



Board Agenda

Wednesday, May 16, 2018
LCRA Board Room
Austin

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

Legal Notice

Although this is the expected agenda, the Board may discuss or take action on any item listed in the legal notice, which may include some items not currently on the Board agenda. Legal notices are available on the Texas Secretary of State website 72 hours prior to the meeting at www.sos.state.tx.us/open.

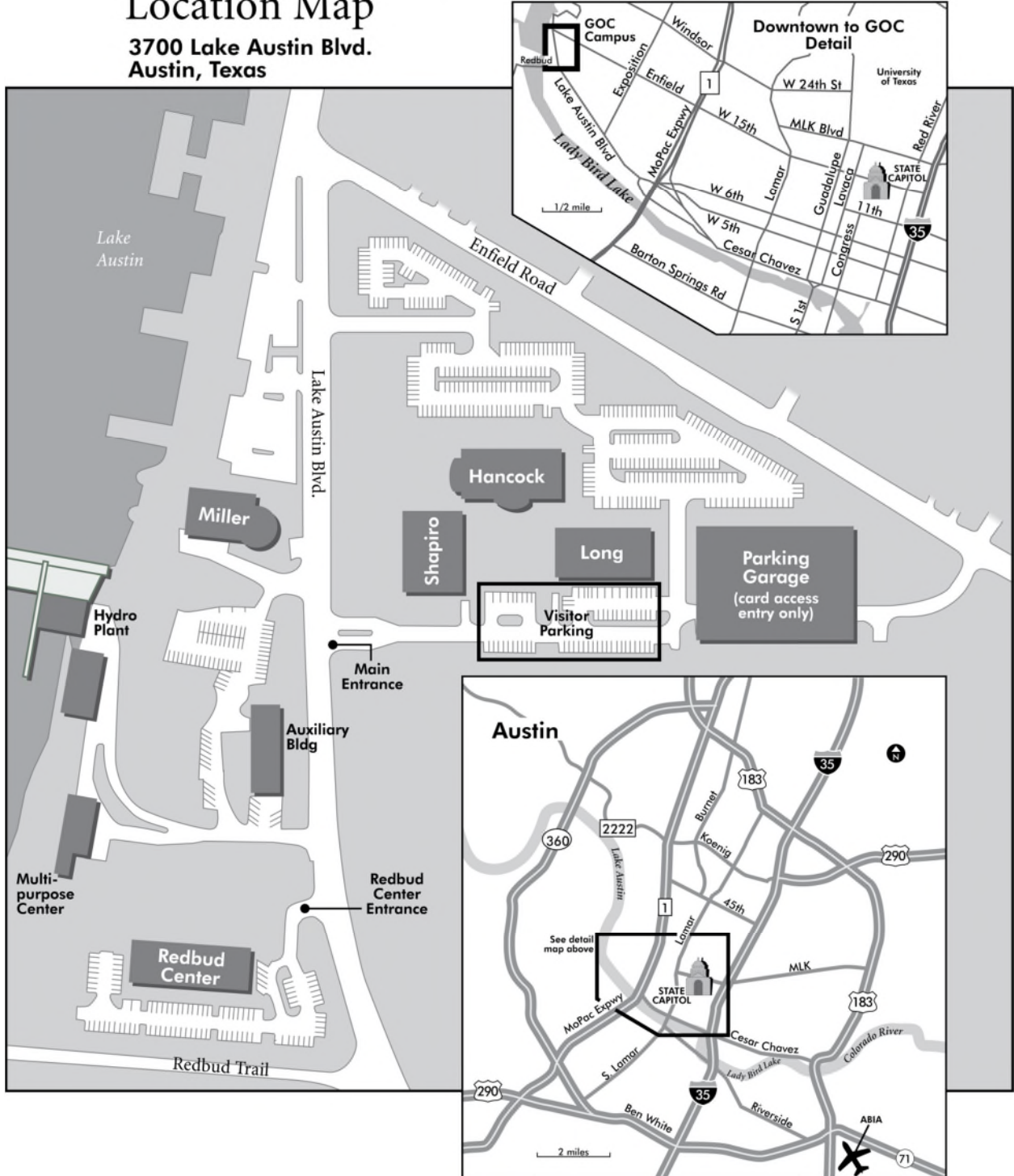
Executive Session

The Board may go into executive session for deliberation on the matters listed in the legal notice posted pursuant to Chapter 551 of the Texas Government Code.

The Board may take final action on any of the executive session matters upon reconvening in open session pursuant to Chapter 551 of the Texas Government Code. The Board may act in executive session on competitive electric matters pursuant to Section 551.086 of the Texas Government Code.

LCRA General Office Complex Location Map

3700 Lake Austin Blvd.
Austin, Texas



FOR ACTION

1. Resolution

Proposed Motion

Approve the LCRA Board of Directors resolution as presented to the Board.

Board Consideration

The Board will be asked to approve honorary and retiree resolutions as they occur.

Summary

LCRA recognizes employees who have retired from the organization with 25 or more years of service with a retiree resolution. Other individuals may be recognized from time to time with an honorary resolution.

Presenter(s)

Phil Wilson
General Manager

Resolution of the Board of Directors Of the Lower Colorado River Authority

Honoring Ryan Rowney

Whereas, Ryan Rowney retired from the Lower Colorado River Authority on March 31, 2018, as the vice president of Water Operations after more than 34 years of service to LCRA; and

Whereas, he began his career at LCRA on Oct. 17, 1983, as an entry-level utility worker at Buchanan Dam. From there, Ryan worked his way up, progressing to apprentice electrician, senior electrician, area supervisor at Wirtz and Starcke dams, superintendent of Hydro, manager of Dam and Hydro, manager of Water Operations, executive manager of Water, and vice president of Water Operations; and

Whereas, Ryan's wide-ranging knowledge made him the go-to person for everything related to Water Operations. He knew from firsthand experience how to do anything from fixing electrical issues at a dam to operating a hydro turbine generator to determining when floodwaters need to be released; and

Whereas, Ryan played a key role in every dam modernization project at LCRA over the last 30 years. He also helped manage Water Operations through a record-breaking drought and numerous floods, including the historic 1991 "Christmas Flood" on the Highland Lakes and the June 1997 flood on Lake LBJ, the first and only time all 10 floodgates have been open at the same time. Ryan worked round-the-clock many times to ensure the safe operations of the dams; and

Whereas, his peers admire his sense of humor, but even more so his sense of right and wrong and his commitment to always finding a way to get the job done safely; and

Whereas, Ryan helped educate a generation of employees on what it means to be part of the LCRA team. He treated everyone with respect and never forgot what it was like to be the lowest-ranking person in the room; and

Whereas, Ryan is a great leader who always saw himself more as a coach than a boss. He wanted LCRA and his team to shine more than he wanted the spotlight on himself. His immense contributions to LCRA will never be forgotten;

Now, Therefore, Be It Resolved that the LCRA Board of Directors and employees, with extra emphasis from Water Operations, express their appreciation to Ryan Rowney for his extraordinary service to LCRA and the people of Texas for more than a third of a century.

Approved this 16th day of May 2018.

Timothy Timmerman, Board Chair

Phil Wilson, General Manager

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FOR DISCUSSION

2. Financial Report

Board Consideration

Staff presents this report monthly to the Board for discussion.

Summary

The financial report for LCRA covers the month and fiscal year to date.

Presenter(s)

Julie Rogers
Controller

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Lower Colorado River Authority
Financial Highlights
April 2018

Lower Colorado River Authority

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Key terms:

4CP – Four-month coincident peak is the average of the peak Electric Reliability Council of Texas electrical demands (measured in kilowatts) during the months of June, July, August and September of the previous calendar year.

FYE – Fiscal year-end.

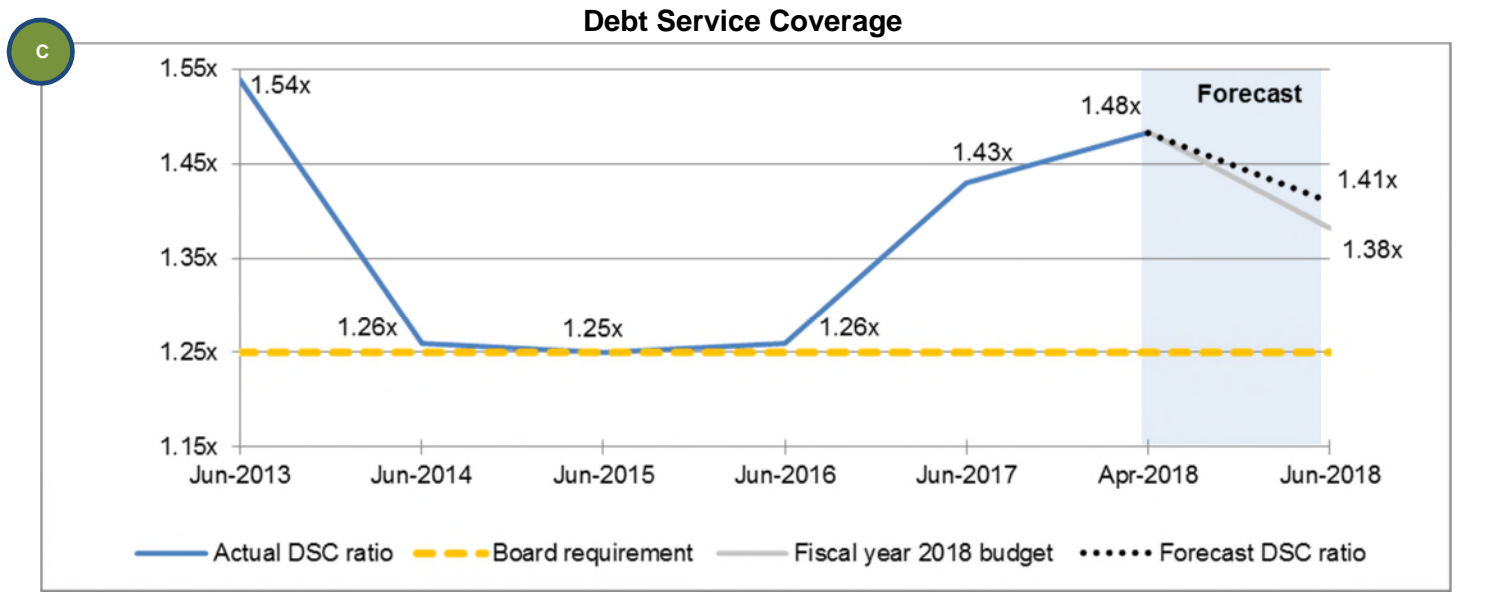
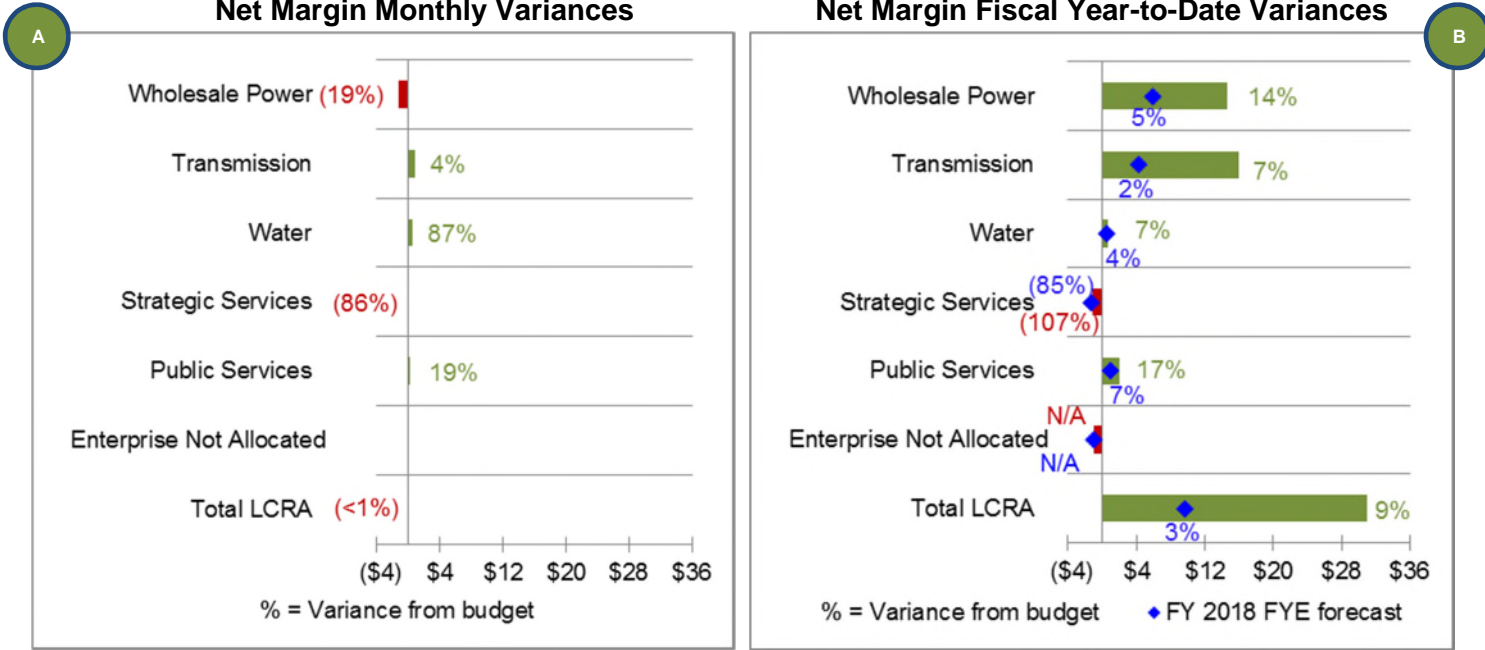
Net margin – Total operating revenues, including interest income, less direct and assigned expenses.

Lower Colorado River Authority

April 30, 2018

(Dollars in Millions)

Budget-to-Actual Highlights



Key takeaways:

- Wholesale Power monthly performance was driven primarily by timing of nonfuel expenses. Year-to-date performance was driven by timing of nonfuel expenses and higher-than-budgeted billing units. The full-year forecast is driven primarily by higher-than-budgeted interest income and billing units.
- Transmission monthly performance was driven primarily by the timing of expenses. Year-to-date performance was driven by a combination of lower expenses and timing differences, and higher-than-budgeted cost-of-service and miscellaneous revenues. The full-year forecast is driven by unbudgeted miscellaneous revenue and lower expenses than budgeted.

