   | 0.3 | 0.3 | 0.3 |
| Enterprise Support                         | 5.0  | 5.0  | -   | -   | -   | -   |
| Public Services                            | 1.4  | 0.2  | 0.7 | 1.0 | 0.8 | 1.3 |
| Strategic Services                         | 0.4  | 0.5  | 0.2 | 0.2 | 0.2 | -   |
|                                            | 37.2 | 31.0 | 7.7 | 1.5 | 1.3 | 1.6 |

## **Total LCRA Capital**

|           | Budgeted<br>FY 2025 | Proposed<br>FY 2026 | Forecast       |                |                |                |
|-----------|---------------------|---------------------|----------------|----------------|----------------|----------------|
|           | FY 2025             | FY 2026             | FY 2027        | FY 2028        | FY 2029        | FY 2030        |
| <b>\$</b> | <b>1,310.3</b>      | <b>1,626.6</b>      | <b>1,166.3</b> | <b>1,329.2</b> | <b>1,389.9</b> | <b>1,181.7</b> |

- LCRA is using previously reserved funds to fund and accelerate certain critical infrastructure capital projects throughout the organization.

# LCRA Capital Plan – Approach

## Capital Planning Approach

LCRA includes projects in the capital plan with the goal of ensuring LCRA can continue to offer its customers energy, water and public services in a reliable, competitively priced, environmentally responsible and safe manner. Each project undergoes a thorough review by LCRA's Asset Management work group and other staff members who separate the projects into three categories: recommended (projects management has reviewed and recommended for Board approval); approved (projects the Board approved previously); and future (projects staff may recommend implementing within the next five years).

Staff does not submit future projects for Board approval until scope and cost estimates have been further refined, but includes them in this document for financial planning purposes. The cost and timing of future projects presented in this document could change. For this reason, LCRA continues planning activities throughout the year and updates the plan as necessary.

## Determining Need and Financial Analysis

Capital plan projects must support the goals of the business plan within financial parameters established by LCRA's Board and chief financial officer.

LCRA includes projects based on multiple factors, such as current and anticipated demand for LCRA's services and the need to maintain or build facilities or infrastructure to meet those demands. Other factors include compliance with applicable state and federal regulations, safety and security needs, the potential for increased revenues, and better management and protection of natural resources.

Staff has reviewed and analyzed the recommended projects and the projects for which LCRA plans to seek approval during the fiscal year. The project criteria may vary, but typically will involve either a payback period test, net present value analysis or other analyses to ensure the project is the most cost-effective approach. Executive management reviews each project to ensure the project warrants funding and inclusion in the capital plan. When appropriate, affected customers and stakeholders have the opportunity to review and comment on the proposed project scope and budget.



# LCRA Capital Plan – Approach (Continued)

## Developing Project Estimates

LCRA staff develops project cost estimates. An estimate's accuracy is based on identifying the work and resources necessary to complete the project objectives. Cost estimates are revised and become more accurate as more information regarding the scope and deliverables is available.

The capital planning cycle involves these steps:

- Developing and refining a list of business needs based on planning criteria and asset owner input.
- Defining the scope and approach necessary to address those needs.
- Obtaining cost estimates and performing business analyses to establish a proposed project budget and to evaluate affordability, economic viability, portfolio prioritization and risk.
- Seeking approval of the capital plan to validate strategic direction, establish lifetime and fiscal year budgets, and allow business planning for the future.

LCRA may recommend or seek approval of some projects using less-refined cost estimates because of the timing in determining the specific technology that would be implemented. Projects recommended that have less-refined cost estimates are noted in the project description.

## Project Prioritization

LCRA reviews and prioritizes its projects based on criteria that include safety, cost, reliability, competitiveness, environmental considerations and other factors. The appropriate executive reviews staff recommendations.

Projects that are essential to ensure the continued reliable and cost-effective delivery of LCRA services, concern public safety, or limit interruption of services receive the highest priority. LCRA also assigns higher priority to projects with regulatory issues that may result in substantial financial impacts for noncompliance, projects already in progress that have a substantial cost to stop, and projects with contractual requirements that could have substantial financial impacts to LCRA.

# LCRA Capital Plan – Approach (Continued)

## **Project Approval and Monitoring**

LCRA brings each recommended capital project for the next fiscal year to the LCRA Board for approval with this plan. Board approval authorizes the release of funds to execute the identified projects. However, executives may authorize funding in stages or all at once for the entire project. Staff may bring future projects individually to the Board for approval throughout the fiscal year.

For any project not previously authorized by the LCRA Board or LCRA TSC Board, Board policies 301 and T301 delegate to the CEO the authority to approve any capital project with a lifetime budget not to exceed \$1.5 million. Board Policy T301 also gives the CEO delegated authority to approve all capital projects associated with generation interconnection projects not previously authorized by the Board, in each case only after the generator has provided appropriate financial security to LCRA TSC for its expenses. Staff will communicate any CEO-approved projects to the LCRA Board and LCRA TSC Board on a quarterly basis.

Board policies 301 and T301 give the CEO the ability 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. Staff will communicate any CEO-approved additional project funding to the LCRA Board and LCRA TSC Board on a quarterly basis.

Finance staff provides to LCRA's Board and executives quarterly capital project status reports on approved projects. Reports include cost variances and fiscal year spending forecasts compared with the current capital plan.

# LCRA Capital Plan – Approach (Continued)

## Capital Plan Approval and Reporting

LCRA Board approval of this capital plan authorizes the initiation of all recommended projects at their individually stated lifetime budgets. These recommended projects include annual budgets for general additions and minor capital. General additions are small capital additions or replacement projects that do not exceed \$500,000. Minor capital budgets are used to fund purchases of equipment that, essentially, is ready to place in service upon delivery, such as fleet assets or technology hardware.

Board approval of this plan also authorizes the proposed \$1.63 billion budget for FY 2026 capital spending for recommended, approved and potential future projects. At this time, LCRA is not seeking Board approval for future projects. LCRA will bring any future project determined to require initiation in FY 2026 to the Board for approval as required.

LCRA incorporates spending projections in the capital plan into the financial performance and rate impacts shown in the business plan. Upon approval and throughout FY 2026, LCRA will provide to the Board regular reports on project progress and compliance with the project budgets and fiscal year spending constraints established in the plan.

The following pages include specific project details and proposed lifetime budgets for recommended projects, as well as annual spending projections for approved and future projects.

Note: The dollar amounts in parentheses after the project titles reflect lifetime budgets.

# Wholesale Power Projects

Information about Wholesale Power capital projects included in the capital plan is considered confidential and has been removed from this version of the document.



# Transmission Projects

Approved and potential future Transmission projects total \$1.3 billion in FY 2026 and total \$5.9 billion over the next five years. Staff will bring potential future projects individually to the Board or the CEO for approval throughout the fiscal year. LCRA TSC projects are required to meet anticipated electric load growth and electric load additions, operating constraints and long-term reliability criteria addressing transmission and transformation needs, as well as reliability of service and equipment reliability limitations, and safety and environmental issues.

To assist in aligning the various goals and associated requirements listed above, the projects are organized in the following categories:

- **Facility acquisition projects** are developed to acquire existing electric system assets or related facilities.
- **General addition projects** are primarily smaller construction projects that maintain electric transmission infrastructure and reliability.
- **Generator interconnection projects** are necessary to facilitate generator interconnections requested by participants in the ERCOT market.
- **Minor capital projects** are primarily for the acquisition of equipment that supports electric transmission needs and, generally, is ready to place in service upon delivery.
- **Service reliability projects** are driven by equipment obsolescence, operational improvements or transmission service reliability needs.
- **System capacity projects** are needed to provide new or increased transmission or transformation system capacity.
- **Third-party funded projects** are not driven by utility criteria; instead, external parties that will contribute a substantial portion of the project cost request the projects.

# Transmission Projects (Continued)

There are 47 approved projects with expected spending of \$604.8 million in FY 2026. See the appendix for details on LCRA TSC approved projects. This expected spending is categorized below.

