

LCRA Transmission Services Corporation

**Board Agenda**

Wednesday, May 16, 2018  
LCRA Board Room  
Austin

**Items from the Chief Executive Officer**

Chief Executive Officer's Update

**Items from the Chief Financial Officer**

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**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 the following link: <http://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.

## 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 percent 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.

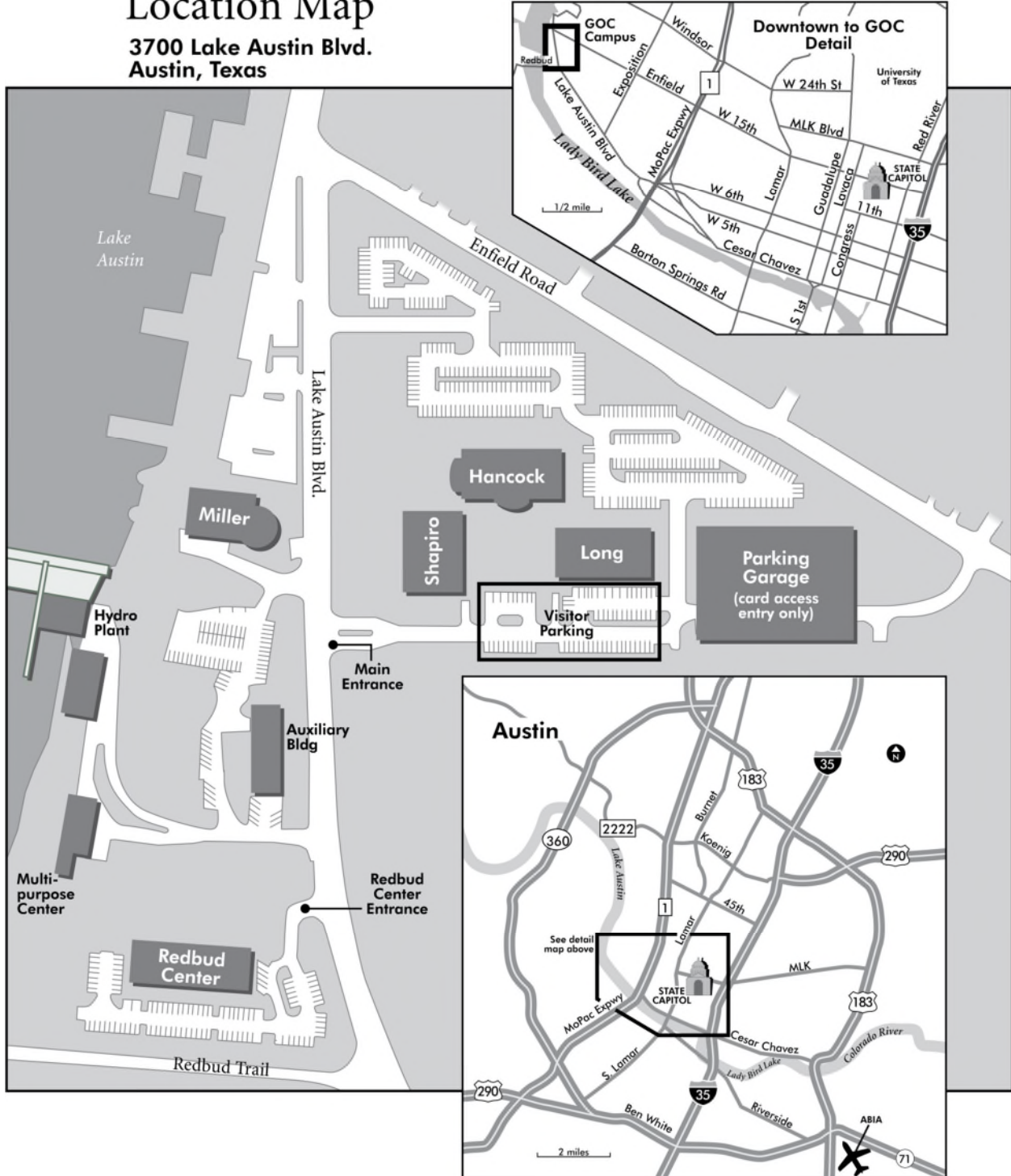
Within the framework of SB 7, LCRA TSC implements the electric transmission business of LCRA, including the expansion of electric transmission services outside of LCRA's traditional electric service territory. LCRA personnel are responsible for performing all of LCRA TSC's activities pursuant to a services 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.

The LCRA TSC Board Policy on Authority and Responsibilities directs that the business plan of the affiliated corporation include for approval a schedule of capital projects proposed for the fiscal year. The policy also states that only deviations from the approved plan will be brought before LCRA TSC Board. As such, the LCRA TSC Board agenda will not include consent items to approve specific capital projects, unless the project scope or budget changes significantly from what was originally approved.

# LCRA General Office Complex Location Map

3700 Lake Austin Blvd.  
Austin, Texas



**FOR DISCUSSION**

# **1. Financial Report**

**Board Consideration**

This report is presented monthly to the Board for discussion.

**Summary**

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

**Presenter(s)**

Julie Rogers  
Controller

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**LCRA Transmission Services Corporation**  
**Financial Highlights**  
**April 2018**

# LCRA Transmission Services Corporation

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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.

**ELOPPP** – Extraordinary LCRA Optional Purchase Price Payment.

**FYE** – Fiscal year-end.

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



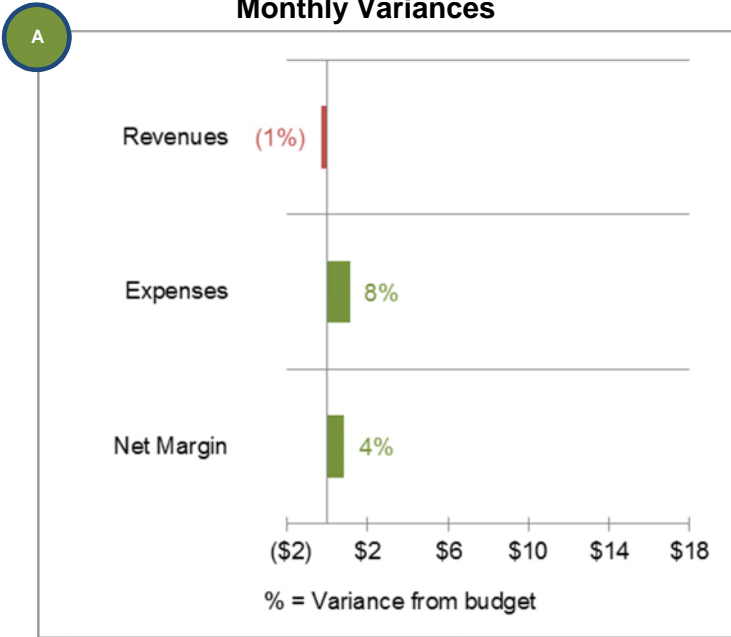
# LCRA Transmission Services Corporation

April 30, 2018

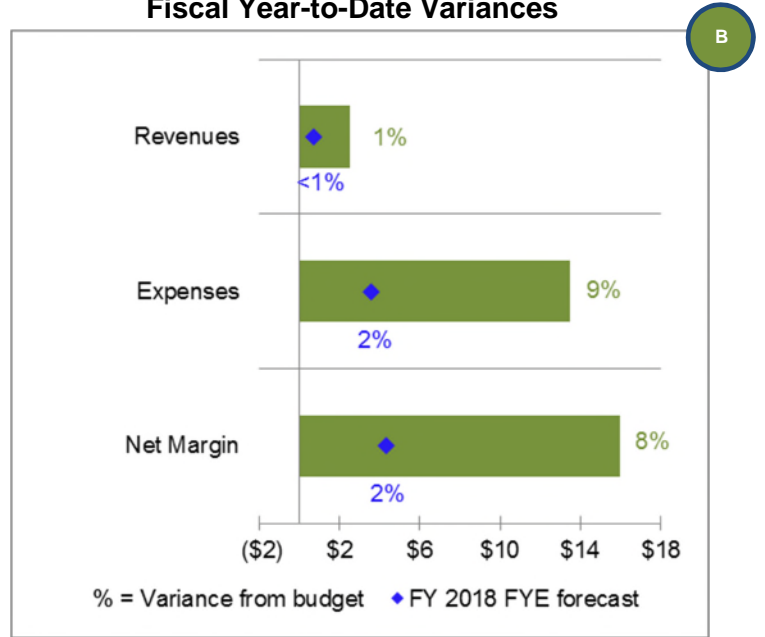
(Dollars in Millions)