Lower Colorado River Authority

April 30, 2018

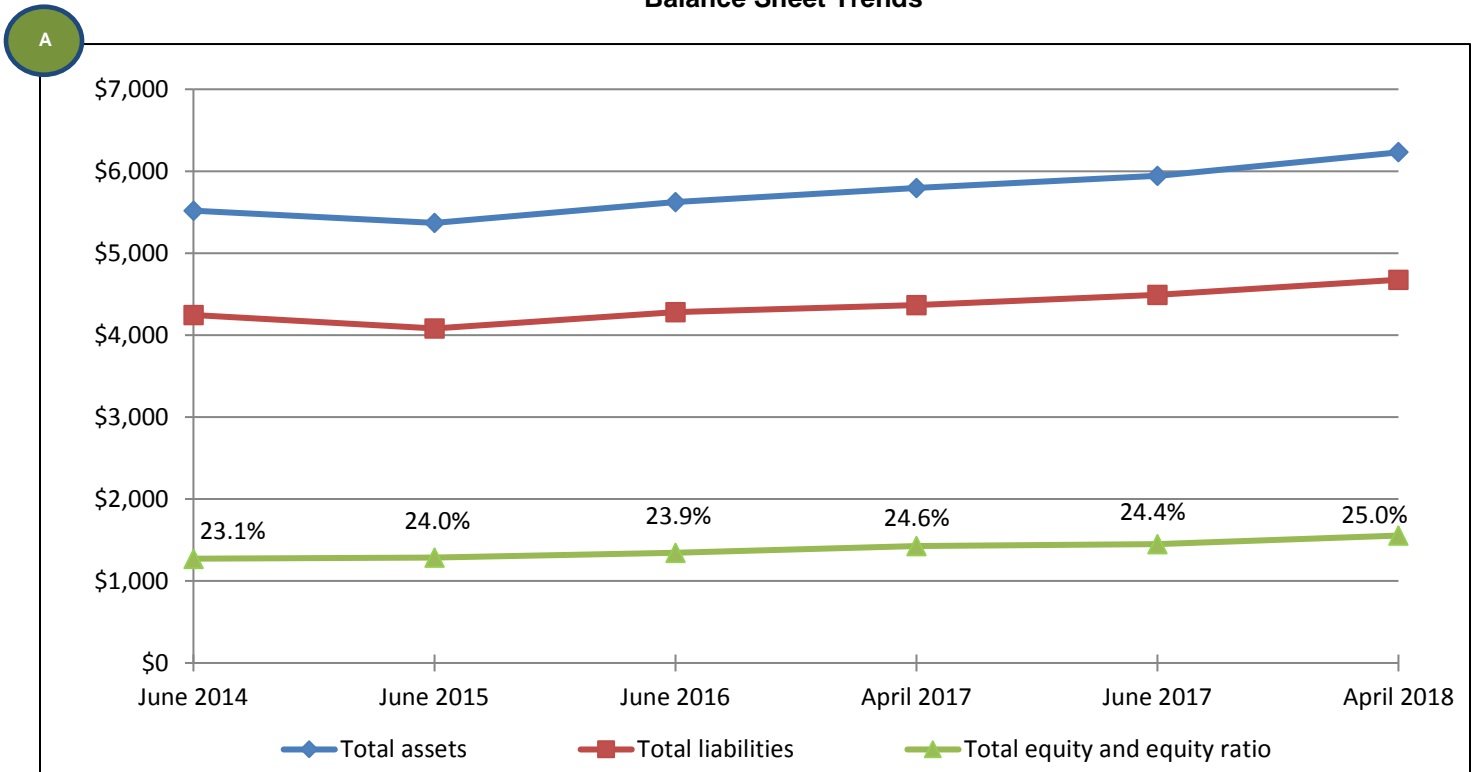
Budget-to-Actual Highlights

Key takeaways continued:

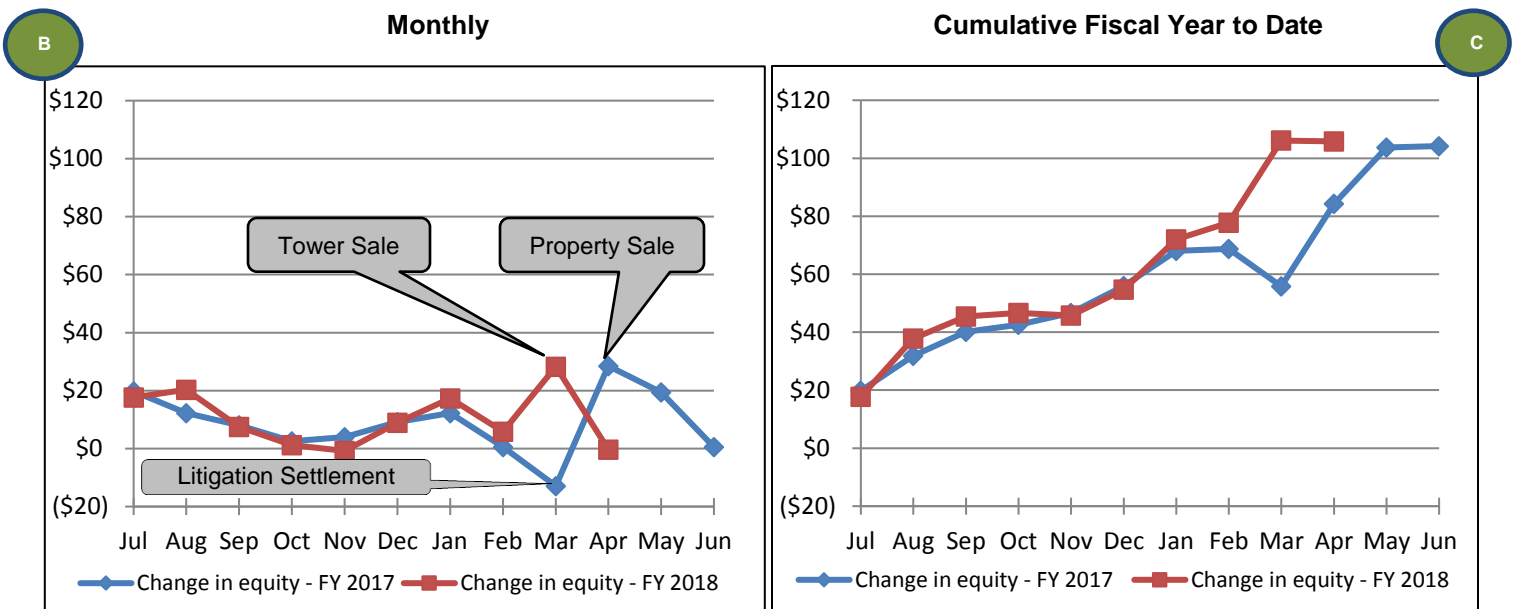
- Water monthly performance was driven by the timing of river management expenses. Year-to-date performance and the full-year forecast are driven primarily by lower-than-budgeted expenses.
- Strategic Services monthly and year-to-date performance and the full-year forecast are due primarily to lower-than-expected volumes of Transmission customer service work.
- Higher-than-budgeted revenues drove the monthly performance for Public Services. A combination of timing differences and lower expenses drove year-to-date performance. The full-year forecast is driven primarily by lower-than-budgeted expenses.
- The year-to-date variance and full-year forecast for Enterprise Not Allocated were driven by a donation for hurricane relief efforts.
- Debt service coverage is projected to be higher than budgeted due to forecast positive year-end performances in Wholesale Power and Transmission.

Lower Colorado River Authority
Financial Statement Trends
April 30, 2018
(Dollars in Millions)

Balance Sheet Trends



Income Statement Trends



Key takeaways:

- Assets and liabilities increased by \$295.9 million from April 2017 due to:
 - A \$201.7 million increase in property, plant and equipment and construction work in progress, and related debt issuances.
 - A \$94.2 million increase in assets and liabilities as a result of implementation of a new accounting standard related to other postemployment benefits, which required retroactive adjustment to June 2017 amounts.
- Cumulative net income increased primarily due to the timing of costs related to long-term assets being deferred until planned recovery from customers in the future. Monthly net income decreased compared with the prior year period due to lower electric revenue in April 2018 and the sale of non-essential property in April 2017.

Lower Colorado River Authority

April 30, 2018

(Dollars in Millions)

Condensed Balance Sheets

	April 30, 2018	April 30, 2017
<i>Assets</i>		
Total current assets	\$ 628.0	\$ 847.6
Total long-term assets	5,602.3	4,947.0
Total Assets	\$ 6,230.3	\$ 5,794.6
<i>Liabilities</i>		
Total current liabilities	\$ 768.4	\$ 542.8
Total long-term liabilities	3,907.4	3,824.0
Total liabilities	4,675.8	4,366.8
<i>Equity</i>		
Total equity	1,554.5	1,427.8
Total Liabilities and Equity	\$ 6,230.3	\$ 5,794.6

Condensed Statements of Revenues, Expenses and Changes in Equity

	Fiscal Year to Date	
	2018	2017
Operating Revenues		
Electric	\$ 802.0	\$ 765.9
Water and irrigation	18.9	20.4
Other	21.4	30.1
Total Operating Revenues	842.3	816.4
Operating Expenses		
Fuel	242.1	227.7
Purchased power	55.9	63.2
Operations	157.9	158.9
Maintenance	31.9	25.6
Depreciation, depletion and amortization	148.7	141.3
Total Operating Expenses	636.5	616.7
Operating Income	205.8	199.7
Nonoperating Revenues (Expenses)		
Interest on debt	(133.9)	(135.0)
Other income	33.9	19.6
Total Nonoperating Revenues (Expenses)	(100.0)	(115.4)
Change in Equity	105.8	84.3
Equity - Beginning of Period	1,448.7	1,343.5
Equity - End of Period	\$ 1,554.5	\$ 1,427.8

FOR ACTION (CONSENT)

3. Granting of Access Easement in Matagorda County

Proposed Motion

Authorize the general manager or his designee to grant a 150-foot-wide, 3.001-acre access easement to the adjoining owner of the property across an LCRA-owned irrigation canal in the Gulf Coast Irrigation District in Matagorda County.

Board Consideration

Section 8503.020(b) of the Texas Special District Local Laws Code requires the approval of at least 12 members of the LCRA Board of Directors to convey any interest in real property. LCRA Board Policy 401 – Land Resources requires the approval of the LCRA Board to convey easements across LCRA land.

Budget Status and Fiscal Impact

The administrative costs associated with the conveyance of this land are contained in the fiscal year 2018 business plan. The proceeds of \$10,000 will be used to fund capital water projects.

Summary

Landowner Equistar Chemicals, LP owns property on both sides of an LCRA-owned canal in Matagorda County. The landowner requested LCRA to convey an easement consisting of two railroad crossing areas to expand the company's railyard from the east side of the canal to the west side. The canal is part of the Gulf Coast Irrigation District's canal system.

LCRA staff reviewed the available market data and determined that \$10,000 for the easement is at or above the market value of the property to be conveyed. Equistar Chemicals, LP is working with LCRA Irrigation Operations to approve construction plans, which require box culverts be placed in the two areas crossing the canal.

LCRA staff will complete and document environmental and cultural due diligence in accordance with Board Policy 401.403 prior to the conveyance of the easement.

Exhibit(s)

- A – Vicinity Map
- B – Site Map

EXHIBIT A

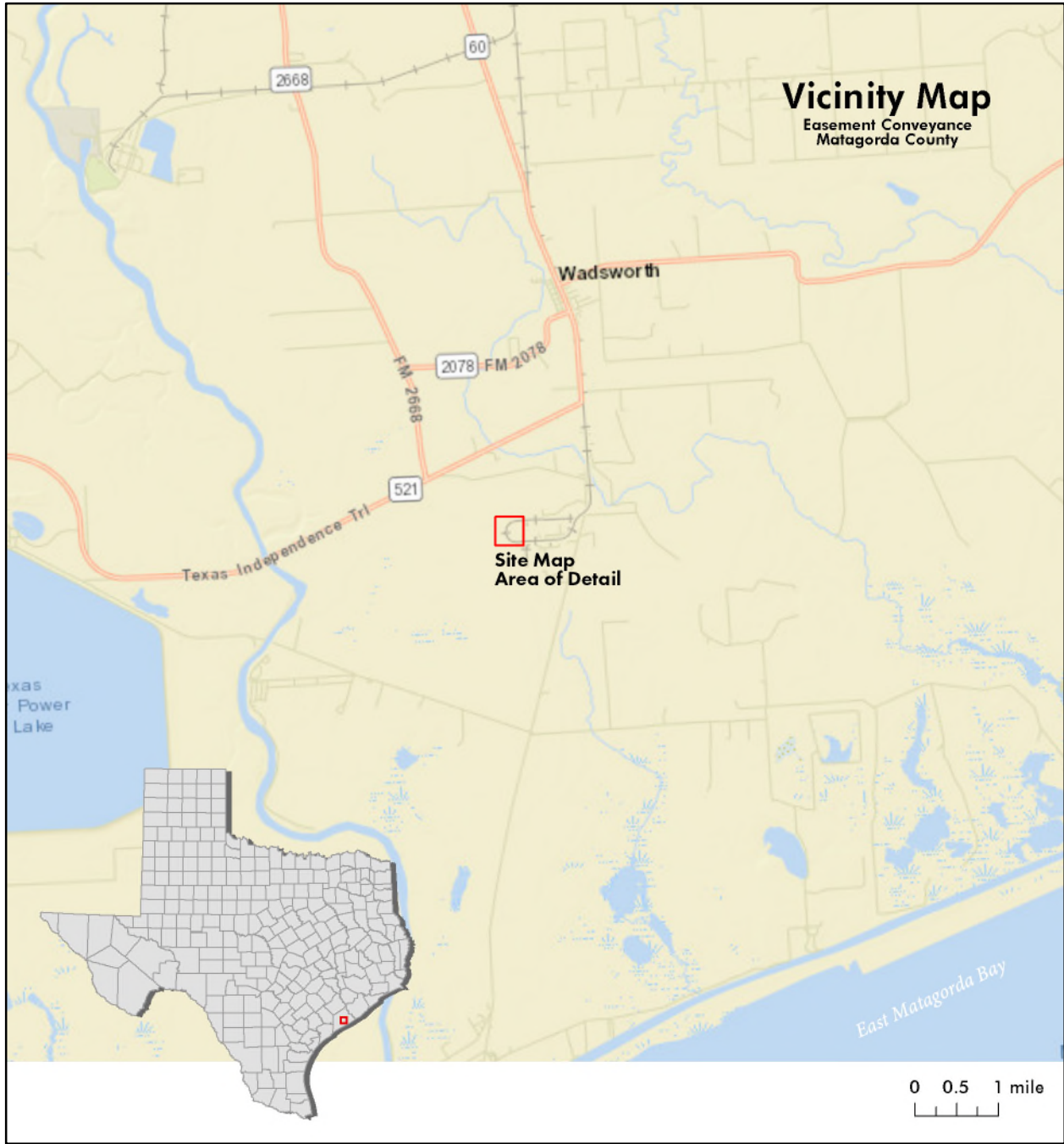


EXHIBIT B



FOR ACTION (CONSENT)

4. Granting of Access Easement in Matagorda County

Proposed Motion

Authorize the general manager or his designee to grant a 40-foot-wide, 0.309-acre access easement to the owner of adjoining property across an LCRA canal property in the Gulf Coast Irrigation District in Matagorda County.

Board Consideration

Section 8503.020(b) of the Texas Special District Local Laws Code requires the approval of at least 12 members of the LCRA Board of Directors to convey any interest in real property. LCRA Board Policy 401 – Land Resources requires the approval of the LCRA Board to convey easements across LCRA land.

Budget Status and Fiscal Impact

The administrative costs associated with the conveyance of this land are contained in the fiscal year 2018 business plan. The proceeds of \$5,000 will be used to fund capital water projects.

Summary

Landowner Chris Gagnon accesses his property over and across an adjoining LCRA-owned canal in Matagorda County. He requested LCRA to convey an easement to provide legal access to his property. The canal is part of the Gulf Coast Irrigation District's canal system.