## LCRA Transmission Services Corporation

### FY 2026 Capital Plan Approved Projects

(Dollars in millions)

| Planning Category                  |    | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | Five-Year<br>Total |
|------------------------------------|----|---------|---------|---------|---------|---------|--------------------|
| Generator Interconnection Projects | \$ | 14.5    | 0.0     | -       | -       | -       | 14.5               |
| Service Reliability Projects       |    | 155.8   | 31.3    | -       | -       | -       | 187.1              |
| System Capacity Projects           |    | 434.5   | 94.2    | 13.3    | -       | -       | 542.1              |
| Approved Subtotal                  | \$ | 604.8   | 125.5   | 13.3    | -       | -       | 743.7              |

# Transmission Projects (Continued)

Staff continues to evaluate potential projects totaling about \$5.1 billion of expected spending over the next five years. Staff will bring these projects individually to the Board or LCRA Transmission Services Corporation CEO for approval throughout the fiscal year. This spending is categorized below.

## LCRA Transmission Services Corporation

### FY 2026 Capital Plan Future Projects

(Dollars in millions)

| Planning Category                  | FY 2026  | FY 2027 | FY 2028 | FY 2029 | FY 2030 | Five-Year Total |
|------------------------------------|----------|---------|---------|---------|---------|-----------------|
| General Addition Projects          | \$ 9.0   | 9.0     | 9.0     | 9.0     | 9.0     | 45.0            |
| Generator Interconnection Projects | 10.4     | 45.0    | 45.0    | 45.0    | 45.0    | 190.4           |
| Minor Capital Projects             | 0.4      | 0.3     | 0.3     | 0.3     | 0.3     | 1.6             |
| Service Reliability Projects       | 387.7    | 378.8   | 533.7   | 435.7   | 374.3   | 2,110.2         |
| System Capacity Projects           | 333.9    | 456.5   | 579.5   | 751.0   | 657.8   | 2,778.7         |
| Third-Party Funded Projects        | 0.5      | 5.5     | -       | -       | -       | 6.0             |
| Future Subtotal                    | \$ 741.9 | 895.1   | 1,167.5 | 1,241.0 | 1,086.4 | 5,131.9         |

# Transmission Projects (Continued)

Spending for approved and potential future projects totaling about \$5.9 billion over the next five years is categorized below.

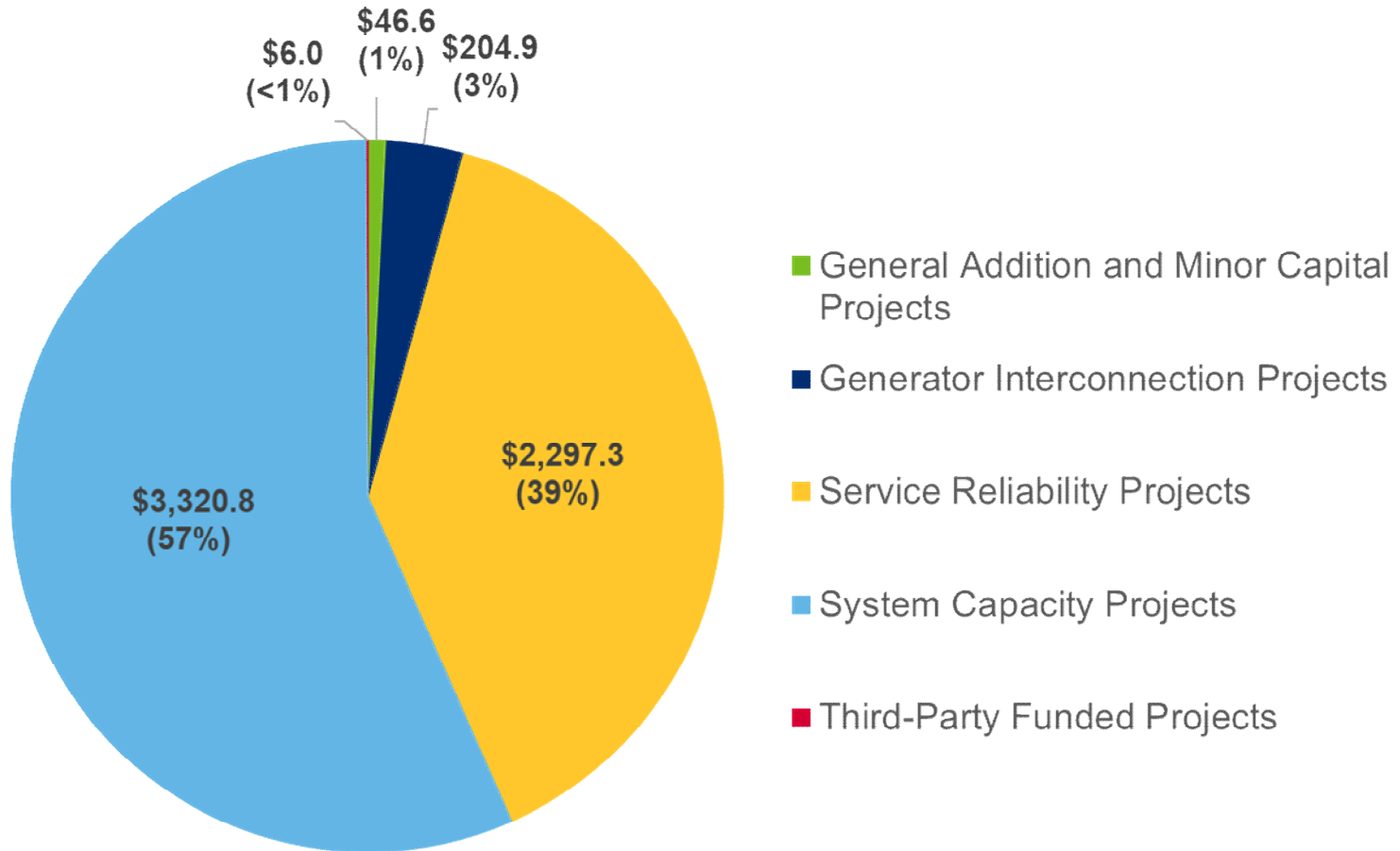
## LCRA Transmission Services Corporation FY 2026 Capital Plan Approved and Future Projects

(Dollars in millions)

| Planning Category                                   |    | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | Five-Year<br>Total |
|-----------------------------------------------------|----|---------|---------|---------|---------|---------|--------------------|
| General Addition Projects                           | \$ | 9.0     | 9.0     | 9.0     | 9.0     | 9.0     | 45.0               |
| Generator Interconnection Projects                  |    | 24.9    | 45.0    | 45.0    | 45.0    | 45.0    | 204.9              |
| Minor Capital Projects                              |    | 0.4     | 0.3     | 0.3     | 0.3     | 0.3     | 1.6                |
| Service Reliability Projects                        |    | 543.5   | 410.1   | 533.7   | 435.7   | 374.3   | 2,297.3            |
| System Capacity Projects                            |    | 768.4   | 550.7   | 592.8   | 751.0   | 657.8   | 3,320.8            |
| Third-Party Funded Projects                         |    | 0.5     | 5.5     | -       | -       | -       | 6.0                |
| <b>Total LCRA Transmission Services Corporation</b> | \$ | 1,346.7 | 1,020.6 | 1,180.8 | 1,241.0 | 1,086.4 | 5,875.6            |

# Transmission Projects (Continued)

Total spending on Transmission approved and potential future capital projects is expected to be about \$5.9 billion over the next five years. This spending is categorized below.



Dollars in millions

Note: Details of the approved projects are shown in the appendix.



# Water Projects

Water projects in the capital plan include capital improvements for managing and delivering raw water. This plan focuses resources on managing the river, improving infrastructure – including LCRA’s Hydromet system – and planning to meet the basin’s future water needs.

Recommended and approved Water projects total \$52.5 million in FY 2026 and total \$97 million over the next five years through FY 2030. Future projects total \$116.4 million through FY 2030.

## **FY 2026 Requested Project Budget Increase**

**Lane City Dam Rehabilitation and Hurricane Harvey Recovery (\$23.4 million)** – Staff requests a \$9.64 million increase to the Lane City Dam Rehabilitation and Hurricane Harvey Recovery project’s lifetime budget from \$13.76 million to \$23.4 million. The dam has been repaired over time due to weather events, and it was further damaged by Hurricane Harvey. Staff has been monitoring the dam and banks and recommends the rehabilitation to help stabilize the dam and help the banks resist erosion. The Board approved the project in FY 2018 based on a preliminary assessment of the damages and a lifetime budget of \$13.76 million. Since that time, staff has completed an extensive design development process, including value engineering and design refinement, and requests this lifetime budget increase. LCRA has received insurance payments for portions of the repair work, which also are eligible for Federal Emergency Management Agency reimbursement.