## Budget-to-Actual Highlights

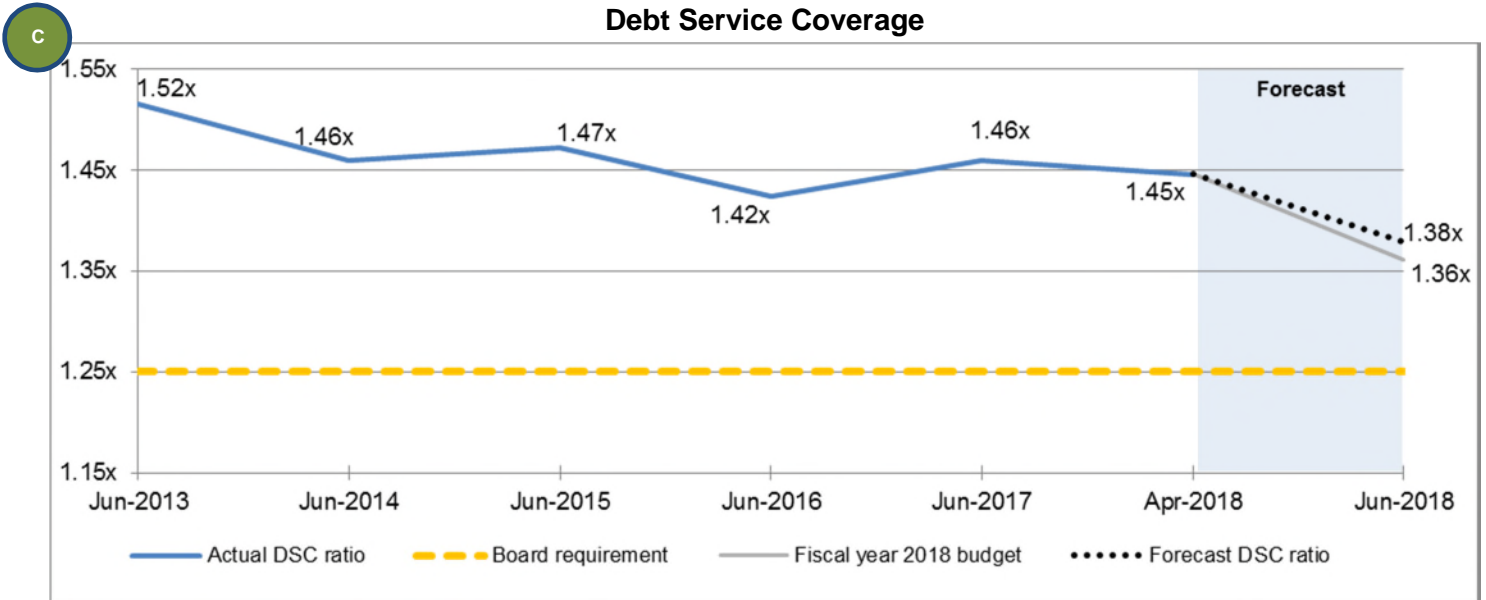
### Monthly Variances



### Fiscal Year-to-Date Variances



### Debt Service Coverage



#### Key takeaways:

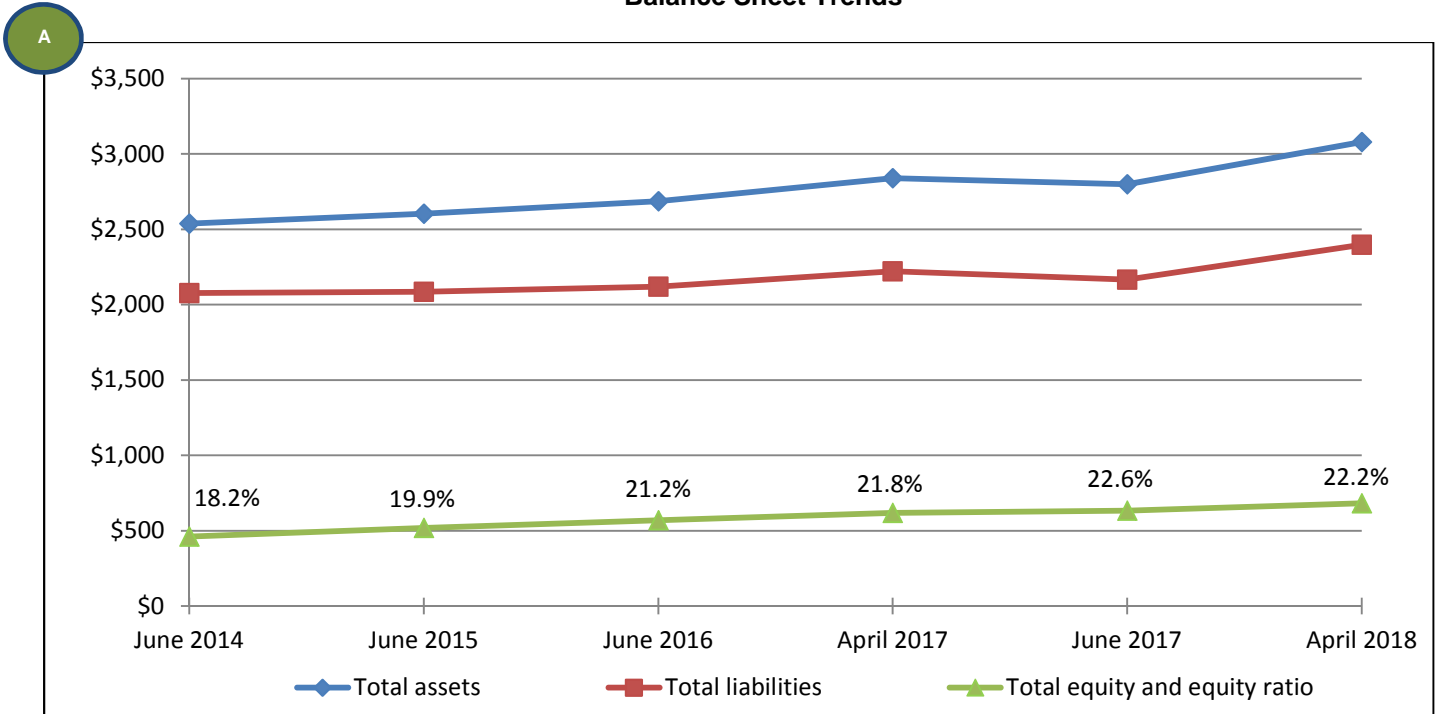
- Monthly performance was driven by the timing of expenses offset by a true-up of cost-of-service revenues.
- Year-to-date performance was driven by a combination of lower expenses, and timing differences and higher-than-budgeted cost of service and miscellaneous revenues.
- The full-year forecast is driven by unbudgeted miscellaneous revenue and lower expenses than budgeted.
- Debt service coverage is projected to be higher than budgeted due to higher-than-budgeted revenue and lower-than-budgeted expense year-end forecasts.

# LCRA Transmission Services Corporation Financial Statement Trends

April 30, 2018

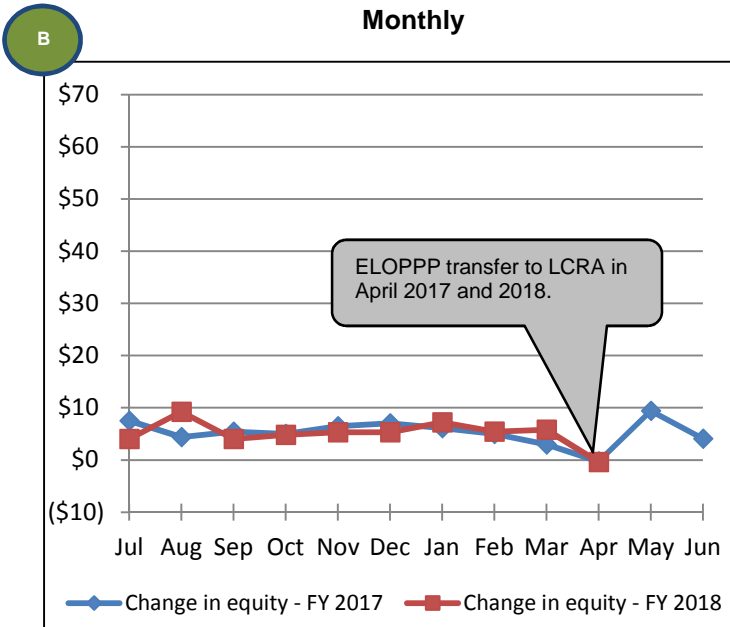
(Dollars in Millions)

## Balance Sheet Trends

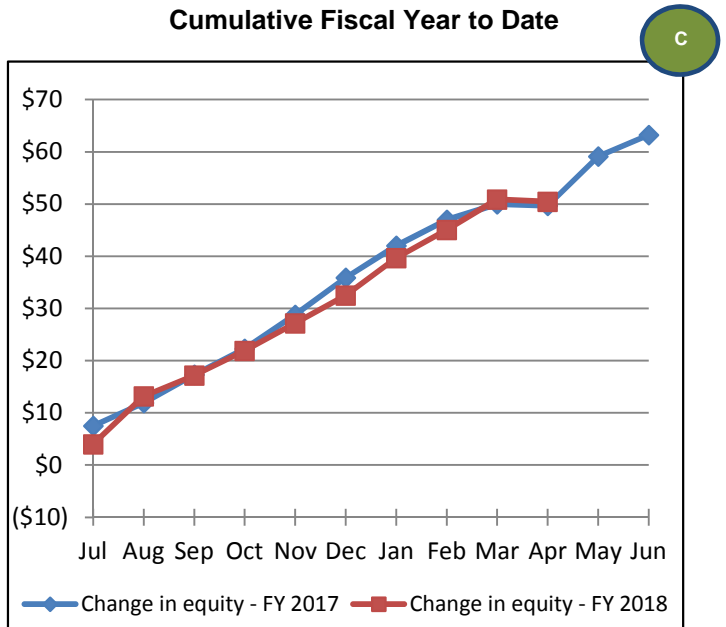


## Income Statement Trends

### Monthly



### Cumulative Fiscal Year to Date



### Key takeaways:

- Assets increased due to a \$187.6 million increase in property, plant and equipment and construction-work-in-progress compared with April 2017.
- The income statement trend remains steady from prior periods.

