

LCRA Transmission Services Corporation

Board Agenda

Wednesday, March 26, 2025
LCRA General Office Complex
Board Room – Hancock Building
3700 Lake Austin Blvd.
Austin, TX 78703
Earliest start time: 10:30 a.m.

Item From the Chair

1. Comments From the Public 4

Consent Item

2. Minutes of Prior Meeting 5

Action Items

3. Capital Improvement Projects Approval 9

Executive Session

1. Acquisition of Land Rights in Upton County
2. Acquisition of Land Rights in Upton, Crane and Ward Counties
3. Legal Advice on Pending and Anticipated Litigation, Claims and Settlements
4. Legal Advice on Legal Matters

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

Legal Notice

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

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.

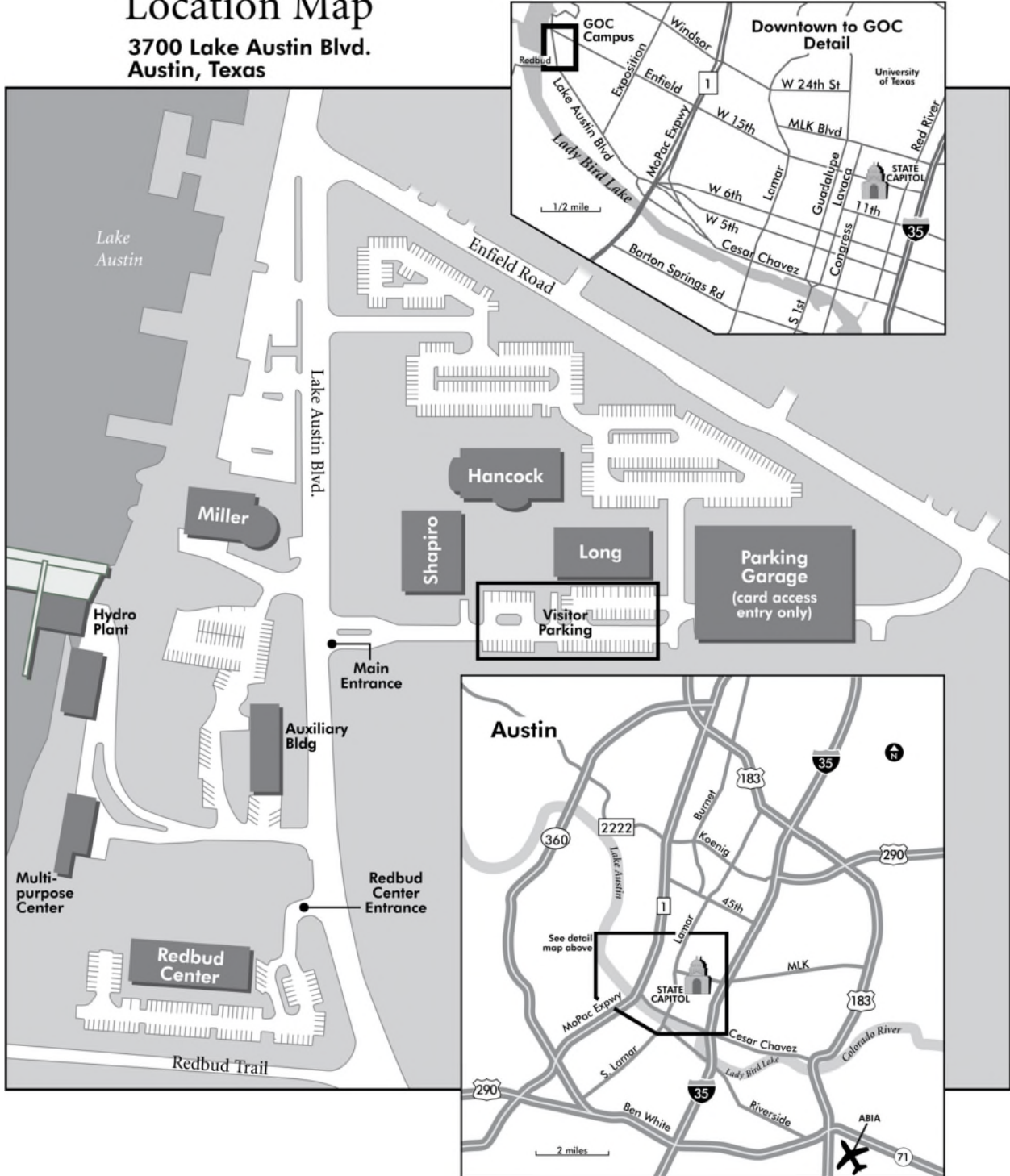
LCRA TSC is a nonprofit corporation created by LCRA to act on LCRA's behalf pursuant to Chapter 152, Texas Water Code, as amended. After Jan. 1, 2002, LCRA TSC engaged in the electric transmission and transformation activities previously carried out by LCRA and assumed LCRA's obligation to provide, and 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 ACTION (CONSENT)

