

LCRA Transmission Services Corporation

Board Agenda

Wednesday, May 24, 2023

LCRA General Office Complex
Board Room – Hancock Building

3700 Lake Austin Blvd.

Austin, TX 78703

Earliest start time: 9 a.m.

Items From the Chair

1. Comments From the Public 4

Items From the Chief Financial Officer

2. Financial Report 5

Consent Items

- *3. Sale of Land in Williamson County 7
4. Minutes of Prior Meeting 10

Action Items

5. LCRA Transmission Services Corporation Fiscal Year 2024 Business
and Capital Plans 14
6. Capital Improvement Projects Approval 16
7. Acquisition of Interests in Real Property – Use of Eminent Domain
in Kendall, Gillespie and Gonzales Counties 20

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

Executive Session

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

Legal Notice

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

OVERVIEW OF LCRA TRANSMISSION SERVICES CORPORATION

In connection with the implementation of retail competition in the electric utility industry in the state of Texas, LCRA was required by the Texas Legislature in its amendments to the Public Utility Regulatory Act (enacted in 1999 under state legislation known as Senate Bill 7, and referred to as SB 7) to unbundle its electric generation assets from its electric transmission and distribution assets. LCRA conveyed, effective Jan. 1, 2002, all of its existing electric transmission and transformation assets (collectively, the Transferred Transmission Assets) to the LCRA Transmission Services Corporation (LCRA TSC) pursuant to the terms of an Electric Transmission Facilities Contract (the Initial Contractual Commitment), dated Oct. 1, 2001.

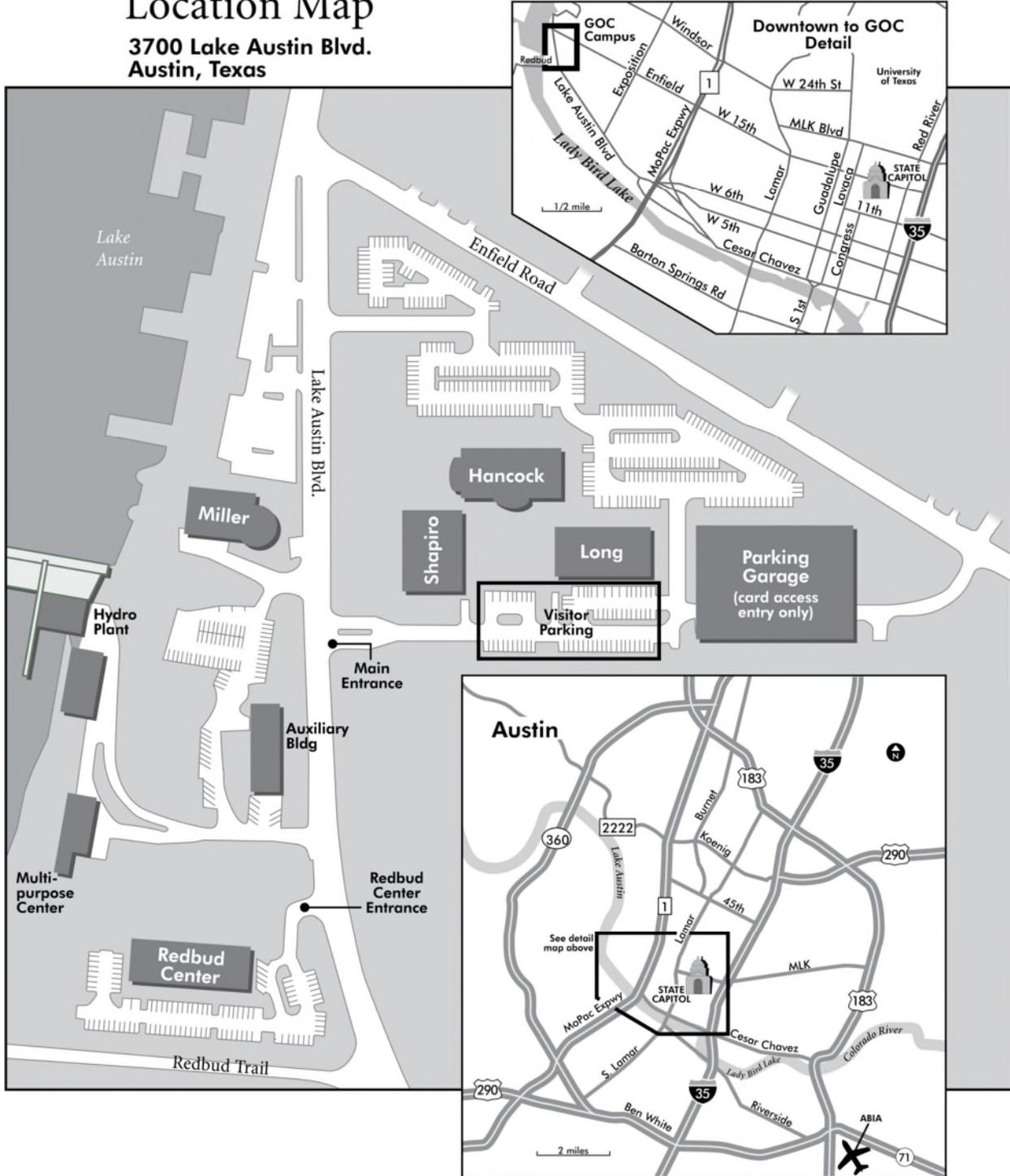
LCRA TSC is a nonprofit corporation created by LCRA to act on LCRA's behalf pursuant to Chapter 152, Texas Water Code, as amended. After Jan. 1, 2002, LCRA TSC engaged in the electric transmission and transformation activities previously carried out by LCRA and assumed LCRA's obligation to provide, and the right to collect revenues for, electric transmission and transformation services. LCRA TSC is an electric transmission service provider (a TSP) under the state's open-access electric transmission regulatory scheme within the approximately 85% area of the state covered by the Electric Reliability Council of Texas (ERCOT). In such capacity, LCRA TSC is entitled to receive compensation from all electric distribution service providers using the electric transmission system within ERCOT. As a TSP in the ERCOT region of the state, the rates that LCRA TSC will charge for transmission services are regulated by the Public Utility Commission of Texas (PUC) and determined pursuant to transmission cost of service rate proceedings filed with and approved by the PUC.

Within the framework of SB 7, LCRA TSC implements the electric transmission business of LCRA, including the expansion of electric transmission services outside of LCRA's traditional electric service territory. LCRA personnel are responsible for performing all of LCRA TSC's activities pursuant to a services agreement between LCRA TSC and LCRA. This includes procuring goods and services on behalf of LCRA TSC and is reflected in the LCRA Board agenda contracts.

Under the LCRA Master Resolution, defined as the LCRA Board resolution governing LCRA's outstanding debt, and certain provisions of state law, the LCRA Board is required to exercise control over all operations of LCRA TSC. This control includes approval of LCRA TSC's business plan and of the sale or disposition of any significant assets of LCRA TSC. The Board of Directors of LCRA TSC (LCRA TSC Board) is appointed by and serves at the will of the LCRA Board. The current membership of LCRA TSC Board is made up entirely of the existing LCRA Board.

LCRA General Office Complex Location Map

3700 Lake Austin Blvd.
Austin, Texas



FOR DISCUSSION

1. Comments From the Public

Summary

This part of the meeting is intended for comments from the public on topics under LCRA Transmission Services Corporation's jurisdiction but not related to an item on the Board of Directors agenda. No responses or action may be taken by the Board during public comments.

In order to address the Board, a member of the public is required to sign and complete the registration form at the entrance to the meeting room.

Any member of the public wishing to comment on an item listed on this agenda will be called to make comments at the appropriate time.

FOR DISCUSSION

2. Financial Report

Summary

The financial report for LCRA Transmission Services Corporation covering the fiscal year to date.