LCRA staff reviewed the available market data and determined that \$5,000 for the easement is at or above the market value of the property to be conveyed. The easement will include provisions necessary to protect the canal, which is in an underdrain and covered by a minimum of six inches of earth. Granting an easement to the landowner will not require any construction.

LCRA staff will complete and document environmental and cultural due diligence in accordance with Board Policy 401.403 prior to the conveyance of the easement.

Exhibit(s)

- A – Vicinity Map
- B – Site Map

EXHIBIT A

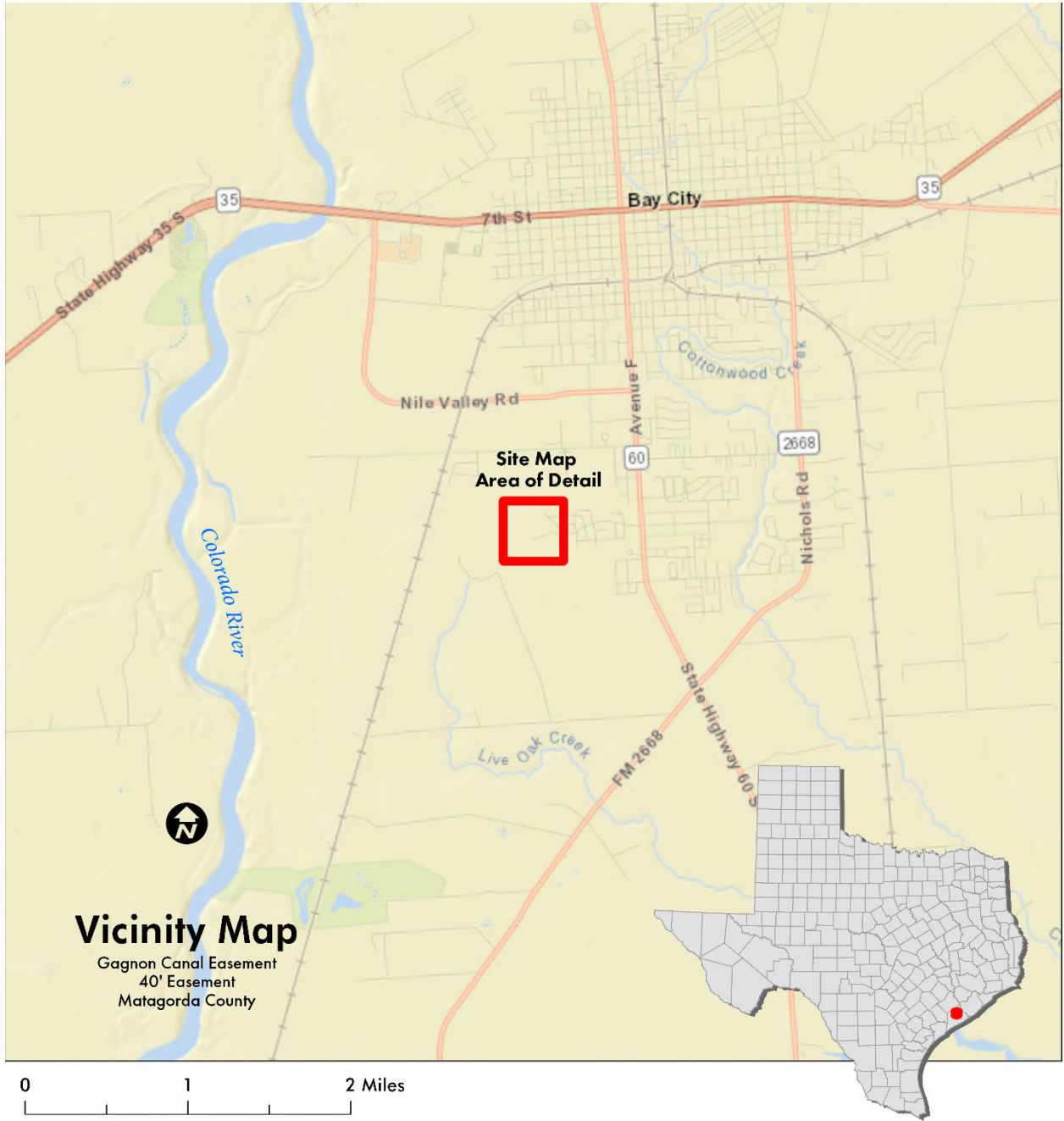
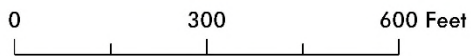


EXHIBIT B



FOR ACTION (CONSENT)

5. Sale of Land in Burnet County (Parcel JE-03)

Proposed Motion

Declare an approximately .013-acre tract of land, being a portion of LCRA Parcel JE-03 in Burnet County, nonessential, and authorize the general manager or his designee to sell the property to the adjoining landowner.

Board Consideration

Section 8503.020(b) of the Texas Special District Local Laws Code requires the approval of at least 12 members of the LCRA Board of Directors to convey any interest in real property. Section 49.226 of the Texas Water Code authorizes LCRA to convey real property for fair market value without going through a bidding process. LCRA Board Policy 401 – Land Resources requires at least 12 members of the LCRA Board to declare the land to be no longer necessary or of beneficial use to the business of LCRA before conveyance. Additionally, Section 8503.020 of the Texas Special District Local Laws Code and LCRA Board Policy 401 require Board approval of the terms of all land sales before conveyance.

Budget Status and Fiscal Impact

The fiscal year 2018 business plan contains the administrative costs associated with the sale of this land. The proceeds of \$6,630 will be credited to Public Recreation and Conservation Land Acquisition Fund.

Summary

John W. Bradley and Linda Sue Woods, an adjacent landowner, has agreed to purchase a .013-acre fill encroachment. The purchase permanently will resolve the encroachment. The total sale tract of .013 of an acre is priced at \$6,630. Staff determined this price based on the Burnet County Appraisal District assessed values of Woods' adjacent lots and other nearby waterfront lots.

LCRA staff will complete environmental and cultural resource due diligence in accordance with Board Policy 401.403 – Land Disposition before the sale of the property.

The property will be sold subject to the following reservations and restrictions:

1. LCRA 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 shall not be permitted to drill or excavate for minerals on the surface of the property.
2. LCRA will retain a 20-foot-wide recreation easement abutting the high-water line of Lake LBJ for use by the public as required by Section 8503.023(d) of the Texas Special District Local Laws Code.
3. LCRA will retain the right to inundate with water all or any part of the property from time to time without any compensation.

Exhibit(s)

- A – Vicinity Map
- B – Site Map

EXHIBIT A

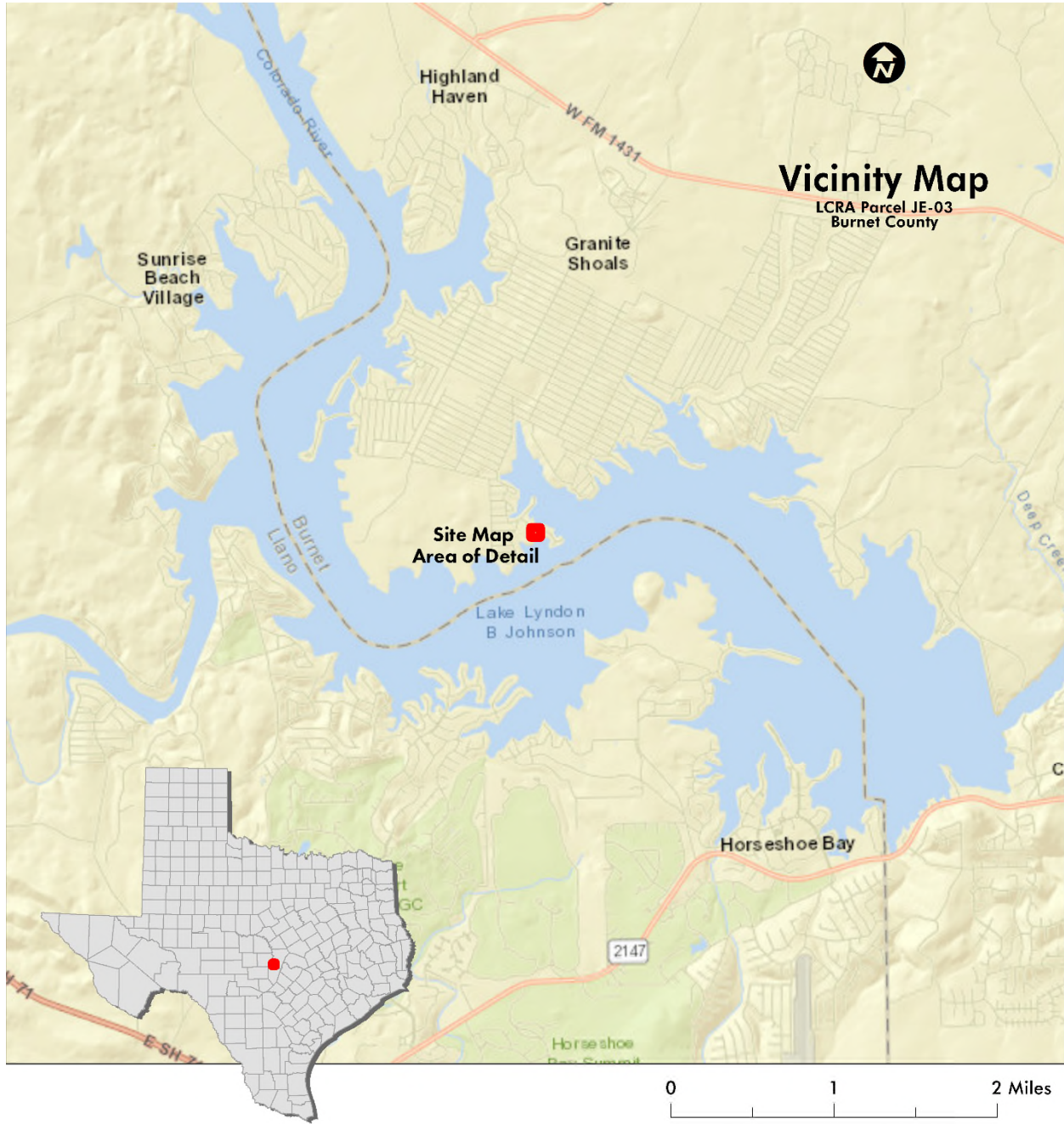


EXHIBIT B



FOR ACTION (CONSENT)

6. Directors' Fees, Expenses

Proposed Motion

Approve directors' fees and expense reports.

Board Consideration

LCRA Board Policy 105 – Directors' Fees and Expense Reimbursement and the LCRA bylaws require Board approval for directors' fees and expenses.

Budget Status and Fiscal Impact

Directors' fees and expenses are provided for in the budget in the business plan.

Summary

LCRA Board Policy 105 establishes guidelines for the payment of fees and reimbursement of the expenses that directors incur as they carry out their responsibilities as LCRA Board members.

FOR ACTION (CONSENT)

7. Minutes of Prior Meetings

Proposed Motion

Approve the minutes of the Jan. 17, Feb. 14 and April 18, 2018, meetings.

Board Consideration

Section 2.04 of the LCRA 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 Jan. 17, 2018, meeting
- B – Minutes of Feb. 14, 2018, meeting
- C – Minutes of April 18, 2018, meeting

EXHIBIT A

Minutes Digest

Jan. 17, 2018

- 18-01 Authorization for the general manager or his designee to convey a permanent electric transmission line easement, being approximately 5 acres out of LCRA parcel A-18(05) in Fayette County, to LCRA Transmission Services Corporation.
- 18-02 Approval of an additional conference to include in directors' attendance at seminars or conferences for calendar year 2018.
- 18-03 Approval of directors' fees and expenses reimbursements.
- 18-04 Approval of the minutes of the Oct. 18, Nov. 15 and Dec. 13, 2017, meetings.
- 18-05 Approval of an updated interruptible agricultural Drought Contingency Plan for customers in the Garwood, Gulf Coast and Lakeside agricultural divisions and Pierce Ranch.
- 18-06 Approval of updated interruptible agricultural water contract rules, standard form contracts and rates for the Garwood, Gulf Coast and Lakeside agricultural divisions.
- 18-07 Adoption and approval of the Twenty-Fifth Supplemental Resolution to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program to authorize the renewal of the \$150 million Transmission Services Tax-Exempt Commercial Paper Program credit facility, and authorization for the general manager, chief financial officer or treasurer to negotiate and execute certain related agreements, including the amendments to the Amended and Restated Letter of Credit Reimbursement Agreement among LCRA; LCRA Transmission Services Corporation (LCRA TSC); JPMorgan Chase Bank, National Association; and State Street Bank and Trust Company, setting forth the terms and conditions governing the issuance of the direct-pay letter of credit securing the tax exempt commercial paper program for LCRA TSC in the amount of \$150 million.
- 18-08 Authorization for the general manager or his designee to execute the following contracts and contract changes: Contract No. 4739 (Hays City Corp dba Texcon Oil); Contracts No. 4703 and No. 4717 (A. Stucki Company Inc. and Progress Rail Services Inc.); Contracts No. 4743, No. 4744, No. 4745, No. 4746, No. 4749 and No. 4750 (Surveying and Mapping Inc., Gorrondona & Associates Inc., Chaparral Professional Land Surveying Inc., Civil Engineering Consultants, LJA Engineering & Surveying Inc. and Bowman Engineering & Consulting); Contracts No. 4760 and No. 4761 (CWC Right of

Way Inc. and Paloma Blanca Enterprises Inc.); Contracts No. 4756, No. 4757, No. 4758, No. 4762, No. 4763 and No. 4765 (TransAmerica Power Poles Inc., Pinnacle Steel Inc., Trinity Industries De Mexico S De RI De Cv, Valmont Industries Inc., Valmont Industries Inc. (Microflect) and CHM Industries Inc.); Contracts No. 4764 and No. 4767 (Control Panels USA and Birmingham Control Systems Inc.); and Contracts No. 4759 and No. 4766 (AZZ Galvanizing-San Antonio and Falcon Steel America LLC).

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE
LOWER COLORADO RIVER AUTHORITY
Austin, Texas
Jan. 17, 2018

Pursuant to notice posted in accordance with the Texas Open Meetings Act, the Board of Directors (Board) of the Lower Colorado River Authority (LCRA) convened in a regular meeting at 1:46 p.m. Wednesday, Jan. 17, 2018, in the Board Room of the Hancock Building, at the principal office of LCRA, 3700 Lake Austin Blvd., Austin, Travis County, Texas. The meeting was open to the public, and the following directors were present, constituting a quorum:

Timothy Timmerman, Chair
Thomas Michael Martine, Vice Chair
Steve K. Balas, Secretary
Lori A. Berger
Stephen F. "Steve" Cooper
Pamela Jo "PJ" Ellison
John M. Franklin
Raymond A. "Ray" Gill Jr.
Sandra Wright "Sandy" Kibby
Robert "Bobby" Lewis
George W. Russell
Franklin Scott Spears Jr.
Martha Leigh M. Whitten

Absent: Joseph M. "Joe" Crane
Charles B. "Bart" Johnson

Chair Timmerman convened the meeting at 1:46 p.m.

General Manager Phil Wilson gave the Board an update, highlighting LCRA's December 2017 12-month recordable incident rate. He emphasized LCRA's continued commitment to safety and challenged employees to renew their commitment. Wilson reported that the Federal Emergency Management Agency recently visited LCRA to review reported Hurricane Harvey-related damages. Wilson discussed the effective response by LCRA Wholesale Power Services to recent record-setting cold weather. Finally, Wilson noted the progress on the Arbuckle Reservoir project.