# LCRA Transmission Services Corporation

April 30, 2018

(Dollars in Millions)

## Condensed Balance Sheets

	April 30, 2018	April 30, 2017
<i>Assets</i>		
Total current assets	\$ 262.0	\$ 333.0
Total long-term assets	2,817.7	2,506.8
<b>Total Assets</b>	<b>\$ 3,079.7</b>	<b>\$ 2,839.8</b>
<i>Liabilities</i>		
Total current liabilities	\$ 476.2	\$ 245.3
Total long-term liabilities	1,921.1	1,976.5
Total liabilities	2,397.3	2,221.8
<i>Equity</i>		
Total equity	682.4	618.0
<b>Total Liabilities and Equity</b>	<b>\$ 3,079.7</b>	<b>\$ 2,839.8</b>

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

	Fiscal Year to Date	
	2018	2017
<b>Operating Revenues</b>		
Transmission	\$ 330.8	\$ 324.9
Transformation	12.0	11.4
Other	0.5	0.8
<b>Total Operating Revenues</b>	343.3	337.1
<b>Operating Expenses</b>		
Operations	107.2	101.5
Maintenance	8.4	7.2
Depreciation and amortization	61.2	56.9
<b>Total Operating Expenses</b>	176.8	165.6
<b>Operating Income</b>	166.5	171.5
<b>Nonoperating Expenses</b>		
Interest on debt	(73.8)	(74.5)
Other expenses	(42.2)	(47.3)
<b>Total Nonoperating Expenses</b>	(116.0)	(121.8)
<b>Change in Equity</b>	50.5	49.7
<b>Equity - Beginning of Period</b>	631.9	568.3
<b>Equity - End of Period</b>	<b>\$ 682.4</b>	<b>\$ 618.0</b>

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## **FOR ACTION (CONSENT)**

### **2. Minutes of Prior Meetings**

#### **Proposed Motion**

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

#### **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 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 president and chief executive officer or his designee to convey an electric transmission line easement containing 0.2 acre to Santa Rita Wind Energy LLC for a 345-kilovolt overhead line and single support structure to tie into the point of interconnection on LCRA Transmission Services Corporation's Schneeman Draw Substation property in Crockett County.
- 18-02 Approval of the minutes of the Oct. 18 and Dec. 13, 2017, meetings.
- 18-03 Approval of the Capital Improvement Project Authorization Request for the Navigation Substation Addition project.
- 18-04 Approval of the Capital Improvement Project Authorization Request for the Pinnacle Substation Addition project, and authorization for the president and chief executive officer or his designee to negotiate and execute an agreement with the generation developer to construct new facilities and modify existing ones.
- 18-05 Approval of the Capital Improvement Project Authorization Request for the Roadrunner Substation Addition project.
- 18-06 Approval of the Capital Improvement Project Authorization Request for the Hamilton Road-to-Uvalde Fiber Addition project.
- 18-07 Approval of the Capital Improvement Project Authorization Request for the Austrop-to-Bastrop City-to-Sim Gideon Transmission Line Storm Hardening project.
- 18-08 Approval of the Capital Improvement Project Authorization Request for the Bergheim Substation Upgrade project.
- 18-09 Approval of the Capital Improvement Project Authorization Request for the Fayetteville-to-FPP Transmission Line Overhaul project.
- 18-10 Adoption of a resolution authorizing the use of the power of eminent domain in Travis County to acquire rights in the properties described in Exhibit 1 to the resolution for the Colton Circuit Breaker Addition project.
- 18-11 Approval of the adoption by LCRA 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 chief executive officer or his designee 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.

- 18-12 Authorization for the president and chief executive officer or his designee to negotiate and purchase electric transmission line easements and a temporary construction easement from the Guadalupe-Blanco River Authority in Guadalupe County; and further authorization for the president and chief executive officer or his designee to do all things necessary to accomplish the purposes hereof.

MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF THE  
LCRA TRANSMISSION SERVICES CORPORATION  
Austin, Texas  
Jan. 17, 2018

Pursuant to notice posted in accordance with the Texas Open Meetings Act, the Board of Directors (Board) of the LCRA Transmission Services Corporation (LCRA TSC) convened in a regular meeting at 12:40 p.m. Wednesday, Jan. 17, 2018, in the Board Room of the Hancock Building, at the principal office of the Lower Colorado River Authority, 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  
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 12:40 p.m. and led the Board in pledges of allegiance to the American and Texas flags. Director Spears provided an invocation.

Vice President and Chief Operating Officer Mike Shuba gave an update to the Board. Shuba reported on LCRA TSC's compliance with North American Electric Reliability Corporation standards. He commended staff for helping to achieve an excellent record of compliance and strong results in other performance metrics. Shuba discussed LCRA TSC's training program and gave a recent example of a contribution from the Continuous Process Improvement Program. Shuba discussed growth efforts in the transmission business. Shuba concluded with an update on LCRA TSC's capital plan progress.

Rob Seiler, vice president of Transmission Field Services, gave a presentation on LCRA TSC's strategy to accomplish the LCRA TSC five-year capital plan. He discussed solutions, including: the use of internal workforce; bundling and long-term agreements;



engineer, procure, construct methodology; and alliance agreements. Seiler also noted some related agenda items that staff plans to bring to the Board in coming meetings.

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 Director Berger, seconded by Director Cooper, the Board unanimously approved consent items 2 and 3 included on the Jan. 17, 2018, consent agenda by a vote of 13 to 0 as follows:

18-01 Authorization for the president and chief executive officer or his designee to convey an electric transmission line easement containing 0.2 acre to Santa Rita Wind Energy LLC for a 345-kilovolt overhead line and single support structure to tie into the point of interconnection on LCRA Transmission Services Corporation's Schneeman Draw Substation property in Crockett County, as recommended by staff in Consent Item 2 [attached hereto as Exhibit A].

18-02 Approval of the minutes of the Oct. 18 and Dec. 13, 2017, meetings [Consent Item 3].

18-03 Vice President and Chief Operating Officer Mike Shuba presented for consideration a staff recommendation, described in Agenda Item 4 [attached hereto as Exhibit B], that the Board approve the Capital Improvement Project Authorization Request for the Navigation Substation Addition project. Upon motion by Director Gill, seconded by Director Russell, the recommendation was unanimously approved by a vote of 13 to 0.

18-04 Vice President and Chief Operating Officer Mike Shuba presented for consideration a staff recommendation, described in Agenda Item 5 [attached hereto as Exhibit C], that the Board approve the Capital Improvement Project Authorization Request for the Pinnacle Substation Addition project, and authorize the president and chief executive officer or his designee to negotiate and execute an agreement with the generation developer to construct new facilities and modify existing ones. Upon motion by Director Berger, seconded by Director Ellison, the recommendation was unanimously approved by a vote of 13 to 0.

18-05 Vice President and Chief Operating Officer Mike Shuba presented for consideration a staff recommendation, described in Agenda Item 6 [attached hereto as Exhibit D], that the Board approve the Capital Improvement Project Authorization Request for the Roadrunner Substation Addition project. Upon motion by Director Ellison, seconded by Director Cooper, the recommendation was unanimously approved by a vote of 13 to 0.

18-06 Vice President and Chief Operating Officer Mike Shuba presented for consideration a staff recommendation, described in Agenda Item 7 [attached hereto as Exhibit E], that the Board approve the Capital Improvement Project Authorization

Request for the Hamilton Road-to-Uvalde Fiber Addition project. Upon motion by Director Whitten, seconded by Director Kibby, the recommendation was unanimously approved by a vote of 13 to 0.

18-07 Vice President and Chief Operating Officer Mike Shuba presented for consideration a staff recommendation, described in Agenda Item 8 [attached hereto as Exhibit F], that the Board approve the Capital Improvement Project Authorization Request for the Austrop-to-Bastrop City-to-Sim Gideon Transmission Line Storm Hardening project. Upon motion by Director Kibby, seconded by Director Franklin, the recommendation was unanimously approved by a vote of 13 to 0.

18-08 Vice President and Chief Operating Officer Mike Shuba presented for consideration a staff recommendation, described in Agenda Item 9 [attached hereto as Exhibit G], that the Board approve the Capital Improvement Project Authorization Request for the Bergheim Substation Upgrade project. Upon motion by Director Berger, seconded by Director Cooper, the recommendation was unanimously approved by a vote of 13 to 0.

18-09 Vice President and Chief Operating Officer Mike Shuba presented for consideration a staff recommendation, described in Agenda Item 10 [attached hereto as Exhibit H], that the Board approve the Capital Improvement Project Authorization Request for the Fayetteville-to-FPP Transmission Line Overhaul project. Upon motion by Director Ellison, seconded by Director Whitten, the recommendation was unanimously approved by a vote of 13 to 0.

18-10 Steven Brown, director of Real Estate Services, presented for consideration a staff recommendation, described in Agenda Item 11 – Acquisition of Interests in Real Property – Use of Eminent Domain in Travis County [attached hereto as Exhibit I]. Director Spears moved, seconded by Director Berger, that the Board 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 Colton Circuit Breaker Addition project; and that the first record vote applies to all units of property to be condemned. The Board unanimously approved the motion by a record vote of 13 to 0.

18-11 Jim Travis, treasurer and head of capital planning, presented for consideration a staff recommendation, described in Agenda Item 12 [attached hereto as Exhibit J], that the Board request and approve the adoption by LCRA 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 authorize the chief executive officer or his designee 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 Gill, seconded by Director Balas, the recommendation was unanimously approved by a vote of 13 to 0.