2. Minutes of Prior Meeting

Proposed Motion

Approve the minutes of the Feb. 19, 2025, LCRA Transmission Services Corporation Board of Directors meeting.

Board Consideration

Section 4.06 of the LCRA TSC bylaws requires the secretary to keep minutes of all meetings of the Board.

Budget Status and Fiscal Impact

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

Summary

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

Exhibit(s)

A – Minutes of Feb. 19, 2025, LCRA TSC Board meeting

EXHIBIT A

LCRA Transmission Services Corporation Board of Directors
Minutes Digest
Feb. 19, 2025

- 25-04 Appointment of Kristian M. Koellner as vice president and chief operating officer of LCRA Transmission Services Corporation effective immediately.
- 25-05 Authorization for the president and chief executive officer or his designee to convey an approximately 20-foot-wide electric easement to Southwest Texas Electric Cooperative Inc. across a portion of LCRA Transmission Services Corporation's Big Hill Substation in Schleicher County.
- 25-06 Approval of the minutes of the Jan. 22, 2025, LCRA Transmission Services Corporation Board meeting.
- 25-07 Approval of the Capital Improvement Project Authorization Request for the following projects and associated lifetime budgets: Citgo North Oak Park to Nueces Bay Transmission Line Overhaul; Remote Terminal Unit – FY 2025 Substation Upgrade; and Upton Load Circuit Breaker Addition.
- 25-08 Request and approval of the adoption by LCRA of the Forty-eighth Supplemental Resolution to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program to authorize the LCRA Transmission Contract Revenue Notes, Series F and Taxable Series F (collectively, Series F Notes), and a note purchase agreement (Series F Agreement) among LCRA, LCRA Transmission Services Corporation and Frost Bank for the Series F Notes for a term not to exceed four years, and authorization for the president, chief executive officer or treasurer to negotiate and execute such Series F Agreement and any related documents, setting forth the terms and conditions governing the issuance of the Series F Notes in an amount up to \$100 million, and authorization of any other necessary agreements.

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF
LCRA TRANSMISSION SERVICES CORPORATION
Austin, Texas
Feb. 19, 2025

Pursuant to notice posted in accordance with the Texas Open Meetings Act, the Board of Directors (Board) of LCRA Transmission Services Corporation convened in a regular meeting at 12:30 p.m. Wednesday, Feb. 19, 2025, in the Board Room of the Hancock Building, at the principal office of LCRA, 3700 Lake Austin Blvd., Austin, Travis County, Texas. The following directors were present, constituting a quorum:

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
David R. Willmann
Nancy Eckert Yeary

Chair Timmerman convened the meeting at 12:30 p.m.

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

The Board next took action on the consent agenda. Upon motion by Director Voelter, seconded by Director Crane, the Board unanimously approved consent items 2, 3 and 4 by a vote of 14 to 0 as follows:

25-04 Appointment of Kristian M. Koellner as vice president and chief operating officer of LCRA Transmission Services Corporation effective immediately, as recommended in Consent Item 2 [attached hereto as Exhibit A].

25-05 Authorization for the president and chief executive officer or his designee to convey an approximately 20-foot-wide electric easement to Southwest Texas Electric Cooperative Inc. across a portion of LCRA Transmission Services Corporation's Big Hill Substation in Schleicher County, as recommended by staff in Consent Item 3 [attached hereto as Exhibit B].

25-06 Approval of the minutes of the Jan. 22, 2025, LCRA Transmission Services Corporation Board meeting [Consent Item 4].