## **FY 2026 Recommended Projects**

**Griffith League Ranch Groundwater – Phases 1 and 2 (\$43.5 million)** – The project scope is the construction of the groundwater system of the first two wells, including associated site work and facilities, access roads, a 2-million-gallon groundwater storage tank and power supply for the permitted 8,000 acre-feet per year. The LCRA Board of Directors approved the first phase of the project in the FY 2019 business plan in the amount of \$8.5 million for engineering services, permitting, necessary clearing, and real estate acquisition and resolution efforts. The recommended project budget includes the previously approved cost and the remaining cost to complete the project.

# Water Projects (Continued)

## FY 2026 Recommended Projects (Continued)

**Water Video Surveillance Systems Upgrade (\$700,000)** – The project scope is to replace and upgrade security cameras, intrusion detection sensors and main fiber network cabling at the Hydroelectric Operations Control Center, Buchanan Dam and Mansfield Dam facilities. The new fiber network also will provide a backup for floodgate controls and sensors for piezometers, which measure underground water pressure.

**General Additions** – General addition projects will maintain infrastructure and improve reliability and safety for the following:

- Hydromet (\$200,000).
- Irrigation systems (\$610,000).
- Raw water (\$500,000).

**Minor Capital** – The scope of minor capital projects is to purchase equipment that, essentially, is ready to place in service upon delivery for the following:

- Hydromet (\$245,000).
- Irrigation systems (\$695,000).
- Raw water (\$10,000).

# Water Projects (Continued)

## Water

### FY 2026 Capital Plan Recommended and Approved Projects

(Dollars in thousands)

| Project Name                                               | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | Five-Year<br>Total | Lifetime |
|------------------------------------------------------------|---------|---------|---------|---------|---------|--------------------|----------|
| <b>Recommended</b>                                         |         |         |         |         |         |                    |          |
| General Additions – Hydromet                               | 200     | -       | -       | -       | -       | 200                | 200      |
| General Additions – Irrigation Systems                     | 610     | -       | -       | -       | -       | 610                | 610      |
| General Additions – Raw Water                              | 500     | -       | -       | -       | -       | 500                | 500      |
| Griffith League Ranch Groundwater – Phases 1 and 2         | 14,206  | 23,000  | -       | -       | -       | 37,206             | 43,500   |
| Minor Capital – Hydromet                                   | 245     | -       | -       | -       | -       | 245                | 245      |
| Minor Capital – Irrigation Systems                         | 695     | -       | -       | -       | -       | 695                | 695      |
| Minor Capital – Raw Water                                  | 10      | -       | -       | -       | -       | 10                 | 10       |
| Water Video Surveillance Systems Upgrade                   | 700     | -       | -       | -       | -       | 700                | 700      |
| Recommended Subtotal                                       | 17,166  | 23,000  | -       | -       | -       | 40,166             | 46,460   |
| <b>Approved</b>                                            |         |         |         |         |         |                    |          |
| Arbuckle Reservoir                                         | 11,000  | -       | -       | -       | -       | 11,000             | 464,350  |
| Buchanan Dam Spalling Concrete Rehabilitation – Phase 3    | 6,528   | 7,150   | -       | -       | -       | 13,678             | 36,000   |
| Lake Bastrop Water                                         | 970     | 6,242   | -       | -       | -       | 7,212              | 9,400    |
| Lane City Dam Rehabilitation and Hurricane Harvey Recovery | 14,940  | 3,820   | -       | -       | -       | 18,760             | 23,400   |
| Mansfield Dam Paradox Gate Rehabilitation – Phase 2        | 1,540   | 1,430   | 715     | -       | -       | 3,685              | 14,806   |
| New Regional Water Supply Projects – Phase 1               | 400     | 1,300   | 840     | -       | -       | 2,540              | 6,179    |
| Approved Subtotal                                          | 35,378  | 19,942  | 1,555   | -       | -       | 56,875             | 554,135  |

# Water Projects (Continued)

## Water

### FY 2026 Capital Plan Future Projects

(Dollars in thousands)

| Project Name                                                       | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | Five-Year<br>Total | Lifetime |
|--------------------------------------------------------------------|---------|---------|---------|---------|---------|--------------------|----------|
| <b>Future</b>                                                      |         |         |         |         |         |                    |          |
| Buchanan Dam Seven-Gate Section Spillway Improvements – Phase 2    | -       | -       | -       | -       | 2,500   | 2,500              | 5,000    |
| General Additions – Hydromet                                       | -       | 100     | 100     | 100     | 100     | 400                | 400      |
| General Additions – Irrigation Systems                             | -       | 310     | 310     | 310     | 310     | 1,240              | 1,240    |
| General Additions – Raw Water                                      | -       | 200     | 200     | 200     | 200     | 800                | 800      |
| Lake Bastrop Water (Future)                                        | -       | 1,000   | 57,500  | 27,000  | -       | 85,500             | 85,500   |
| Lakeside Main Canal Gate Automation                                | -       | -       | 300     | 300     | 300     | 900                | 1,500    |
| Mansfield Dam Flood Conduit Recoating                              | -       | -       | -       | 200     | 200     | 400                | 1,200    |
| Mansfield Dam Floodgate Hydraulic Piping                           | -       | -       | -       | 800     | -       | 800                | 800      |
| Mansfield Dam Spillway Spalling                                    | -       | -       | -       | 1,000   | -       | 1,000              | 1,000    |
| Mansfield Dam Upstream Ring Follower Gates Rehabilitation          | -       | 600     | 600     | -       | -       | 1,200              | 1,200    |
| Mansfield Dam Upstream Ring Follower Gates Rehabilitation (Future) | -       | -       | -       | 1,200   | 1,200   | 2,400              | 12,000   |
| Minor Capital – Hydromet                                           | -       | 240     | 125     | 85      | 75      | 525                | 525      |
| Minor Capital – Irrigation Systems                                 | -       | 680     | 675     | 545     | 790     | 2,690              | 2,690    |
| Minor Capital – Raw Water                                          | -       | 10      | 10      | 10      | 10      | 40                 | 40       |
| New Regional Water Supply Projects – Phase 2                       | -       | -       | 6,000   | 5,000   | 5,000   | 16,000             | 26,300   |
| Future Subtotal                                                    | -       | 3,140   | 65,820  | 36,750  | 10,685  | 116,395            | 140,195  |
| <b>Total Water</b>                                                 | 52,544  | 46,082  | 67,375  | 36,750  | 10,685  | 213,436            | 740,790  |

# Public Services Projects

Legislative authority and LCRA's Board provide direction for LCRA staff to develop and manage parks, recreation facilities and natural science centers in LCRA's statutory district, providing public recreation and water access along the lower Colorado River and its tributaries and at LCRA's power plant reservoirs. LCRA's park system includes more than 40 parks on nearly 11,000 acres. The parks enhance the public's use and enjoyment of LCRA lands and provide diverse outdoor recreation and education opportunities.

LCRA's public service funding aims to keep pace with the growing Texas population and expected increase in park visitation, protect natural resources and water quality along the Colorado River, and develop facilities that help achieve LCRA's cost-recovery goals for parks. As part of this development, staff seeks approval of using the Public Recreation and Conservation Land Acquisition Fund to fund a capital project in the first year of the plan and will seek additional funding in future years as needed.

Recommended and approved Public Services projects total \$3.1 million in FY 2026 and total \$4.4 million over the next five years through FY 2030. Future projects total \$14.5 million through FY 2030.

## FY 2026 Recommended Projects

**Lake Bastrop South Shore Park Facility Improvements (\$2.657 million)** – The project scope will replace two 20-year-old bathroom facilities, as well as an existing asphalt road. The two restroom structures show significant signs of wear and decay, including rust on the interior walls, plumbing leaks and inadequate ventilation. The replacements will comply with the Americans with Disabilities Act and will include modern showers with separate toilet facilities. They will be built on the existing concrete pad and will use existing water and electric connections to minimize permitting and construction costs. The entrance road to the park has been repaired multiple times over the years to extend the useful life of the pavement. The project scope will include an overlay of the existing 1.6-mile park entrance road's asphalt paving.