Presenter(s)

Jim Travis

Treasurer and Chief Financial Officer

THIS PAGE LEFT BLANK INTENTIONALLY

LCRA Transmission Services Corporation
Financial Highlights
April 2023

LCRA Transmission Services Corporation
Table of Contents

Budget-to-Actual Highlights..... 1

Board Metrics and Income Statement Trends 2

Condensed Balance Sheets..... 3

Condensed Statements of Revenues, Expenses and Changes in Equity 4

Key term:

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

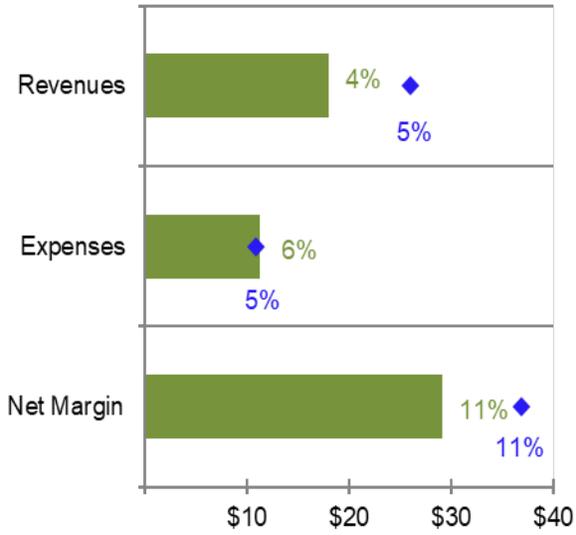
LCRA Transmission Services Corporation

April 30, 2023

(Dollars in Millions)

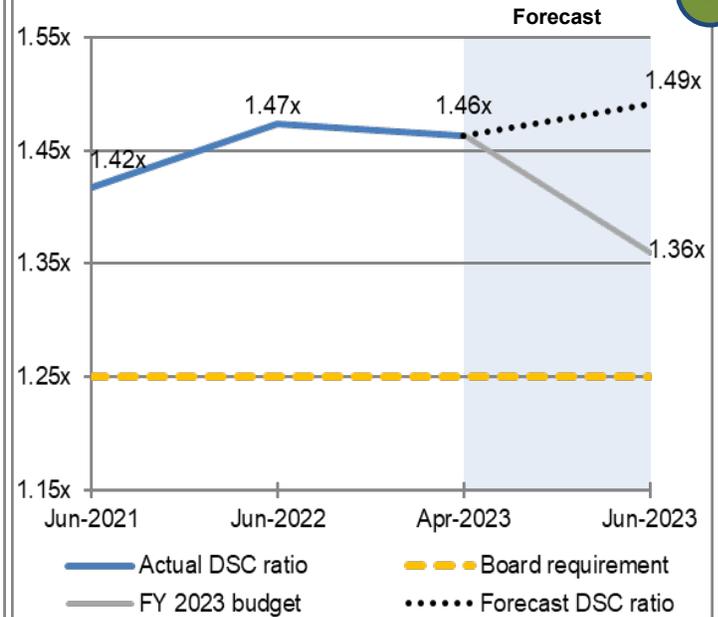
Budget-to-Actual Highlights

Net Margin Fiscal Year-to-Date Variances



% = Variance from budget ♦ FY 2023 fiscal year-end forecast

Debt Service Coverage



Key takeaways:

- Higher-than-budgeted interest income, cost of service and other revenues, and lower-than-budgeted expenses primarily drove year-to-date performance and the year-end forecast.
- Higher-than-budgeted cost of service revenue, interest income and other revenues, and lower-than-budgeted expenses drove the higher-than-budgeted debt service coverage ratio forecast.

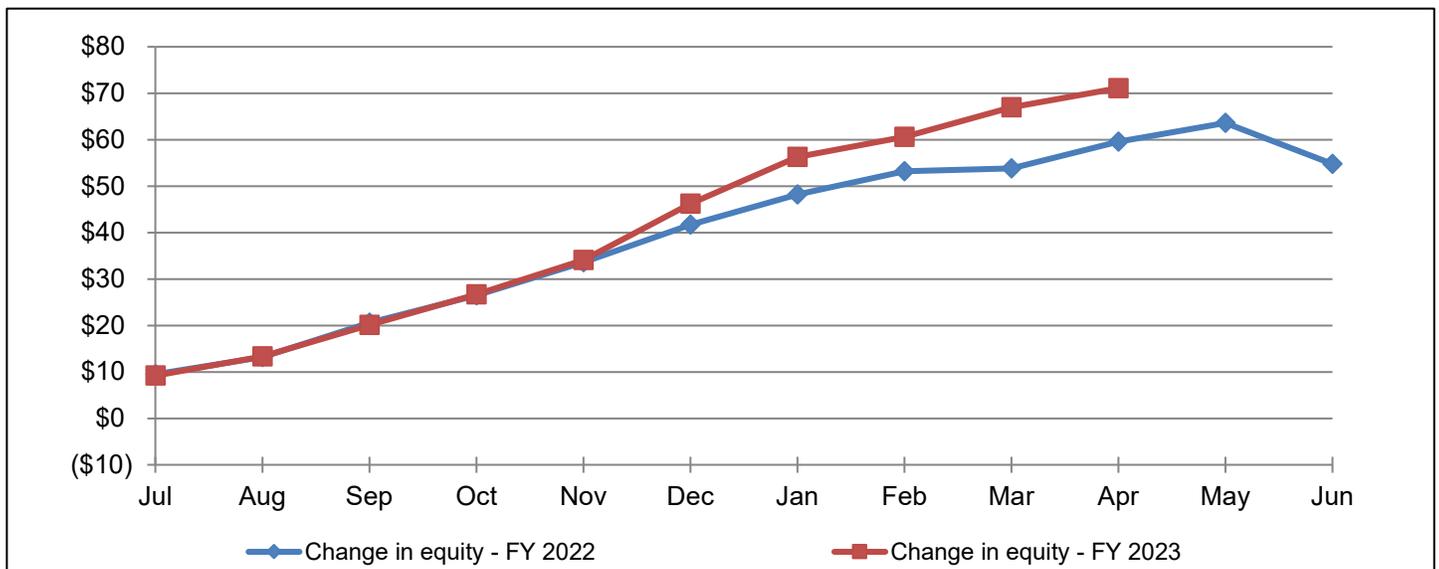
LCRA Transmission Services Corporation

April 30, 2023
(Dollars in Millions)

Board Metrics

Board Metric	Description	Compliant
Equity Ratio	LCRA TSC will build equity that will maintain appropriate access to capital markets and is consistent with regulatory guidance. While LCRA TSC may be highly leveraged during periods of rapid growth, LCRA TSC business plans will specifically address the accumulation of equity to achieve and maintain a minimum long-term equity position of 20%.	✓
Debt Service Reserves	LCRA TSC will covenant debt service reserves in the amount of six months of maximum annual debt service requirements on outstanding debt. Debt service reserves may be collected through rates or met with proceeds from additional debt or through the use of a surety to mitigate rate impacts.	✓
Operating Reserves	LCRA TSC will build and maintain appropriate target levels of operating reserves as follows: six months of average debt service on all outstanding LCRA TSC debt and other obligations to LCRA; and two months of average operating and maintenance expenses, including those billed by LCRA. If at any time the reserves are less than the target levels set forth in this policy, the Board will promptly implement a plan, to be recommended by staff, to increase rates, reduce costs or otherwise cause there to be sufficient revenues to replenish the reserves to such target levels within 12 months.	✓

Income Statement Trends Cumulative Fiscal Year to Date



Key takeaway:

- Net income increased year over year primarily due to an increase in nonoperating revenue related to an increase in interest income.

LCRA Transmission Services Corporation

April 30, 2023

(Dollars in Millions)

Condensed Balance Sheets

	<u>April 30, 2023</u>	<u>April 30, 2022</u>
Assets		
Cash and cash equivalents	\$ 251.4	\$ 334.7
Current assets	<u>216.8</u>	<u>191.9</u>
Total current assets	<u>468.2</u>	<u>526.6</u>
Capital assets	4,145.9	3,697.8
Long-term assets	<u>648.1</u>	<u>274.1</u>
Total long-term assets	<u>4,794.0</u>	<u>3,971.9</u>
Total Assets	<u>\$ 5,262.2</u>	<u>\$ 4,498.5</u>
Liabilities		
Bonds, notes and loans payable	\$ 554.3	\$ 273.1
Current liabilities	<u>215.2</u>	<u>180.9</u>
Total current liabilities	<u>769.5</u>	<u>454.0</u>
Bonds, notes and loans payable	3,352.3	3,005.7
Long-term liabilities	<u>183.5</u>	<u>148.2</u>
Total long-term liabilities	<u>3,535.8</u>	<u>3,153.9</u>
Equity		
Total equity	<u>956.9</u>	<u>890.6</u>
Total Liabilities and Equity	<u>\$ 5,262.2</u>	<u>\$ 4,498.5</u>

Key takeaway:

- Assets and liabilities are trending higher compared with April 2022 due to construction activities related to the capital plan.

