

# LCRA Transmission Services Corporation

## Board Agenda

Wednesday, May 18, 2022

LCRA General Office Complex  
Board Room – Hancock Building

3700 Lake Austin Blvd.

Austin, TX 78703

Earliest start time: 9 a.m.

### Item From the Chair

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7. Acquisition of Interests in Real Property – Use of Eminent Domain  
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### 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.

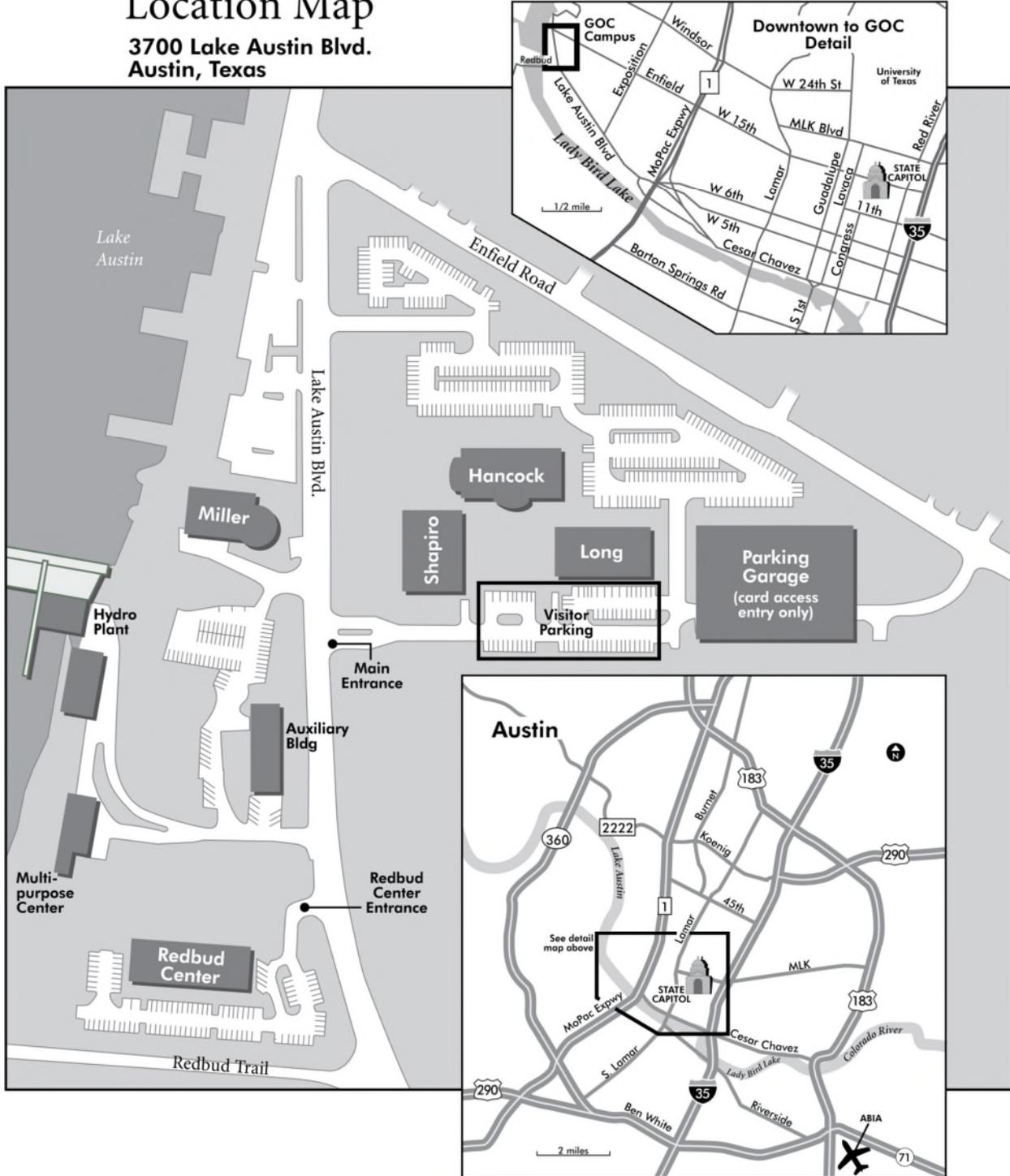
LCRA TSC is a nonprofit corporation created by LCRA to act on LCRA's behalf pursuant to Chapter 152, Texas Water Code, as amended. After Jan. 1, 2002, LCRA TSC engaged in the electric transmission and transformation activities previously carried out by LCRA and assumed LCRA's obligation to provide, and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

Staff will present financial highlights for LCRA Transmission Services Corporation covering the month and fiscal year to date.

**Presenter(s)**

Jim Travis

Treasurer and Chief Financial Officer

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**LCRA Transmission Services Corporation**  
**Financial Highlights**  
**April 2022**

**LCRA Transmission Services Corporation**  
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**Key term:**

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

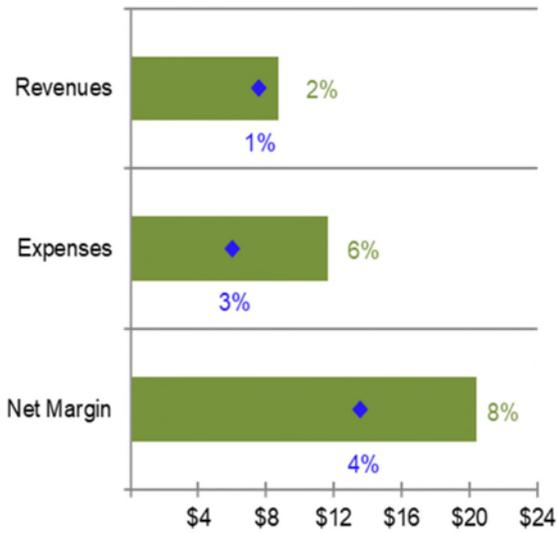
# LCRA Transmission Services Corporation

April 30, 2022

(Dollars in Millions)

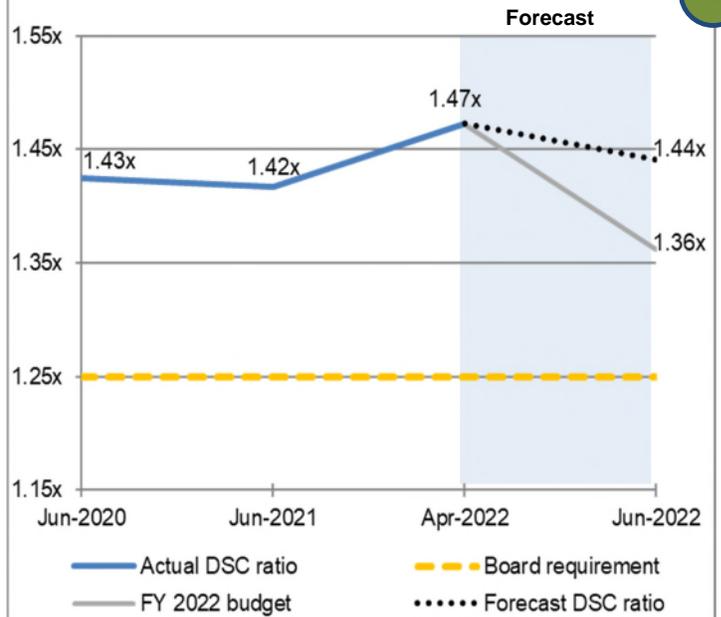
## Budget-to-Actual Highlights

### Net Margin Fiscal Year-to-Date Variances



% = Variance from budget    ♦ FY 2022 fiscal year-end forecast

### Debt Service Coverage



### Key takeaways:

- Lower-than-budgeted expenses and higher-than-budgeted cost-of-service and other revenues primarily drove year-to-date performance and the year-end forecast.
- The debt service coverage ratio is forecast to be higher than budgeted primarily due to a forecast of higher-than-budgeted cost-of-service and other revenues and lower-than-budgeted expenses and debt service.