# Public Services Projects (Continued)

## FY 2026 Recommended Projects (Continued)

**General Additions** – General addition projects will maintain infrastructure and make strategic improvements to enhance customer service in the following areas:

- Parks (\$150,000).
- Other Public Services (\$150,000).

**Minor Capital** – The scope of minor capital projects is to purchase equipment that, essentially, is ready to place in service upon delivery for the following:

- Parks (\$435,000).
- Other Public Services (\$852,000).

# Public Services Projects (Continued)

## Public Services

### FY 2026 Capital Plan Recommended and Future Projects

(Dollars in thousands)

| Project Name                                        | FY 2026      | FY 2027      | FY 2028      | FY 2029      | FY 2030      | Five-Year<br>Total | Lifetime      |
|-----------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------------|---------------|
| <b>Recommended</b>                                  |              |              |              |              |              |                    |               |
| <b>Parks</b>                                        |              |              |              |              |              |                    |               |
| General Additions                                   | 150          | -            | -            | -            | -            | 150                | 150           |
| Lake Bastrop South Shore Park Facility Improvements | 1,398        | 1,259        | -            | -            | -            | 2,657              | 2,657         |
| Minor Capital                                       | 435          | -            | -            | -            | -            | 435                | 435           |
| <b>Other Public Services</b>                        |              |              |              |              |              |                    |               |
| General Additions                                   | 150          | -            | -            | -            | -            | 150                | 150           |
| Minor Capital                                       | 852          | -            | -            | -            | -            | 852                | 852           |
| Recommended Subtotal                                | 2,985        | 1,259        | -            | -            | -            | 4,244              | 4,244         |
| <b>Approved</b>                                     |              |              |              |              |              |                    |               |
| <b>Parks</b>                                        |              |              |              |              |              |                    |               |
| Matagorda Bay Maintenance Facility                  | 150          | -            | -            | -            | -            | 150                | 850           |
| Approved Subtotal                                   | 150          | -            | -            | -            | -            | 150                | 850           |
| <b>Future</b>                                       |              |              |              |              |              |                    |               |
| <b>Parks</b>                                        |              |              |              |              |              |                    |               |
| General Additions                                   | -            | 150          | 200          | 430          | 150          | 930                | 930           |
| Lake Bastrop Boat Ramp                              | -            | -            | -            | 1,500        | 2,000        | 3,500              | 3,500         |
| McKinney Roughs Nature Park Improvements            | -            | 500          | 1,750        | -            | 500          | 2,750              | 2,750         |
| Minor Capital                                       | -            | 1,160        | 1,830        | 1,010        | 440          | 4,440              | 4,440         |
| Muleshoe Bend Recreation Area Improvements          | -            | -            | -            | -            | 1,000        | 1,000              | 1,000         |
| <b>Other Public Services</b>                        |              |              |              |              |              |                    |               |
| Minor Capital                                       | -            | 630          | 585          | 465          | 230          | 1,910              | 1,910         |
| Future Subtotal                                     | -            | 2,440        | 4,365        | 3,405        | 4,320        | 14,530             | 14,530        |
| <b>Total Public Services</b>                        | <b>3,135</b> | <b>3,699</b> | <b>4,365</b> | <b>3,405</b> | <b>4,320</b> | <b>18,924</b>      | <b>19,624</b> |

# Strategic Services Projects

Recommended Strategic Services projects total \$1.2 million in FY 2026 and over the next five years through FY 2030. Future projects total \$2.9 million through FY 2030.

## FY 2026 Recommended Projects

**General Additions** – General addition projects will maintain infrastructure and make strategic improvements to enhance customer service in the following areas:

- LCRA Environmental Laboratory Services (\$450,000).
- Telecommunications (\$250,000).

**Minor Capital** – The scope of minor capital projects is to purchase equipment that, essentially, is ready to place in service upon delivery for the following:

- LCRA Environmental Laboratory Services (\$470,000).

# Strategic Services Projects (Continued)

## Strategic Services

### FY 2026 Capital Plan Recommended and Future Projects

(Dollars in thousands)

| Project Name                                  | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | Five-Year<br>Total | Lifetime |
|-----------------------------------------------|---------|---------|---------|---------|---------|--------------------|----------|
| <b>Recommended</b>                            |         |         |         |         |         |                    |          |
| <b>LCRA Environmental Laboratory Services</b> |         |         |         |         |         |                    |          |
| General Additions                             | 450     | -       | -       | -       | -       | 450                | 450      |
| Minor Capital                                 | 470     | -       | -       | -       | -       | 470                | 470      |
| <b>Telecommunications</b>                     |         |         |         |         |         |                    |          |
| General Additions                             | 250     | -       | -       | -       | -       | 250                | 250      |
| Recommended Subtotal                          | 1,170   | -       | -       | -       | -       | 1,170              | 1,170    |
| <b>Future</b>                                 |         |         |         |         |         |                    |          |
| <b>LCRA Environmental Laboratory Services</b> |         |         |         |         |         |                    |          |
| General Additions                             | -       | 150     | 150     | 150     | -       | 450                | 450      |
| Minor Capital                                 | -       | 375     | 205     | 395     | 440     | 1,415              | 1,415    |
| <b>Telecommunications</b>                     |         |         |         |         |         |                    |          |
| General Additions                             | -       | 250     | 250     | 250     | 250     | 1,000              | 1,000    |
| Future Subtotal                               | -       | 775     | 605     | 795     | 690     | 2,865              | 2,865    |
| <b>Total Strategic Services</b>               | 1,170   | 775     | 605     | 795     | 690     | 4,035              | 4,035    |

# Enterprise Support Projects

Enterprise Support capital projects provide the facility services, telecommunications and information technology infrastructure that support the business operations of the organization. LCRA's power, transmission and water rates fund the projects, which makes predicting costs to include in LCRA's rates especially important. Unless an emergency arises, LCRA adjusts Enterprise Support priorities throughout the year to stay within the approved capital plan budget for each fiscal year instead of seeking additional funding authority from the Board.

Recommended and approved Enterprise Support projects total \$69.6 million in FY 2026 and total \$134.6 million over the next five years through FY 2030. Future projects total \$161 million through FY 2030.

## FY 2026 Recommended Projects

**Blanco and Burnet Counties Radio Sites (\$3.766 million)** – The project scope is to decommission the telecommunications tower and shelter at Shovel Mountain due to an expiring land lease and develop a new site. The project requires two towers and shelters due to the topography of the site and to replace the Shovel Mountain capacity and meet reliability standards. One site is adjacent to the Phillips Johnson City Substation and one is located near the Starcke Substation in Marble Falls.

**Colorado County Telecommunications Upgrade (\$1.027 million)** – The project scope is to add a 320-foot-tall telecommunications tower and communications shelter near LCRA's Lakeside office in Colorado County as a replacement for the current structure at Eagle Lake. This project supports the relocation of Water staff from the Eagle Lake office and reduces LCRA's overall tower lease costs.

**Communications Shelter Addition – FY 2026 Telecommunications Upgrade (\$2.721 million)** – The project scope is to install communications shelters, fiber patch panels, power supply equipment and generators at five fiber backbone facilities. The project will increase the reliability and flexibility of LCRA's telecommunications system and make the system easier to maintain.

# Enterprise Support Projects (Continued)

## FY 2026 Recommended Projects (Continued)

**DWDM Build-out – FY 2026 Telecommunications Upgrade (\$960,000)** – The project scope is to improve telecommunications system capacity and reliability by expanding the dense wavelength division multiplexing system to four LCRA Transmission Services Corporation substations. The equipment will provide increased bandwidth across the fiber backbone and provide alternate circuit paths for telecommunications traffic.

**General Office Complex Building Automation (\$1.5 million)** – The project scope is to replace the unsupported end-of-life building automation system with a modernized system integrating controls for heating, ventilating and air-conditioning; lighting; and main plant systems for all buildings at the General Office Complex. The new system will use new building management software and run dual-redundant servers with the Dalchau Service Center, creating a backup system if needed. The system also will be physically on-site, reducing potential cybersecurity vulnerabilities.

**Network Stratification – FY 2026 Telecommunications Upgrade (\$801,000)** – The project scope is to improve system reliability and operational efficiency at the General Office Complex and Dalchau Service Center data centers by creating a dedicated network for the exchange of critical network information and infrastructure for backup resources.