LCRA Transmission Services Corporation

April 30, 2023

(Dollars in Millions)

Condensed Statements of Revenues, Expenses and Changes in Equity

Fiscal Year to Date

	2023	2022
Operating Revenues		
Transmission	\$ 459.7	\$ 436.5
Transformation	14.8	14.3
Other	2.2	3.7
Total Operating Revenues	476.7	454.5
Operating Expenses		
Operations	132.6	127.3
Maintenance	16.1	12.1
Depreciation and amortization	102.1	89.1
Total Operating Expenses	250.8	228.5
Operating Income	225.9	226.0
Nonoperating Expenses		
Interest on debt	(88.8)	(82.1)
Other expenses	(66.0)	(84.3)
Total Nonoperating Expenses	(154.8)	(166.4)
Change in Equity	71.1	59.6
Equity - Beginning of Period	885.8	831.0
Equity - End of Period	\$ 956.9	\$ 890.6

FOR ACTION (CONSENT)

3. Sale of Land in Williamson County

Proposed Motion

Declare a tract of land in Round Rock, Williamson County, nonessential, and authorize the president and chief executive officer or his designee to sell the property to Bat City Financial LLC. Additionally, authorize the president and CEO or his designee to sell the property using sealed bids, broker listings, or other public and private sale methods in the event the current transaction fails to close and to do all things reasonably necessary to accomplish the sale thereof.

Board Consideration

LCRA Transmission Services Corporation Board Policy T401 – Land Resources requires at least 12 members of the LCRA TSC Board to declare the land no longer necessary or of beneficial use to the business of LCRA TSC before conveyance. Additionally, LCRA TSC Board Policy T401 requires LCRA TSC Board approval of the terms of all land sales before conveyance.

Budget Status and Fiscal Impact

The administrative costs associated with the sale of this land are contained in the fiscal year 2023 business plan. Proceeds from the sale of land will benefit LCRA TSC.

Summary

In 2019, LCRA TSC acquired an approximately 0.476-acre lot and house from José and Vanessa Flores to be used for the Spanish Oak to Round Rock transmission line (T642). Bat City Financial LLC requested to purchase the lot and house and agreed to a sale price of \$150,000. The sale price is based on market conditions, property conditions and needed transmission line reservations.

LCRA TSC representatives will complete environmental and cultural resource due diligence assessments in accordance with Board Policy T401.403 – Land Disposition before the sale of the property.

The property will be sold subject to the following reservations:

1. LCRA TSC will reserve all presently held oil, gas and other mineral rights of every kind or character in, on and under the property, provided that LCRA TSC shall not be permitted to drill or excavate for minerals on the surface of the property.
2. The Spanish Oak to Round Rock transmission line (T642) crosses the property to be sold. LCRA TSC will reserve an easement to accommodate current and future operational needs within the easement area.

Exhibit(s)

- A – Vicinity Map
- B – Site Map

EXHIBIT A

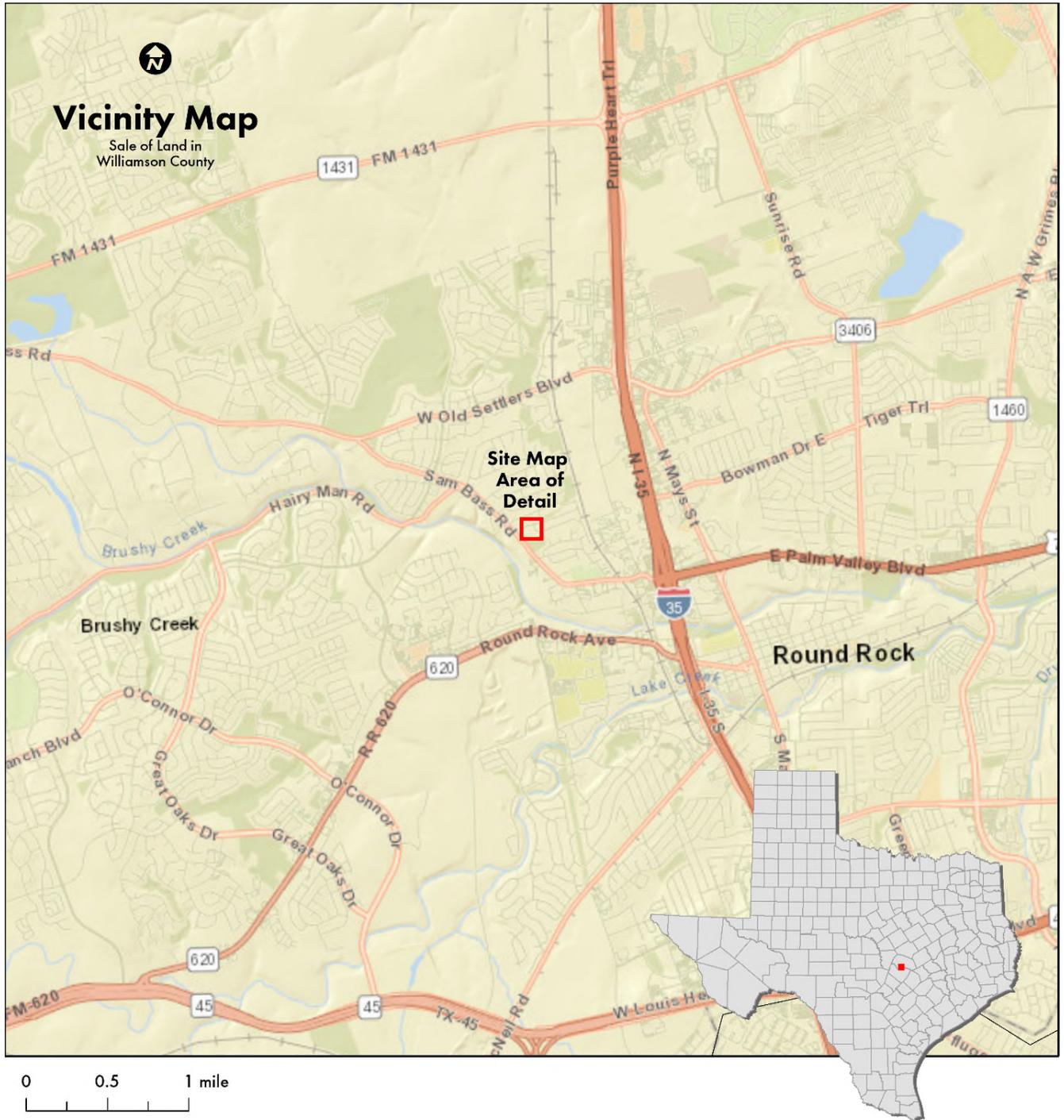
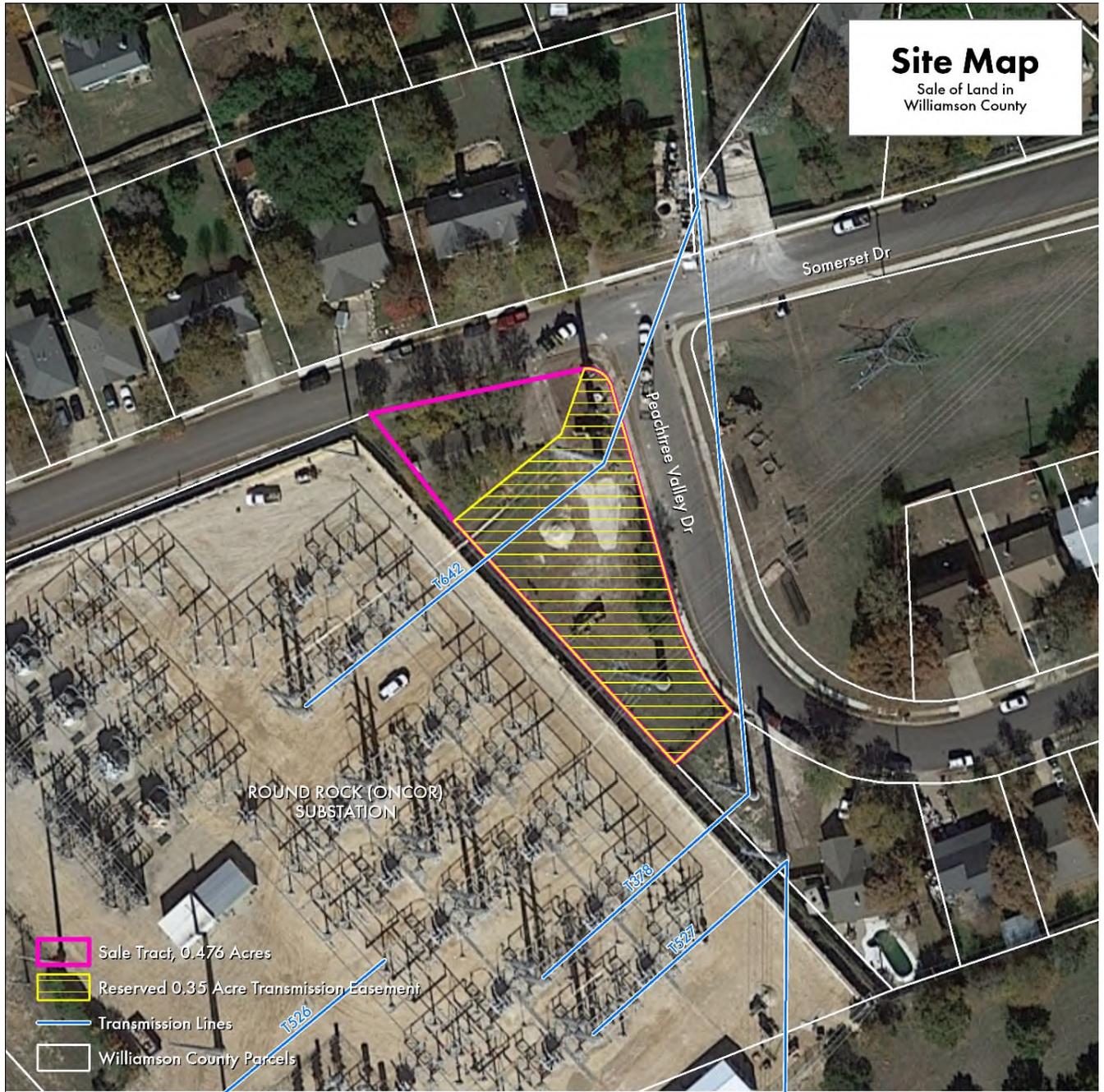