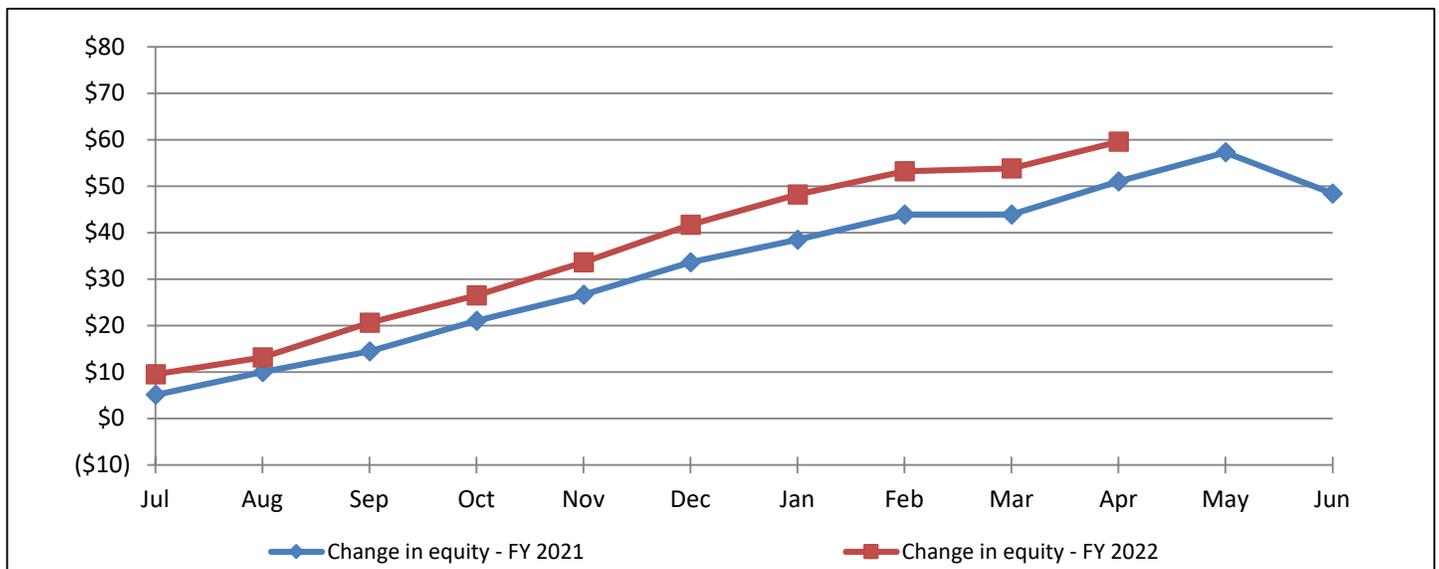
# LCRA Transmission Services Corporation

April 30, 2022  
(Dollars in Millions)

## Board Metrics

Board Metric	Description	Compliant
<b>Equity Ratio</b>	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%.	✓
<b>Debt Service Reserves</b>	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.	✓
<b>Operating Reserves</b>	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 transmission revenue, offset by a decrease in the deferral of depreciation and other debt-related expenses. These expenses are recognized as the cost of these assets is included in rates.

# LCRA Transmission Services Corporation

April 30, 2022

(Dollars in Millions)

## Condensed Balance Sheets

	<u>April 30, 2022</u>	<u>April 30, 2021</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 334.7	\$ 256.4
Current assets	<u>191.9</u>	<u>169.8</u>
Total current assets	<u>526.6</u>	<u>426.2</u>
Capital assets	3,697.8	3,443.4
Long-term assets	<u>220.2</u>	<u>223.1</u>
Total long-term assets	<u>3,918.0</u>	<u>3,666.5</u>
Total Assets	<u>\$ 4,444.6</u>	<u>\$ 4,092.7</u>
<b>Liabilities</b>		
Bonds, notes and loans payable	\$ 273.1	\$ 137.1
Current liabilities	<u>180.9</u>	<u>156.2</u>
Total current liabilities	<u>454.0</u>	<u>293.3</u>
Bonds, notes and loans payable	3,005.7	2,833.4
Long-term liabilities	<u>94.3</u>	<u>131.7</u>
Total long-term liabilities	<u>3,100.0</u>	<u>2,965.1</u>
<b>Equity</b>		
Total equity	<u>890.6</u>	<u>834.3</u>
Total Liabilities and Equity	<u>\$ 4,444.6</u>	<u>\$ 4,092.7</u>

### Key takeaway:

- Assets and liabilities are trending higher compared with April 2021 due to construction activities related to the capital plan.

# LCRA Transmission Services Corporation

**April 30, 2022**

*(Dollars in Millions)*

## Condensed Statements of Revenues, Expenses and Changes in Equity

	<b>Fiscal Year to Date</b>	
	<u><b>2022</b></u>	<u><b>2021</b></u>
<b>Operating Revenues</b>		
Transmission	\$ 436.5	\$ 396.7
Transformation	14.3	12.9
Other	3.7	2.4
Total Operating Revenues	<u>454.5</u>	<u>412.0</u>
<b>Operating Expenses</b>		
Operations	127.3	133.9
Maintenance	12.1	12.1
Depreciation and amortization	89.1	72.7
Total Operating Expenses	<u>228.5</u>	<u>218.7</u>
Operating Income	<u>226.0</u>	<u>193.3</u>
<b>Nonoperating Revenues (Expenses)</b>		
Interest on debt	(82.1)	(79.5)
Other expenses	(84.3)	(62.8)
Total Nonoperating Revenues (Expenses)	<u>(166.4)</u>	<u>(142.3)</u>
Change in Equity	59.6	51.0
<b>Equity - Beginning of Period</b>	<u>831.0</u>	<u>783.3</u>
<b>Equity - End of Period</b>	<u>\$ <u>890.6</u></u>	<u>\$ <u>834.3</u></u>

**FOR ACTION (CONSENT)**

### **3. Minutes of Prior Meeting**

**Proposed Motion**

Approve the minutes of the April 19, 2022, 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 19, 2022, meeting

## **EXHIBIT A**

Minutes Digest  
April 19, 2022

- 22-09            Approval of the minutes of the March 23, 2022, meeting.
- 22-10            Approval and ratification of the Capital Improvement Project Authorization Request for the following projects and associated lifetime budgets:  
Buchanan CTEC to Pittsburg Transmission Line Overhaul; Containment Structure – FY 2022 System Upgrade; Fayetteville to Salem Transmission Line Upgrade; and GPI Switch to Loop 337 Fiber Restoration.

MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF  
LCRA TRANSMISSION SERVICES CORPORATION  
Ellinger, Texas  
April 19, 2022

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 11:07 a.m. Tuesday, April 19, 2022, at the Ellinger Chamber of Commerce Community Center, 104 W. Colorado Sky St., Ellinger, Fayette 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  
Raymond A. "Ray" Gill Jr.  
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  
Carol Freeman

Chair Timmerman convened the meeting at 11:07 a.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.

22-09 Upon motion by Director Voelter, seconded by Director Yeary, the Board unanimously approved the minutes of the March 23, 2022, meeting [Consent Item 2] by a vote of 13 to 0.

22-10 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 and ratify the Capital Improvement Project Authorization Request for the following projects and associated lifetime budgets: Buchanan CTEC to Pittsburg Transmission Line Overhaul; Containment Structure – FY 2022 System Upgrade; Fayetteville to Salem Transmission

Line Upgrade; and GPI Switch to Loop 337 Fiber Restoration. Upon motion by Director Lewis, seconded by Director Crane, the recommendation was unanimously approved by a vote of 13 to 0.

There being no further business to come before the Board, the meeting was adjourned at 11:16 a.m.

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Leigh Sebastian  
Secretary  
LCRA Transmission Services Corporation  
Approved: May 18, 2022

## **FOR ACTION**

# **4. LCRA Transmission Services Corporation Fiscal Year 2023 Business and Capital Plans**

### **Proposed Motion**

Adopt a resolution (Exhibit A) approving the LCRA Transmission Services Corporation Fiscal Year 2023 Business and Capital Plans.