Chair Timmerman declared the meeting to be in executive session at 1:40 p.m., pursuant to sections 551.071 and 551.072 of the Texas Government Code (Open Meetings Act). Executive session ended, and Chair Timmerman declared the meeting to be in public session at 1:45 p.m.

18-12 Upon motion by Director Spears, seconded by Director Ellison, by a vote of 13 to 0, the Board unanimously authorized the president and chief executive officer or his designee to negotiate and purchase electric transmission line easements and a temporary construction easement from the Guadalupe-Blanco River Authority in Guadalupe County; and further authorized the president and chief executive officer or his designee to do all things necessary to accomplish the purposes hereof.

There being no further business to come before the Board, the meeting was adjourned at 1:46 p.m.

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Thomas E. Oney  
Secretary  
LCRA Transmission Services Corporation

Approved: \_\_\_\_\_

## **EXHIBIT B**

Minutes Digest  
Feb. 14, 2018

- 18-13      Approval of a resolution delegating authority to the president and chief executive officer on a short-term basis to approve additional funding for capital projects expected to exceed a lifetime budget by 10 percent and \$300,000.
- 18-14      Approval of a resolution delegating authority to the president and chief executive officer on a short-term basis to approve capital projects associated with generation interconnection projects not included in the approved capital plan, in each case only after the generator has provided appropriate financial security to LCRA Transmission Services Corporation for its expenses.

MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF THE  
LCRA TRANSMISSION SERVICES CORPORATION  
Austin, Texas  
Feb. 14, 2018

Pursuant to notice posted in accordance with the Texas Open Meetings Act, the Board of Directors (Board) of the LCRA Transmission Services Corporation (LCRA TSC) convened in a regular meeting at 11:07 a.m. Wednesday, Feb. 14, 2018, in the Board Room of the Hancock Building, at the principal office of the Lower Colorado River Authority, 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  
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 11:07 a.m.

18-13 President and Chief Executive Officer Phil Wilson presented for consideration a staff recommendation, described in Agenda Item 1 [attached hereto as Exhibit A], that the Board approve a resolution delegating authority to the president and chief executive officer on a short-term basis to approve additional funding for capital projects expected to exceed a lifetime budget by 10 percent and \$300,000. Upon motion by Director Gill, seconded by Director Ellison, the recommendation was unanimously approved by a vote of 12 to 0.

18-14 President and Chief Executive Officer Phil Wilson presented for consideration a staff recommendation, described in Agenda Item 2 [attached hereto as Exhibit B], that the Board approve a resolution delegating authority to the president and chief executive officer on a short-term basis to approve capital projects associated with generation interconnection projects not included in the approved capital plan, in each case only after the generator has provided appropriate financial security to LCRA

Transmission Services Corporation for its expenses. Upon motion by Director Balas, seconded by Director Berger, the recommendation was unanimously approved by a vote of 12 to 0.

There being no further business to come before the Board, the meeting was adjourned at 11:10 a.m.

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Thomas E. Oney  
Secretary  
LCRA Transmission Services Corporation

Approved: \_\_\_\_\_

## **EXHIBIT C**

Minutes Digest  
April 18, 2018

- 18-15 Appointment of James D. Travis as treasurer and chief financial officer of LCRA Transmission Services Corporation effective immediately.
  
- 18-16 Authorization of the payment of an Extraordinary LCRA Optional Purchase Price Payment to the Lower Colorado River Authority of \$4.1 million for FY 2018, contingent on the determination by the LCRA Board of Directors of such payment being due and payable pursuant to the Electric Transmission Facilities Contract between LCRA and LCRA TSC dated as of Oct. 1, 2001.

MINUTES OF THE SPECIAL MEETING OF THE  
BOARD OF DIRECTORS OF THE  
LCRA TRANSMISSION SERVICES CORPORATION  
Burnet, Texas  
April 18, 2018

Pursuant to notice posted in accordance with the Texas Open Meetings Act, the Board of Directors (Board) of the LCRA Transmission Services Corporation (LCRA TSC) convened in a special meeting at 8:23 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  
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 8:23 a.m. The Board next took action on the agenda items for this special meeting.

18-15 Upon motion by Director Cooper, seconded by Director Balas, the Board unanimously appointed James D. Travis as treasurer and chief financial officer of LCRA Transmission Services Corporation effectively immediately, as recommended in Consent Item 1 [attached hereto as Exhibit A], by a vote of 15 to 0.

18-16 Treasurer and Chief Financial Officer Jim Travis presented for consideration a staff recommendation, described in Agenda item 2 [attached hereto as Exhibit B], that the Board authorize the payment of an Extraordinary LCRA Optional Purchase Price Payment to the Lower Colorado River Authority of \$4.1 million for FY 2018, contingent on the determination by the LCRA Board of Directors of such payment being due and payable pursuant to the Electric Transmission Facilities Contract between LCRA and LCRA TSC dated as of Oct. 1, 2001. Upon motion by Director Ellison, seconded by Director Johnson, the recommendation was unanimously approved by a vote of 15 to 0.



There being no further business to come before the Board, the meeting was adjourned at 8:25 a.m.

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Thomas E. Oney  
Secretary  
LCRA Transmission Services Corporation

Approved: \_\_\_\_\_

## **FOR ACTION**

### **3. Capital Improvement Project Approval – Transmission Facility Development**

#### **Proposed Motion**

Approve the Capital Improvement Project Authorization Request for the Transmission Facility Development project and authorize the president and chief executive officer, or his designee, (i) to negotiate and execute a development agreement with Central Texas Electric Cooperative giving LCRA TSC rights to develop current and future transmission projects within CTEC's retail service area; and (ii) to do all things reasonably necessary to accomplish the purposes hereof.

#### **Board Consideration**

LCRA Transmission Services Corporation Board Policy T301 – Finance requires Board approval of any project not included in the annual capital plan or any previously approved project that is expected to exceed its lifetime budget by 10 percent and \$300,000.

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

- The project is not included in LCRA TSC's fiscal year 2018 capital plan.
- Staff seeks approval for a total lifetime budget of \$3 million.
- The proposed lifetime budget for the project does not include contingency funds.
- In a separate action, staff will be requesting additional 2018 fiscal year capital funding, which will include this project's 2018 fiscal year spending.
- The chief operating officer will release funds as needed.

#### **Summary**

Staff recommends approval of the Transmission Project Development project located in CTEC's retail service territory.

LCRA TSC anticipates a minimum of \$31 million in projects in the next five years and \$20 million within a five- to 10-year horizon. Also, CTEC has experienced significant load growth in its service territory, which may yield additional future projects. Following the transaction, LCRA TSC will evaluate the need to upgrade one or more transmission lines from 69-kilovolt to 138-kV as necessary, to support the reliability of the interconnected transmission grid. Following any such upgrades, staff anticipates the quality and reliability of transmission service in the area of the transmission lines will improve.

A Certificate of Convenience and Necessity is not required for this project.

**Project Recap**

Total Project Estimated Cost	<u>\$3,000,000</u>
Previous Project Lifetime Budget:	\$ 0
Additional Lifetime Budget Approval Sought:	<u>\$3,000,000</u>
FY 2018      \$3,000,000	
Total:	<u>\$3,000,000</u>

**Project Direction**

Project Manager:	Elizabeth Duron
Project Sponsor:	Stuart Nelson
Project Number:	1019743