EXHIBIT B



0 100 200 Feet

Note: All acreages are approximate.

FOR ACTION (CONSENT)

4. Minutes of Prior Meeting

Proposed Motion

Approve the minutes of the April 18, 2023, meeting.

Board Consideration

Section 4.06 of the LCRA Transmission Services Corporation bylaws requires the secretary to keep minutes of all meetings of the Board of Directors.

Budget Status and Fiscal Impact

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

Summary

Staff presents the minutes of each meeting to the Board for approval.

Exhibit(s)

A – Minutes of April 18, 2023, meeting

EXHIBIT A

Minutes Digest
April 18, 2023

- 23-13 Approval of the minutes of the March 22, 2023, meeting.
- 23-14 Approval of the Capital Improvement Project Authorization Request for the following projects and associated lifetime budgets: Guadalupe to Hochheim Tap Fiber Upgrade; Paleface Substation Upgrade; Wolf Lane Substation Property Acquisition; and Kohlenberg Easement Acquisition System Upgrade.
- 23-15 Adoption of a resolution authorizing the use of the power of eminent domain in Kendall County to acquire rights in the properties described in Exhibit 1 to the resolution for the acquisition of easement rights for the LCRA Broadband Program project to provide, on behalf of LCRA and at LCRA's expense, for communications and to facilitate broadband services on the Comfort to Cypress Creek (T121) transmission line.

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF
LCRA TRANSMISSION SERVICES CORPORATION
Boerne, Texas
April 18, 2023

Pursuant to notice posted in accordance with the Texas Open Meetings Act, the Board of Directors (Board) of LCRA Transmission Services Corporation (LCRA TSC) convened in a regular meeting at 1:04 p.m. Tuesday, April 18, 2023, in the Mountain Laurel Room at The Bevy Hotel Boerne, 101 Herff Road, Boerne, Kendall County, Texas. The following directors were present, constituting a quorum:

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

Absent: Laura D. Figueroa
Raymond A. "Ray" Gill Jr.

Chair Timmerman convened the meeting at 1:04 p.m. and led the Board in pledges of allegiance to the American and Texas flags. Director Whitten provided an invocation.

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

The Board next took action on the consent agenda.

23-13 Upon motion by Director Voelter, seconded by Director Crane, the Board unanimously approved the minutes of the March 22, 2023, meeting [Consent Item 2] by a vote of 12 to 0. [Director Kelley was absent for voting on this item.]

23-14 Vice President of Transmission Asset Optimization Kristian M. Koellner presented for consideration a staff recommendation, described in Agenda Item 3 [attached hereto as Exhibit A], that the Board approve the Capital Improvement Project Authorization Request for the following projects and associated lifetime budgets: Guadalupe to Hochheim Tap Fiber Upgrade; Paleface Substation Upgrade; Wolf Lane Substation Property Acquisition; and Kohlenberg Easement Acquisition System

Upgrade. Upon motion by Director Lewis, seconded by Director Whitten, the recommendation was unanimously approved by a vote of 13 to 0.

23-15 Vice President of Real Estate Services Mark Sumrall presented for consideration a staff recommendation, described in Agenda Item 4 – Acquisition of Interests in Real Property – Use of Eminent Domain in Kendall County [attached hereto as Exhibit B]. Director Martine moved, seconded by Director Kelley, that the Board authorize by record vote the use of the power of eminent domain to acquire rights in the properties described in Exhibit 1 to the resolution for the acquisition of easement rights for the LCRA Broadband Program project to provide, on behalf of LCRA and at LCRA’s expense, for communications and to facilitate broadband services on the Comfort to Cypress Creek (T121) transmission line; and that the first record vote applies to all units of property to be condemned. The Board unanimously approved the motion by a record vote of 13 to 0.

There being no further business to come before the Board, the meeting was adjourned at 1:13 p.m.

Leigh Sebastian
Secretary
LCRA Transmission Services Corporation
Approved: May 24, 2023

FOR ACTION

5. LCRA Transmission Services Corporation Fiscal Year 2024 Business and Capital Plans

Proposed Motion

Adopt a resolution (Exhibit A) approving the LCRA Transmission Services Corporation Fiscal Year 2024 Business and Capital Plans.

Board Consideration

LCRA TSC Board Policy T301 – Finance requires approval of a business plan by the LCRA TSC Board of Directors and the LCRA Board of Directors before the start of each fiscal year.

Budget Status and Fiscal Impact

The proposed business plan and the budgets included therein provide targets for revenue, operating and maintenance expenses, and capital spending for FY 2024.

Summary

The Board received a draft of the LCRA TSC FY 2024 business and capital plans under separate cover. The business and capital plans are the LCRA TSC comprehensive operations plans and budget. Approval of the LCRA TSC FY 2024 business and capital plans provides authorization for all expenditures and plans of LCRA TSC.

Presenter(s)

Jim Travis
Treasurer and Chief Financial Officer

Exhibit(s)

A – LCRA Transmission Services Corporation Board Resolution: LCRA Transmission Services Corporation Fiscal Year 2024 Business and Capital Plans

EXHIBIT A

**LCRA TRANSMISSION SERVICES CORPORATION BOARD RESOLUTION
LCRA TRANSMISSION SERVICES CORPORATION
FISCAL YEAR 2024 BUSINESS AND CAPITAL PLANS**

BE IT RESOLVED that the LCRA Transmission Services Corporation Board of Directors hereby adopts and approves the LCRA Transmission Services Corporation Fiscal Year 2024 Business and Capital Plans.

LCRA Transmission Services Corporation has budgeted FY 2024 operating expense and capital amounts at \$156.4 million and \$759.7 million, respectively. Staff will bring future projects individually to the Board or chief executive officer for approval after scope and cost estimates have been further refined and the budget has been established.

The Board recognizes that through its normal agenda process, it will approve capital projects and other major expenditures not included in the business and capital plans, and the president and chief executive officer is instructed to inform the Board when a capital project or other major expenditure is proposed on the agenda that significantly changes or varies from the approved budget in accordance with LCRA Transmission Services Corporation Board Policy T301 – Finance. Furthermore, the president and chief executive officer shall provide the Board with monthly financial reports and quarterly business and capital plan updates describing the progress toward the accomplishment of LCRA Transmission Services Corporation’s goals within the budgeted amounts approved by the Board.