### **Board Consideration**

LCRA TSC Board Policy T301 – Finance requires approval of a business plan by the LCRA TSC and LCRA boards 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 2023.

### **Summary**

The Board received a draft of the LCRA TSC FY 2023 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 2023 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 2023 Business and Capital Plans

**EXHIBIT A**

**LCRA TRANSMISSION SERVICES CORPORATION BOARD RESOLUTION  
LCRA TRANSMISSION SERVICES CORPORATION  
FISCAL YEAR 2023 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 2023 Business and Capital Plans.

LCRA Transmission Services Corporation has budgeted FY 2023 operating expense and capital amounts at \$143.1 million and \$488.7 million, respectively. Staff will bring future projects individually to the Board for approval after scope and cost estimates have been further refined.

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 2023 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**

# **5. 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 Exhibit A.

### **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 2022 capital plan.
- Staff will monitor the FY 2022 forecast and will request a fiscal year budget increase if needed.
- The treasurer and chief financial officer will release funds as needed.
- Project costs – other than those for the proposed Bastrop West to Bluebonnet Transmission Line Relocation project, which will be funded by a third party – 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*

<b>Project Name</b>	<b>FY 2022 and Prior</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>Lifetime</b>
<b>Service Reliability Projects</b>						
Austrop-Sandow Double-Circuit Transmission Line Restoration*	1.8	-	-	-	-	1.8
Easement Enhancement – FY 2023 System Upgrade	-	1.1	1.1	-	-	2.2
Flood Mitigation – FY 2022 System Upgrade	0.6	4.2	-	-	-	4.8
Hunt-Ingram Transmission Line Storm Hardening	0.4	9.7	-	-	-	10.1
Ingram-Jack Furman Transmission Line Storm Hardening	0.4	10.9	-	-	-	11.3
Nada-Ricebird Transmission Line Overhaul	1.0	9.5	8.1	-	-	18.6
<b>Third-Party Funded Projects</b>						
Bastrop West-Bluebonnet Transmission Line Relocation	0.2	1.7	-	-	-	1.9
<b>General Additions</b>						
LCRA Transmission Services Corporation – General Additions – FY 2023	-	5.0	-	-	-	5.0
<b>Total</b>	<b>4.4</b>	<b>42.1</b>	<b>9.2</b>	<b>-</b>	<b>-</b>	<b>55.7</b>

*\*Ratification due to need for immediate system restoration in response to failed equipment.*

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

## **EXHIBIT B**

<h3><b>Project Details</b></h3>
---------------------------------

**Project Name:** Austrop to Sandow Double-Circuit Transmission Line Restoration\*

**Project Number:** 1028134

**Lifetime Budget:** \$1.8 million

**Description:** The project will restore failed 345-kilovolt double-circuit transmission line structures caused by severe weather in northern Bastrop County. The project scope includes removing failed equipment and replacing it with new facilities that meet the latest design standards and are sized appropriately for future system needs. The recommended project completion date is June 30, 2022.

*\*Ratification due to need for immediate system restoration in response to failed equipment.*

**Project Name:** Easement Enhancement – FY 2023 System Upgrade

**Project Number:** 1028133

**Lifetime Budget:** \$2.2 million

**Description:** The project will address LCRA TSC right-of-way easements on multiple transmission lines where LCRA TSC has facilities. The project scope includes a review of the right-of-way easements, as well as the acquisition of new easements or the amendment of existing easements to meet LCRA TSC operational needs and design standards. The recommended project completion date is June 30, 2024.

**Project Name:** Flood Mitigation – FY 2022 System Upgrade

**Project Number:** 1024586

**Lifetime Budget:** \$4.8 million

**Description:** The project will address erosion and flooding issues along two transmission lines in Travis and Washington counties and at McNeil Substation in Travis County. The project scope includes installing new structures, optical ground wire, conductors, sump pumps and underground drainage pipes, and acquiring new easements. The recommended project completion date is May 15, 2023.

**Project Name:** Hunt to Ingram Transmission Line Storm Hardening

**Project Number:** 1024843

**Lifetime Budget:** \$10.1 million

**Description:** The project will storm harden the 4.6-mile Hunt to Ingram 138-kV transmission line in Kerr County to ensure the reliability and safety of the structures and conductor. The project scope includes replacing or installing new structures and equipment to meet or exceed current National Electrical Safety Code and LCRA TSC design standards. The recommended project completion date is May 15, 2023.

**Project Name:** Ingram to Jack Furman Transmission Line Storm Hardening

**Project Number:** 1024844

**Lifetime Budget:** \$11.3 million

**Description:** The project will storm harden the 3.3-mile Ingram to Jack Furman 138-kV transmission line in Kerr County to ensure the reliability and safety of the structures and conductor. The project scope includes replacing or installing new structures and equipment to meet or exceed current NESC and LCRA TSC design standards. The recommended project completion date is May 15, 2023.

**Project Name:** Nada to Ricebird Transmission Line Overhaul

**Project Number:** 1024849

**Lifetime Budget:** \$18.6 million

**Description:** The project will overhaul the 13.1-mile Nada to Ricebird 138-kV transmission line in Wharton and Colorado counties. The project scope includes installing or replacing structures and fiber to meet or exceed current NESC and LCRA TSC design standards. The recommended project completion date is May 15, 2024.

**Project Name:** Bastrop West to Bluebonnet Transmission Line Relocation

**Project Number:** 1024616

**Lifetime Budget:** \$1.9 million

**Description:** The project will relocate and modify transmission facilities on the Bastrop West to Bluebonnet 138-kV transmission line in Bastrop County. This relocation project will support a roadway expansion of Highway 71 by the Texas Department of Transportation implemented at TxDOT's cost. The project scope includes pouring new foundations; installing new conductor, optical ground wire and structures; and relocating or replacing other equipment as needed. The recommended project completion date is May 15, 2023.

**Project Name:** LCRA Transmission Services Corporation – General Additions – FY 2023

**Project Number:** 1005987

**Lifetime Budget:** \$5 million

**Description:** The project will fund required but unanticipated minor system improvements to accommodate load increases, equipment needs, substation reliability enhancements, customer requests or changing system conditions as needed through June 30, 2023.

## **FOR ACTION**

# **6. Acquisition of Interests in Real Property – Use of Eminent Domain in Hays County**

### **Proposed Motion**

I move that the Board of Directors of LCRA Transmission Services Corporation 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 for the Hilltop to Strahan Transmission Line Upgrade project to ensure the continued reliable transmission of electric energy on the Hilltop to Strahan (T445) transmission line; 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.

### **Budget Status and Fiscal Impact**

The acquisition costs were included in the Board-approved budget for the Hilltop to Strahan Transmission Line Upgrade project.

### **Summary**

LCRA TSC proposes to acquire transmission line easement amendments in Hays County for the Hilltop to Strahan Transmission Line Upgrade project. Allen, Williford and Seale, Inc. performed independent appraisals of the interests in real properties to be acquired to determine just compensation to the landowners.

Staff will make initial offers 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 agreements cannot be reached with the landowners.

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

LCRA TSC representatives have performed environmental and cultural due diligence studies and did not identify any concerns. Staff requests the Board adopt the resolution in Exhibit D authorizing the initiation of condemnation proceedings on the first record vote for all units of property.