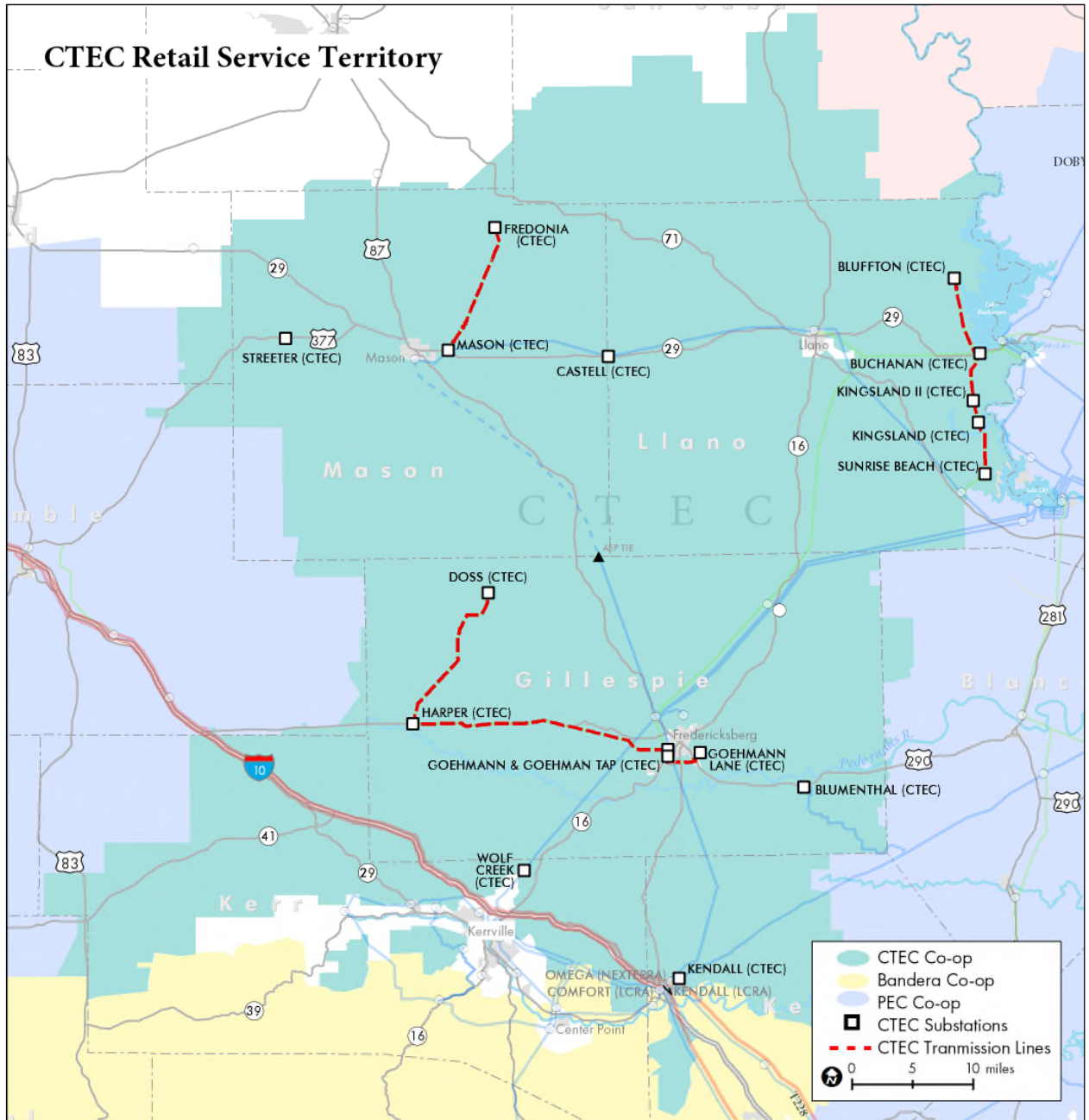
**Presenter(s)**

Stuart Nelson  
Senior Vice President, Transmission Business Development

**Exhibit(s)**

A – Map

**EXHIBIT A**



## **FOR ACTION**

# **4. Capital Improvement Project Approval – Central Texas Electric Cooperative Transmission Facilities**

### **Proposed Motion**

Approve the Capital Improvement Project Authorization Request for the Central Texas Electric Cooperative Transmission Facilities Acquisition project and authorize the president and chief executive officer, or his designee, to (i) negotiate and execute a purchase agreement to acquire electric transmission facilities and related real property in Llano, Mason and Gillespie counties from CTEC; and (ii) do all things reasonably necessary to accomplish the purposes hereof.

### **Board Consideration**

LCRA Transmission Services Corporation Board Policy T301 – Finance requires Board approval of any project not included in the annual capital plan or any previously approved project that is expected to exceed its lifetime budget by 10 percent and \$300,000.

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

- The project is not included in LCRA TSC's fiscal year (FY) 2018 or FY 2019 capital plans.
- Staff seeks approval for a total lifetime budget of \$4.67 million.
- The proposed lifetime budget for the project includes no contingency.
- Staff members believe they can manage this additional spending within the FY 2019 capital budget and currently do not request additional fiscal year capital budget authorization.
- The chief operating officer will release funds as needed.
- Project costs will be funded through LCRA TSC regulated rates, pending approval by the Public Utility Commission of Texas.

### **Summary**

Staff recommends approval of the CTEC Transmission Facilities Acquisition project located in Llano, Mason and Gillespie counties.

Since 1992, LCRA TSC has continuously operated CTEC's transmission facilities, including the specific facilities that are the subject of this agenda item. The current net book value of the existing facilities is about \$4.67 million. The actual net book value of the facilities will be calculated at the end of the month prior to closing. At closing, LCRA TSC will pay CTEC the net book value of the facilities.

LCRA TSC representatives will perform environmental and cultural due diligence studies and address all identified concerns. This project will require a filing to transfer the Certificate of Convenience and Necessity associated with the facilities from CTEC to LCRA TSC.

**Project Recap**

Total Project Estimated Cost	<u>\$4,670,000</u>
Previous Project Lifetime Budget:	\$ 0
Additional Lifetime Budget Approval Sought:	<u>\$4,670,000</u>
FY 2019	\$4,670,000
Total:	<u>\$4,670,000</u>

**Project Direction**

Project Manager: Elizabeth Duron  
Project Sponsor: Stuart Nelson  
Project Number: 1019745

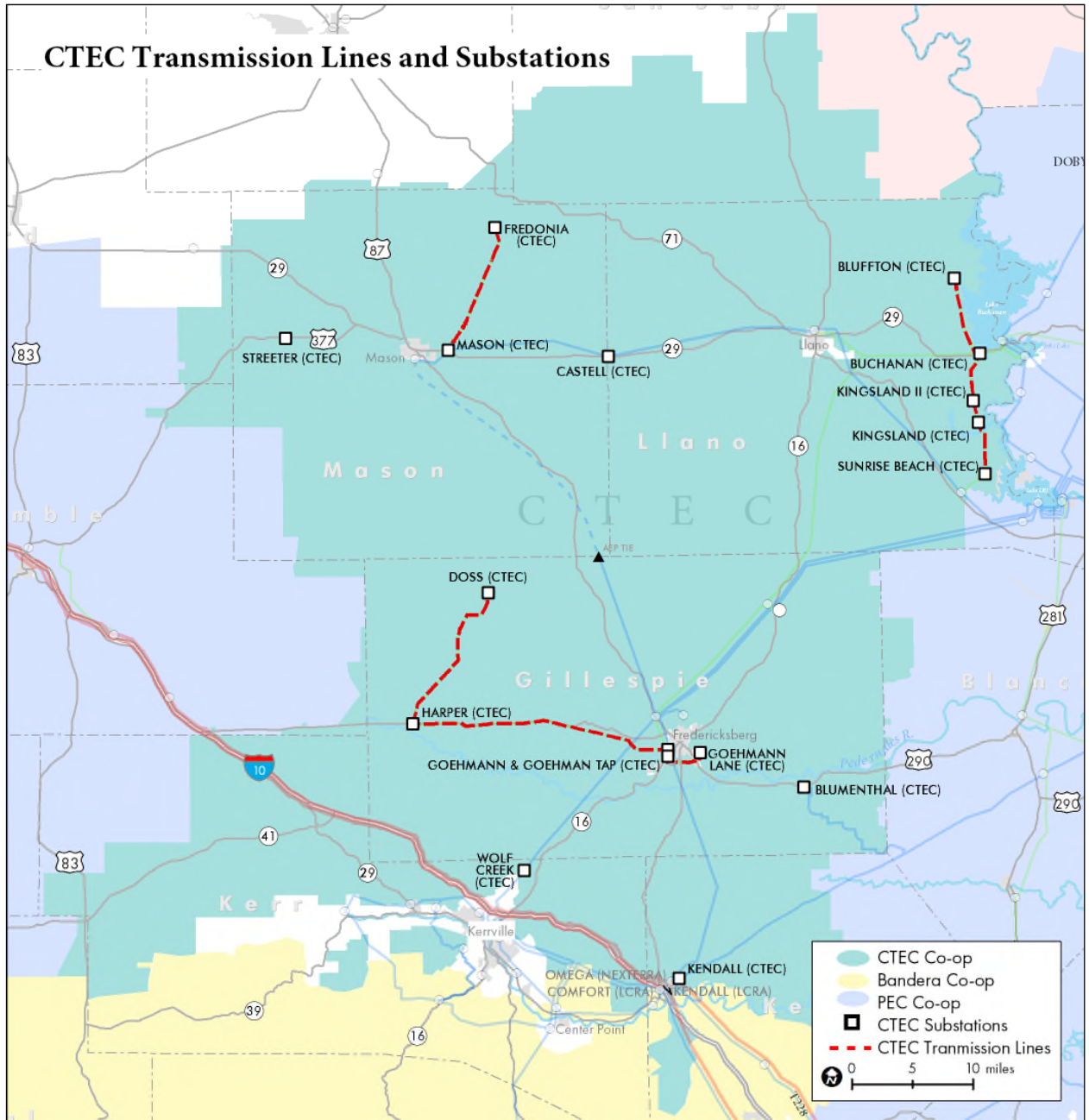
**Presenter(s)**

Stuart Nelson  
Senior Vice President, Transmission Business Development

**Exhibit(s)**

A – Map  
B – Facility Listing

**EXHIBIT A**



## **EXHIBIT B**

### **Transmission Lines**

#### **Gillespie and Mason Counties:**

- T287 Fredericksburg-to-Goehmann Lane single-circuit 69-kV transmission line, approximately 5.2 miles;
- T288 Harper-to-Live Oak single-circuit 69-kV transmission line, approximately 21.8 miles;
- T508 Doss-to-Harper single-circuit 69-kV transmission line, approximately 14.2 miles;
- T289 Fredonia-to-Mason single-circuit 69-kV transmission line, approximately 10.8 miles; and

#### **Llano County:**

- T400 Kingsland 1-to-Sunrise Beach single-circuit 69-kV transmission line, approximately 7.3 miles;
- T291 CTEC Buchanan-to-Kingsland 2-to-Kingsland 1 single-circuit 69-kV transmission line, approximately 6.3 miles;
- T290 Bluffton-to-CTEC Buchanan single-circuit 69-kV transmission line, approximately 6.8 miles;

### **Substations**

- Goehmann Lane, 69-kV bus
- Live Oak, 69-kV bus
- Harper, 69-kV bus
- Doss, 69-kV bus
- Mason, (CTEC) 69-kV bus
- Fredonia, 69-kV bus
- Sunrise Beach, 69-kV bus
- Kingsland 1, 69-kV bus
- Kingsland 2, 69-kV bus
- Bluffton, 69-kV bus



## 5. FY 2018 LCRA Transmission Services Corporation Capital Plan Amendment

### Proposed Motion

Approve an amendment to the fiscal year 2018 LCRA Transmission Services Corporation capital plan to increase authorization for capital spending in FY 2018 from \$255.8 million to \$275.0 million.