**New Towers – FY 2026 Telecommunications Upgrade (\$4.017 million)** – The project scope is to construct five new LCRA-owned towers adjacent to existing towers that were either sold to a third party or are no longer appropriate for LCRA's future needs. The new towers will support LCRA's private long-term-evolution network and the 700-megahertz public safety system.

**Radio Access Network Migration (\$69.5 million)** – The project scope is to install radio access network equipment at new long-term evolution sites to enable the transition from LCRA's 900-megahertz OpenSky radio network to a new, private LTE network. The equipment includes antennas and radios installed on towers, as well as baseband units that connect users to the LTE network. This is a four-year project that continues the work of the Radio System Migration – FY 2025 Telecommunications Upgrade.



# Enterprise Support Projects (Continued)

## FY 2026 Recommended Projects (Continued)

**General Additions** – General addition projects will maintain infrastructure and improve reliability and safety for the following:

- Digital Services (\$500,000).
- Facilities (\$675,000).
- Public Safety (\$250,000).
- Telecommunications (\$4.068 million).

**Minor Capital** – The scope of minor capital projects is to purchase equipment that, essentially, is ready to place in service upon delivery for the following:

- Cybersecurity (\$865,000).
- Digital Services (\$1.885 million).
- Facilities (\$1.68 million).
- Public Safety (\$820,000).
- Telecommunications (\$2.18 million).
- Transmission support (\$18 million).

# Enterprise Support Projects (Continued)

## Enterprise Support

### FY 2026 Capital Plan Recommended Projects

(Dollars in thousands)

| Project Name                                                         | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | Five-Year<br>Total | Lifetime |
|----------------------------------------------------------------------|---------|---------|---------|---------|---------|--------------------|----------|
| <b>Recommended</b>                                                   |         |         |         |         |         |                    |          |
| <b>Cybersecurity</b>                                                 |         |         |         |         |         |                    |          |
| Minor Capital                                                        | 865     | -       | -       | -       | -       | 865                | 865      |
| <b>Digital Services</b>                                              |         |         |         |         |         |                    |          |
| General Additions                                                    | 500     | -       | -       | -       | -       | 500                | 500      |
| Minor Capital                                                        | 1,885   | -       | -       | -       | -       | 1,885              | 1,885    |
| <b>Facilities</b>                                                    |         |         |         |         |         |                    |          |
| General Additions                                                    | 675     | -       | -       | -       | -       | 675                | 675      |
| General Office Complex Building Automation                           | 1,500   | -       | -       | -       | -       | 1,500              | 1,500    |
| Minor Capital                                                        | 1,680   | -       | -       | -       | -       | 1,680              | 1,680    |
| <b>Public Safety</b>                                                 |         |         |         |         |         |                    |          |
| General Additions                                                    | 250     | -       | -       | -       | -       | 250                | 250      |
| Minor Capital                                                        | 820     | -       | -       | -       | -       | 820                | 820      |
| <b>Telecommunications</b>                                            |         |         |         |         |         |                    |          |
| Blanco and Burnet Counties Radio Sites                               | 2,266   | 1,500   | -       | -       | -       | 3,766              | 3,766    |
| Colorado County Telecommunications Upgrade                           | 1,027   | -       | -       | -       | -       | 1,027              | 1,027    |
| Communications Shelter Addition – FY 2026 Telecommunications Upgrade | 2,721   | -       | -       | -       | -       | 2,721              | 2,721    |
| DWDM Build-out – FY 2026 Telecommunications Upgrade                  | 960     | -       | -       | -       | -       | 960                | 960      |
| General Additions                                                    | 4,068   | -       | -       | -       | -       | 4,068              | 4,068    |
| Minor Capital                                                        | 2,180   | -       | -       | -       | -       | 2,180              | 2,180    |
| Network Stratification – FY 2026 Telecommunications Upgrade          | 801     | -       | -       | -       | -       | 801                | 801      |
| New Towers – FY 2026 Telecommunications Upgrade                      | 4,017   | -       | -       | -       | -       | 4,017              | 4,017    |
| Radio Access Network Migration                                       | 13,700  | 16,800  | 12,200  | 26,800  | -       | 69,500             | 69,500   |
| <b>Transmission Support</b>                                          |         |         |         |         |         |                    |          |
| Minor Capital                                                        | 18,000  | -       | -       | -       | -       | 18,000             | 18,000   |
| Recommended Subtotal                                                 | 57,915  | 18,300  | 12,200  | 26,800  | -       | 115,215            | 115,215  |

# Enterprise Support Projects (Continued)

## Enterprise Support

### FY 2026 Capital Plan Approved and Future Projects

(Dollars in thousands)

| Project Name                                                         | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | Five-Year<br>Total | Lifetime |
|----------------------------------------------------------------------|---------|---------|---------|---------|---------|--------------------|----------|
| <b>Approved</b>                                                      |         |         |         |         |         |                    |          |
| <b>Facilities</b>                                                    |         |         |         |         |         |                    |          |
| Jack Martin Conference Center                                        | 440     | -       | -       | -       | -       | 440                | 740      |
| <b>Telecommunications</b>                                            |         |         |         |         |         |                    |          |
| Communications Shelter Addition – FY 2025 Telecommunications Upgrade | 248     | -       | -       | -       | -       | 248                | 2,550    |
| DWDM Build-out – FY 2025 Telecommunications Upgrade                  | 10      | -       | -       | -       | -       | 10                 | 720      |
| LTE Core                                                             | 2,040   | -       | -       | -       | -       | 2,040              | 10,740   |
| LTE Spectrum Expansion                                               | 6,250   | -       | -       | -       | 7,750   | 14,000             | 14,000   |
| Radio Subscriber – FY 2025 Telecommunications Upgrade                | 793     | -       | -       | -       | -       | 793                | 910      |
| Telecommunications Technology – FY 2023 System Upgrade               | 1,861   | -       | -       | -       | -       | 1,861              | 30,000   |
| Approved Subtotal                                                    | 11,642  | -       | -       | -       | 7,750   | 19,392             | 59,660   |
| <b>Future</b>                                                        |         |         |         |         |         |                    |          |
| <b>Cybersecurity</b>                                                 |         |         |         |         |         |                    |          |
| Minor Capital                                                        | -       | 1,565   | 845     | 265     | 765     | 3,440              | 3,440    |
| Security Information and Event Management Hardware Upgrade           | -       | 1,000   | -       | -       | -       | 1,000              | 1,000    |
| <b>Digital Services</b>                                              |         |         |         |         |         |                    |          |
| Core Switch and Application-Centric Infrastructure Replacement       | -       | 750     | -       | -       | -       | 750                | 750      |
| Digital Services Infrastructure                                      | -       | -       | 850     | 850     | 850     | 2,550              | 2,550    |
| General Additions                                                    | -       | 500     | 500     | 500     | 500     | 2,000              | 2,000    |
| Minor Capital                                                        | -       | 1,800   | 1,800   | 1,800   | 1,800   | 7,200              | 7,200    |

# Enterprise Support Projects (Continued)

## Enterprise Support

### FY 2026 Capital Plan Future Projects

(Dollars in thousands)