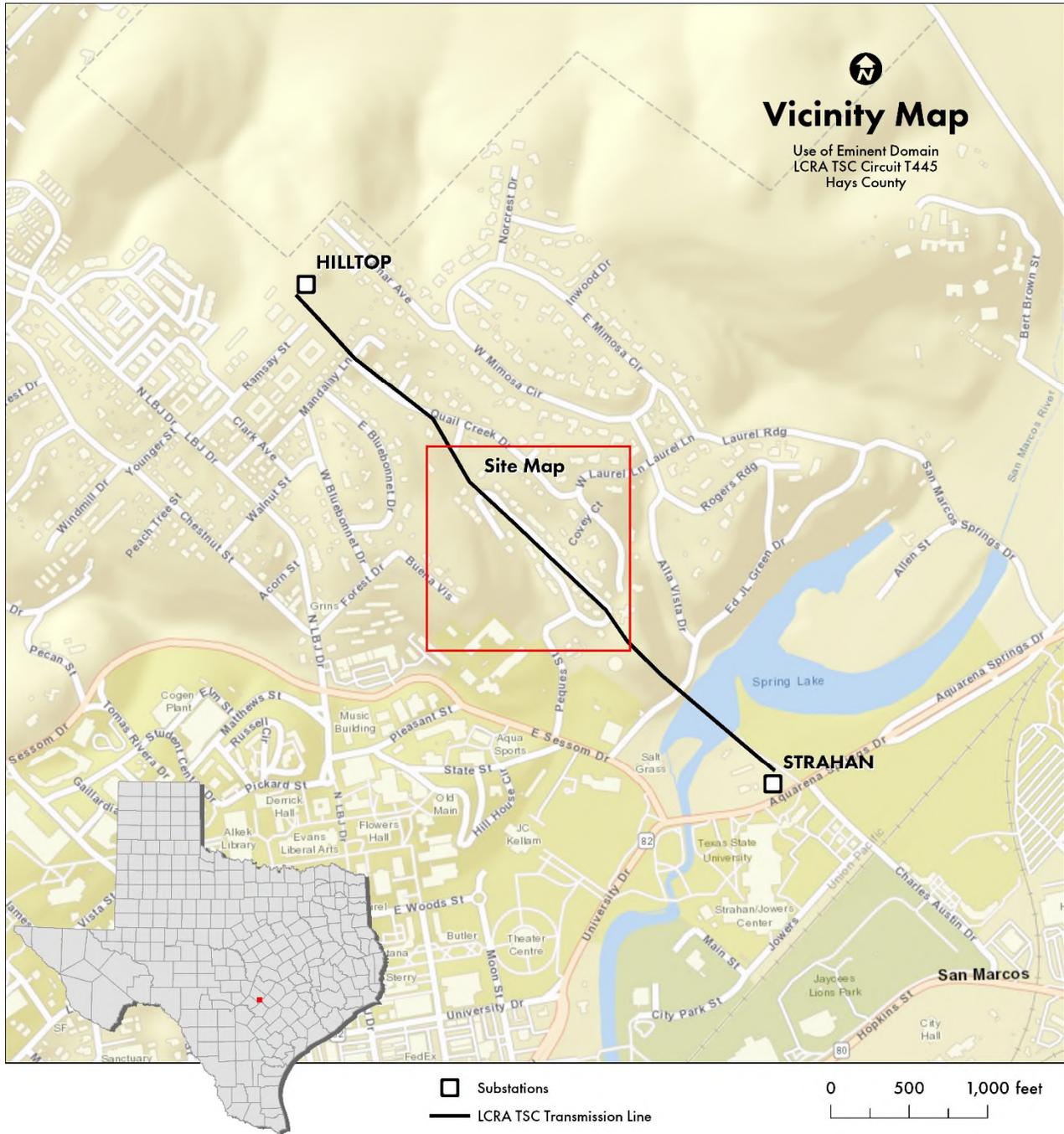
**Presenter(s)**

Mark Sumrall  
Director, Real Estate Services

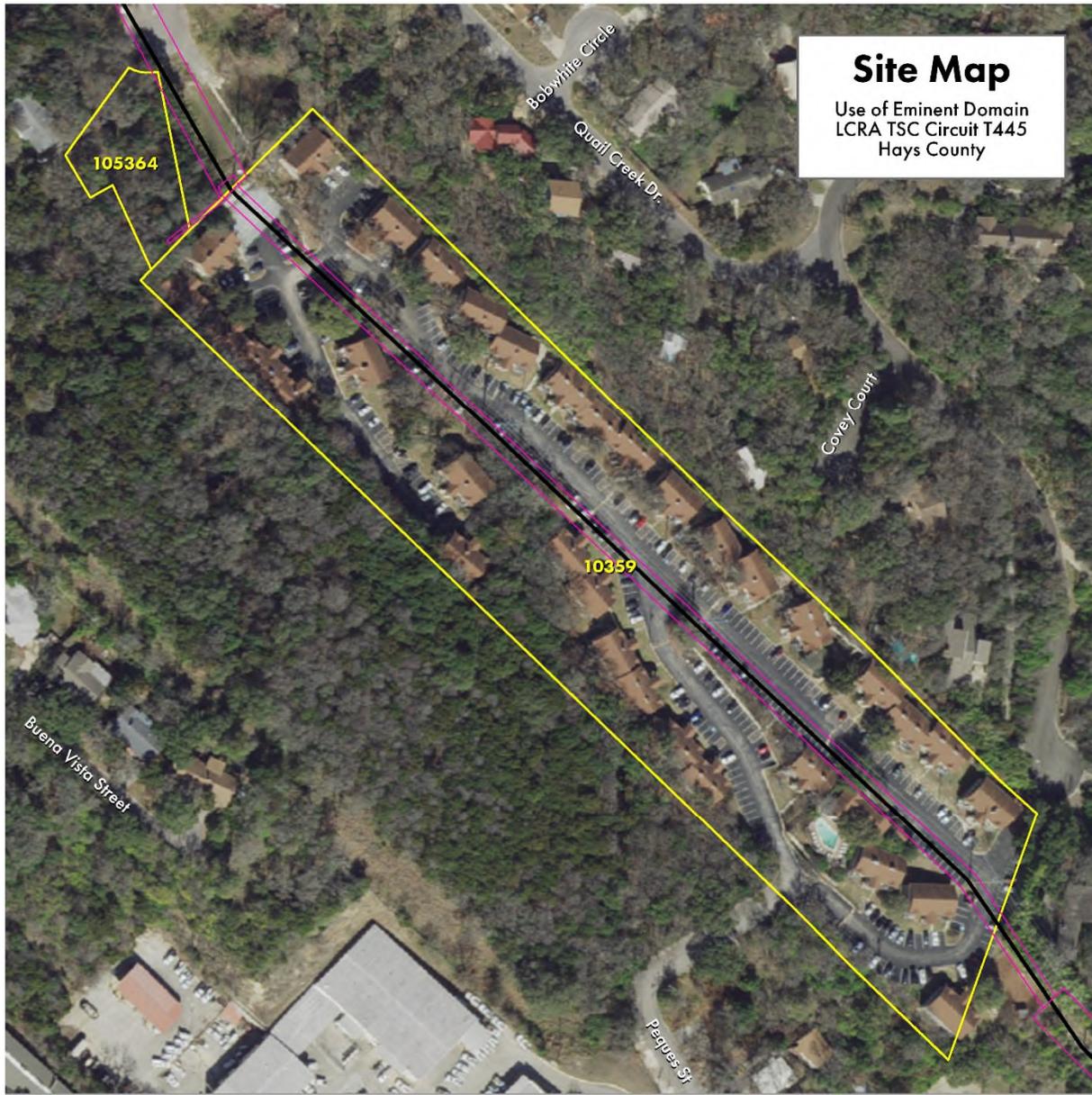
**Exhibit(s)**

- A – Vicinity Map
- B – Site Maps
- C – Landowner List
- D – Resolution
- 1 – Description of the Specific Properties

**EXHIBIT A**



**EXHIBIT B**



0 200 feet

- Substations
- LCRA TSC Transmission Line T445
- Landowner Parcels
- Transmission Easements

See Exhibit C Landowner List for owner names and acreages.