### Board Consideration

LCRA TSC Board Policy T301 – Finance requires annual approval of a capital plan by the LCRA TSC Board. The policy states that if annual expenditures for operations or capital are expected to exceed Board-authorized levels, additional approval from the Board will be required. LCRA TSC anticipates exceeding the capital spending budget. Staff is seeking approval to increase the FY 2018 capital budget. The additional funding will cover costs for materials and construction to keep approved projects on schedule. This increase will not change the lifetime budget of any individual project.

### Budget Status and Fiscal Impact

The proposed amendment to increase LCRA TSC's capital budget accelerates project completions from FY 2019 to FY 2018. Doing so will increase LCRA TSC's transmission cost of service rate in the interim capital additions filing planned for early FY 2019. The end result will be increased transmission revenue collections in FY 2019.

### Summary

The LCRA TSC Board of Directors approved the FY 2018 LCRA TSC capital plan in May 2017, establishing a capital spending limit for FY 2018 of \$255.8 million. The current year-end forecast for capital spending is \$275.0 million, an increase of \$19.2 million or 7.5 percent.

The increase in FY 2018 capital spending is primarily the result of:

1. Accelerated construction of LCRA TSC's seven priority projects shifting \$35 million from FY 2019 to FY 2018 for inclusion in the upcoming interim capital addition filing at the Public Utility Commission of Texas.
2. The addition of 19 new projects since the Board approved the FY 2018 capital plan that previously were anticipated to be managed within the FY 2018 budget with forecast FY 2018 spending of \$7.1 million.
3. Amended lifetime budgets for 12 previously approved projects that previously were anticipated to be managed within the FY 2018 budget with forecast FY 2018 spending of \$8.8 million.
4. These increases were partially offset by savings found in other projects and projects shifting dollars to future fiscal years for a reduction of ~~(\$41.7)~~ (31.7) million.

The PUC establishes LCRA TSC's rates for regulated transmission services based upon the actual costs of capital projects. This amendment does not increase the lifetime budget for any individual capital project but amends the spending limit established for FY 2018 to reflect changes to LCRA TSC's expectation of spending within the current fiscal year.

**Presenter(s)**

Mike Shuba  
Executive Vice President, Transmission

**Exhibit(s)**

A – Summary of Changes to Fiscal Year Spending Budget

**EXHIBIT A**

<b>FY 2018 Capital Budget Re-set Summary</b>	
<b>FY 2018 Spending Summary</b>	<b>FY 2019 (in millions)</b>
Original FY 2018 Capital Budget	\$255.8
Additional FY 2018 Spending on Accelerated Projects	\$35.0
FY 2018 Spending on New Projects	\$7.1
Additional FY 2018 Spending Budget Re-set Projects	\$8.8
Savings or Shifts in Other Projects	(\$31.7)
<b>Amended LCRA TSC FY 2018 Capital Budget</b>	<b>\$275.0</b>

**FOR ACTION**

## **6. Fiscal Year 2019 LCRA Transmission Services Corporation Business and Capital Plans**

**Proposed Motion**

Adopt a resolution (Exhibit A) approving the fiscal year 2019 business and capital plans for LCRA Transmission Services Corporation.

**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 2019.

**Summary**

The Board received a draft of the LCRA TSC FY 2019 business and capital plans for a work session on April 18, 2018. The business and capital plans are the LCRA TSC comprehensive operations plans and budget. Approval of the LCRA TSC FY 2019 business and capital plans provides authorization for all expenditures and plans of LCRA TSC.

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

**Presenter(s)**

Jim Travis  
Chief Financial Officer

**Exhibit(s)**

A – LCRA Transmission Services Corporation Board Resolution approving the FY 2019 Business and Capital Plans for LCRA Transmission Services Corporation

**EXHIBIT A**

**LCRA TRANSMISSION SERVICES CORPORATION BOARD RESOLUTION  
FISCAL YEAR 2019 BUSINESS AND CAPITAL PLANS  
for LCRA Transmission Services Corporation**

BE IT RESOLVED, that the Board hereby adopts and approves the Fiscal Year (FY) 2018 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 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's financial policy. 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 FY 2019 Business and Capital Plans provides authorization for all expenditures and plans in the business 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**

# **7. Twenty-sixth Supplemental Resolution and Issuance of LCRA Transmission Services Corporation Series 2018 Refunding Revenue Bonds**

### **Proposed Motion**

Staff recommends the Board of Directors approve the adoption of the 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 debt service reserve funds for the Bonds; and (iv) paying for issuance costs.

This motion also will:

1. Approve related documents, in substantially final form, including the escrow agreement, paying agent/registrar agreement, the Preliminary Official Statement 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 chief executive officer or the chief financial officer 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/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**

In 2003, the LCRA Board, at the request of LCRA TSC, adopted an amended and restated Controlling Resolution establishing a contract revenue financing program whereby LCRA issues bonds on behalf of LCRA TSC that are secured by a lien on and a pledge of revenues paid by LCRA TSC to LCRA. The amended and restated Controlling Resolution requires the Board deliver a resolution to LCRA approving the Bonds.

## **Budget Status and Fiscal Impact**

The fiscal year 2019 LCRA TSC business plan anticipates the refunding of LCRA TSC Series 2008 bonds 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 and advance refunding of certain LCRA TSC commercial paper, revolving notes and bonds in an amount not to exceed \$400 million, establishing one or more Debt Service Reserve Funds 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 chief executive officer or the chief financial officer 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 also 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 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'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 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 the 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.

PricewaterhouseCoopers, 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

Treasurer and Chief Financial Officer



## **FOR ACTION**

# **8. Acquisition of Interests in Real Property - Use of Eminent Domain in Gonzales County**

### **Proposed Motion**

I move that the LCRA Transmission Services Corporation Board 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 easements for the Easement Enhancement System 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, 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 funding and administrative costs were included in the Board-approved budget for the FY 2018 Easement Enhancement System Upgrade project.

### **Summary**

LCRA TSC proposes to acquire five easements, where none currently exist, for the operation of the electric transmission line as part of the Easement Enhancement System Upgrade project in Gonzales County. Valbridge Property Advisors performed an independent appraisal of the interests in real properties to be acquired to determine just compensation to the landowners.

Staff made an initial offer to acquire the necessary interests in real property voluntarily from the landowners listed on Exhibit C, as required by Sec. 21.0113 of the Texas Property Code. Staff will continue to negotiate for the purchase of the interests in real property. Staff seeks Board authorization to proceed with condemnation if an agreement cannot be reached with the 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 no concerns were identified. 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)**

