

---

## LCRA TRANSMISSION SERVICES CORPORATION BOARD POLICY

### T401 – LAND RESOURCES

June 18, 2025

---

#### T401.10 PURPOSE

This policy establishes guidelines for the acquisition, disposition, use and management of all LCRA Transmission Services Corporation land rights.

#### T401.20 DEFINITIONS

Land Rights – Interests in real property including, but not limited to, easements, leases, and fee simple ownership and aerial, subsurface, land and water surface rights.

LCRA TSC – LCRA Transmission Services Corporation.

LCRA TSC Board – The Board of Directors of LCRA TSC.

#### T401.30 POLICY

LCRA TSC will acquire, develop, use, manage, operate and dispose of its land resources to fulfill its essential corporate purposes and responsibilities prescribed by state law and LCRA TSC policies.

#### T401.40 PROCEDURES: LAND ACQUISITION, MANAGEMENT, DISPOSITION

**T401.401 Land Acquisition.** LCRA TSC will acquire sufficient land rights to complete approved projects and programs. In selecting land, LCRA TSC will consider, as appropriate, the effects on environmental integrity, community values, parks and recreation areas, historical and aesthetic values, applicable regulatory constraints and costs, and the cost of the project or program.

LCRA TSC may acquire land rights in excess of the rights required for projects or programs in those instances when the property owner and LCRA TSC both agree to such conditions, or when it is in LCRA TSC's best economic interest to do so. Mineral rights may be acquired for the protection of the improvements to be constructed or to prevent interference with the surface use.

- A. LCRA TSC Board Authorization: LCRA TSC Board approval of the business plan, capital plan or capital improvement project, or CEO approval of a project pursuant to authority delegated to the CEO in Board Policy T301 – Finance, constitutes authorization for the acquisition of land rights and authorizes the CEO of

LCRA TSC or his or her designee to acquire the land rights to complete the approved projects or programs.

Prior specific Board approval is required for:

1. Acquisitions of land rights that have a purchase or lease price exceeding \$1.5 million per parcel , other than land rights that are acquired as part of a CEO-approved project under the authority delegated in Board Policy T301 – Finance (which do not require specific LCRA TSC Board approval).
2. A purchase or lease option for any parcel, tract or interest that exceeds \$150,000 or two years in length. Any option payment must be applied toward the purchase or lease price if the purchase or lease is consummated.

Board authorization is not required for the acquisition of land rights when the land rights are acquired at no cost to LCRA TSC.

- B. Market Value: LCRA TSC negotiates for land right acquisitions based on a reasonable opinion of market value. An appraisal completed by an independent appraiser holding a valid license from the state of Texas is required if: (i) the area of the land rights being acquired is larger than 100 acres; (ii) the value of the land rights may exceed \$1.5 million; (iii) otherwise required to comply with applicable law or LCRA policies; or (iv) the CEO or his designee determines it is appropriate under the circumstances.
- C. Environmental Diligence: An environmental due diligence assessment will be prepared and considered for all land prior to final acquisition. For the acquisition of leases and property in fee simple, an assessment for the potential presence of environmental contamination will be performed in accordance with U.S. Environmental Protection Agency (EPA) “all appropriate inquiries” regulations (40 C.F.R. Part 312) and related Society for Testing and Materials International (ASTM) standards, unless a variance is granted by LCRA’s general counsel. For the acquisition of easements, the assessment may follow less stringent standards and practices provided the standards and practices followed are consistent with industry practice and are documented, except that in the case of easement acquisitions where prior or future land use may present risks that, in the opinion of the environmental professional, warrant a full assessment, the more stringent “all appropriate inquiries” regulations will be followed.
- D. Eminent Domain Proceedings: Prior Board approval and a formal written offer are required prior to initiating eminent domain proceedings for the acquisitions of land rights. LCRA TSC may use its power of eminent domain to acquire land rights if: (i) LCRA and the landowner has been unable and are unlikely to reach agreement through continued negotiation; (ii) title cannot be conveyed without a court judgment; or (iii) the CEO or his designee determines it is appropriate under the circumstances.