**EXHIBIT C**

<b>Parcel ID</b>	<b>Landowners</b>	<b>Approximate Parent Tract Acreage</b>	<b>Land Rights</b>	<b>Approximate Acquisition Acreage</b>	<b>County</b>	<b>Approximate Value</b>
10359	OREP Timbers LLC	8.7204 acres	Easement Amendment	N/A	Hays	\$12,075
105364	William B. Hyatt	0.43 acre	Aerial Easement Amendment	0.015 acre	Hays	\$1,143

**EXHIBIT D**

Page 1 of 2

**PROPOSED MOTION**

**I MOVE THAT THE BOARD OF DIRECTORS OF LCRA TRANSMISSION SERVICES CORPORATION 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 FOR THE HILLTOP TO STRAHAN TRANSMISSION LINE UPGRADE PROJECT TO ENSURE THE CONTINUED RELIABLE TRANSMISSION OF ELECTRIC ENERGY ON THE HILLTOP TO STRAHAN (T445) TRANSMISSION LINE 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 HAYS COUNTY FOR  
TRANSMISSION LINE EASEMENTS.**

**WHEREAS**, LCRA Transmission Services Corporation has determined the need to acquire the interests in real property necessary for the public purposes of construction, operation and maintenance of electric transmission lines in Hays County; and

**WHEREAS**, an independent, professional appraisal of the subject properties has been submitted to LCRA Transmission Services Corporation, and an amount has been 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 for the Hilltop to Strahan Transmission Line Upgrade project, with the description of the location of and interest in the properties that 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 the above-stated interests in real property; that the public necessity requires the condemnation of the interests in real property in order to acquire them for such purposes; 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 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

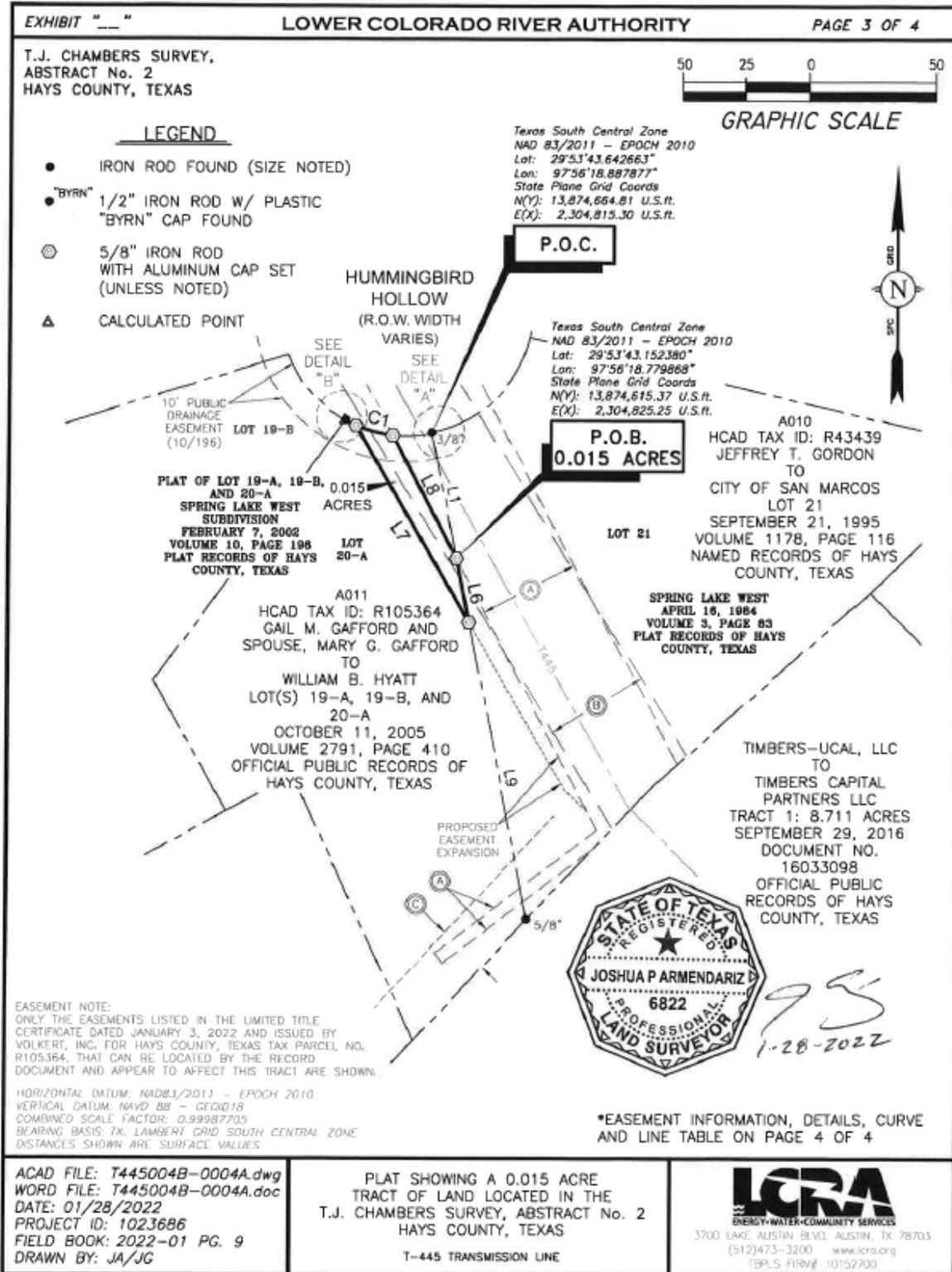
## **EXHIBIT D**

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president and chief executive officer or his designee is authorized and directed to initiate condemnation proceedings against the owner(s) of the property, 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 in real property that are proper and convenient for the operation of the electric transmission line.

**EXHIBIT 1**



## **FOR ACTION**

# **7. Acquisition of Interests in Real Property – Use of Eminent Domain in Fayette, Austin and Washington Counties**

### **Proposed Motion**

I move that the Board of Directors of LCRA Transmission Services Corporation 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 for the Fayetteville to Salem Transmission Line Upgrade project; 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.

### **Budget Status and Fiscal Impact**

The acquisition costs were included in the Board-approved budget for the Fayetteville to Salem Transmission Line Upgrade project.

### **Summary**

LCRA TSC proposes to acquire easement amendments for the Fayetteville to Salem Transmission Line Upgrade project. CBRE performed independent appraisals of the interests in real property to be acquired to determine just compensation to the landowners.

Staff made initial offers 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 agreements cannot be reached with the landowners.

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

LCRA TSC representatives have performed environmental and cultural due diligence studies and did not identify any concerns. Staff requests the Board adopt the resolution in Exhibit D authorizing the initiation of condemnation proceedings on the first record vote for all units of property.