Adoption of the LCRA Transmission Services Corporation Fiscal Year 2024 Business and Capital Plans provides authorization for all expenditures and plans in the business and capital plans and approves the budget for LCRA Transmission Services Corporation, as required by state law. Individual purchases and contracts to implement the business and capital plans fall under various state laws and Board policies and may require additional approval.

FOR ACTION

6. Capital Improvement Projects Approval

Proposed Motion

Approve and ratify the Capital Improvement Project Authorization Request for the projects and associated lifetime budgets as described in exhibits A and B.

Board Consideration

LCRA Transmission Services Corporation Board Policy T301 – Finance requires Board of Directors approval for any project exceeding \$1.5 million.

Budget Status and Fiscal Impact

- All projects recommended for Board approval are within the total annual budget approved in the fiscal year 2023 capital plan.
- Staff will monitor the FY 2023 forecast and will request a fiscal year budget increase if needed.
- The treasurer and chief financial officer will release funds as needed.
- Project costs will be funded through LCRA TSC regulated rates, subject to approval by the Public Utility Commission of Texas.

Summary

Staff recommends approval of the capital projects described in exhibits A and B. These projects meet legal requirements in the Public Utility Regulatory Act and PUC rules.

Project funds will pay for activities, including but not limited to project management, engineering, materials acquisition, construction and acquisition of necessary land rights. LCRA TSC representatives will perform all necessary regulatory, real estate, environmental and cultural due diligence activities.

Presenter(s)

Kristian M. Koellner
Vice President, Transmission Asset Optimization

Exhibit(s)

A – Project Cost Estimates and Cash Flow
B – Project Details

EXHIBIT A

Project Cost Estimates and Cash Flow

Dollars in millions

Project Name	FY 2022 and Prior	FY 2023	FY 2024	FY 2025	FY 2026	Lifetime
Service Reliability Projects						
Flood Mitigation – FY 2023 System Upgrade	0.3	0.6	5.5	-	-	6.4
Instrument Transformer – FY 2023 Substation Upgrade	-	0.2	1.8	-	-	2.0
Mobile Switch Installation – FY 2023 Substation Upgrade	-	0.3	2.4	-	-	2.7
Switch Automation – FY 2023 Substation Upgrade	0.1	0.5	4.2	-	-	4.8
Winter Storm – FY 2023 System Restoration*	-	3.6	4.4	-	-	8.0
System Capacity Projects						
Cooks Point-Lyle Wolz Transmission Line Upgrade	0.2	0.2	2.2	-	-	2.6
General Additions						
LCRA Transmission Services Corporation – FY 2024 General Additions	-	-	6.0	-	-	6.0
Total	0.6	5.4	26.5	-	-	32.5

**Ratification due to Winter Storm Mara restoration work performed.*

EXHIBIT B

<h3>Project Details</h3>

Project Name: Flood Mitigation – FY 2023 System Upgrade

Project Number: 1026636

Lifetime Budget: \$6.4 million

Description: The project will address erosion issues along three transmission lines in Bastrop, Fayette and Starr counties and at Brenham, Lockhart, Kendall, Seguin West and Gilleland Creek substations. The project scope includes regrading surfaces and installing erosion control measures, replacing culverts and concrete thresholds, revegetation, and installing structures. The recommended project completion date is May 15, 2024.

Project Name: Instrument Transformer – FY 2023 Substation Upgrade

Project Number: 1026915

Lifetime Budget: \$2 million

Description: The project will increase the reliability of substation equipment at five substations in Hays, Kerr, Llano and Travis counties. The project scope includes replacing instrument transformers and surge arrestors, adding cable and conduit, and building foundations for new equipment at Ferguson, Harper Road, McNeil, San Marcos and Turnersville substations. The recommended project completion date is May 15, 2024.

Project Name: Mobile Switch Installation – FY 2023 Substation Upgrade

Project Number: 1026638

Lifetime Budget: \$2.7 million

Description: The project will increase transmission service reliability at six substations in Bastrop, Fayette, Gonzales and Lavaca counties. The project scope includes installing switches, conductor and surge arrestors and building foundations for new equipment to connect mobile transformers at Bastrop City, Flatonia, Hallettsville, Moulton, Sweet Home and Waelder substations. The recommended project completion date is May 15, 2024.

Project Name: Switch Automation – FY 2023 Substation Upgrade

Project Number: 1026524

Lifetime Budget: \$4.8 million

Description: The project will increase the reliability of substation equipment at 15 substations in Burnet, DeWitt, Gillespie, Gonzales, Guadalupe, Kerr, Lavaca, Maverick, San Saba, Travis and Williamson counties. The project scope includes installing transmission switch motor operators and other substation equipment. The recommended project completion date is May 15, 2024.

Project Name: Winter Storm – FY 2023 System Restoration*

Project Number: 1030104

Lifetime Budget: \$8 million

Description: Damage occurred at multiple transmission facilities and substations throughout LCRA TSC's service area, including the Hill Country, Central Texas, and the Interstate 35 and I-10 corridors as a result of Winter Storm Mara. Immediate steps were taken to complete necessary restoration activities due to the nature of the damage and the critical facilities involved. The completed and remaining work will restore substation and transmission facilities to normal operation by repairing the damage. The recommended project completion date is Dec. 31, 2023.

**Ratification due to Winter Storm Mara restoration work performed.*

Project Name: Cooks Point to Lyle Wolz Transmission Line Upgrade

Project Number: 1030105

Lifetime Budget: \$2.6 million

Description: The project will increase the capacity of the 138-kilovolt transmission line from the Cooks Point to Lyle Wolz substations in Burleson County by implementing necessary signal mitigation improvements per Union Pacific Railroad requirements. The recommended project completion date is Dec. 31, 2023.

Project Name: LCRA Transmission Services Corporation – FY 2024 General Additions

Project Number: 1005987

Lifetime Budget: \$6 million

Description: The project will fund required but unanticipated minor system improvements to accommodate load increases, equipment needs, substation reliability upgrades, easement enhancements, customer requests and other work driven by changing system conditions as needed through June 30, 2024.

FOR ACTION

7. Acquisition of Interests in Real Property – Use of Eminent Domain in Kendall, Gillespie and Gonzales Counties

Proposed Motion

I move that the LCRA Transmission Services Corporation Board of Directors adopt the attached resolution; that the Board authorize by record vote the use of the power of eminent domain to acquire rights in the properties described in Exhibit 1 to the resolution for the acquisition of easement rights for the LCRA Broadband Program project to provide, on behalf of LCRA and at LCRA's expense, for communications and to facilitate broadband services on the Kendall to Fredericksburg (T120), Fredericksburg to Peach (T379) and Cuero to Luling (T542) transmission lines; and that the first record vote applies to all units of property to be condemned.

Board Consideration

LCRA Transmission Services Corporation Board Policy T401 – Land Resources and Section 2206.053 of the Texas Government Code require Board authorization prior to the initiation of eminent domain proceedings.

Section 2206.053 of the Texas Government Code provides that if two or more Board members object to adopting a single resolution for all units of property, a separate record vote must be taken for each unit of property. If two or more units of real property are owned by the same person, those units may be treated as one unit of property.

LCRA utilizes LCRA Transmission Services Corporation to provide LCRA with fiberoptic communications and broadband services at LCRA's expense pursuant to LCRA Board Policy 220 – Telecommunications and Section 8503.032 of the Special District Local Laws Code.

Budget Status and Fiscal Impact

The acquisition cost was included in the Board-approved budget for the LCRA Broadband Program project.

Summary

LCRA TSC proposes to acquire communication rights, including the facilitation of broadband services, in Kendall, Gillespie and Gonzales counties for the LCRA Broadband Program project. Paul Hornsby and Company will perform independent appraisals of the interests in real property to be acquired to determine just compensation to the landowners.

Staff will make an initial offer to acquire the necessary interests in real property voluntarily from the landowners listed on Exhibit C, as required by Section 21.0113 of the Texas Property Code. Staff will continue to negotiate for the purchase of the interests in real property. Staff seeks Board authorization to proceed with condemnation if an agreement cannot be reached with the landowner(s).

Staff has provided to the Board descriptions of the specific properties to be acquired and will attach the descriptions to the resolution.