Director Berger next described some of the Community Development Partnership Program grants that LCRA had recently awarded.

Controller Julie Rogers presented the financial report for December 2017 [Agenda Item 1].

The Board next took action on the consent agenda. Upon motion by Vice Chair Martine, seconded by Director Spears, the Board unanimously approved consent items 2, 3, 4 and 5 included on the Jan. 17, 2018, consent agenda by a vote of 13 to 0 as follows:

18-01 Authorization for the general manager or his designee to convey a permanent electric transmission line easement, being approximately 5 acres out of LCRA parcel A-18(05) in Fayette County, to LCRA Transmission Services Corporation, as recommended by staff in Consent Item 2 [attached hereto as Exhibit A].

18-02 Approval of an additional conference to include in directors' attendance at seminars or conferences for calendar year 2018, as recommended in Consent Item 3 [attached hereto as Exhibit B].

18-03 Approval of directors' fees and expenses reimbursements, as recommended in Consent Item 4 [attached hereto as Exhibit C].

18-04 Approval of the minutes of the Oct. 18, Nov. 15 and Dec. 13, 2017, meetings [Consent Item 5].

18-05 Executive Vice President of Water John Hofmann presented for consideration a staff recommendation, described in Agenda Item 6 [attached hereto as Exhibit D], that the Board approve an updated interruptible agricultural Drought Contingency Plan for customers in the Garwood, Gulf Coast and Lakeside agricultural divisions and Pierce Ranch. Upon motion by Director Balas, seconded by Director Spears, the recommendation was unanimously approved by a vote of 12 to 0. [Director Berger was temporarily absent for voting on this item. Directors Cran and Johnson were absent from the meeting.]

18-06 Executive Vice President of Water John Hofmann presented for consideration a staff recommendation, described in Agenda Item 7 [attached hereto as Exhibit E], that the Board approve updated interruptible agricultural water contract rules, standard form contracts and rates for the Garwood, Gulf Coast and Lakeside agricultural divisions. Upon motion by Director Cooper, seconded by Director Spears, the recommendation was unanimously approved by a vote of 13 to 0.

18-07 Treasurer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 8 [attached hereto as Exhibit F], that the Board adopt and approve the Twenty-Fifth Supplemental Resolution to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program to authorize the renewal of the \$150 million Transmission Services Tax-Exempt Commercial Paper Program credit facility, and authorize the general manager, chief financial officer or treasurer to negotiate and execute certain related agreements, including the amendments to the Amended and Restated Letter of Credit Reimbursement Agreement among LCRA; LCRA Transmission Services Corporation (LCRA TSC); JPMorgan Chase Bank, National Association; and State Street Bank and

Trust Company, setting forth the terms and conditions governing the issuance of the direct-pay letter of credit securing the tax-exempt commercial paper program for LCRA TSC in the amount of \$150 million. Upon motion by Director Balas, seconded by Director Gill, the recommendation was unanimously approved by a vote of 13 to 0.

18-08 Vice President of Supply Chain Michael McGann presented for consideration a staff recommendation, described in Agenda Item 9 [attached hereto as Exhibit G], that the Board authorize the general manager or his designee to execute the following contracts and contract changes: Contract No. 4739 (Hays City Corp dba Texcon Oil); Contracts No. 4703 and No. 4717 (A. Stucki Company Inc. and Progress Rail Services Inc.); Contracts No. 4743, No. 4744, No. 4745, No. 4746, No. 4749 and No. 4750 (Surveying and Mapping Inc., Gorrondona & Associates Inc., Chaparral Professional Land Surveying Inc., Civil Engineering Consultants, LJA Engineering & Surveying Inc. and Bowman Engineering & Consulting); Contracts No. 4760 and No. 4761 (CWC Right of Way Inc. and Paloma Blanca Enterprises Inc.); Contracts No. 4756, No. 4757, No. 4758, No. 4762, No. 4763 and No. 4765 (TransAmerica Power Poles Inc., Pinnacle Steel Inc., Trinity Industries De Mexico S De RI De Cv, Valmont Industries Inc., Valmont Industries Inc. (Microflect) and CHM Industries Inc.); Contracts No. 4764 and No. 4767 (Control Panels USA and Birmingham Control Systems Inc.); and Contracts No. 4759 and No. 4766 (AZZ Galvanizing-San Antonio and Falcon Steel America LLC). Upon motion by Director Lewis, seconded by Director Kibby, the recommendation was unanimously approved by a vote of 13 to 0.

Chair Timmerman declared the meeting to be in executive session at 2:32 p.m., pursuant to sections 551.071 and 551.086 of the Texas Government Code (Open Meetings Act). Executive session ended, and Chair Timmerman declared the meeting to be in public session at 3:23 p.m.

There being no further business to come before the Board, the meeting was adjourned at 3:24 p.m.

Steve K. Balas
Secretary
LCRA Board of Directors

Approved: May 16, 2018

EXHIBIT B

Minutes Digest
Feb. 14, 2018

- 18-09 Removal of Ingmar Sterzing from the GenTex Power Corporation Board of Directors, effectively immediately, which results in a vacancy on the GenTex Board.

- 18-10 Authorization for the general manager or his designee to negotiate and execute Contract No. 4790 (Gerace Construction Company Inc.).

MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF THE
LOWER COLORADO RIVER AUTHORITY
Austin, Texas
Feb. 14, 2018

Pursuant to notice posted in accordance with the Texas Open Meetings Act, the Board of Directors (Board) of the Lower Colorado River Authority (LCRA) convened in a special meeting at 11:10 a.m. Wednesday, Feb. 14, 2018, in the Board Room of the Hancock Building, at the principal office of LCRA, 3700 Lake Austin Blvd., Austin, Travis County, Texas. The meeting was open to the public, and the following directors were present, constituting a quorum:

Timothy Timmerman, Chair
Thomas Michael Martine, Vice Chair
Steve K. Balas, Secretary
Lori A. Berger
Stephen F. "Steve" Cooper
Joseph M. "Joe" Crane
Pamela Jo "PJ" Ellison
Raymond A. "Ray" Gill Jr.
Sandra Wright "Sandy" Kibby
Robert "Bobby" Lewis
George W. Russell
Martha Leigh M. Whitten

Absent: John M. Franklin
Charles B. "Bart" Johnson
Franklin Scott Spears Jr.

Chair Timmerman convened the meeting at 11:10 a.m. The Board next took action on the agenda items for this special meeting.

18-09 Upon motion by Director Ellison, seconded by Director Lewis, by a vote of 12 to 0, the Board unanimously approved a recommendation, described in updated Consent Item 1 [attached hereto as Exhibit A], that the Board remove Ingmar Sterzing from the GenTex Power Corporation Board of Directors, effectively immediately, which results in a vacancy on the GenTex Board.

18-10 Vice President of Supply Chain Michael McGann presented for consideration a staff recommendation, described in updated Agenda Item 2 [attached hereto as Exhibit B], that the Board authorize the general manager or his designee to negotiate and execute Contract No. 4790 (Gerace Construction Company Inc.). Upon motion by Director Berger, seconded by Director Whitten, the recommendation was unanimously approved by a vote of 12 to 0.

General Manager Phil Wilson, Executive Vice President of Water John Hofmann and Board members expressed appreciation to Ryan Rowney, who recently retired, for his service to LCRA. Hofmann introduced Kelly Payne, who replaced Rowney as vice president of Water Operations. Hofmann also introduced Lauren Graber, who recently joined LCRA as director of Strategic Water Initiatives.

Chair Timmerman declared the meeting to be in executive session at 11:26 a.m., pursuant to sections 551.071 and 551.086 of the Texas Government Code (Open Meetings Act). Executive session ended, and Chair Timmerman declared the meeting to be in public session at 11:37 a.m.

There being no further business to come before the Board, the meeting was adjourned at 11:37 a.m.

Steve K. Balas
Secretary
LCRA Board of Directors

Approved: May 16, 2018

EXHIBIT C

Minutes Digest
April 18, 2018

- 18-11 Appointment of Julie Parsley to serve on the GenTex Power Corporation Board of Directors to complete an unexpired term ending Dec. 31, 2018.
- 18-12 Adoption of the LCRA Records Management Program Order – Designation of Records Management Officer.
- 18-13 Approval of revisions to LCRA Board Policy 303 – Banking and Investments.
- 18-14 Approval of revisions to LCRA Board Policy 301 – Finance.
- 18-15 Adoption of a resolution making determinations regarding the payment from LCRA Transmission Services Corporation of an Extraordinary LCRA Optional Purchase Price Payment for FY 2018 and, when such payment is made, reserve those funds in the LCRA Strategic Reserve.
- 18-16 Approval of the Capital Improvement Project Authorization Request for the Gulf Coast Canal Easements Acquisition project and ratification of the commitment of funds in excess of the previously approved capital budget.
- 18-17 Approval of the updated agricultural interruptible water service contract rules and drought contingency plan for interruptible agricultural customers.

MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF THE
LOWER COLORADO RIVER AUTHORITY
Burnet, Texas
April 18, 2018

Pursuant to notice posted in accordance with the Texas Open Meetings Act, the Board of Directors (Board) of the Lower Colorado River Authority (LCRA) convened in a special meeting at 8:25 a.m. Wednesday, April 18, 2018, in the Live Oak Room at Canyon of the Eagles Nature Park, 16942 Ranch Road 2341, Burnet, Burnet County, Texas. The meeting was open to the public, and the following directors were present, constituting a quorum:

Timothy Timmerman, Chair
Thomas Michael Martine, Vice Chair
Steve K. Balas, Secretary
Lori A. Berger
Stephen F. "Steve" Cooper
Joseph M. "Joe" Crane
Pamela Jo "PJ" Ellison
John M. Franklin
Raymond A. "Ray" Gill Jr.
Charles B. "Bart" Johnson
Sandra Wright "Sandy" Kibby
Robert "Bobby" Lewis
George W. Russell
Franklin Scott Spears Jr.
Martha Leigh M. Whitten

Chair Timmerman convened the meeting at 8:25 a.m. Chair Timmerman next declared the meeting to be in executive session at 8:26 a.m., pursuant to sections 551.071, 551.072, 551.074 and 551.086 of the Texas Government Code (Open Meetings Act). Executive session ended, and Chair Timmerman declared the meeting to be in public session at 9:12 a.m.

The Board next took action on the consent agenda. Upon motion by Director Berger, seconded by Director Spears, the Board unanimously approved consent items 1, 2 and 3 included on the April 18, 2018, consent agenda by a vote of 15 to 0 as follows:

18-11 Appointment of Julie Parsley to serve on the GenTex Power Corporation Board of Directors to complete an unexpired term ending Dec. 31, 2018, as recommended in Consent Item 1 [attached hereto as Exhibit A].

18-12 Adoption of the LCRA Records Management Program Order – Designation of Records Management Officer, as recommended by staff in Consent Item 2 [attached hereto as Exhibit B].

18-13 Approval of revisions to LCRA Board Policy 303 – Banking and Investments, as recommended by staff in Consent Item 3 [attached hereto as Exhibit C].

18-14 Chief Financial Officer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 4 [attached hereto as Exhibit D], that the Board approve revisions to LCRA Board Policy 301 – Finance. Upon motion by Director Ellison, seconded by Director Crane, the recommendation was unanimously approved by a vote of 15 to 0.

18-15 Chief Financial Officer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 5 [attached hereto as Exhibit E], that the Board adopt a resolution making determinations regarding the payment from LCRA Transmission Services Corporation of an Extraordinary LCRA Optional Purchase Price Payment for FY 2018 and, when such payment is made, reserve those funds in the LCRA Strategic Reserve. Upon motion by Director Berger, seconded by Director Cooper, the recommendation was unanimously approved by a vote of 15 to 0.

18-16 Executive Vice President of Water John Hofmann presented for consideration a staff recommendation, described in Agenda Item 6 [attached hereto as Exhibit F], that the Board approve the Capital Improvement Project Authorization Request for the Gulf Coast Canal Easements Acquisition project and ratify the commitment of funds in excess of the previously approved capital budget. Upon motion by Director Ellison, seconded by Director Balas, the recommendation was unanimously approved by a vote of 15 to 0.

18-17 Executive Vice President of Water John Hofmann presented for consideration a staff recommendation, described in Agenda Item 7 [attached hereto as Exhibit G], that the Board approve the updated agricultural interruptible water service contract rules and drought contingency plan for interruptible agricultural customers. Jim Maury from the Central Texas Water Coalition addressed the Board and expressed opposition to this item. After discussion, upon motion by Director Spears, seconded by Director Ellison, the recommendation was unanimously approved by a vote of 15 to 0.

Chair Timmerman announced the Board would take a 15-minute recess.

The Board next took up a review of the proposed fiscal year 2019 business and capital plans.

[Staff sent copies of the business and capital plans for LCRA and its affiliated nonprofit corporations, LCRA Transmission Services Corporation (LCRA TSC), LCRA Wholesale Energy Services Corporation (LCRA WSC Energy), WSC Energy II and GenTex Power Corporation (GenTex), to the Board before this meeting.]

General Manager Phil Wilson gave opening remarks and outlined the format of the meeting. Wilson thanked LCRA's customers. He noted LCRA staff worked with the Rates and Resources Council, a representative group of wholesale electric customers,

on the proposed business plan to understand and respond to their needs. Wilson gave an overview of LCRA's FY 2019 vision and objectives, and specific objectives for LCRA's business units.

Chief Financial Officer Jim Travis referenced LCRA Board Policy 301 – Finance, which governs the business plan. Travis said the proposed FY 2019 business plan meets the requirements of Board Policy 301, including debt service coverage, targets and reserve requirements. Travis gave a general overview of the business and capital plans, highlighting key takeaways and cost drivers of the budget.

Vice President of Financial Planning and Analysis Stephen Kellicker described the business plan process. Kellicker gave the Board a detailed review of the LCRA business plan, including the proposed budget for operations, key drivers of LCRA's budget, and nonconfidential portions of the business plan and budgets for LCRA's business units and services.

Director of Asset Management John Heller described the approach to developing the capital plan. Heller gave the Board a detailed overview of the nonconfidential portions of the LCRA capital plan (including LCRA TSC capital projects), highlighting the proposed lifetime budget for recommended projects; FY 2019 budget, which includes recommended new projects and projects the Board approved previously; and new key projects included in the plan.

Kellicker and Heller gave an overview of the LCRA TSC business and capital plans.

Chair Timmerman declared the meeting to be in executive session at 11:30 a.m., pursuant to sections 551.071, 551.072, 551.074 and 551.086 of the Texas Government Code (Open Meetings Act). Executive session ended, and Chair Timmerman declared the meeting to be in public session at 12:10 p.m.

The Board had a detailed discussion of the business and capital plans, and staff responded to various questions from the Board throughout the discussion.

[The FY 2019 business and capital plans for LCRA and its affiliated nonprofit corporations will be on the agendas for consideration at the May Board meetings.]

There being no further business to come before the Board, the meeting was adjourned at approximately 12:11 p.m.