## **T401.402 Land Management.**

- A. Land Use Agreements: To ensure that LCRA TSC's land resources are appropriately managed, protected and maintained, land use agreements will conform to the following criteria:
1. Monetary consideration for the following uses will be full fair market rental value as determined pursuant to this policy: agriculture/grazing, commercial and private uses. An appraisal completed by an independent appraiser holding a valid license from the state of Texas is required if: (i) the revenue generated over the term of the land use agreement may exceed \$1.5 million; (ii) otherwise required to comply with applicable law or LCRA policies; or (iii) the CEO or his designee determines it is appropriate under the circumstances.
  2. Land use agreements may be granted for nonmonetary consideration to governmental entities, nonprofit organizations or utility service providers when the use of the property furthers LCRA TSC's ability to meet its statutory responsibilities or is deemed to be in LCRA TSC's best interest.
  3. Staff will develop procedures to ensure all land use agreements include, as appropriate, provisions addressing the following:
    - a. the user maintains full financial responsibility for proper maintenance, use, and risk to the land and/or the facility;
    - b. periodic adjustments of monetary consideration, except for easements, where monetary consideration is in the form of a one-time payment;
    - c. the term is commensurate with the use of the land, purposes of the agreement, amount of capital to be invested and the anticipated capital payback period, and the projected revenue to LCRA TSC; and
    - d. environmental protection and compliance with applicable laws and regulations and LCRA TSC policies.
  4. Board approval is required for all easements on LCRA TSC land and all land use agreements, except for the following:
    - a. Leases, temporary use permits, licenses, construction permits and other land use agreements with terms of 15 years or less.
    - b. Agreements for the co-location of electric or communication facilities on LCRA TSC land, easements or leases.

B. Encroachments:

1. LCRA TSC Lands: Public or private use of (including aerial use above or over) LCRA TSC land, except where expressly authorized by LCRA TSC, will be considered an encroachment. Those encroaching on or over LCRA TSC lands will be required to either purchase the land from LCRA TSC on terms approved by the Board, remove the encroachment, or secure rights to use the land by entering into an acceptable land use agreement with LCRA TSC. The CEO or his or her designee may institute appropriate legal action to remove any nonconforming encroachments.
2. LCRA TSC Easements: The CEO may agree to allow an entity to occupy a portion of an LCRA TSC easement only if: (i) LCRA TSC has no objection to the requesting entity's proposed use because it will not interfere with LCRA TSC's superior easement rights, safety and efficient operations within the easement area; and (ii) the requesting entity obtains sufficient rights, subordinate to LCRA TSC's superior easement rights, from the landowner(s) if the CEO determines it is necessary.

**T401.403 Land Disposition.** LCRA TSC may dispose of land the Board has declared as nonessential (not necessary or convenient or of beneficial use to the business of LCRA TSC). The Board's declaration of land as nonessential and the terms of any resulting sale or exchange requires the affirmative vote of at least three-fourths of the statutory membership of the Board.

- A. Market Value: LCRA TSC will base all negotiations for land right dispositions on a reasonable opinion of market value. An appraisal completed by an independent appraiser holding a valid license from the state of Texas is required if: (i) the area of the land rights being sold or exchanged is larger than 100 acres; (ii) the value of the land rights may exceed \$1.5 million; (iii) otherwise required to comply with applicable law or LCRA policies; or (iv) the CEO or his designee determines it is appropriate under the circumstances.
- B. Environmental Diligence: An environmental due diligence assessment will be prepared and considered on all land prior to final disposition. For the disposition of leases, easements and property in fee simple, the assessment may follow standards and practices less stringent than "all appropriate inquiries" described above, provided the standards and practices used are consistent with industry practice and are documented. However, for disposition of leases, easements and property in fee simple, when prior or future land use may present risks that, in the opinion of the environmental professional, warrant a full assessment, the more stringent "all appropriate inquiries" regulations will be followed.

- C. Easement Release: LCRA TSC easements on private lands that are not necessary to LCRA TSC's operations may be released by the CEO or his or her designee to the current landowner when the best interests of LCRA TSC and the public are served. Releases are subject to a staff-developed procedure that ensures sufficient review of LCRA's anticipated needs in the area to be released. The party requesting the release must pay any associated costs.
- D. Disposition or Encumbrance Requiring LCRA Board Approval: LCRA TSC shall not dispose of or encumber all or a substantial portion of its assets without the approval of the Lower Colorado River Authority Board of Directors.

**EFFECTIVE:** Feb. 20, 2002. Amended Oct. 14, 2008; Aug. 26, 2009; June 16, 2010; Feb. 15, 2017; Oct. 17, 2018; May 19, 2021; and June 18, 2025.