Staff requests that the Board adopt the resolution in Exhibit D authorizing the initiation of condemnation proceedings on the first record vote for all units of property.

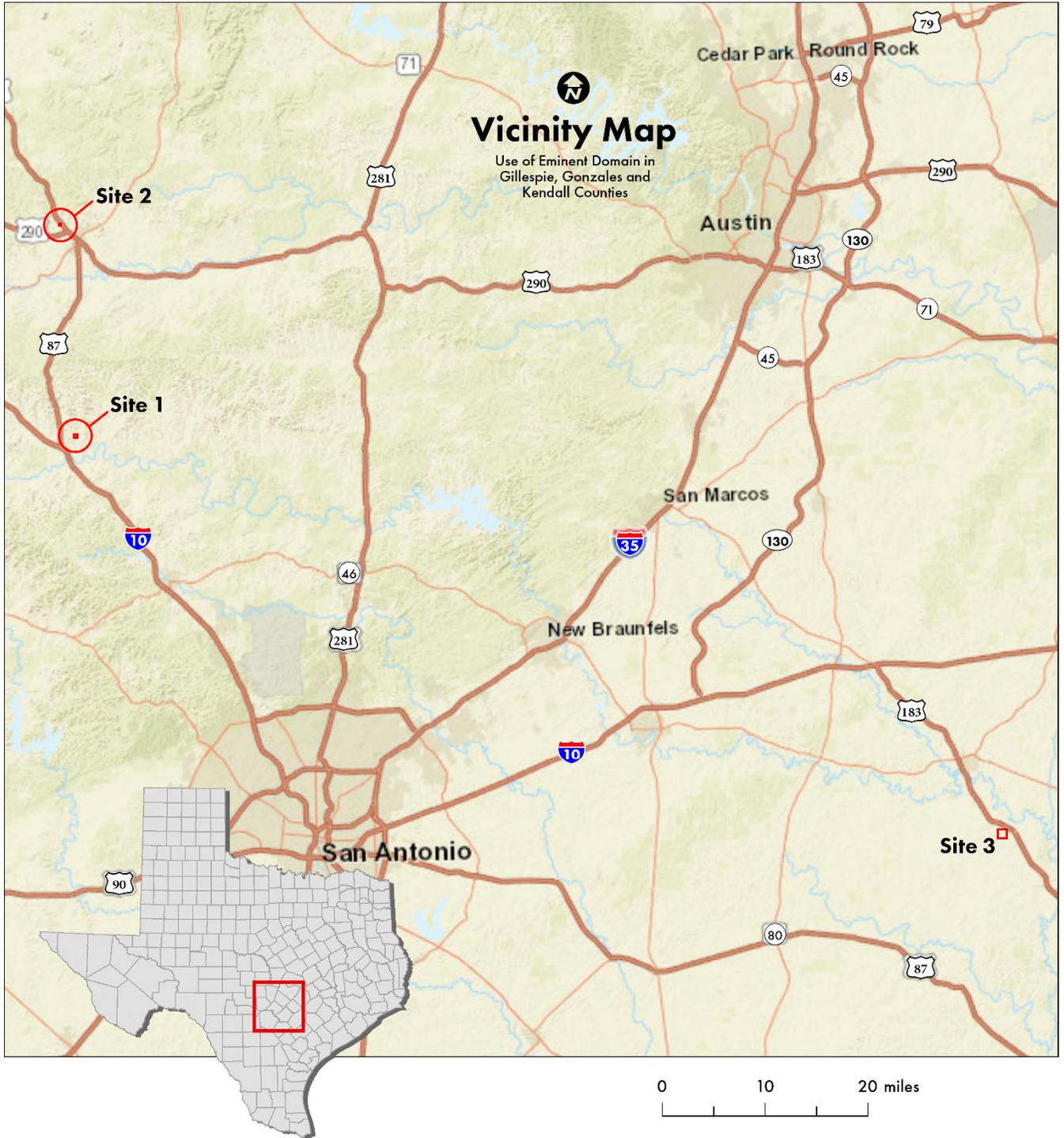
Presenter(s)

Mark Sumrall
Vice President, Real Estate Services

Exhibit(s)

A – Vicinity Map
B – Site Maps
C – Landowner List
D – Resolution
1 – Property Descriptions

EXHIBIT A



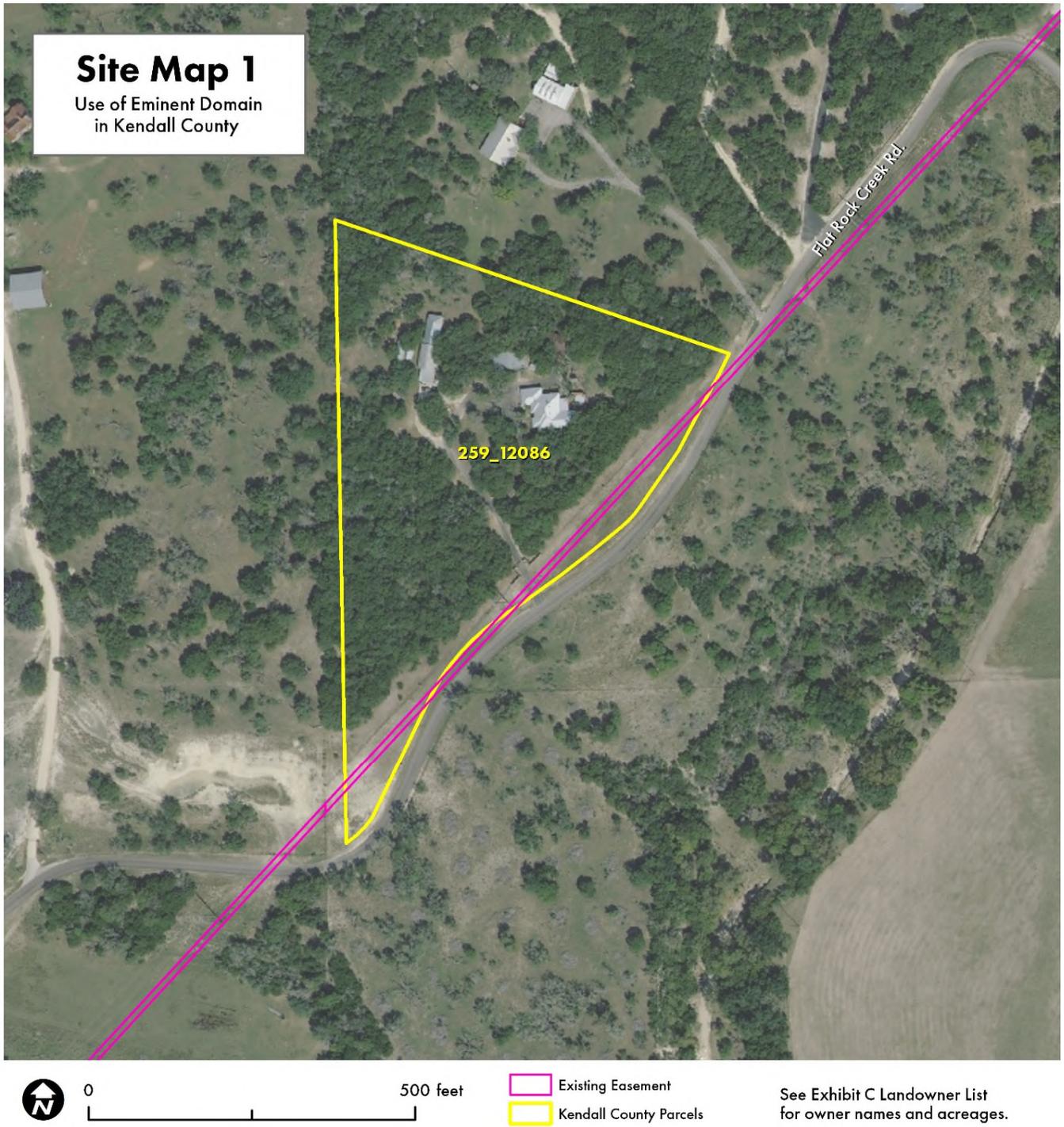
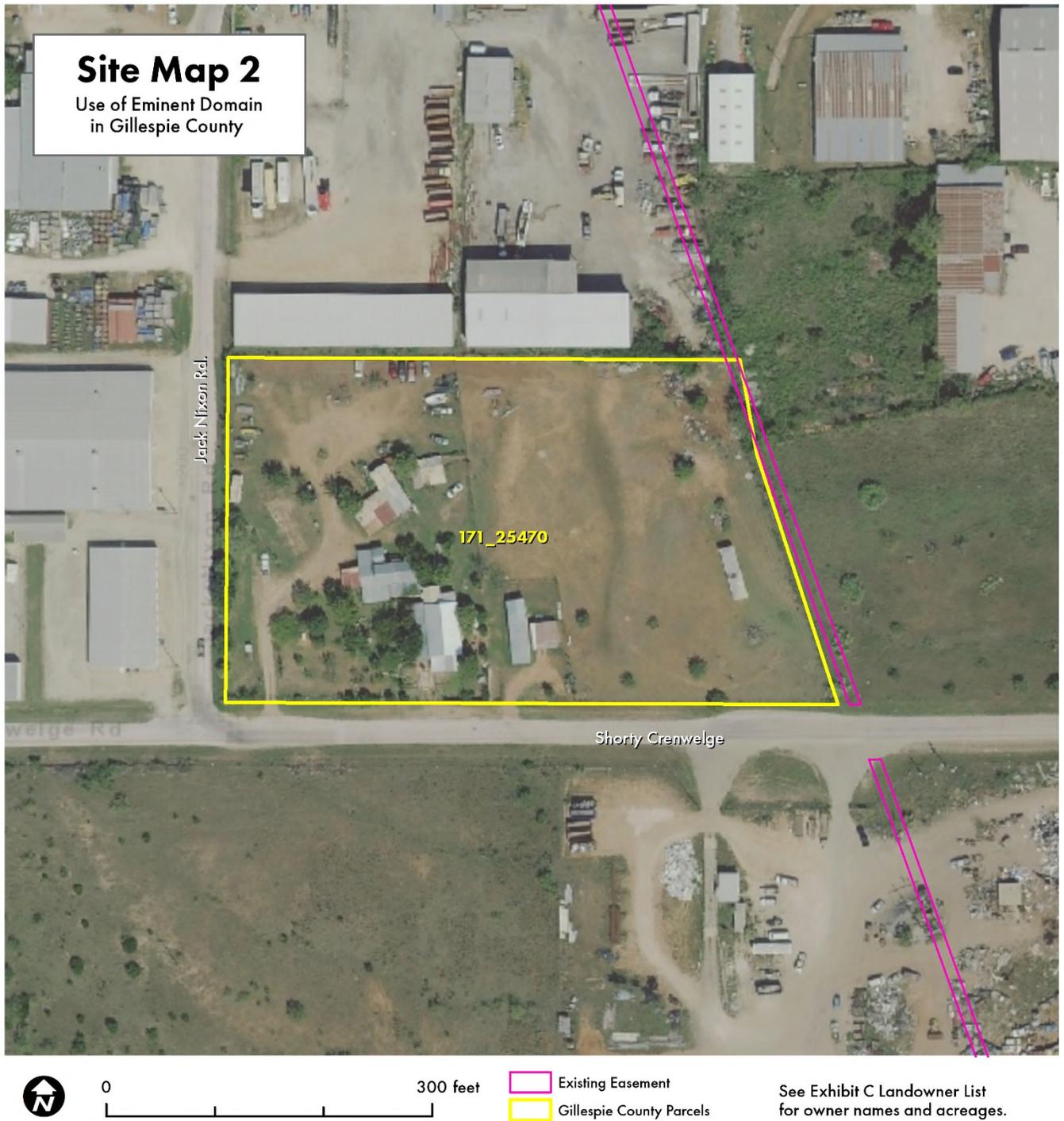