25-07 Vice President and Chief Operating Officer Kristian M. Koellner presented for consideration a staff recommendation, described in Agenda Item 5 [attached hereto as Exhibit C], that the Board approve the Capital Improvement Project Authorization Request for the following projects and associated lifetime budgets: Citgo North Oak Park to Nueces Bay Transmission Line Overhaul; Remote Terminal Unit – FY 2025 Substation Upgrade; and Upton Load Circuit Breaker Addition. Upon motion by Director Kelley, seconded by Director Arthur, the recommendation was unanimously approved by a vote of 14 to 0.

25-08 Treasurer and Chief Financial Officer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 6 [attached hereto as Exhibit D], that the Board request and approve the adoption by LCRA of the Forty-eighth Supplemental Resolution to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program to authorize the LCRA Transmission Contract Revenue Notes, Series F and Taxable Series F (collectively, Series F Notes), and a note purchase agreement (Series F Agreement) among LCRA, LCRA Transmission Services Corporation and Frost Bank for the Series F Notes for a term not to exceed four years, and authorize the president, chief executive officer or treasurer to negotiate and execute such Series F Agreement and any related documents, setting forth the terms and conditions governing the issuance of the Series F Notes in an amount up to \$100 million, and authorize any other necessary agreements. Upon motion by Director Allen, seconded by Director Willmann, the recommendation was unanimously approved by a vote of 14 to 0.

There being no further business to come before the Board, the meeting was adjourned at 12:37 p.m.

Leigh Sebastian
Secretary
LCRA Transmission Services Corporation

Approved: March 26, 2025

FOR ACTION

3. Capital Improvement Projects Approval

Proposed Motion

Approve 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 approval for any project exceeding \$1.5 million. LCRA TSC Board Policy T401 – Land Resources requires Board authorization for land rights acquisitions with a purchase price exceeding \$600,000 per parcel.

Budget Status and Fiscal Impact

- All projects recommended for Board approval are within the total annual budget approved in the fiscal year 2025 capital plan.
- Staff will monitor the FY 2025 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 system capacity 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)

Joshua Cole
Senior 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 2024 and Prior	FY 2025	FY 2026	FY 2027	FY 2028	Lifetime
System Capacity Projects						
Euclid Substation Addition	0.5	6.7	53.3	36.9	-	97.5
Giddings Power Transformer Upgrade	0.1	0.8	6.7	-	-	7.6
Pine Path Substation Property Acquisition	-	0.30	2.00	-	-	2.3
Total	0.6	7.8	62.0	36.9	0.0	107.4

EXHIBIT B

Project Details

Project Name: Euclid Substation Addition

Project Number: 1030210

Lifetime Budget: \$97.5 million

Description: The project will provide a transmission point of interconnection by adding the Euclid Substation in Caldwell County. The project scope includes constructing a new 345-kilovolt substation and installing power transformers, structures and equipment necessary to interconnect to the nearby transmission line. LCRA TSC Board Policy T401 – Land Resources requires Board authorization for land rights acquisitions with a purchase price exceeding \$600,000 per parcel. Based on available appraisal information, LCRA TSC staff expects the acquisition price for the necessary property rights to exceed \$600,000 per parcel and seeks approval to proceed with the acquisition. The recommended project completion date is Nov. 30, 2026.

Project Name: Giddings Power Transformer Upgrade

Project Number: 1030814

Lifetime Budget: \$7.6 million

Description: The project will increase the transformation capacity at the Giddings Substation in Lee County. The scope of work includes installing a power transformer, foundation, instrument transformers and other supporting equipment. The recommended project completion date is Dec. 31, 2025.

Project Name: Pine Path Substation Property Acquisition

Project Number: 1033215

Lifetime Budget: \$2.3 million

Description: The project's purpose is to purchase property in Bastrop County for the Pine Path Substation Addition project. The scope of work includes due diligence, survey work and purchasing the land and site-related permits. LCRA TSC Board Policy T401 – Land Resources requires Board authorization for land rights acquisitions with a purchase price exceeding \$600,000 per parcel. Based on available information, LCRA TSC staff expects the acquisition price for the necessary property rights to exceed \$600,000 per parcel and seeks approval to proceed with the acquisition. The recommended project completion date is Dec. 31, 2025.

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