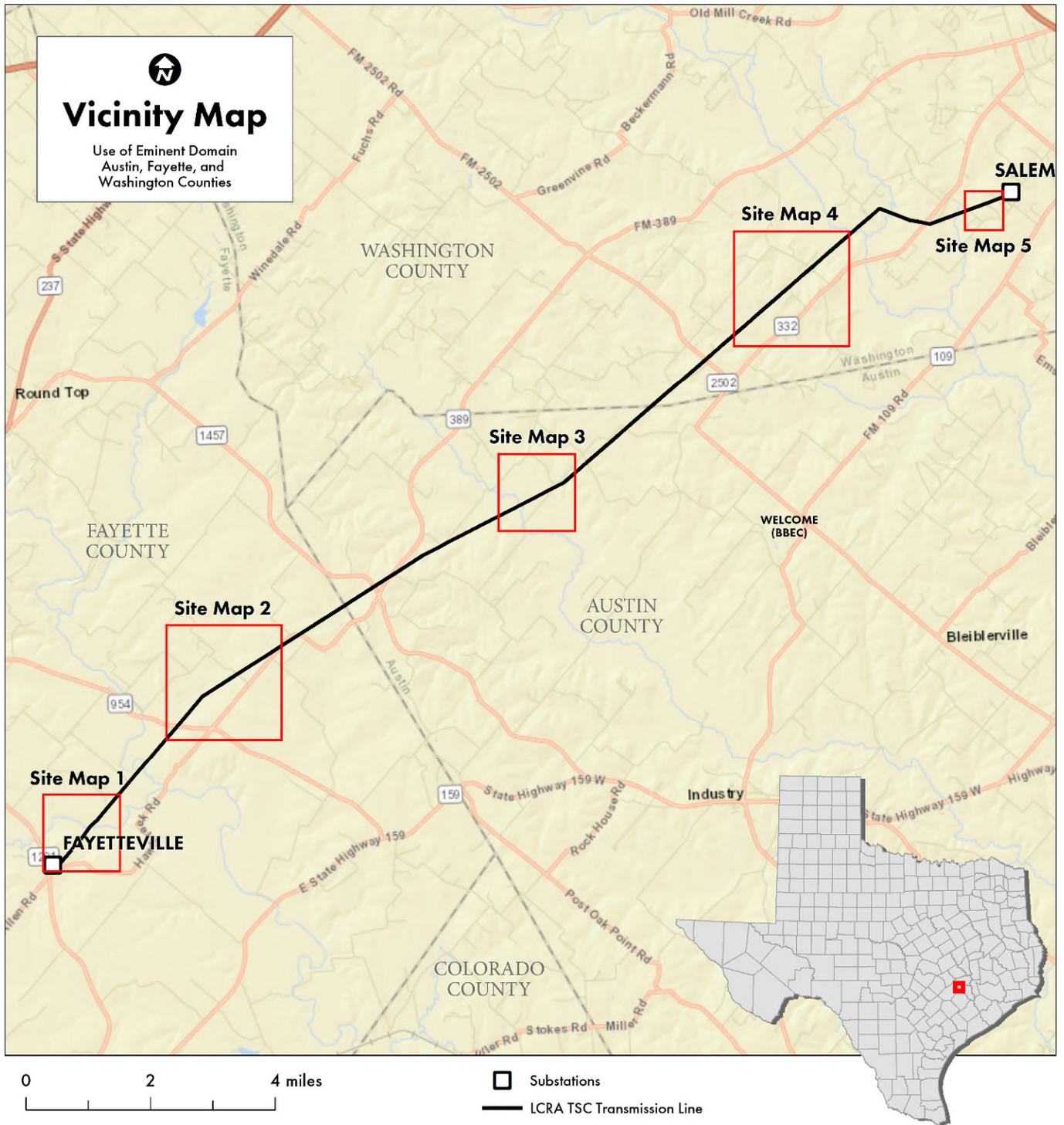
**Presenter(s)**

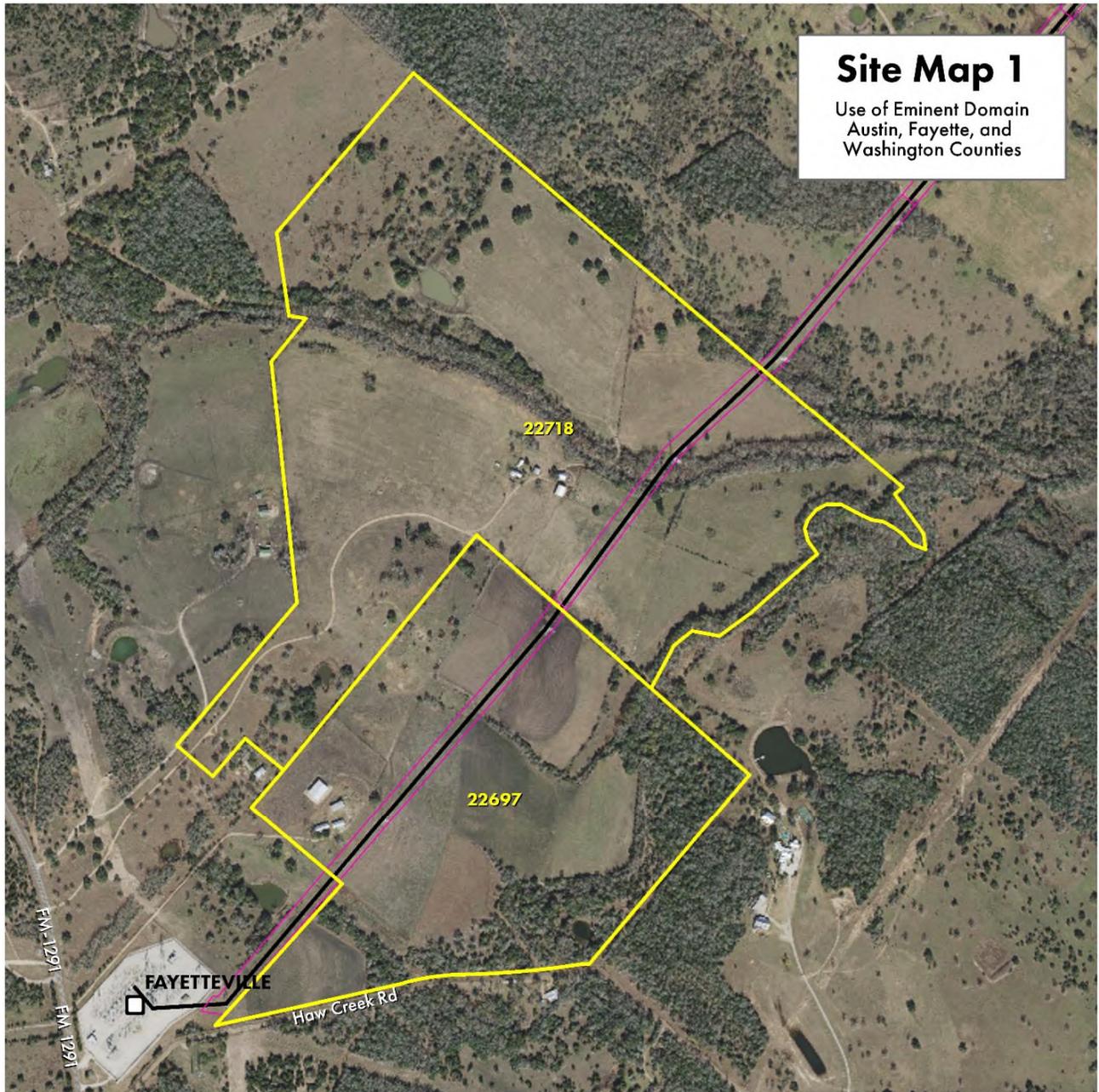
Mark Sumrall  
Director, Real Estate Services

**Exhibit(s)**

- A – Vicinity Map
- B – Site Maps
- C – Landowner List
- D – Resolution
- 1 – Description of the Specific Properties