Steve K. Balas, Secretary
LCRA Board of Directors

Approved: May 16, 2018

FOR ACTION

8. City of Cedar Park – Firm Water Contract for Municipal Use

Proposed Motion

Authorize the general manager or his designee to (i) negotiate and execute a standard firm raw water contract renewal with the City of Cedar Park for municipal use of LCRA's firm water supply. This 40-year contract renewal would increase Cedar Park's current Maximum Annual Quantity (MAQ) by 2,500 acre-feet per year, to 20,500 acre-feet from 18,000 acre-feet, and (ii) waive notice and standard application fees in the event Cedar Park requests an additional amendment to increase its contract amount by no greater than 2,500 acre-feet per year within 12 months.

Board Consideration

Consistent with the LCRA water contract rules, all contract requests for 500 acre-feet per year or more require Board consideration.

Budget Status and Fiscal Impact

Based on the additional contract amount of 2,500 acre-feet per year, reservation fees under this contract will generate \$181,250 of revenue annually. Annual revenue will increase as water under the contract is used.

In accordance with the April 2014 Board resolution reserving water for LCRA Generation Resources, the increase in contracted quantity for Cedar Park will result in an offsetting 2,500 acre-feet per year reduction in the Generation Resources commitment. Reservation fee revenues derived from Cedar Park for this incremental increase in contracted water will be offset by the decrease in reservation fees collected from Generation Resources.

Summary

The City of Cedar Park has been a customer of LCRA for almost 40 years. Cedar Park has requested to increase its current contracted Maximum Available Quantity by 2,500 acre-feet per year, to 20,500 acre-feet from 18,000 acre-feet. Cedar Park has an estimated population of 70,000 and a service area that falls within both the Colorado and Brazos river basins. Due to its location, Cedar Park currently holds an interbasin transfer permit, allowing the use of water in the Brazos River basin. Subsequent to executing a new contract, Cedar Park and LCRA will jointly file an amendment with the Texas Commission on Environmental Quality to allow the transfer of an additional 2,500 acre-feet of water. Under the proposed contract, LCRA would have the rights to any effluent or return flows that Cedar Park does not hold an existing permit for or does not directly reuse.

Staff recommends the approval of this contract renewal with Cedar Park. The contract will include water conservation and drought contingency plans that meet LCRA's requirements. These plans include adoption of permanent limits to weekly landscape irrigation and other measures that reflect many of the best practices in the region. LCRA has determined there are sufficient firm water supplies in lakes Buchanan

and Travis or other sources of supply, including LCRA run-of-river water rights, to meet the amount requested.

Staff further recommends that in the event Cedar Park requests an additional increase to its contracted quantity of up to 2,500 acre-feet per year within 12 months, Cedar Park would not be required to publish additional notice or pay the standard application fee. Such a request would continue to require Board action, consistent with the water contract rules.

Presenter(s)

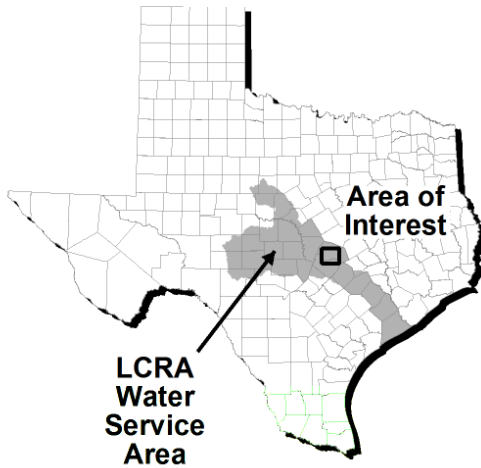
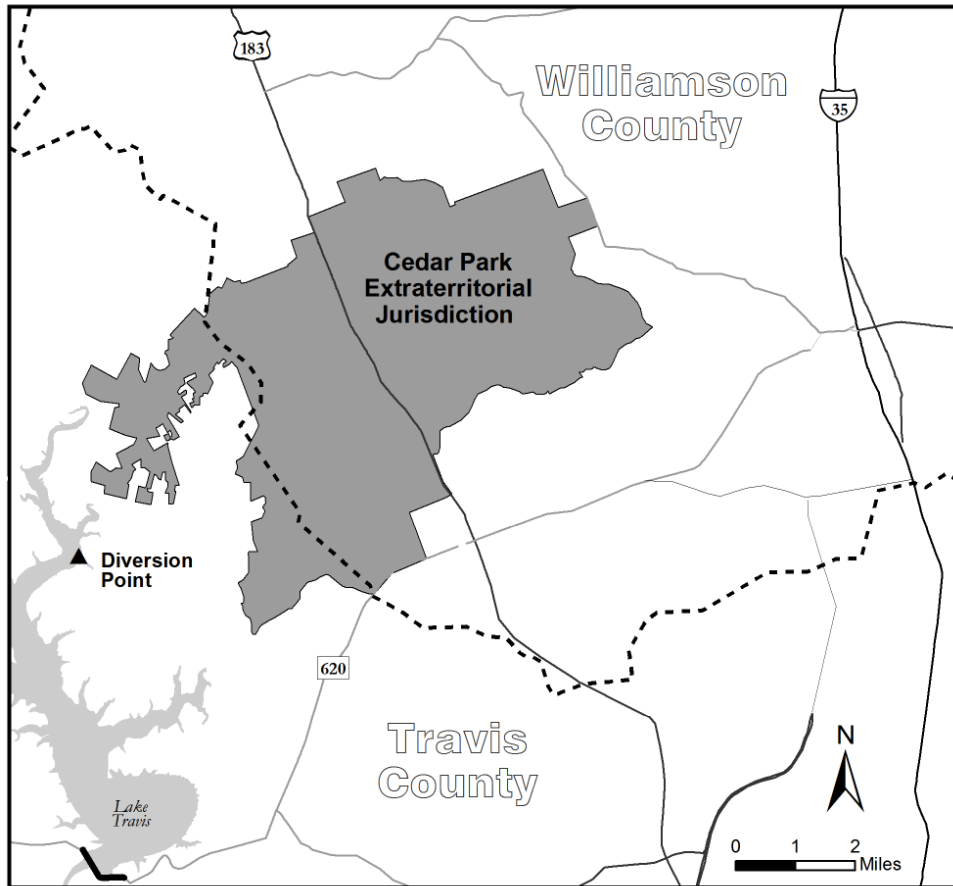
Karen Bondy
Senior Vice President, Water Resources

John B. Hofmann
Executive Vice President, Water

Exhibit(s)

A - General Location Map

EXHIBIT A



General Location Map
Water Sale Contract
for Municipal Use
City of Cedar Park

- Municipal Extraterritorial Jurisdiction
- ▲ Diversion Point

FOR ACTION

9. Fiscal Year 2019 Business and Capital Plans

Proposed Motion

Adopt resolutions (exhibits A, B, C, D and E) approving the fiscal year 2019 business and capital plans for LCRA and each of its nonprofit corporations.

Board Consideration

LCRA Board Policy 301 – Finance requires approval of a business plan before the start of each fiscal year. Texas Water Code Chapter 152 requires the Board of Directors to approve each of its nonprofit corporations' budgets and capital plans.

Budget Status and Fiscal Impact

The proposed business and capital plans and the budgets included therein provide targets for revenue, operating and maintenance expenses, and capital spending for FY 2019.

Summary

LCRA presented the FY 2019 business and capital plans to the full LCRA Board in a work session on April 18, 2018. The presentation included a discussion on the compensation plan, pension plan and assumptions for FY 2019. The presentation also included discussion of the Liability Reduction Fund, a fund specifically established for the reduction of long-term liabilities. LCRA plans to reserve funds in FY 2019 for the purpose of paying down debt related to LCRA Wholesale Power.

Staff provided to the Board under separate cover the formal FY 2019 business and capital plan documents, incorporating key policy elements from the April work session.

The business and capital plans are LCRA's comprehensive operations and capital plans and budgets. Approval of the FY 2019 business and capital plans provides authorization for all expenditures and plans of LCRA, including LCRA's nonprofit corporations, LCRA Transmission Services Corporation (LCRA TSC), GenTex Power Corporation (GenTex), LCRA Wholesale Energy Services Corporation (LCRA WSC Energy) and WSC Energy Services II (WSC Energy II).

Each entity's Board must approve its respective business plan and capital plan. The LCRA TSC Board is expected to take action on its FY 2019 business and capital plans today at the LCRA TSC Board meeting. The GenTex Board is expected to take action on its FY 2019 business and capital plans today at the GenTex Board meeting. The LCRA WSC Energy Board and WSC Energy II Board are expected to take action on their FY 2019 business plans at their respective Board meetings today.

Presenter(s)

Jim Travis
Chief Financial Officer

Exhibit(s)

- A – LCRA Board Resolution: FY 2019 Lower Colorado River Authority Business and Capital Plans
- B – LCRA Board Resolution: FY 2019 LCRA Transmission Services Corporation Business and Capital Plans
- C – LCRA Board Resolution: FY 2019 GenTex Power Corporation Business and Capital Plans
- D – LCRA Board Resolution: FY 2019 LCRA Wholesale Energy Services Corporation Business Plan
- E – LCRA Board Resolution: FY 2019 WSC Energy II Business Plan
- F – LCRA and LCRA Nonprofit Corporations Financial Summary
- G – LCRA Transmission Services Corporation Financial Summary
- H – LCRA Capital Plan Summary of FY 2019 Recommended Projects
- I – LCRA Capital Plan Summary of FY 2019 Spending Budget

EXHIBIT A

LCRA BOARD RESOLUTION FISCAL YEAR 2019 BUSINESS AND CAPITAL PLANS Lower Colorado River Authority

BE IT RESOLVED that the LCRA Board of Directors hereby adopts and approves the Fiscal Year (FY) 2019 Lower Colorado River Authority Business and Capital Plans, including the operations budget, capital spending and initiation of recommended capital projects, funding levels for wages and benefits, and the comprehensive operations plan, as presented by management and staff. The general manager is instructed to proceed with implementation of the FY 2019 business and capital plans within the budget amounts shown therein consistent with Board policies and bylaws. The FY 2019 operating expense and capital amounts are \$333.7 million and \$368.2 million, respectively.

Within these budgeted amounts, the general manager and chief executive officer has the authority to reallocate funds between the various programs and projects in order to make the best use of budgeted funds. 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 general manager 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 Board Policy 301 – Finance. Furthermore, the general manager and chief executive officer shall keep the LCRA Board apprised of the progress toward the accomplishment of LCRA's goals within the budgeted amounts approved by the Board.

Adoption of the FY 2019 Business and Capital Plans provides authorization for all expenditures and plans in the business and capital plans and approves budgets for each of LCRA's product lines as required by LCRA Board policies 102 – Authority and Responsibilities and 301 – Finance. Individual purchases and contracts to implement the plans fall under various state laws and LCRA Board policies and may require additional approval.

EXHIBIT B

**LCRA BOARD RESOLUTION
FISCAL YEAR 2019 BUSINESS AND CAPITAL PLANS
LCRA Transmission Services Corporation**

WHEREAS, the LCRA Board of Directors must approve the budgets of nonprofit corporations created by the river authority pursuant to Chapter 152 of the Texas Water Code;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby adopts and approves the Fiscal Year (FY) 2019 Business and Capital Plans for LCRA Transmission Services Corporation.

LCRA Transmission Services Corporation has budgeted FY 2019 operating and capital amounts at \$110.9 million and \$295.6 million, respectively.

The Board recognizes that the LCRA Transmission Services Corporation Board of Directors will approve capital projects and other major expenditures not included in the business and capital plans in its normal agenda process. Furthermore, the president and chief executive officer shall keep the LCRA Board apprised of the progress toward the accomplishment of LCRA Transmission Services Corporation's goals within the budgeted amounts approved by the Board.

Adoption of the FY 2019 Business and Capital Plans for LCRA Transmission Services Corporation 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.

EXHIBIT C

LCRA BOARD RESOLUTION FISCAL YEAR 2019 BUSINESS AND CAPITAL PLANS GenTex Power Corporation

WHEREAS, the LCRA Board of Directors must approve the budget of GenTex Power Corporation;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby adopts and approves the Fiscal Year (FY) 2019 Business and Capital Plans for GenTex Power Corporation, as submitted to the Board by the GenTex Power Corporation Board of Directors.

The GenTex Power Corporation FY 2019 operating and capital budget is presented to the Board under separate cover as a confidential competitive electric matter.

The Board recognizes that the GenTex Power Corporation Board of Directors may approve capital projects and other major expenditures not included in the business and capital plans in its normal agenda process. Furthermore, the president and chief executive officer shall keep the LCRA Board apprised of the progress toward the accomplishment of GenTex Power Corporation's goals within the budgeted amounts approved by the Board.

Adoption of the FY 2019 Business and Capital Plans for GenTex Power Corporation provides authorization for all expenditures and plans in the business and capital plans and approves the budget for GenTex, 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.

EXHIBIT D

LCRA BOARD RESOLUTION FISCAL YEAR 2019 BUSINESS PLAN LCRA Wholesale Energy Services Corporation

WHEREAS, the LCRA Board of Directors must approve the budgets of nonprofit corporations created by the river authority pursuant to Chapter 152 of the Texas Water Code;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby adopts and approves the Fiscal Year (FY) 2019 Business Plan for LCRA Wholesale Energy Services Corporation.

The LCRA Wholesale Energy Services Corporation FY 2019 operating and capital budget is presented to the Board under separate cover as a confidential competitive electric matter.

The Board recognizes that the LCRA Wholesale Energy Services Corporation Board of Directors will approve capital projects and other major expenditures not included in the business plan in its normal agenda process. Furthermore, the president and chief executive officer shall keep the LCRA Board apprised of the progress toward the accomplishment of LCRA Wholesale Energy Services Corporation's goals within the budgeted amounts approved by the Board.

Adoption of the FY 2019 Business Plan for LCRA Wholesale Energy Services Corporation provides authorization for all expenditures and plans in the business plan and approves the budget for LCRA Wholesale Energy Services Corporation, as required by state law. Individual purchases and contracts to implement the business plan fall under various state laws and Board policies and may require additional approval.

EXHIBIT E

LCRA BOARD RESOLUTION FISCAL YEAR 2019 BUSINESS PLAN WSC Energy II

WHEREAS, the LCRA Board of Directors must approve the budgets of nonprofit corporations created by the river authority pursuant to Chapter 152 of the Texas Water Code;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby adopts and approves the Fiscal Year (FY) 2019 Business Plan for WSC Energy II.

The WSC Energy II FY 2019 Business Plan is presented to the Board under separate cover as a confidential competitive electric matter.

The Board recognizes that the WSC Energy II Board of Directors will approve capital projects and other major expenditures not included in the business plan in its normal agenda process. Furthermore, the president and chief executive officer shall keep the LCRA Board apprised of the progress toward the accomplishment of LCRA WSC Energy II's goals within the budgeted amounts approved by the Board.

Adoption of the FY 2019 Business Plan for WSC Energy II provides authorization for all expenditures and plans in the business plan and approves the budget for WSC Energy II, as required by state law. Individual purchases and contracts to implement the business plan fall under various state laws and Board policies and may require additional approval.