| Project Name                                                         | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | Five-Year<br>Total | Lifetime |
|----------------------------------------------------------------------|---------|---------|---------|---------|---------|--------------------|----------|
| <b>Future (continued)</b>                                            |         |         |         |         |         |                    |          |
| <b>Facilities</b>                                                    |         |         |         |         |         |                    |          |
| General Additions                                                    | -       | 885     | 625     | 850     | 825     | 3,185              | 3,185    |
| General Office Complex Main Chillers 1 and 2 Upgrades                | -       | 200     | 600     | 600     | -       | 1,400              | 1,400    |
| General Office Complex Plant Cooling System                          | -       | -       | -       | 1,100   | -       | 1,100              | 1,100    |
| Minor Capital                                                        | -       | 1,640   | 560     | 620     | 755     | 3,575              | 3,575    |
| Shapiro Building Main Generator                                      | -       | -       | -       | -       | 600     | 600                | 600      |
| <b>Public Safety</b>                                                 |         |         |         |         |         |                    |          |
| General Additions                                                    | -       | 50      | 50      | 50      | 50      | 200                | 200      |
| Minor Capital                                                        | -       | 700     | 1,150   | 240     | 145     | 2,235              | 2,235    |
| <b>Telecommunications</b>                                            |         |         |         |         |         |                    |          |
| Communications Shelter Addition – FY 2027 Telecommunications Upgrade | -       | 2,500   | -       | -       | -       | 2,500              | 2,500    |
| Communications Shelter Addition – FY 2028 Telecommunications Upgrade | -       | -       | 1,000   | -       | -       | 1,000              | 1,000    |
| Communications Shelter Addition – FY 2029 Telecommunications Upgrade | -       | -       | -       | 1,000   | -       | 1,000              | 1,000    |
| Communications Shelter Addition – FY 2030 Telecommunications Upgrade | -       | -       | -       | -       | 1,000   | 1,000              | 1,000    |
| DWDM Build-out – FY 2027 Telecommunications Upgrade                  | -       | 1,250   | -       | -       | -       | 1,250              | 1,250    |
| DWDM Build-out – FY 2028 Telecommunications Upgrade                  | -       | -       | 780     | -       | -       | 780                | 780      |
| DWDM Build-out – FY 2029 Telecommunications Upgrade                  | -       | -       | -       | 800     | -       | 800                | 800      |
| DWDM Build-out – FY 2030 Telecommunications Upgrade                  | -       | -       | -       | -       | 820     | 820                | 820      |
| General Additions                                                    | -       | 3,500   | 3,500   | 3,500   | 3,500   | 14,000             | 14,000   |
| Hi Cross-Austin Fiber – FY 2030 Telecommunications Upgrade           | -       | -       | -       | -       | 1,200   | 1,200              | 1,200    |
| LTE Core Expansion – FY 2029 Telecommunications Upgrade              | -       | -       | -       | 1,000   | -       | 1,000              | 1,000    |
| LTE Core Refresh                                                     | -       | -       | -       | -       | 4,500   | 4,500              | 4,500    |
| Minor Capital                                                        | -       | 1,260   | 1,120   | 620     | 650     | 3,650              | 3,650    |
| Network Bandwidth Upgrade – FY 2028 Telecommunications Upgrade       | -       | -       | 1,000   | -       | -       | 1,000              | 1,000    |

# Enterprise Support Projects (Continued)

## Enterprise Support

### FY 2026 Capital Plan Future Projects

(Dollars in thousands)

| Project Name                                                | FY 2026       | FY 2027       | FY 2028       | FY 2029       | FY 2030       | Five-Year<br>Total | Lifetime       |
|-------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|--------------------|----------------|
| <b>Future (continued)</b>                                   |               |               |               |               |               |                    |                |
| <b>Telecommunications (continued)</b>                       |               |               |               |               |               |                    |                |
| Network Stratification – FY 2027 Telecommunications Upgrade | -             | 1,300         | -             | -             | -             | 1,300              | 1,300          |
| Network Stratification – FY 2028 Telecommunications Upgrade | -             | -             | 1,000         | -             | -             | 1,000              | 1,000          |
| Network Stratification – FY 2029 Telecommunications Upgrade | -             | -             | -             | 800           | -             | 800                | 800            |
| Network Stratification – FY 2030 Telecommunications Upgrade | -             | -             | -             | -             | 800           | 800                | 800            |
| New Towers – FY 2027 Telecommunications Upgrade             | -             | 500           | 1,000         | -             | -             | 1,500              | 1,500          |
| New Towers – FY 2028 Telecommunications Upgrade             | -             | -             | 1,000         | -             | -             | 1,000              | 1,000          |
| New Towers – FY 2029 Telecommunications Upgrade             | -             | -             | -             | 1,000         | -             | 1,000              | 1,000          |
| New Towers – FY 2030 Telecommunications Upgrade             | -             | -             | -             | -             | 1,000         | 1,000              | 1,000          |
| Radio Access Network Expansion                              | -             | -             | -             | 4,500         | 6,200         | 10,700             | 28,300         |
| Radio Subscriber – FY 2027 Telecommunications Upgrade       | -             | 1,500         | 1,500         | 1,200         | -             | 4,200              | 4,200          |
| Telecommunications Information Management System            | -             | 2,000         | -             | -             | -             | 2,000              | 2,000          |
| <b>Transmission Support</b>                                 |               |               |               |               |               |                    |                |
| Minor Capital                                               | -             | 18,000        | 18,000        | 18,000        | 18,000        | 72,000             | 72,000         |
| Future Subtotal                                             | -             | 40,900        | 36,880        | 39,295        | 43,960        | 161,035            | 178,635        |
| <b>Total Enterprise Support</b>                             | <b>69,557</b> | <b>59,200</b> | <b>49,080</b> | <b>66,095</b> | <b>51,710</b> | <b>295,642</b>     | <b>353,510</b> |

# Appendix



# LCRA Consolidated

## (Including Nonprofit Corporations)

(Dollars in millions)

|                                                  | Budgeted   | Proposed | Forecast |         |         |         |
|--------------------------------------------------|------------|----------|----------|---------|---------|---------|
|                                                  | FY 2025    | FY 2026  | FY 2027  | FY 2028 | FY 2029 | FY 2030 |
| <b>Revenues</b>                                  |            |          |          |         |         |         |
| <b>Total Net Revenue<sup>1</sup></b>             | \$ 1,582.5 | 1,823.1  | 1,965.8  | 2,087.3 | 2,279.8 | 2,492.3 |
| <b>Expenses</b>                                  |            |          |          |         |         |         |
| <b>Total Net Expense<sup>1</sup></b>             | 903.1      | 1,048.4  | 1,100.9  | 1,140.6 | 1,179.6 | 1,245.2 |
| <b>Net Operating Margin</b>                      | 679.4      | 774.6    | 864.9    | 946.7   | 1,100.2 | 1,247.0 |
| Less: GenTex Funds <sup>2</sup>                  | (1.4)      | (7.5)    | (2.4)    | (1.7)   | (6.6)   | (0.8)   |
| <b>Net Margin for Debt Service, Adjusted</b>     | 678.0      | 767.2    | 862.5    | 945.1   | 1,093.6 | 1,246.2 |
| <b>Debt Service</b>                              | \$ 471.6   | 523.1    | 610.8    | 672.7   | 762.1   | 828.5   |
| <b>Debt Service Coverage, Adjusted</b>           | 1.44x      | 1.47x    | 1.41x    | 1.40x   | 1.44x   | 1.50x   |
| <b>Net Margin After Debt Service<sup>3</sup></b> | \$ 207.8   | 251.5    | 254.1    | 274.0   | 338.1   | 418.6   |
| Less:                                            |            |          |          |         |         |         |
| Operating Reserves                               | 30.4       | 73.3     | 58.2     | 40.3    | 37.8    | 47.3    |
| Revenue-Funded Capital                           | 170.7      | 171.9    | 181.1    | 216.6   | 267.2   | 319.5   |
| Noncash Revenue                                  | 2.2        | 2.3      | 2.3      | 2.2     | 2.2     | 2.2     |
| Restricted for (Use of) Reserves                 | (3.4)      | 1.3      | 9.9      | 12.4    | 28.5    | 47.1    |
| Restricted for Capital/Debt Retirement           | 5.4        | 0.0      | 0.0      | 0.0     | 0.0     | 0.0     |
| Grants                                           | 2.6        | 2.8      | 2.6      | 2.4     | 2.4     | 2.4     |
| <b>Net Cash Flow</b>                             | \$ 0.0     | 0.0      | 0.0      | 0.0     | 0.0     | 0.0     |

<sup>1</sup> Total net revenues and total net expenses are net of intracompany transfers. Total revenues include interest income. Operations and maintenance expense excludes the LCRA TSC capital charge, which is a capital expense for LCRA consolidated.

<sup>2</sup> Includes adjustments related to GenTex capital funding and reserve funding.

<sup>3</sup> Net margin after debt service includes funds dedicated to GenTex.