# EXHIBIT A





0 1,000 feet

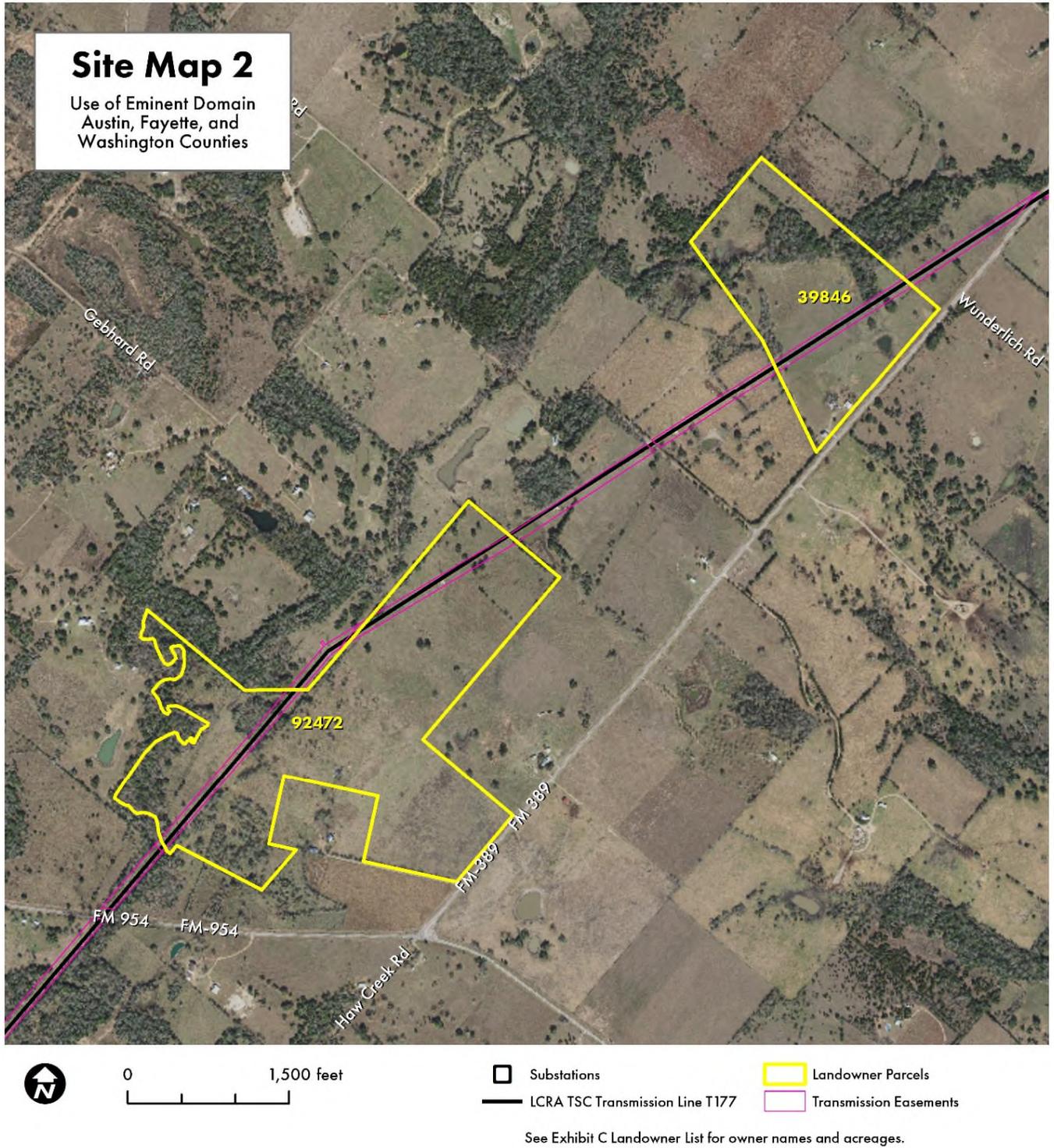
□ Substations

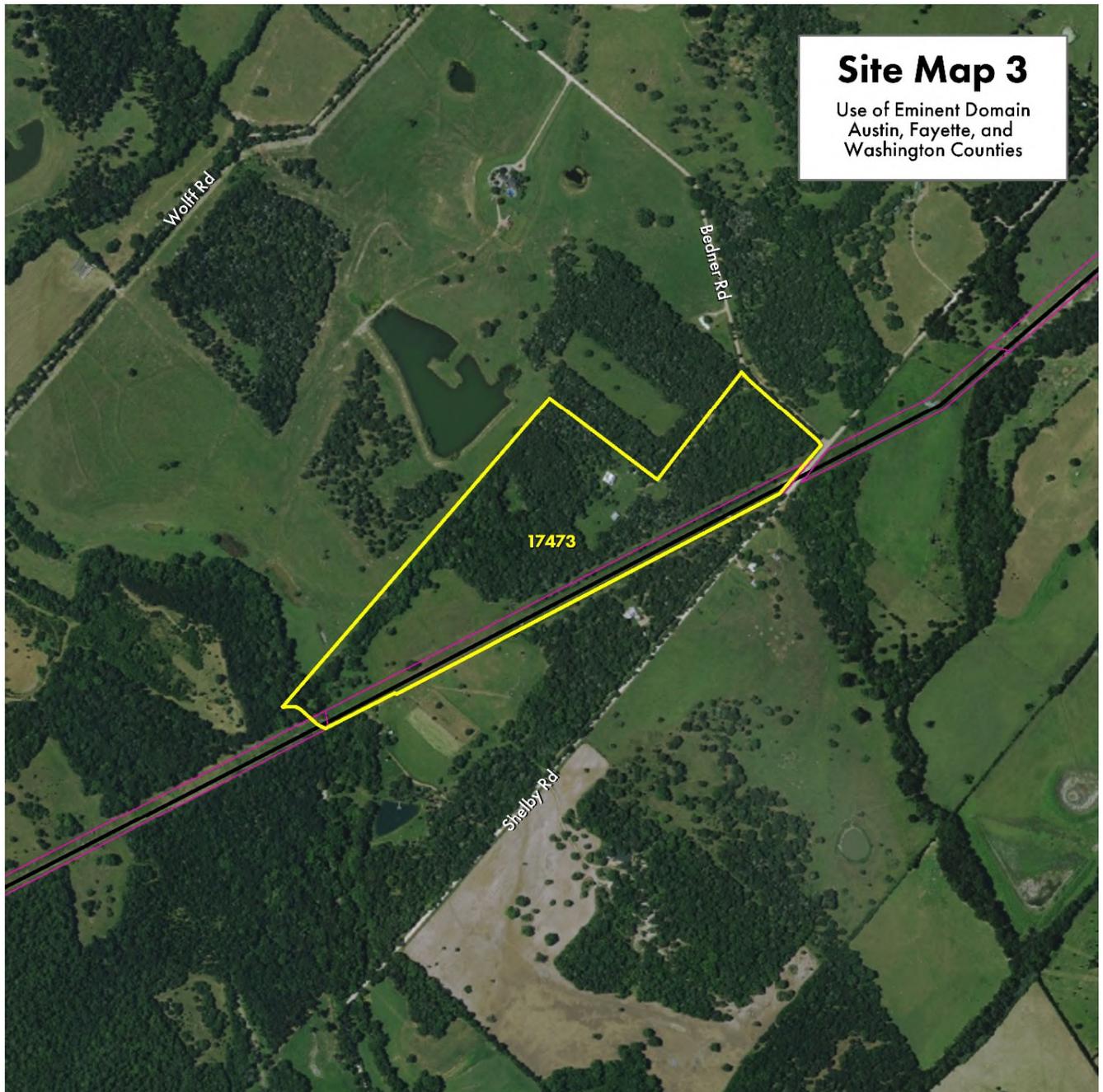
— LCRA TSC Transmission Line T177

□ Landowner Parcels

□ Transmission Easements

See Exhibit C Landowner List for owner names and acreages.