Steven T. Brown  
Director, Real Estate Services

**Exhibit(s)**

A – Vicinity Map

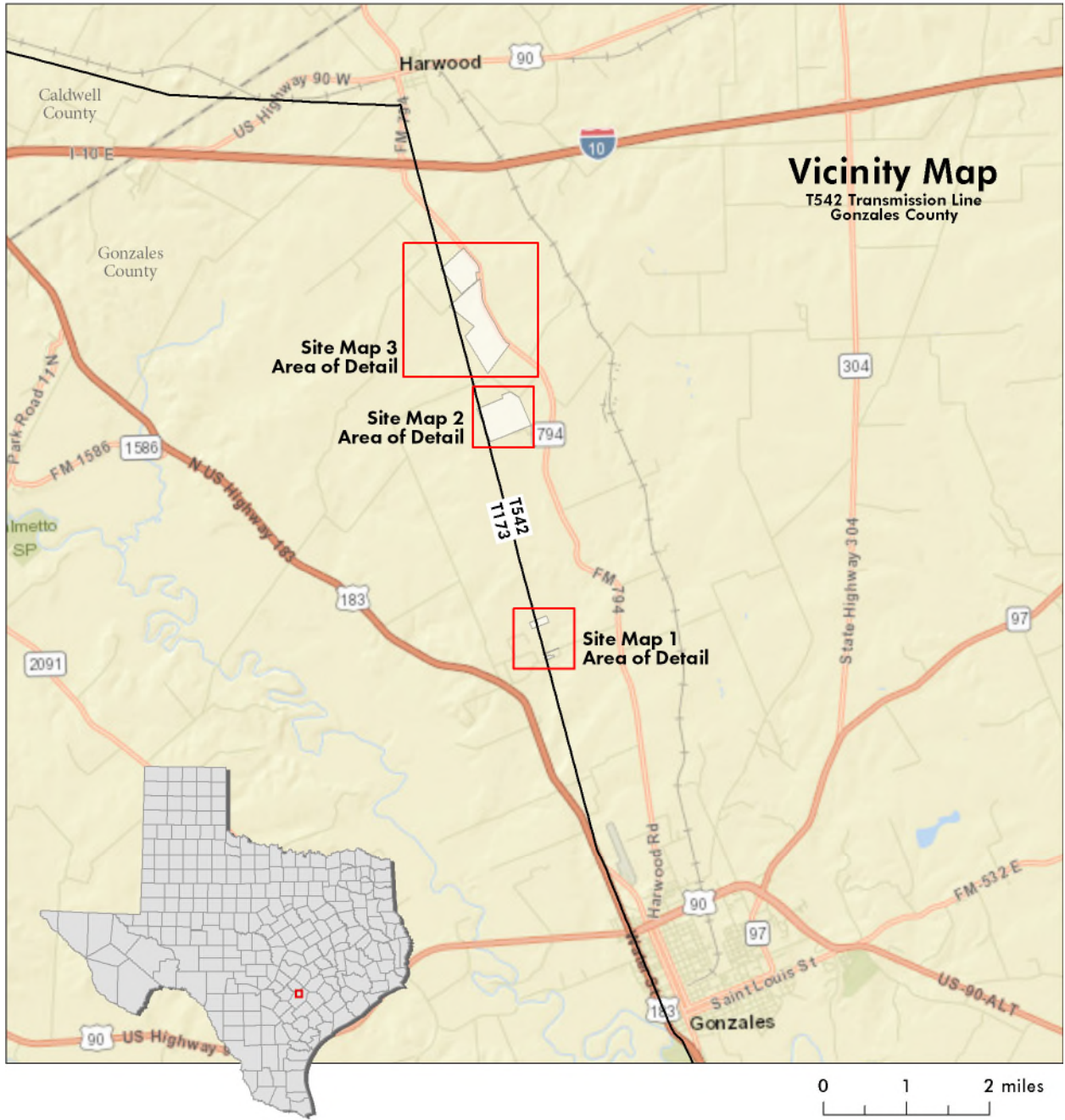
B – Site Maps

C – Landowner List

D – Resolution

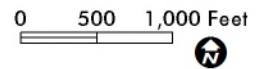
1 – Description of the Specific Property

**EXHIBIT A**









**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>
1	B140	Bardomano and Amalia Castillo	4.07	Easement	0.434	Gonzales	\$23,700
2	B142	Undetermined	Undetermined	Easement	0.135	Gonzales	\$ 4,400
3	B157	A.P. Breitschopf and Sons, Inc.	142.68	Easement	1.532	Gonzales	\$17,600
4	B161	A.P. Breitschopf and Sons, Inc.	69.56	Easement	0.567	Gonzales	\$ 6,200
5	B164	Knox-Stone, LLC	90.00	Easement	0.640	Gonzales	\$ 7,100

**TOTAL: \$59,000**

**EXHIBIT D**

Page 1 of 2

**PROPOSED MOTION**

**I MOVE THAT THE BOARD 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 PROPERTY DESCRIBED IN EXHIBIT 1 TO THE RESOLUTION FOR THE EASEMENT ENHANCEMENT SYSTEM UPGRADE; 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 GONZALES COUNTY FOR TRANSMISSION LINE  
EASEMENTS AND AN EASEMENT AMENDMENT.**

**WHEREAS**, the 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 Gonzales County; and

**WHEREAS**, an independent, professional appraisal of the subject property will be submitted to the 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 Easement Enhancement System Upgrade, with the description of the location of and interest in the property 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 said interests in real property; that the public necessity requires the condemnation of the interests in real property in order to acquire them for such 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 Sec. 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 directed to initiate condemnation proceedings against the



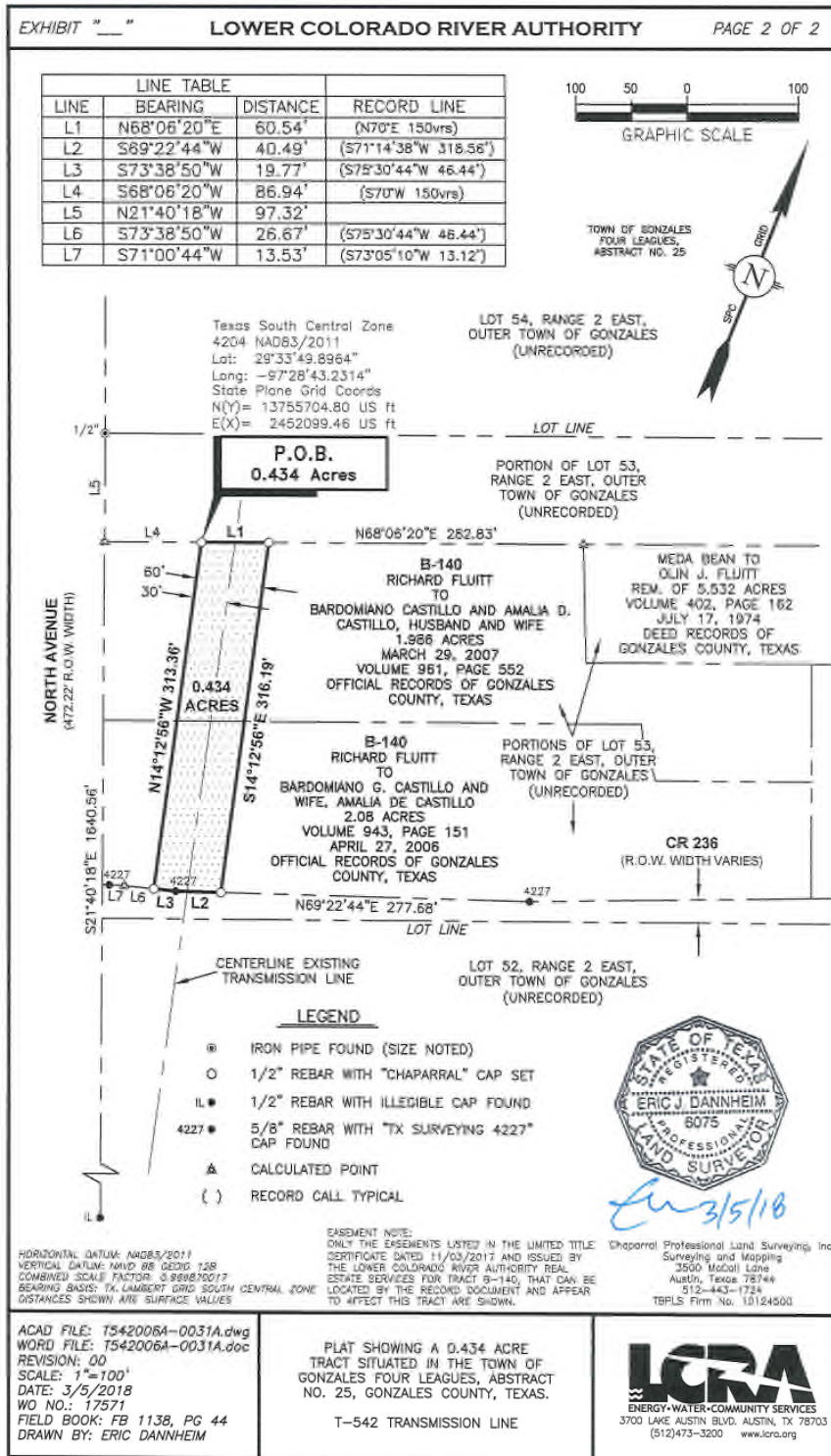
**EXHIBIT D**

Page 2 of 2

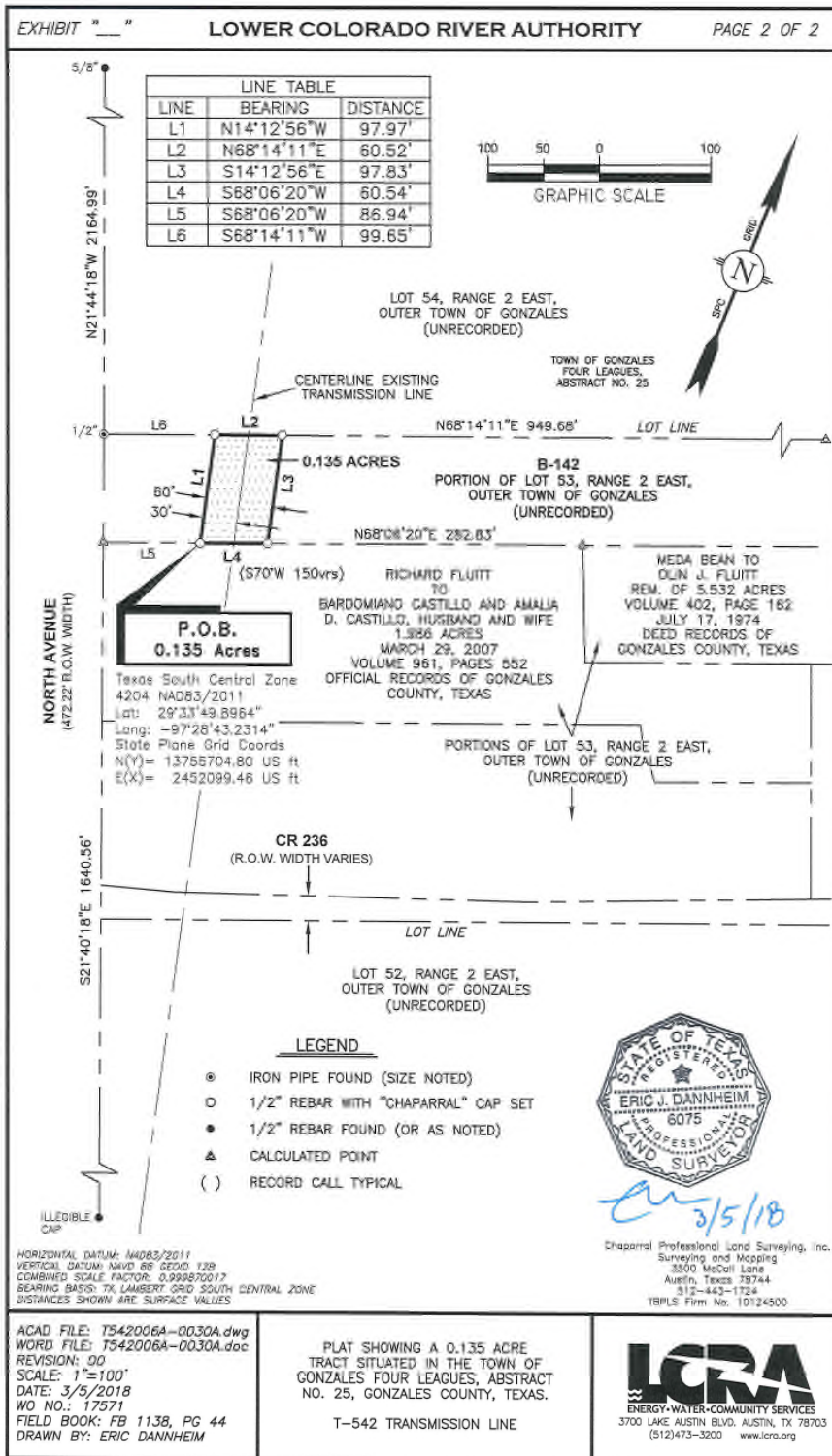
owner of the property, and against all other owners, lien holders, and other holders of an interest in the property, in order to acquire the necessary interests in real property; and that this resolution take effect immediately from and after its passage;