EXHIBIT F

LCRA, and LCRA Nonprofit Corporations Financial Summary

	(Dollars in millions)					
	Budgeted FY 2018	Proposed FY 2019	Forecast			
			FY 2020	FY 2021	FY 2022	FY 2023
Revenues						
Total Net Revenue¹	884.8	948.8	973.8	991.2	1,029.3	1,084.9
Expenses						
Total Net Expense¹	482.6	522.7	527.4	542.3	573.2	593.3
Net Operating Margin	402.2	426.1	446.4	448.9	456.1	491.7
Less: GenTex 1 Funds ²	(0.1)	(2.3)	(5.8)	(3.0)	(0.1)	(1.6)
Net Margin for Debt Service, Adjusted	402.2	423.9	440.5	445.9	456.0	490.1
Debt Service	\$ 291.1	308.5	315.7	303.3	315.5	318.8
Debt Service Coverage, Adjusted	1.38x	1.37x	1.40x	1.47x	1.45x	1.54x
Net Margin After Debt Service³	\$ 111.1	117.7	130.6	145.6	140.7	172.8
Less:						
Operating Reserves	7.5	13.8	6.7	9.3	15.9	14.1
Revenue-Funded Capital	79.1	82.6	105.5	120.8	111.4	144.6
Noncash Revenue	1.9	2.6	2.6	2.6	2.6	2.6
Restricted for Reserves	7.0	12.7	12.6	6.2	7.6	10.5
Restricted for Capital/Debt Retirement	14.8	5.0	2.3	5.6	2.2	0.1
CDPP Grants	1.0	1.0	1.0	1.0	1.0	1.0
Net Cash Flow	\$ 0.0	0.0	0.0	0.0	0.0	0.0

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

² Includes adjustments related to GenTex 1 capital funding and reserve funding.

³ Net margin after debt service includes funds dedicated to GenTex 1.

EXHIBIT G

LCRA Transmission Services Corporation Financial Summary

(Dollars in millions)

	Budgeted	Proposed	Forecast			
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Revenues	\$ 409.7	425.8	446.2	475.5	495.5	536.0
Operations and Maintenance	110.9	110.9	116.1	120.3	123.6	126.6
Net Operating Margin	298.8	314.9	330.1	355.3	371.9	409.4
Plus: Interest Income	2.6	3.8	5.5	6.0	6.1	5.1
Less: Assigned Enterprise Expense	44.2	48.1	47.2	48.9	55.8	58.1
Public Service Fund	12.3	12.8	13.4	14.3	14.9	16.1
Resource Development Fund	8.2	8.5	8.9	9.5	9.9	10.7
Net Margin Available for Debt Service	236.7	249.3	266.1	288.5	297.4	329.6
Debt Service	\$ 173.9	180.4	195.0	205.9	217.2	220.4
Debt Service Coverage	1.36x	1.38x	1.36x	1.40x	1.37x	1.50x
Net Margin After Debt Service	\$ 62.8	68.9	71.1	82.6	80.3	109.2
Less:						
Operating Reserves	6.8	4.6	5.4	4.6	7.7	7.5
Assigned Enterprise Capital	6.1	8.4	14.1	12.2	11.8	13.9
Revenue-Funded Capital	53.1	54.0	51.7	72.7	68.0	95.9
Transfer to LCRA ¹	4.1	7.3	6.7	1.1	1.1	1.1
Assigned Transmission Minor Capital	1.9	0.0	0.0	0.0	0.0	0.0
Plus:						
Amortization of Enterprise/Minor Capital ²	9.2	5.4	6.8	8.0	8.3	9.1
Net Cash Flow	\$ 0.0	0.0	0.0	0.0	0.0	0.0

¹ An initial transfer from LCRA TSC to LCRA was authorized by the LCRA and LCRA TSC boards of directors in April 2014. Under the initial contractual commitment, the LCRA and LCRA TSC boards must make an annual determination to authorize each year's transfer. Such annual transfers are payable only if all other financial commitments have been met as required by LCRA TSC's financial policies.

² In FY 2012 through FY 2018, LCRA TSC funded minor capital and its share of enterprise capital with current year revenues and included an amortization of the amount in each year to recover in rates. Starting in FY 2019, minor capital will be included in LCRA TSC's capital plan.

EXHIBIT H

Fiscal Year 2019 LCRA Capital Plan Summary of Recommended Projects

Approval of this capital plan authorizes the initiation of recommended projects at their stated lifetime budgets totaling \$273.9 million.

FY 2019 LCRA Capital Plan		
(Dollars in millions)		
Recommended Projects	Lifetime Budgets	
Wholesale Power ¹	\$	9.2
Transmission		238.9
Water		10.0
Public Services		1.7
Enterprise Support		14.1
Total Lifetime Recommended Projects	\$	273.9

¹ Includes Austin Energy's and San Marcos' shares.

EXHIBIT I

Fiscal Year 2019 LCRA Capital Plan Summary of Fiscal Year Spending Budget

In addition, approval of this capital plan authorizes LCRA to spend the following in fiscal year 2019:

Fiscal Year 2019 LCRA Capital Plan

(Dollars in millions)

FY 2019 Spending Summary	FY 2019
Recommended Projects ¹	\$81.8
Approved Projects ¹	<u>286.4</u>
Total FY 2019 Spending ²	\$368.2

¹ Includes Austin Energy's and San Marcos' shares.

² LCRA total FY 2019 capital spending includes \$13.8 million for Wholesale Power, \$295.6 million for Transmission, \$40.2 million for Water, \$1.7 million for Public Services and \$16.9 million for Enterprise Support.

FOR ACTION

10. Authorize the Extension of the Credit Facility Supporting the LCRA Commercial Paper Notes, Series B

Proposed Motion

Staff recommends the Board adopt and approve a resolution extending and increasing the credit facility that supports LCRA Commercial Paper Notes, Series B and the Commercial Paper Notes, Taxable Series B (together, the Series B Notes), and authorizing the general manager or chief financial officer to negotiate and execute certain related agreements, including the Third Amendment to the Reimbursement Agreement between LCRA and State Street Bank and Trust Company (State Street) (the Amended Reimbursement Agreement), setting forth the terms and conditions governing the issuance of the direct-pay letter of credit securing the Series B Notes in the amount of \$150 million. This item requires approval of at least 12 members of the Board.

Board Consideration

The extension of the credit facility supporting the Series B Notes requires Board authorization and complies with the covenants of the Master Resolution establishing the LCRA Revenue Financing Program and LCRA Board Policy 301 – Finance. Section 8503.004(p) of the Texas Special District Local Laws Code (LCRA Act) authorizes the Board to issue debt under certain conditions, including the requirement that 12 members must approve this action.

Budget Status and Fiscal Impact

Staff anticipates the proposed agreements will allow LCRA to issue commercial paper to finance construction of facilities and funding of eligible projects, and delay the issuance of long-term bonds, which have higher interest rates in the current market. As a result, staff anticipates LCRA will experience lower debt service costs until long-term bonds are issued.

Summary

Staff recommends the Board approve the attached Resolution and authorize the general manager or chief financial officer to negotiate and execute the related Third Amendment to the Reimbursement Agreement and Letter of Credit as well as any related fee letter.

Background. In August 2012, the LCRA Board adopted the Thirty-Seventh Supplemental Resolution, which authorized the issuance of the tax-exempt and taxable commercial paper notes in an amount of principal and interest not to exceed \$250 million, and also authorized a Reimbursement Agreement and Letter of Credit to secure such commercial paper with State Street Bank in the amount of \$100 million. In December 2014, the First Amendment to the Reimbursement Agreement was completed to clarify language in one of the covenants. In September 2015, the Second

Amendment to the Reimbursement Agreement and Letter of Credit was executed to increase the commercial paper secured by State Street Bank from \$100 million to \$150 million.

LCRA and the bank are proposing the Third Amendment to the Reimbursement Agreement supporting the commercial paper notes to reflect the current terms of the agreement, extend the bank's commitment for three years to Sept. 10, 2021, and extend the current market pricing of the credit facility. Staff requests the Board authorize the general manager or chief financial officer to negotiate and execute all necessary documents.

LCRA issues commercial paper notes to reimburse for eligible projects and expenses, and maintains a level of short-term debt until such time as market conditions are favorable for refunding that short-term debt with long-term bonds. Merrill Lynch, Pierce, Fenner & Smith Incorporated is the LCRA dealer for the commercial paper program. The Bank of New York Mellon Trust Company is the paying agent for the notes.

Presenter(s)

Jim Travis
Chief Financial Officer

FOR ACTION

11. Approve the LCRA Transmission Services Corporation Series 2018 Bond Issue and Twenty-sixth Supplemental Resolution

Proposed Motion

Staff recommends the Board of Directors adopt and approve a Twenty-sixth Supplemental Resolution to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program authorizing the issuance of Transmission Contract Refunding Revenue Bonds (LCRA Transmission Services Corporation Project), Series 2018 (the Bonds) in an amount not to exceed \$400 million for the following purposes: (i) current refunding of portions of the LCRA Transmission Contract Revenue Commercial Paper Notes (LCRA Transmission Services Corporation Project) Tax-Exempt Series and LCRA Transmission Contract Revenue Revolving Notes (LCRA Transmission Services Corporation Project), Series C and Tax-Exempt Series D; (ii) current refunding of certain outstanding long-term Transmission Contract Debt; (iii) funding a debt service reserve fund for the Bonds; and (iv) paying for issuance costs.

This item requires approval of at least 12 members of the Board.

The resolution also will:

1. Approve related documents, in substantially final form, including the escrow agreement, the paying agent/registrar agreement, the Preliminary Official Statement in substantially final form and the Transmission Contract Revenue Debt Installment Payment Agreement Supplement Related to the Bonds (the 2018 Installment Payment Agreement Supplement). Bond counsel has prepared or reviewed all documents.
2. Delegate authority to the general manager, chief financial officer and/or treasurer to:
 - a. Select all or a portion of LCRA TSC's outstanding debt to be refunded by the Bonds and provide for appropriate notices of redemption/prepayment/defeasance;
 - b. Approve any final changes to said documents necessary to facilitate proper issuance of such Bonds;
 - c. Establish the terms of the Bonds as provided in the resolution (including issuing such bonds in one or more separate series (tax-exempt and/or taxable), the principal amounts and maturity schedules, interest rates, redemption provisions, and terms of any reserve funds); and
 - d. Approve the terms of the sale of the Bonds to an underwriting team lead by Bank of America Merrill Lynch, and to execute a bond purchase agreement.

Board Consideration

Section 8503.013 of the Texas Special District Local Laws Code (LCRA Act) requires a resolution approved by at least 12 members of the Board for the issuance of

any bonds by LCRA. Section 152.054 of the Texas Water Code requires the LCRA Board to approve any debt issued by LCRA TSC.

Budget Status and Fiscal Impact

The fiscal year 2019 LCRA TSC business plan anticipates the refunding of LCRA TSC Series 2008 and a portion of the short-term debt. Based on current market conditions and continued low interest rates, the refunding will be advantageous and provide cost savings.

Summary

With this action, the Board will approve the Bonds, issued for the purpose of current refunding of certain LCRA TSC commercial paper, revolving notes and bonds in an amount not to exceed \$400 million, establishing a Debt Service Reserve Fund for the Bonds, and paying for the issuance costs related to the Bonds. The Board also will approve the execution of documents necessary for the sale of the Bonds further described below.

Background. The Twenty-sixth Supplement is a supplemental resolution to the Controlling Resolution establishing LCRA TSC's transmission revenue financing system adopted by the Board in 2001 and readopted in 2003. The Twenty-sixth Supplement authorizes the Bonds, approves the forms of the ancillary agreements relating to such bonds, and delegates to the general manager, the chief financial officer and/or the treasurer authority to set the specific terms of such bonds (including maturity, amortization, interest rates, redemption provisions, etc.) according to parameters set forth in the resolution. The Twenty-sixth Supplement also requires an officer of LCRA TSC to agree to the specific terms of the Bonds. The Controlling Resolution, the Twenty-sixth Supplement and the pricing certificate of the LCRA officer and the LCRA TSC officer establishing the terms of the Bonds together constitute the authorization of such bonds.

The 2018 Installment Payment Agreement Supplement is a supplemental agreement to the Transmission Installment Payment Agreement between LCRA and LCRA TSC executed in 2003. The supplemental agreement provides for the arms-length obligation of LCRA TSC to pay LCRA the debt service associated with the Bonds and further provides for LCRA TSC's ownership of the projects financed or refinanced with the proceeds of the Bonds.

The Bond Purchase Agreement is the contract among LCRA, LCRA TSC and the underwriters of the Bonds that establishes the terms of the sale and delivery of such bonds from LCRA and LCRA TSC to such underwriters. This agreement provides for the conditions for closing on the Bonds, including required legal opinions, and provides for certain limited events that may terminate LCRA TSC's obligation to deliver and/or the underwriters' obligation to accept the Bonds at closing. Bank of America Merrill Lynch will be the senior manager of the underwriting team for the Bonds.

The Paying Agent/Registrar Agreement is the contract between LCRA, LCRA TSC and The Bank of New York Mellon Trust Company, NA, setting forth the rights, duties and obligations of the two parties under which such bank will act as the paying agent and registrar for the Bonds. The bank will provide paying agent and transfer agent services, maintain registration books and facilitate providing certain notices for the Bonds, among other services.

The Bank of New York also will act as Escrow Agent for the refunded LCRA TSC bonds under an Escrow Agreement that is a trust agreement between LCRA, LCRA TSC and The Bank of New York Mellon Trust Company that establishes trust accounts necessary to hold cash and securities, which will be sufficient to defease certain of the debt being refunded by the Bonds.

The Official Statement is the document that provides disclosure to prospective investors regarding the terms of the bonds, security, risk factors, and financing and operating information of LCRA TSC.

Pricewaterhouse Coopers, LLP, will perform certain procedures relating to the financial information disclosed in documents related to the Bonds and provide appropriate letters to the Board regarding those procedures.

Use of Proceeds. Proceeds from the Bonds will be used to: refund certain LCRA TSC commercial paper notes, revolving notes and tax-exempt bonds; establish a Debt Service Reserve Fund for the Bonds; and pay for issuance costs.

LCRA and LCRA TSC have authorized the issuance of commercial paper and revolving notes under programs backed by three separate credit facilities. Periodically, staff recommends refunding short-term variable-rate debt with long-term fixed-rate debt when market conditions are favorable and the short-term debt credit facilities approach their maximum capacity. In addition, staff periodically recommends refunding existing long-term debt with new long-term debt to capture interest rate savings and/or adjust the debt structure to benefit LCRA TSC customers.

Staff currently expects the Bonds to be sold and delivered by September 2018, subject to the approving opinions of the Office of the Attorney General and bond counsel.

Presenter(s)

Jim Travis
Chief Financial Officer

FOR ACTION

12. Contracts and Contract Changes

Proposed Motion

Authorize the general manager or his designee to negotiate and execute the following contracts as shown in the attached exhibit.

Board Consideration

LCRA Board Policy 308 – Purchasing Contracts establishes requirements for contracts for the purchase of goods, services, construction and software. LCRA has two types of contracts, master and one-time.

- Master contract: Establishes the terms and conditions under which LCRA may purchase goods and/or services during a fixed period of time to fulfill its business plan. These purchases are budgeted in the capital and operations and maintenance budgets. Master contracts are not commitments to expend funds. Rather, purchase orders placed against these master contracts are commitments to spend.
- One-time contract: A contract for the purchase of a definite quantity of goods or services during a fixed period of time. These contracts normally include commitments to expend funds.

Budget Status and Fiscal Impact

All contracts and contract changes recommended for Board approval are for budgeted items contained in the operations and capital budgets.