EXHIBIT B
Page 2 of 3



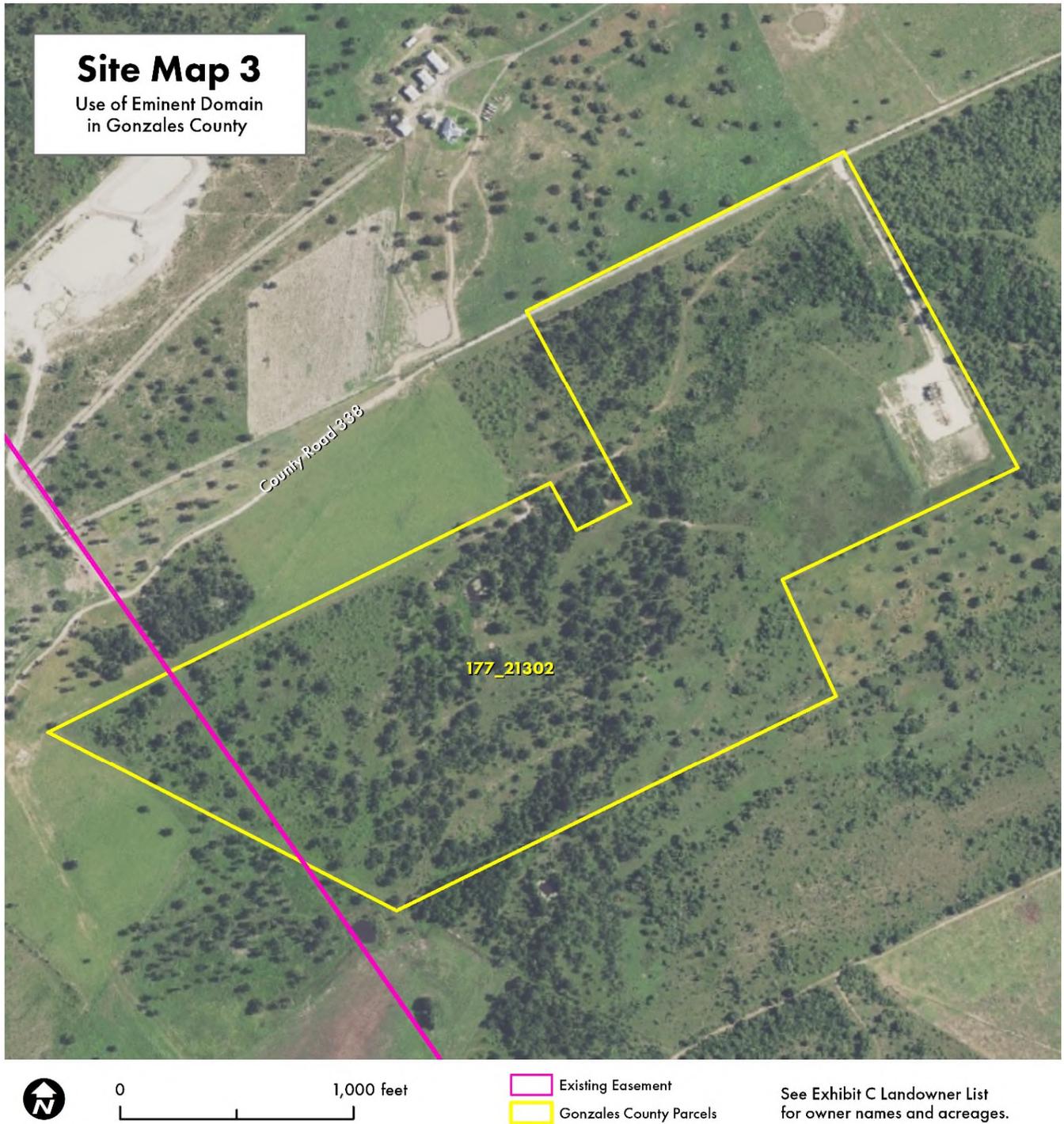


EXHIBIT C

Tract ID	Landowner	Approximate Parent Tract Acreage	Land Rights	Approximate Easement Acreage	County	Approximate Value
259_12086	James, Chelsi and Sammy Haile	6.96 acres	Third-Party Communication	1.35 acres	Kendall	\$2,661.98
171_25470	Marcelina and David Ramirez	3.68 acres	Third-Party Communication	0.25 acre	Gillespie	\$699.49
177_21302	David Dubose	125.50 acres	Third-Party Communication	1.61 acres	Gonzales	\$1,000.00

EXHIBIT D

Page 1 of 2

PROPOSED MOTION

I MOVE THAT THE LCRA TRANSMISSION SERVICES CORPORATION BOARD OF DIRECTORS ADOPT THE ATTACHED RESOLUTION; THAT THE BOARD AUTHORIZE BY RECORD VOTE THE USE OF THE POWER OF EMINENT DOMAIN TO ACQUIRE RIGHTS IN THE PROPERTIES DESCRIBED IN EXHIBIT 1 TO THE RESOLUTION FOR THE ACQUISITION OF EASEMENT AMENDMENTS NECESSARY TO PROVIDE, ON BEHALF OF LCRA AND AT LCRA'S EXPENSE, FOR COMMUNICATIONS AND TO FACILITATE BROADBAND SERVICES ON THE KENDALL TO FREDERICKSBURG (T120), FREDERICKSBURG TO PEACH (T379) AND CUERO TO LULING (T542) TRANSMISSION LINES; AND THAT THE FIRST RECORD VOTE APPLIES TO ALL UNITS OF PROPERTY TO BE CONDEMNED.