# **Wholesale Power**

## **(Including Nonprofit Corporations)**

**Confidential competitive electric information has been  
removed from this version of the document.**

# LCRA TSC

(Dollars in millions)

|                                                       | Budgeted | Proposed | Forecast |         |         |         |
|-------------------------------------------------------|----------|----------|----------|---------|---------|---------|
|                                                       | FY 2025  | FY 2026  | FY 2027  | FY 2028 | FY 2029 | FY 2030 |
| Revenues                                              | \$ 738.3 | 823.0    | 926.4    | 1,009.6 | 1,163.4 | 1,324.4 |
| Operations and Maintenance                            | 158.7    | 181.9    | 186.3    | 194.0   | 208.3   | 221.5   |
| <b>Net Operating Margin</b>                           | 579.6    | 641.1    | 740.1    | 815.6   | 955.1   | 1,102.8 |
| Plus: Interest Income                                 | 9.1      | 9.4      | 9.8      | 9.8     | 9.6     | 8.4     |
| Less: Assigned Enterprise Expense                     | 78.4     | 74.7     | 92.5     | 94.9    | 100.8   | 110.6   |
| Public Service Fund                                   | 22.1     | 24.7     | 27.8     | 30.3    | 34.9    | 39.7    |
| Resource Development Fund                             | 14.8     | 16.5     | 18.5     | 20.2    | 23.3    | 26.5    |
| <b>Net Margin Available for Debt Service</b>          | 473.4    | 534.7    | 611.1    | 680.0   | 805.7   | 934.4   |
| <b>Debt Service</b>                                   | \$ 346.5 | 388.4    | 452.6    | 509.0   | 594.9   | 657.5   |
| <b>Debt Service Coverage</b>                          | 1.37x    | 1.38x    | 1.35x    | 1.34x   | 1.35x   | 1.42x   |
| <b>Net Margin After Debt Service</b>                  | \$ 126.9 | 146.3    | 158.5    | 171.0   | 210.8   | 276.9   |
| Less:                                                 |          |          |          |         |         |         |
| Operating Reserves                                    | 19.6     | 24.2     | 28.7     | 28.3    | 31.3    | 34.5    |
| Assigned Enterprise Capital                           | 31.0     | 36.0     | 33.9     | 25.7    | 40.7    | 21.5    |
| Assigned Transmission Minor Capital                   | 17.9     | 17.9     | 17.9     | 17.9    | 17.9    | 18.0    |
| Revenue-Funded Capital                                | 77.0     | 92.6     | 104.3    | 129.4   | 156.6   | 241.0   |
| Plus:                                                 |          |          |          |         |         |         |
| Amortization of Enterprise/Minor Capital <sup>1</sup> | 18.6     | 24.4     | 26.4     | 30.3    | 35.8    | 38.0    |
| <b>Net Cash Flow</b>                                  | \$ 0.0   | 0.0      | 0.0      | 0.0     | 0.0     | 0.0     |

<sup>1</sup> In FY 2012, LCRA TSC began funding minor capital and its share of enterprise capital with current year revenues. It will include an amortization of the amount in each year to recover in rates.

# Water

(Dollars in millions)

## **Revenues**

|                                              | Budgeted | Proposed | Forecast |         |         |         |
|----------------------------------------------|----------|----------|----------|---------|---------|---------|
|                                              | FY 2025  | FY 2026  | FY 2027  | FY 2028 | FY 2029 | FY 2030 |
| Firm Water                                   | \$ 35.1  | 36.1     | 33.3     | 33.8    | 34.5    | 34.8    |
| Agriculture                                  | 8.2      | 8.3      | 11.9     | 12.6    | 13.5    | 14.1    |
| Other                                        | 2.9      | 3.5      | 3.1      | 2.2     | 2.2     | 2.2     |
| <b>Total Revenues</b>                        | 46.2     | 48.0     | 48.2     | 48.6    | 50.2    | 51.0    |
| Operations and Maintenance                   | 20.7     | 22.1     | 21.6     | 19.8    | 20.1    | 20.3    |
| <b>Net Operating Margin</b>                  | 25.5     | 26.0     | 26.7     | 28.8    | 30.1    | 30.8    |
| Plus: Interest Income                        | 2.5      | 2.3      | 2.4      | 2.4     | 2.6     | 2.3     |
| Less: Assigned Enterprise Expense            | 7.9      | 8.2      | 8.6      | 8.4     | 9.3     | 9.9     |
| Public Service Fund                          | 1.3      | 1.3      | 1.4      | 1.4     | 1.4     | 1.5     |
| Resource Development Fund                    | 0.7      | 0.7      | 0.7      | 0.7     | 0.7     | 0.7     |
| <b>Net Margin Available for Debt Service</b> | 18.1     | 17.9     | 18.4     | 20.7    | 21.3    | 21.0    |
| <b>Debt Service</b>                          | \$ 26.4  | 28.3     | 31.7     | 33.1    | 34.9    | 34.8    |
| <b>Debt Service Coverage</b>                 | 0.69x    | 0.63x    | 0.58x    | 0.63x   | 0.61x   | 0.60x   |
| Plus: Resource Development Funding           | \$ 19.1  | 22.0     | 22.0     | 22.1    | 22.3    | 22.4    |
| <b>Debt Service Coverage, Adjusted</b>       | 1.41x    | 1.41x    | 1.27x    | 1.29x   | 1.25x   | 1.25x   |
| <b>Net Margin After Debt Service</b>         | 10.8     | 11.6     | 8.7      | 9.7     | 8.6     | 8.6     |
| Less:                                        |          |          |          |         |         |         |
| Operating Reserves                           | 1.0      | 0.4      | 0.0      | 0.0     | 0.3     | 0.2     |
| Assigned Enterprise Capital                  | 1.4      | 1.5      | 1.5      | 1.1     | 1.6     | 0.9     |
| Revenue-Funded Capital                       | 8.3      | 9.3      | 7.2      | 7.8     | 5.3     | 5.9     |
| Noncash Revenues                             | 1.9      | 1.9      | 1.9      | 1.9     | 1.9     | 1.9     |
| Plus:                                        |          |          |          |         |         |         |
| Agriculture Reserve Fund                     | 1.7      | 1.5      | 1.8      | 1.1     | 0.4     | 0.2     |
| <b>Net Cash Flow</b>                         | \$ 0.0   | 0.0      | 0.0      | 0.0     | 0.0     | 0.0     |

# Strategic Services

(Dollars in millions)

|                                      | Budgeted        | Proposed | Forecast |         |         |         |
|--------------------------------------|-----------------|----------|----------|---------|---------|---------|
|                                      | FY 2025         | FY 2026  | FY 2027  | FY 2028 | FY 2029 | FY 2030 |
| Revenues                             | \$ 19.1         | 22.6     | 25.0     | 29.1    | 34.9    | 46.3    |
| Operations and Maintenance           | 14.8            | 16.6     | 16.7     | 17.0    | 17.5    | 18.1    |
| <b>Net Operating Margin</b>          | 4.3             | 6.0      | 8.3      | 12.1    | 17.4    | 28.2    |
| Less: Assigned Enterprise Expense    | 3.4             | 4.0      | 4.3      | 4.5     | 4.8     | 5.1     |
| Public Service Fund                  | 0.6             | 0.7      | 0.8      | 0.9     | 1.0     | 1.4     |
| Resource Development Fund            | 0.4             | 0.5      | 0.5      | 0.6     | 0.7     | 0.9     |
| <b>Net Margin Available</b>          | <b>\$ (0.1)</b> | 0.9      | 2.8      | 6.1     | 10.8    | 20.7    |
| <b>Debt Service</b>                  | <b>\$ 0.1</b>   | 0.0      | 0.2      | 0.2     | 0.2     | 0.2     |
| <b>Net Margin After Debt Service</b> | (0.2)           | 0.9      | 2.6      | 5.8     | 10.6    | 20.5    |
| Less:                                |                 |          |          |         |         |         |
| Operating Reserves                   | 0.3             | 1.1      | 0.3      | 3.2     | 0.5     | 0.7     |
| Revenue-Funded Capital               | 0.6             | 0.7      | 0.6      | 0.5     | 0.6     | 0.7     |
| Assigned Enterprise Capital          | 1.0             | 1.8      | 1.7      | 1.3     | 2.1     | 1.1     |
| Assigned Transmission Minor Capital  | 0.1             | 0.1      | 0.1      | 0.1     | 0.1     | 0.0     |
| Restricted for Reserves              | 0.0             | 0.0      | 0.0      | 0.9     | 7.3     | 18.0    |
| Plus:                                |                 |          |          |         |         |         |
| Prior-Year Reserves                  | 2.2             | 2.8      | 0.0      | 0.0     | 0.0     | 0.0     |
| <b>Net Cash Flow</b>                 | <b>\$ 0.0</b>   | 0.0      | 0.0      | 0.0     | 0.0     | 0.0     |