Summary (dollars in thousands)

Supplier (Contract No.)	Spending	Savings	Supplying
Broadleaf Results Inc. (4795)	\$42,000	\$625	Managed service provider for staff augmentation
USA Wire and Cable Inc. (4811)	\$17,000	\$500	Control and power wire and cable
Sam Packs Five Star Ford (4822)	\$14,000	\$280	Ford vehicles
Hubbell Power Systems Inc. (4823) Pascor Atlantic Corporation (4825)	\$13,000		Transmission air break switches
Aon Risk Services Southwest Inc. (4829)	\$16,500	\$11	Property insurance brokerage services
Southwire Company Inc. (4832)	\$7,000	\$763	Composite core conductor

Supplier (Contract No.)	Spending	Savings	Supplying
Electrical Consultants Inc. (4833)	\$4,039 (fixed)	\$1,000	Desert Mesa Substation design- build project
Electrical Consultants Inc. (4834)	\$4,620 (fixed)	\$1,400	Fourmile Substation design- build project
Electrical Consultants Inc. (4835)	\$4,454 (fixed)	\$441	King Mountain Substation design- build project
Schneider Engineering (4842)	\$4,170 (fixed)	\$463	Robbins Switch Substation design- build project
Total	\$126,783	\$5,483	

Presenter(s)

Michael McGann
Vice President, Supply Chain

Exhibit(s)

A – New Contracts

EXHIBIT A

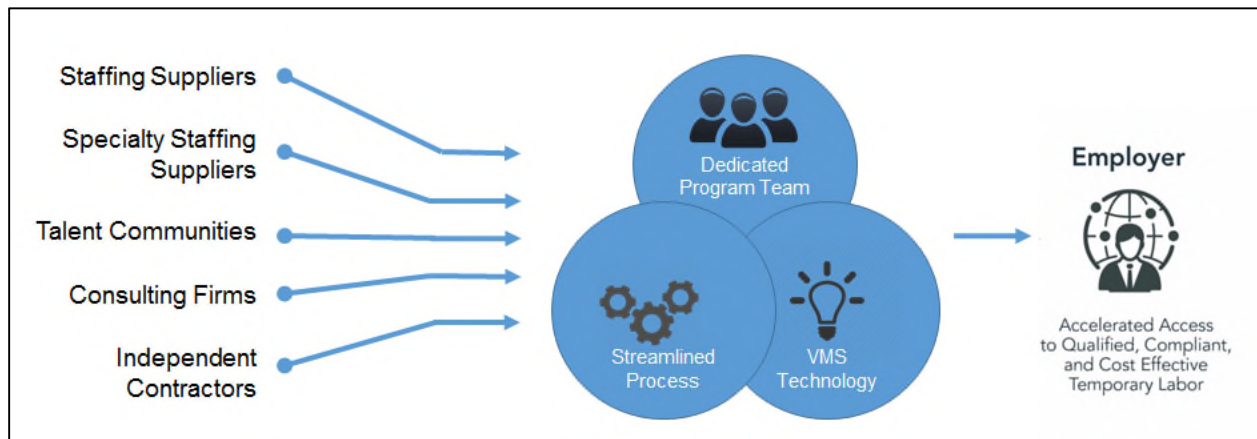
New Contracts

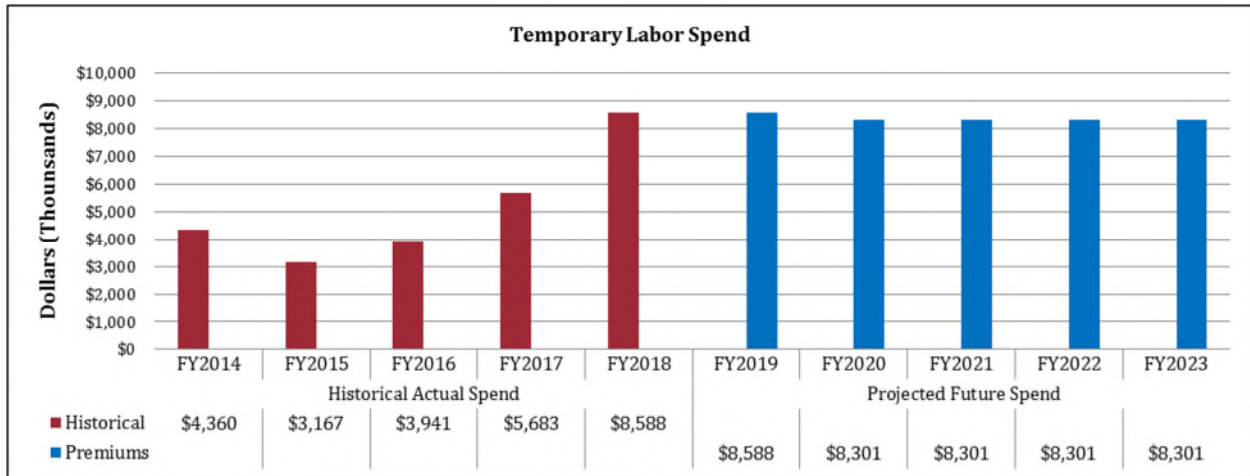
New contracts that require Board approval under Board Policy 308 are noted in Exhibit A.

Contract No. 4795
Supplier: Broadleaf Results Inc.
Contract Amount: Not to exceed \$42 million
Contract Length: One year with four one-year options to extend
Description: This is a master contract for a managed service provider for staff augmentation services used across LCRA.

Background

- LCRA currently uses a managed service provider (MSP) model for most of its temporary staffing needs.
- The MSP maintains relationships with numerous temporary staffing agencies and manages the temporary staffing process for LCRA.
- LCRA used the MSP model to fill about 180 temporary positions in the last year.
- The historical five-year spending is \$25.7 million with a significant increase in FY 2017 that reflects increased project work.





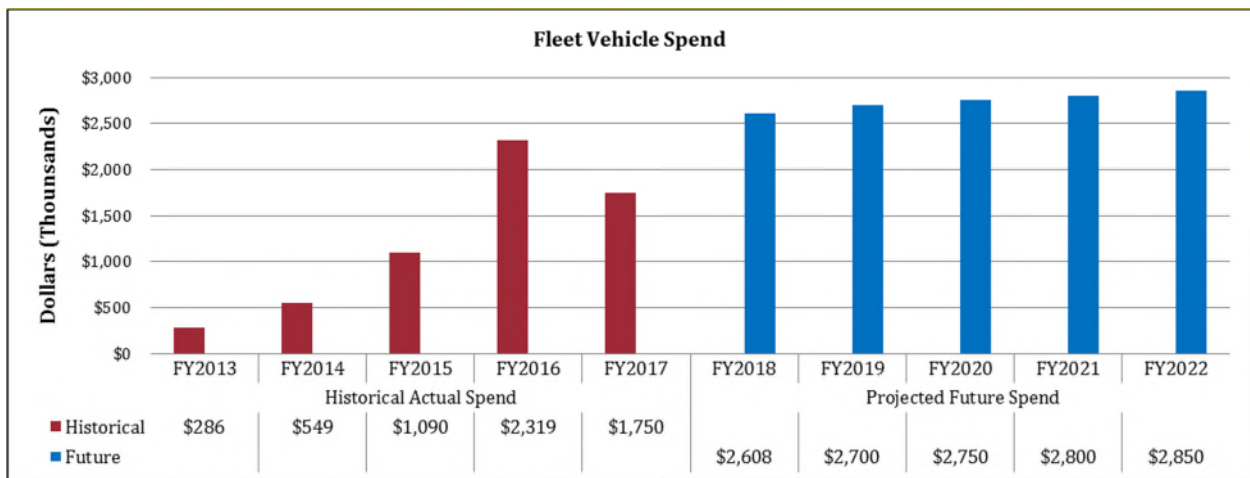
Actions:

- LCRA invited 36 suppliers to participate. LCRA received and evaluated five proposals.
- The service criterion was the highest-weighted category for the evaluation. The service criterion consisted of ability to hire in a timely manner, success of candidates placed, reporting and the user interface.
- Based on forecast need and proposed terms, LCRA expects to save \$625,000 over the life of the contract (compared to the previous contract terms).
- The contract award amount is not to exceed \$42 million.
- Based on the evaluation and negotiation, LCRA recommends Broadleaf Results Inc. as the supplier for this category.

Contract No. 4822
Supplier: Sam Packs Five Star Ford
Contract Amount: Not to exceed \$14 million
Contract Length: One year with four one-year options to extend
Description: This is a master contract for Ford vehicles used by LCRA's Fleet department.

Background:

- LCRA's Fleet department standardized to Ford vehicles to reduce spares inventory and to increase efficiency of repairs.
- Fleet currently has 274 vehicles over eight years old, in combination with mileages ranging from 75,000 to 200,000+ miles.
- The historical five-year spending is \$6 million.



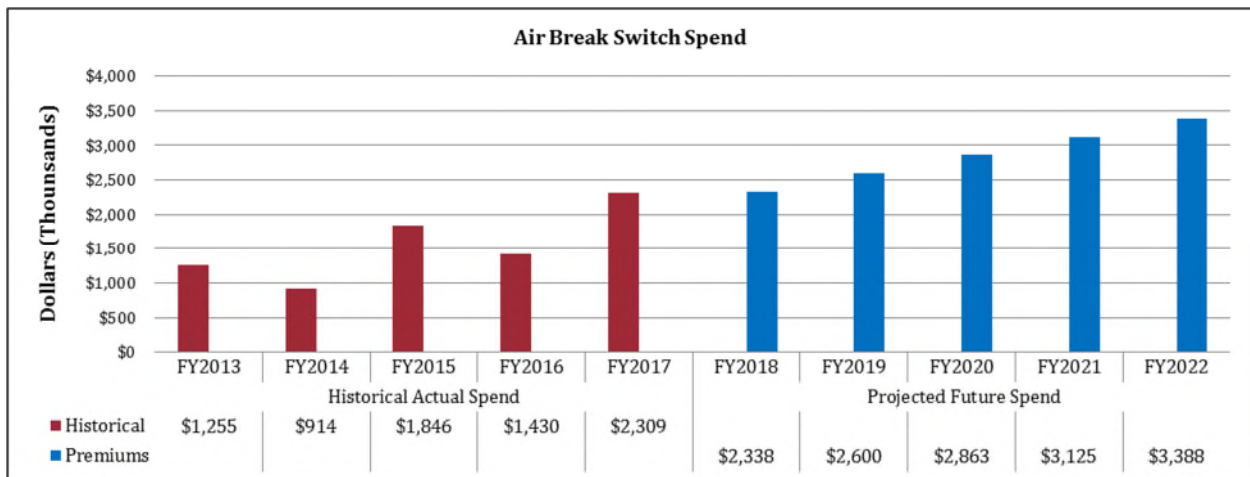
Actions:

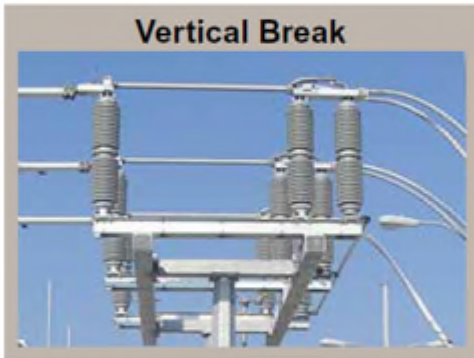
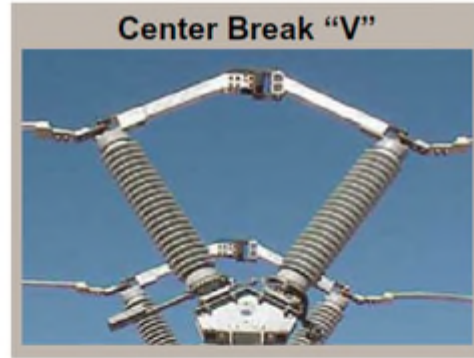
- LCRA invited six suppliers to participate. LCRA received and evaluated two proposals.
- The cost criterion was the highest-weighted category for the evaluation. The cost criterion consisted of vehicle cost.
- Based on forecast need and proposed contract terms, LCRA expects to save \$280,000 over the life of the contract (compared to the previous contract terms).
- The contract award amount is not to exceed \$14 million.
- Based on the evaluation and negotiation, LCRA recommends Sam Packs Five Star Ford as the supplier for this category.

Contract No. 4823 and 4825
Supplier: Hubbell Power Systems Inc. and Pascor Atlantic Corporation
Contract Amount: Not to exceed \$13 million
Contract Length: One year with four one-year options to extend
Description: This is a master contract for air break switches used by Transmission.

Background:

- An air break switch is an electric switch designed to isolate a circuit in which the opening and closing of contacts and extinguishing of the electric arc are accomplished by means of compressed air.
- Air break switches are a part of every transmission line. These switches allow LCRA’s maintenance groups to safely perform hardware replacement.
- The historical five-year spending is \$7.7 million.
- The new contract includes about 45 percent reduction in lead time and inventory consignment worth approximately \$920 thousand.





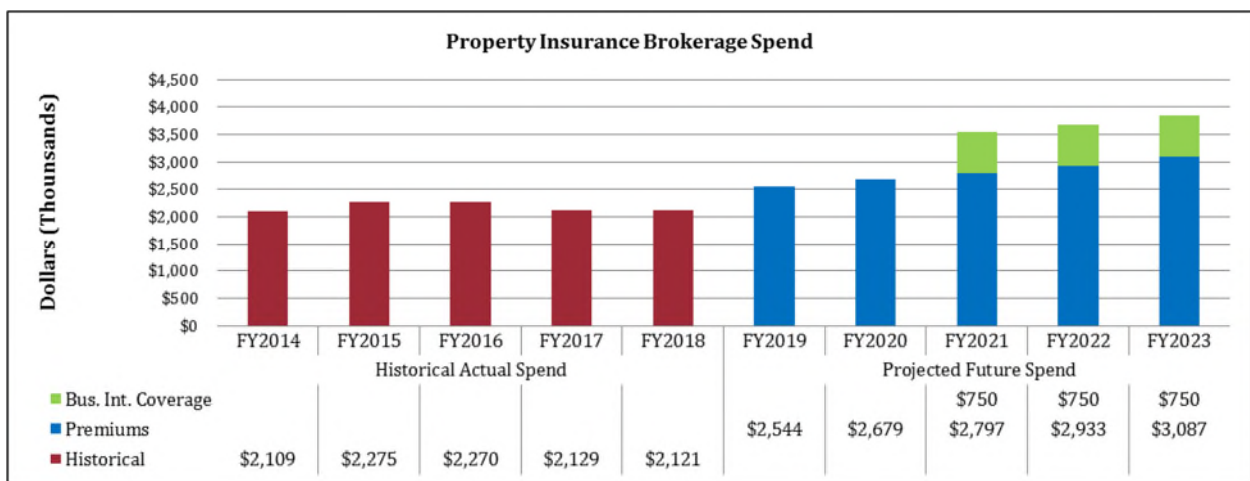
Actions:

- LCRA invited eight suppliers to participate. LCRA received and evaluated eight proposals.
- The quality criterion was the highest-weighted category for the evaluation. The quality criterion consisted of rejection rate, the quality program and the number of warranty claims received.
- The contract award amount is not to exceed \$13 million. This amount represents a shared sum from which the two proposed contracts may draw.
- Based on the evaluation and negotiation, LCRA recommends Hubbell Power Systems Inc. and Pascor Atlantic Corporation as the suppliers for this category.