RESOLUTION

AUTHORIZING ACQUISITION OF INTERESTS IN REAL PROPERTY BY CONDEMNATION IN KENDALL, GILLESPIE AND GONZALES COUNTIES FOR TRANSMISSION LINE EASEMENT AMENDMENTS.

WHEREAS, LCRA Transmission Services Corporation has determined the need to acquire the interests in real property necessary for the public uses of construction, operation and maintenance of electric transmission line(s), communication lines, and appurtenances thereto in Kendall, Gillespie and Gonzales counties; and

WHEREAS, an independent, professional appraisal of the subject property will be submitted to LCRA Transmission Services Corporation, and an amount will be established to be just compensation for the interests in real property to be acquired;

NOW, THEREFORE, BE IT RESOLVED that the president and chief executive officer or his designee is authorized to purchase the interests in real property from the landowner(s) listed in the attached Exhibit C, with the description of the location of and interest in the properties LCRA Transmission Services Corporation seeks to acquire being more particularly described in maps provided to the Board and attached to this Resolution as Exhibit 1; that the public convenience and necessity requires the acquisition of said interests in real property; that the public necessity requires the condemnation of the interests in real property in order to acquire them for such uses; that LCRA Transmission Services Corporation does not intend to acquire rights to groundwater or surface water in the land; that LCRA Transmission Services Corporation will make a bona fide offer to acquire the interests in real property from the landowner(s) voluntarily as required by Section 21.0113 of the Texas Property Code; and that at such time as LCRA Transmission Services Corporation has determined that the landowner(s) and

EXHIBIT D

Page 2 of 2

LCRA Transmission Services Corporation will be unable to reach an agreement on the fair market value of the subject interests in real property and that it should appear that further negotiations for settlement with the landowner(s) would be futile, then the president and chief executive officer or his designee is authorized and directed to initiate condemnation proceedings against the owner(s) of the property(ies), and against all other owners, lien holders, and other holders of an interest in the property, in order to acquire the necessary interests in real property, and that this resolution take effect immediately from and after its passage;

BE IT FURTHER RESOLVED that the president and chief executive officer or his designee is hereby authorized to do all things necessary and proper to carry out the intent and purpose of this resolution, including determination and negotiation of the interest(s) in real property that are proper and convenient for the operation of the electric transmission line(s).

E00000051-62

100-1
#33

THE STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS:

County of Gillespie

That We Philip Strackheim of Gillespie County, Texas, for and in

consideration of the sum of ten dollars DOLLARS to us cash in hand paid by WEST TEXAS UTILITIES COMPANY, a private Corporation, the receipt of which is hereby acknowledged, have bargained, sold and conveyed and by these presents do hereby bargain, sell and convey unto the said WEST TEXAS UTILITIES COMPANY, a private corporation, its successors and assigns, an easement and right of way across the following described real estate situated in Gillespie County, Texas, with the right to construct, operate, patrol, maintain and repair its transmission line, including a private telephone line along said easement for said purposes, and including necessary poles, and fixtures, and authority for cutting and trimming all trees along the line necessary to keep the wires cleared and with the right to set the necessary guy and brace poles and attach to trees and to maintain the needed guy wires, together with the right of ingress and egress across said property for the above named purposes. Said real estate across which said easement is granted being described as follows:

Situation in Gillespie County, Texas and lying the
Ten Acres lots # 374 and 576 of the German Emigration Survey.

Said Easement along which said line of transmission extends is described as follows: Beginning at a point in the N 1/4 of the above described property, 500 feet W of the N.E. corner, Thence S 20° 40' E. ~~232.9~~ 232.9 feet across said property to a point in the S. R. L. 840 feet W of the S.E. corner.

TO HAVE AND TO HOLD the above described easement, rights and privileges unto the said WEST TEXAS UTILITIES COMPANY, its successors and assigns forever so long as same are used for said purposes.

And we hereby warrant unto said WEST TEXAS UTILITIES COMPANY, its successors and assigns, that we have the title to said property and the right to convey said easement and that we will forever warrant and defend the title to same to the said West Texas Utilities Company, its successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof so long as said easement is used for said purposes for which it is granted.

Witness my hand this the 25th day of July, A. D. 1926

THE STATE OF TEXAS,
COUNTY OF Gillespie

Before me, the undersigned authority, on this day personally appeared Philip Strackheim known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the 28th day of July, A. D. 1926

Albert E. Klotz
Chf. Clk. Gillespie County, Texas.

THE STATE OF TEXAS,
COUNTY OF _____

EXHIBIT 1

21 24

G10004460.pdf

The State of Texas, :
County of Gonzales. : Know All Men By These Presents: That I,
Serre DuBose of the County of Gonzales and State of Texas, for and
in consideration of the sum of Seventy (\$70.00) Dollars to me
in hand paid by Texas Central Power Company, a private corporation,
organized and existing under and by virtue of the laws of the State
of Texas, and having its office and principal place of business at
San Antonio, in the County of Bexar and State of Texas, the receipt
of which is hereby acknowledged and confessed, have this day given
permission unto the said Texas Central Power Company to enter upon
the hereinafter mentioned tracts of land and place and maintain
thereon at each of the 0 locations thereon where there are now
stakes driven in the ground a pole and the right to erect and
maintain upon such poles an electric transmission line consisting
of the necessary wires and appurtenances: said tracts of land being
as follows:

1. Being 440 acres out of the Thos. Jackson League conveyed
by Temple Eckols to Serre DuBose by deed dated May 11, 1908, and recorded
in Vol. 85, page 393, of the Gonzales County Deed Records, and
 2. 123 acres out of said Thos. Jackson League, conveyed
by Birdie Dietert and husband Fred Dietert to Serre DuBose by deed
dated Aug 11th, 1909, and recorded in Vol. 85, page 393, of the
Gonzales County deed records, and
 3. 58½ acres of land out of the Byrd Lockhart (River)
League and being the same land conveyed by L.D. DuBose to Serre
DuBose by deed dated March 20, 1905, recorded in Vol. 72, page 45,
of the Gonzales County Deed Records, to which reference is here made.
- Together with the right of ingress and egress over my
adjacent lands to or from said right of way for the purpose of
constructing, reconstructing, inspecting, patrolling, hanging new
wires on, maintaining and removing said line, poles, wires and
appurtenances.

The said Texas Central Power Company in entering upon the
premises aforesaid for the purposes aforesaid is to do so thru the
now existing gates on said premises and along the now existing roads
or lanes on said premises and have no right under this grant to cut
down fences or go across the fields of grantors herein for any of
the purposes of this grant merely for convenience's sake but only
in the event such a course is absolutely necessary for the purposes
of this grant and it would be absolutely impossible to effect the
purposes of this grant without so doing, and in any case where fences
are cut, crops injured, trees damaged, or grantors are injured in
any manner by the acts of said Texas Central Power Company in avail-
ing itself of the purposes of this grant it shall be liable to grantor
herein for the amount of such damage or injury and shall immediately
pay grantors therefor, and in the event such payment is not made
within a reasonable time and grantor brings suit to enforce collec-
tions thereof, he will, in said suit, be entitled to recover of said
Texas Central Power Company a reasonable sum as attorney's fees for
bringing said suit, and also to recover all costs of suit.

The above described premises being now under a lease
to the Sun Oil Company it is expressly understood and agreed that the
rights herein given are so given expressly subject to said oil and
gas lease, and it is further expressly understood and agreed that
nothing herein contained shall be construed in any manner to
interfere or conflict with the rights granted in said oil lease,
and that this is given so in every manner to be expressly subject
to and subordinate to said oil and gas lease.

Witness my hand this the 15 day of February A.D. 1926.

Serre DuBose

THIS PAGE LEFT BLANK INTENTIONALLY