# LCRA TSC Approved Projects

## LCRA Transmission Services Corporation FY 2026 Capital Plan Approved Projects

(Dollars in thousands)

| Project Name                                                  | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | Five-Year<br>Total | Lifetime |
|---------------------------------------------------------------|---------|---------|---------|---------|---------|--------------------|----------|
| <b>Generator Interconnection Projects</b>                     |         |         |         |         |         |                    |          |
| John Dumas Circuit Breaker Addition                           | 13,905  | 7       | -       | -       | -       | 13,912             | 22,200   |
| Leesville Substation Addition                                 | 329     | -       | -       | -       | -       | 329                | 12,400   |
| Twelvemile Substation Addition                                | 218     | -       | -       | -       | -       | 218                | 49,800   |
| Generator Interconnection Projects Subtotal                   | 14,452  | 7       | -       | -       | -       | 14,459             | 84,400   |
| <b>Service Reliability Projects</b>                           |         |         |         |         |         |                    |          |
| Antler-Bergheim Transmission Line Upgrade                     | 28      | -       | -       | -       | -       | 28                 | 87,327   |
| Battery Systems – FY 2024 Substation Upgrade                  | 28      | -       | -       | -       | -       | 28                 | 3,700    |
| Boerne Split-Welfare Transmission Line Upgrade                | 46,852  | -       | -       | -       | -       | 46,852             | 93,600   |
| Central Texas Electric Cooperative Area Substation Upgrade    | 162     | 10      | -       | -       | -       | 172                | 3,100    |
| Circuit Switcher – FY 2023 Substation Upgrade                 | 1,568   | -       | -       | -       | -       | 1,568              | 4,149    |
| Dalchau Service Center Physical Security Facilities Upgrade   | 54      | -       | -       | -       | -       | 54                 | 2,500    |
| Doss-Headwaters Transmission Line Overhaul                    | 19,695  | -       | -       | -       | -       | 19,695             | 29,500   |
| Easement Enhancement – FY 2023 System Upgrade                 | 11      | -       | -       | -       | -       | 11                 | 5,700    |
| Easement Enhancement – FY 2024 System Upgrade                 | 1,064   | -       | -       | -       | -       | 1,064              | 8,600    |
| Easement Enhancement – FY 2025 System Upgrade                 | 4,043   | 1,091   | -       | -       | -       | 5,134              | 8,600    |
| Eckert Power Transformer Upgrade                              | 1,786   | -       | -       | -       | -       | 1,786              | 6,300    |
| Edge Firewall – FY 2023 Telecommunications Upgrade            | 16      | -       | -       | -       | -       | 16                 | 2,000    |
| Elgin Switch Substation Upgrade                               | 33      | -       | -       | -       | -       | 33                 | 11,100   |
| Energy Management System – FY 2023 System Upgrade             | 517     | -       | -       | -       | -       | 517                | 12,700   |
| Flatonia-Plum Transmission Line Overhaul                      | 190     | -       | -       | -       | -       | 190                | 9,000    |
| FPP Yard 2-Lytton Springs Easement Enhancement System Upgrade | 1,301   | 27      | -       | -       | -       | 1,328              | 4,100    |
| FPP Yard 2-Lytton Springs Transmission Line Overhaul          | 9,054   | -       | -       | -       | -       | 9,054              | 101,700  |

# LCRA TSC Approved Projects (Continued)

## LCRA Transmission Services Corporation FY 2026 Capital Plan Approved Projects

(Dollars in thousands)

| Project Name                                               | FY 2026        | FY 2027       | FY 2028  | FY 2029  | FY 2030  | Five-Year<br>Total | Lifetime       |
|------------------------------------------------------------|----------------|---------------|----------|----------|----------|--------------------|----------------|
| <b>Service Reliability Projects (continued)</b>            |                |               |          |          |          |                    |                |
| Georgetown Area Substation Upgrade                         | 27             | -             | -        | -        | -        | 27                 | 7,600          |
| Kendall-Welfare Transmission Line Upgrade                  | 66,472         | 25,321        | -        | -        | -        | 91,793             | 122,000        |
| Lockhart-Luling 69-kVA Transmission Line Overhaul          | 359            | -             | -        | -        | -        | 359                | 47,400         |
| Magnolia-Magnolia Tap Fiber Addition                       | 10             | -             | -        | -        | -        | 10                 | 3,400          |
| McCarty Lane-Zorn Transmission Line Storm Hardening        | 95             | -             | -        | -        | -        | 95                 | 24,800         |
| Mobile Substation – FY 2025 Power Transformer Addition     | 1,221          | 2,279         | -        | -        | -        | 3,500              | 5,700          |
| Mont-Pilot Grove Transmission Line Overhaul                | 40             | -             | -        | -        | -        | 40                 | 16,200         |
| Physical Security – FY 2024 Substation Upgrade             | 12             | -             | -        | -        | -        | 12                 | 6,200          |
| Pilot Grove-Yoakum Gartner Road Transmission Line Overhaul | 1,000          | -             | -        | -        | -        | 1,000              | 14,200         |
| Plum Substation Upgrade                                    | 45             | -             | -        | -        | -        | 45                 | 7,800          |
| Rim Rock Substation Upgrade                                | 50             | -             | -        | -        | -        | 50                 | 4,100          |
| Spare Transformer – FY 2025 Power Transformer Addition     | 50             | 2,566         | -        | -        | -        | 2,616              | 2,704          |
| Transmission Insulators – FY 2024 System Upgrade           | 31             | -             | -        | -        | -        | 31                 | 5,100          |
| <b>Service Reliability Projects Subtotal</b>               | <b>155,814</b> | <b>31,294</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>187,108</b>     | <b>660,880</b> |
| <b>System Capacity Projects</b>                            |                |               |          |          |          |                    |                |
| Bakersfield Dynamic Reactive Substation Upgrade            | 72,345         | 71,503        | 13,343   | -        | -        | 157,191            | 215,000        |
| Bearkat-North McCamey Transmission Line Addition           | 159,540        | 5,720         | -        | -        | -        | 165,260            | 260,300        |
| Chief Brady-Georgetown Transmission Line Upgrade           | 42             | -             | -        | -        | -        | 42                 | 14,700         |
| Crane Circuit Breaker Addition                             | 33             | -             | -        | -        | -        | 33                 | 1,396          |
| Harris Branch Substation Upgrade                           | 2,270          | -             | -        | -        | -        | 2,270              | 7,700          |
| Henne Bus Substation Upgrade                               | 17,063         | 191           | -        | -        | -        | 17,254             | 21,600         |
| Hornsby Power Transformer Addition                         | 10             | -             | -        | -        | -        | 10                 | 13,400         |



# LCRA TSC Approved Projects (Continued)

## LCRA Transmission Services Corporation FY 2026 Capital Plan Approved Projects

(Dollars in thousands)

| Project Name                                       | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | Five-Year<br>Total | Lifetime  |
|----------------------------------------------------|---------|---------|---------|---------|---------|--------------------|-----------|
| <b>System Capacity Projects (continued)</b>        |         |         |         |         |         |                    |           |
| Limmer Substation Addition                         | 1,040   | -       | -       | -       | -       | 1,040              | 49,500    |
| North McCamey-Sand Lake Transmission Line Addition | 142,960 | 16,785  | -       | -       | -       | 159,745            | 293,000   |
| Redwood-San Marcos Transmission Line Upgrade       | 19,005  | -       | -       | -       | -       | 19,005             | 46,400    |
| San Marcos Bus Substation Upgrade                  | 77      | -       | -       | -       | -       | 77                 | 3,800     |
| San Marcos-Strahan Transmission Line Upgrade       | 82      | -       | -       | -       | -       | 82                 | 12,800    |
| Saxet Substation Addition                          | 96      | 2       | -       | -       | -       | 98                 | 4,400     |
| Sim Gideon-Swiftex Transmission Line Upgrade       | 19,985  | -       | -       | -       | -       | 19,985             | 40,400    |
| System Capacity Projects Subtotal                  | 434,548 | 94,201  | 13,343  | -       | -       | 542,092            | 984,396   |
| Approved Subtotal                                  | 604,814 | 125,502 | 13,343  | -       | -       | 743,659            | 1,729,676 |

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