Contract No. 4829
Supplier: Aon Risk Services Southwest Inc.
Contract Amount: Not to exceed \$16.5 million
Contract Length: One year with four one-year options to extend
Description: This is a master contract for property insurance brokerage services.

Background:

- Property insurance brokerage provides both insurance coverage and advice.
- The historical five-year spending is \$10.9 million.
- The spend includes both the brokerage fees and the insurance premiums.
- This contract includes a provision for business interruption reimbursement, which was not part of LCRA’s previous coverage.



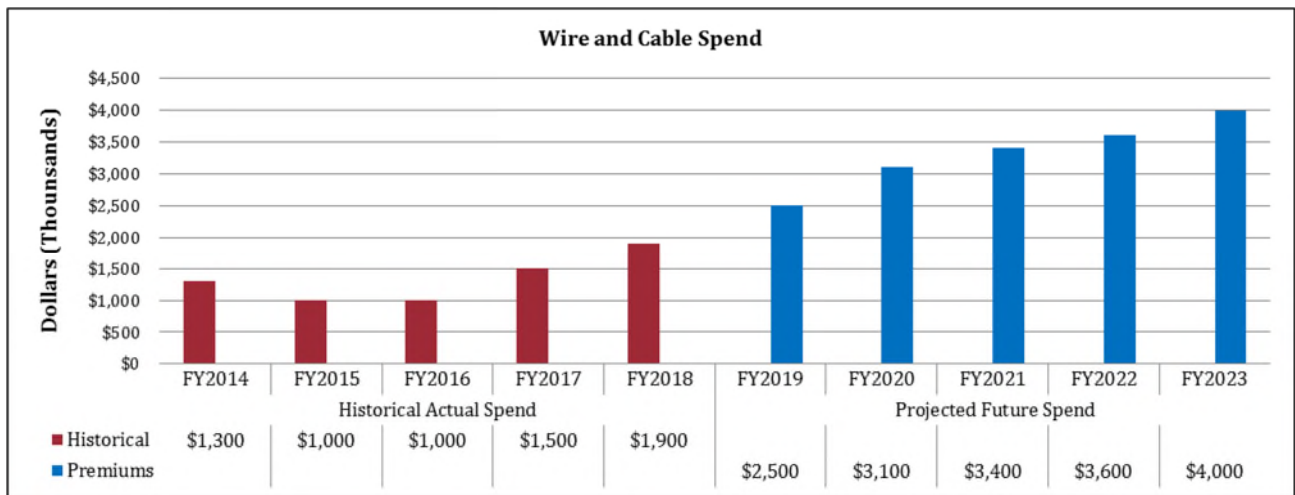
Actions:

- LCRA invited 13 suppliers to participate. LCRA received and evaluated four proposals.
- The scoring was conducted in two rounds.
- The ability criterion was the highest-weighted category for the first round evaluation. The ability criterion consisted of financial stability and experience.
- The cost criterion was the highest-weighted category for the second round evaluation. The cost criterion was scored on total cost.
- Based on forecast need and proposed contract terms, LCRA expects to save \$11,000 over the life of the contract (compared to the previous contract terms).
- The contract award amount is not to exceed \$16.5 million.
- Based on the evaluation and negotiation, LCRA recommends Aon Risk Services Southwest Inc. as the supplier for this category.

Contract No. 4811
Supplier: USA Wire & Cable Inc.
Contract Amount: Not to exceed \$17 million
Contract Length: One year with four one-year options to extend
Description: This is a master contract for control and power wire and cable used by Transmission and Generation.

Background:

- The historical spending is \$6.7 million from FY 2014 through the second quarter of FY 2018.
- The historical purchase represents 45 types of wire/cable totaling about 650,000 feet.



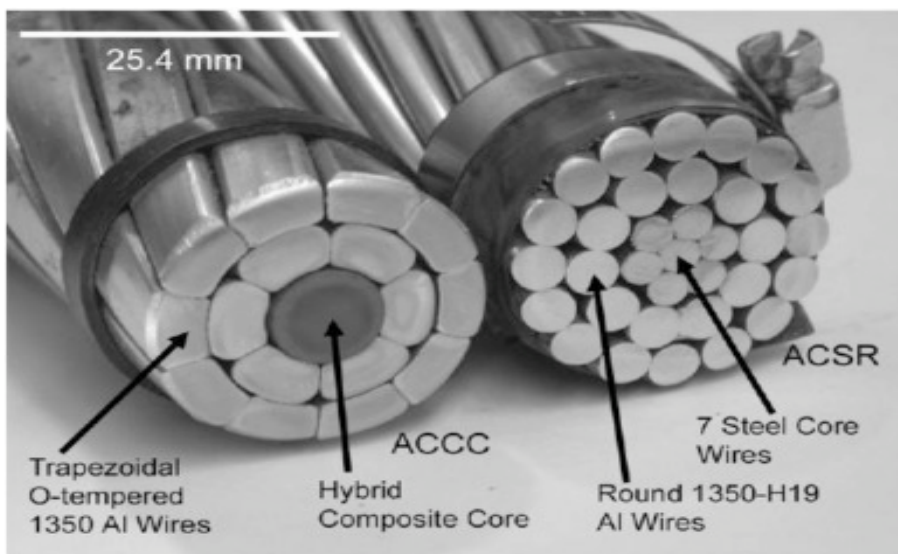
Actions:

- LCRA invited six suppliers to participate. LCRA received five proposals and evaluated four proposals.
- The ability criterion was the highest-weighted category for the evaluation. The ability criterion consisted of availability of technical support, delivery time and emergency response protocol.
- Based on forecast need and proposed contract terms, LCRA expects to save \$500,000 over the life of the contract (compared to the previous contract terms).
- The contract award amount is not to exceed \$17 million.
- Based on the evaluation and negotiation, LCRA recommends USA Wire & Cable Inc. as the supplier for this category.

Contract No. 4832
Supplier: Southwire Company Inc.
Contract Amount: Not to exceed \$7 million
Contract Length: One year with four one-year options to extend
Description: This is a master contract for composite core conductor used by Transmission.

Background:

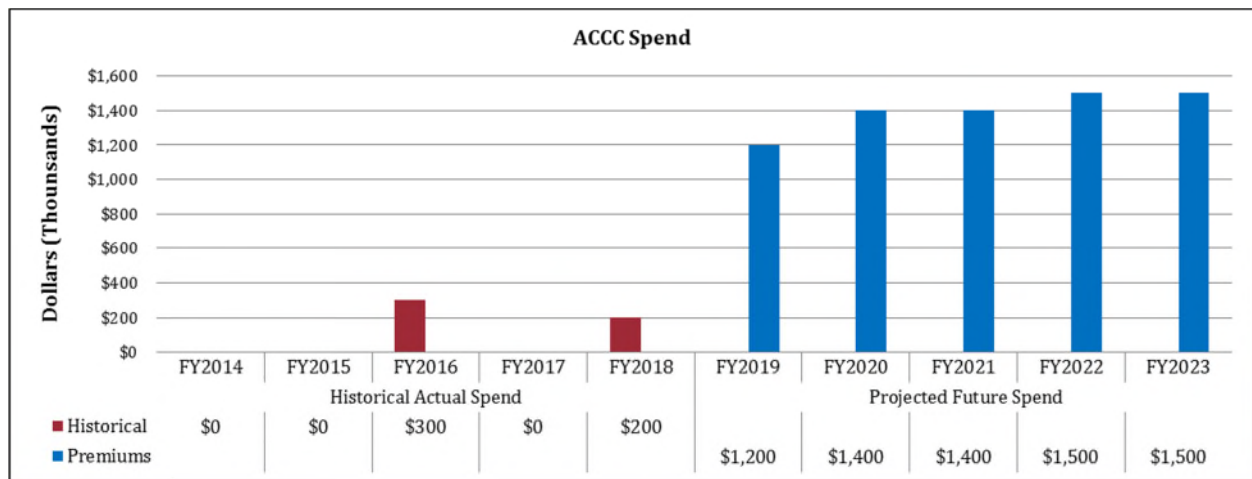
- Aluminum conductor composite reinforced (ACCR) and aluminum conductor composite core (ACCC) are types of high-temperature low-sag (HTLS) overhead power line conductor. This high-capacity transmission conductor has a high-strength, lightweight annealed aluminum matrix core. The outer, current carrying strands are composed of annealed aluminum, and the conductor cores are composed of lightweight fiber-reinforced metal matrix.
- ACCR and ACCC are capable of carrying about twice as much current as a conventional aluminum-conductor steel-reinforced cable (ACSR) cable of the same size and weight, making it popular for retrofitting existing electric power transmission lines without needing to change the existing towers and insulators.



- ACCC and ACCR:
 - Are 70 percent lighter than steel core.
 - Allow about 28 percent more aluminum without weight or diameter penalty.
 - Allow increased pole span distance, which can eliminate additional pole structure costs.
 - Provide about three times ampacity, increasing power transmission significantly.
 - Allow the cable to be operated at a significantly higher temperature without excessive sag between poles.



- The historical five-year spending is about \$500,000.
- Future spending is driven by projects with highway and lake crossings, concern for environmental impacts, high population density areas, and difficult terrain.



Actions:

- LCRA invited six suppliers to participate. LCRA received five proposals and evaluated two proposals. Three proposals did not meet the minimum requirements.
- The cost criterion was the highest-weighted category for the evaluation. The cost criterion consisted of conductor cost and strength of the supplier’s investment recovery program.
- Based on forecast need and proposed contract terms, LCRA expects to save \$763,000 over the life of the contract (compared to the last price paid).
- The contract award amount is not to exceed \$7 million.

- Based on the evaluation and negotiation, LCRA recommends Southwire Company Inc. as the supplier for this category.

Contract No. 4833
Supplier: Electrical Consultants Inc.
Contract Amount: Firm fixed price \$4,039,485
Contract Length: Until the contract is fulfilled
Description: This is a one-time contract for the design and construction of the Desert Mesa Substation.

Background:

- Desert Mesa Substation was sourced as a design-build project to expedite the overall project schedule.
- This is the first of the Transmission design-build (also referred to as engineer-procure-construct – or EPC) contracts.
- LCRA will maintain control of real estate, regulatory, and final commissioning aspects of the design-build projects.

Actions:

- Design-build sourcing is done in two phases: qualification phase, then proposal phase.
- LCRA invited 42 suppliers to participate in the qualification phase. LCRA received 16 responses and evaluated six proposals. Ten responses did not meet the minimum requirements.
 - The ability to perform criterion was the highest-weighted category for the qualification phase.
 - The ability to perform criterion consisted of history on similar projects, technical capability, team experience and methodology.
- LCRA invited the five suppliers with the highest scores in the qualification phase to participate in the proposal phase. LCRA received and evaluated five proposals.
 - The ability to perform criterion was the highest-weighted category for the proposal phase.
 - The ability to perform criterion included ability to meet schedule, ability to manage the complexity of the projects, and exceptions to terms and conditions.
- Based on forecast need and proposed contract terms, LCRA expects to save \$1,107,515 over the life of the contract (compared to the median of responses received).
- The contract award amount is a firm fixed price at \$4,039,485.
- Based on the evaluation and negotiation, LCRA recommends Electrical Consultants Inc. as the supplier for this category.

Contract No. 4834
Supplier: Electrical Consultants Inc.
Contract Amount: Firm fixed price \$4,620,228
Contract Length: Until the contract is fulfilled
Description: This is a one-time contract for the design and construction of the Fourmile Substation.

Background:

- Fourmile Substation was sourced as a design-build project to expedite the overall project schedule.
- This is the second Transmission design-build contract.

Actions:

- Design-build sourcing is done in two phases: qualification phase, then proposal phase.
- LCRA invited 42 suppliers to participate in the qualification phase. LCRA received 19 responses and evaluated 10 proposals. Nine responses did not meet the minimum requirements.
 - The ability to perform criterion was the highest-weighted category for the qualification phase.
 - The ability to perform criterion consisted of history on similar projects, technical capability, team experience and methodology.
- LCRA invited the nine suppliers with the highest scores in the qualification phase to participate in the proposal phase. LCRA received and evaluated nine proposals.
 - The ability to perform criterion was the highest-weighted category for the proposal phase.
 - The ability to perform criterion included ability to meet schedule, ability to manage the complexity of the projects, and exceptions to terms and conditions.
- Based on forecast need and proposed contract terms, LCRA expects to save \$1,381,574 over the life of the contract (compared to the median of responses received).
- The contract award amount is a firm fixed price at \$4,620,228.
- LCRA conducted due diligence to evaluate ECI's ability to perform on multiple design-build contracts at the same time.
- Based on the evaluation and negotiation, LCRA recommends Electrical Consultants Inc. as the supplier for this category.

Contract No. 4835
Supplier: Electrical Consultants, Inc.
Contract Amount: \$4,453,814
Contract Length: Until contract is fulfilled
Description: This is a one-time contract for the design and construction of the King Mountain Substation.

Background:

- King Mountain Substation was sourced as a design-build to expedite the overall project schedule.

Actions:

- Design-build sourcing is done in two phases: qualification phase, then proposal phase.
- LCRA invited 42 suppliers to participate in the qualification phase. LCRA received 21 responses and evaluated 16 proposals. Five responses did not meet minimum requirements.
 - The ability to perform criterion was the highest-weighted category for the qualification phase.
 - The ability to perform criterion consisted of history on similar projects, technical capability, team experience and methodology.
- LCRA invited the 12 suppliers with the highest scores in the qualification phase to participate in the proposal phase. LCRA received and evaluated 12 proposals.
 - The ability to perform criterion was the highest-weighted category for the proposal phase.
 - The ability to perform criterion included ability to meet schedule, ability to manage the complexity of the projects, and exceptions to terms and conditions.
- Based on forecast need and proposed contract terms, LCRA expects to save \$441,186 over the life of the contract (compared to the median of responses received).
- The contract award amount is firm fixed at \$4,453,814
- Based on the evaluation and negotiation, LCRA recommends Electrical Consultants Inc. as the supplier for this category.

Contract No. 4842
Supplier: Schneider Engineering
Contract Amount: \$4,170,000
Contract Length: Until contract is fulfilled
Description: This is a one-time contract for the design and construction of the Robbins Switch Substation.

Background:

- Robbins Switch Substation was sourced as a design-build to expedite the overall project schedule.

Actions:

- Design-build sourcing is done in two phases: qualification phase, then proposal phase.
- LCRA invited 42 suppliers to participate in the qualification phase. LCRA received 20 responses and evaluated 13 proposals.
 - The ability to perform criterion was the highest-weighted category for the qualification phase.
 - The ability to perform criterion consisted of history on similar projects, technical capability, team experience and methodology.
- LCRA invited the 13 suppliers with the highest scores in the qualification phase to participate in the proposal phase. LCRA received and evaluated 12 proposals.
 - The ability to perform criterion was the highest-weighted category for the proposal phase.
 - The ability to perform criterion included ability to meet schedule, ability to manage the complexity of the projects, and exceptions to terms and conditions.
- Based on forecast need and proposed contract terms, LCRA expects to save \$463,560 over the life of the contract (compared to the median of responses received).
- The contract award amount is firm fixed at \$4,170,000
- Based on the evaluation and negotiation, LCRA recommends Schneider Engineering as the supplier for this category.

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