0 1,000 feet

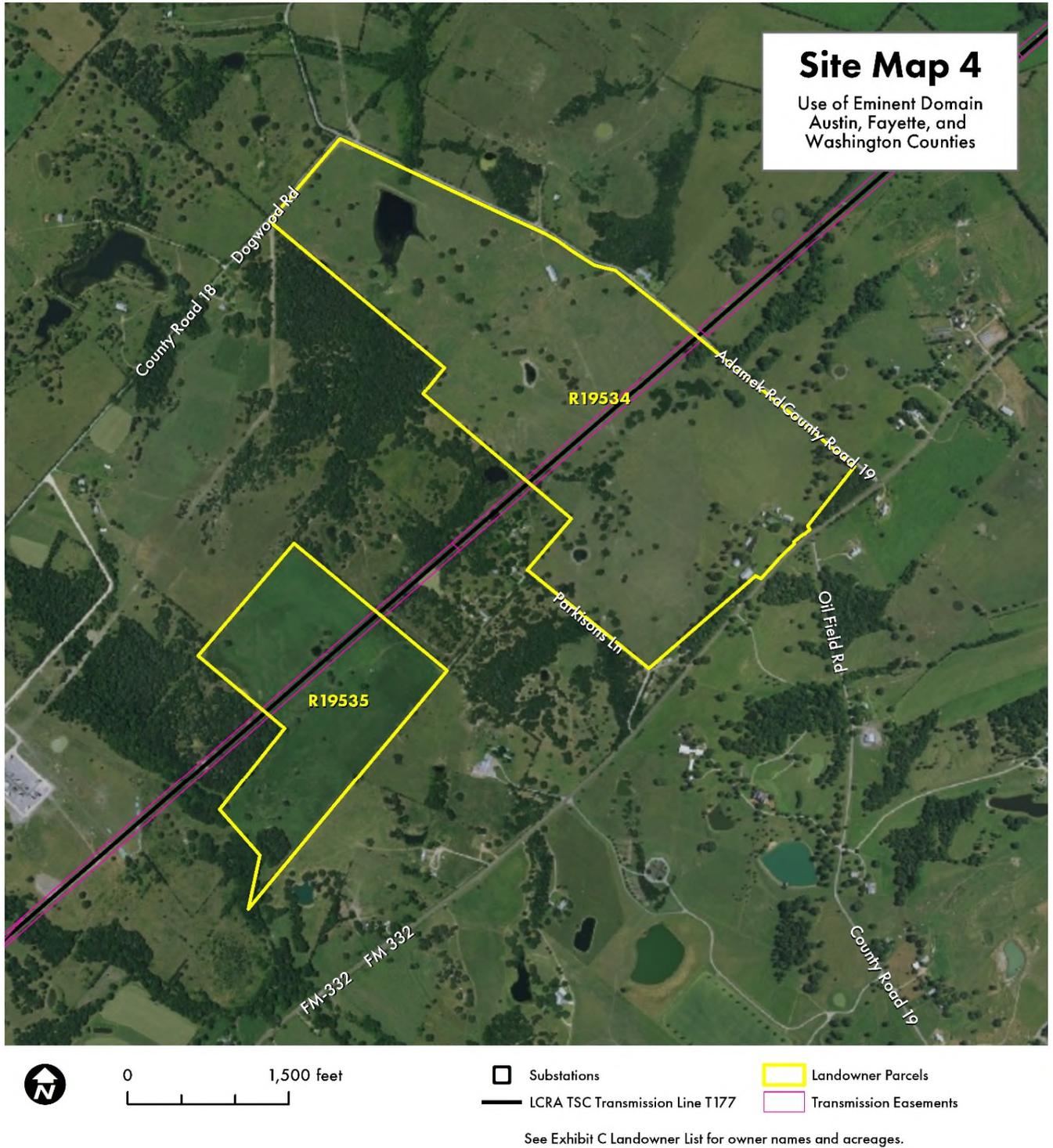
□ Substations

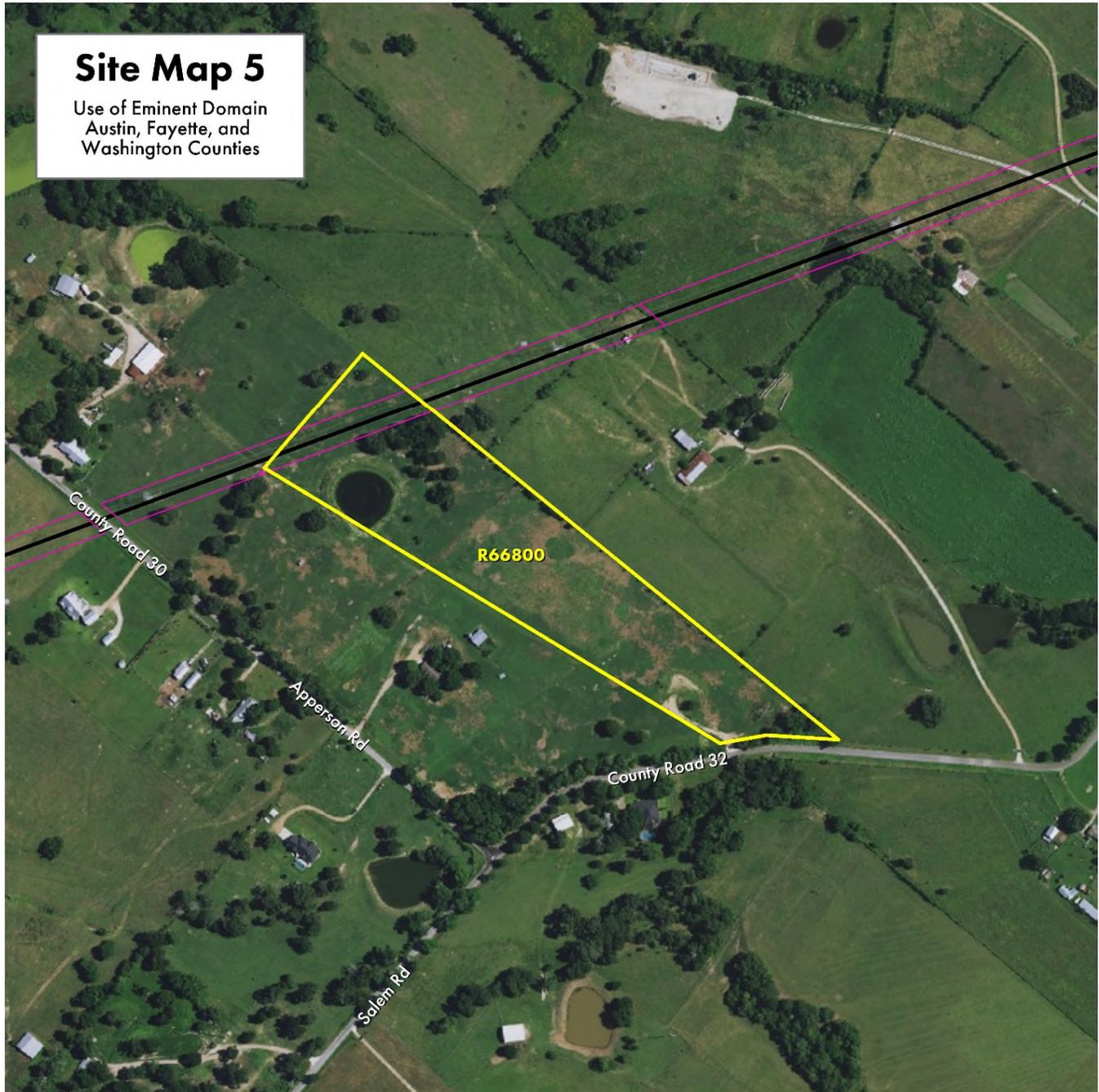
— LCRA TSC Transmission Line T177

□ Landowner Parcels

□ Transmission Easements

See Exhibit C Landowner List for owner names and acreages.





0 500 feet



Substations

LCRA TSC Transmission Line T177



Landowner Parcels

Transmission Easements

See Exhibit C Landowner List for owner names and acreages.

**EXHIBIT C**

<b>Parcel ID</b>	<b>Landowners</b>	<b>Approximate Parent Tract Acreage</b>	<b>Land Rights</b>	<b>Approximate Acquisition Acreage</b>	<b>County</b>	<b>Approximate Value</b>
A003	Verlyn Mascheck	125.11 acres	Easement Amendment	0.0216 acre	Fayette	\$5,506
A004	Richard and Alisa Rowe	190.79 acres	Easement Amendment	N/A	Fayette	\$2,763
A014	Thamer Millsap	149.391 acres	Easement Amendment	N/A	Fayette	\$6,525
A018	Suzanne Haevischer	67.456 acres	Easement Amendment	N/A	Fayette	\$3,150
B017	Younes and Afsaneh Javadi	50.36 acres	Easement Amendment	N/A	Austin	\$5,550
C014	William O'Donnell Family Trust	78.93 acres	Easement Amendment	N/A	Washington	\$2,970
C017	Regina O'Donnell	271.426 acres	Easement Amendment	N/A	Washington	\$4,320
C039	Austin Wehmeyer	12.71 acres	Easement Amendment	N/A	Washington	\$1,250

**EXHIBIT D**

Page 1 of 2

**PROPOSED MOTION**

**I MOVE THAT THE BOARD OF DIRECTORS OF LCRA TRANSMISSION SERVICES CORPORATION 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 FAYETTEVILLE TO SALEM TRANSMISSION LINE UPGRADE PROJECT; 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 FAYETTE, AUSTIN AND WASHINGTON COUNTIES FOR  
EASEMENT AMENDMENTS.**

**WHEREAS**, LCRA Transmission Services Corporation has determined the need to acquire the interests in real property necessary for the public purposes of construction, operation and maintenance of an electric transmission line in Fayette, Austin and Washington counties; and

**WHEREAS**, an independent, professional appraisal of the subject properties has been 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 for the Fayetteville to Salem Transmission Line Upgrade project, with the description of the location of and interest in the properties that 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 the above-stated interests in real property; that the public necessity requires the condemnation of the interests in real property in order to acquire them for such purposes; 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 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

**EXHIBIT D**

Page 2 of 2

directed to initiate condemnation proceedings against the owner(s) of the property, 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 interests in real property that are proper and convenient for the operation of the electric transmission line.

**EXHIBIT 1**