**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.

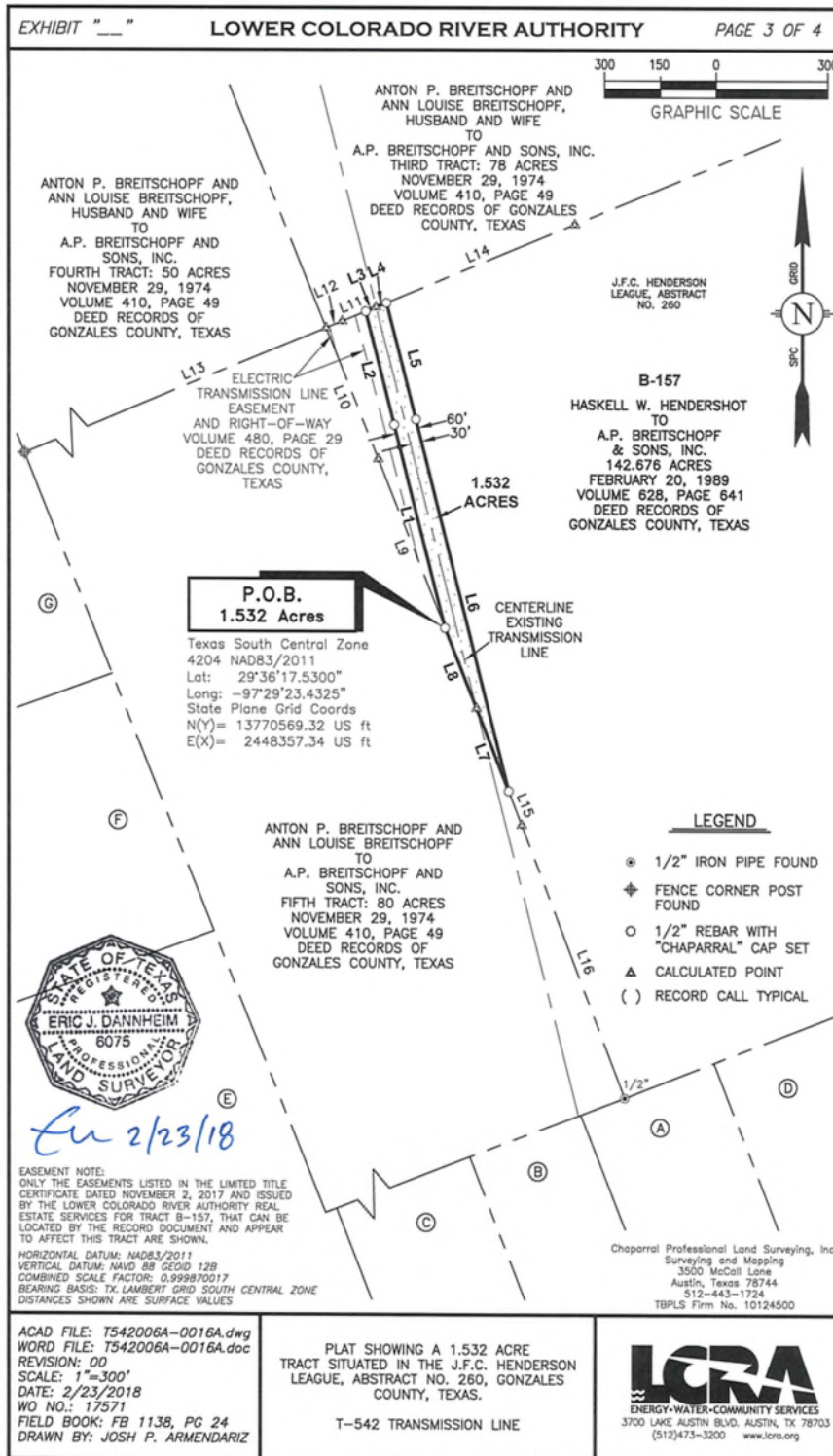
**EXHIBIT 1**  
Page 1 of 5



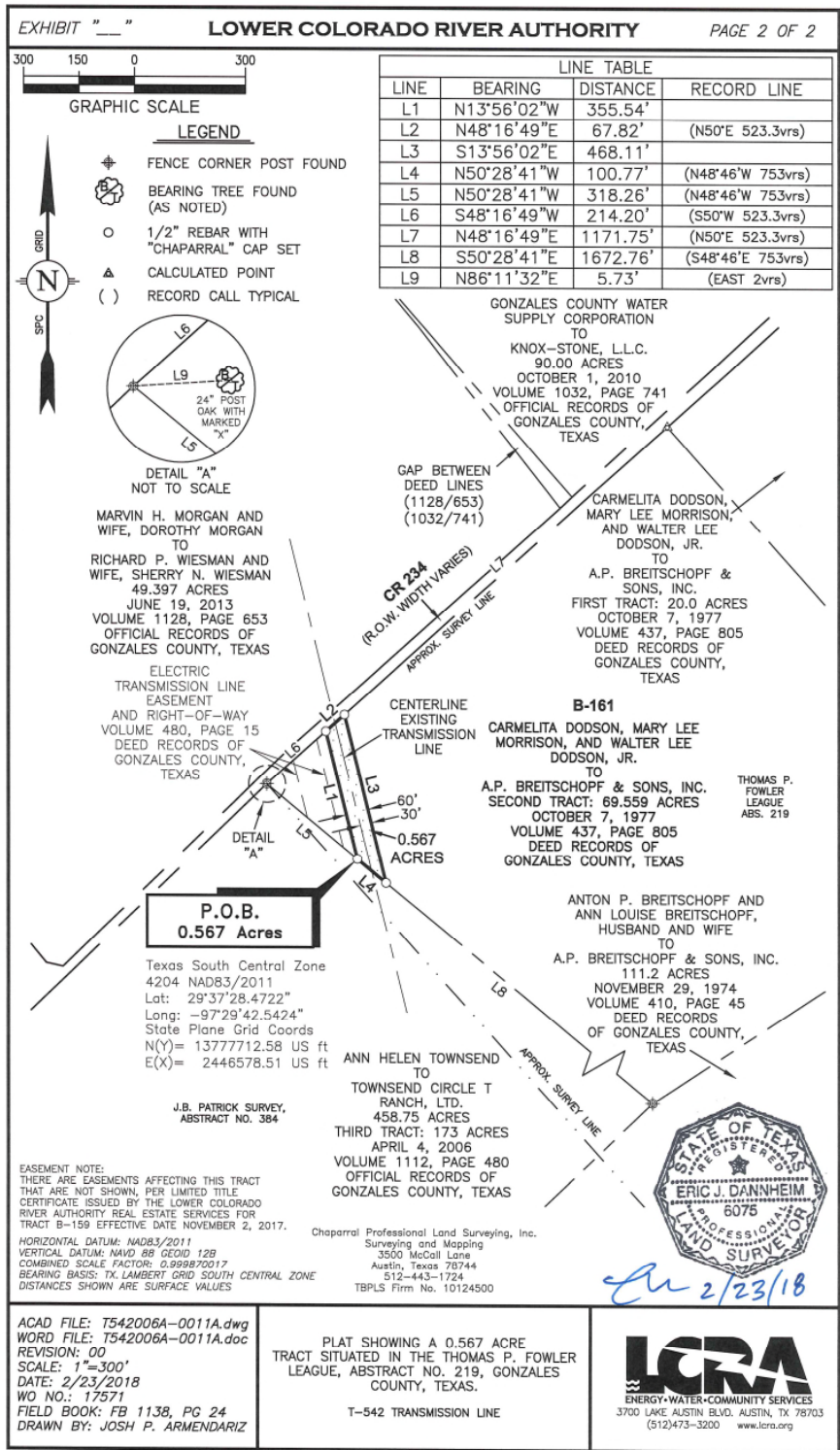
**EXHIBIT 1**  
Page 2 of 2



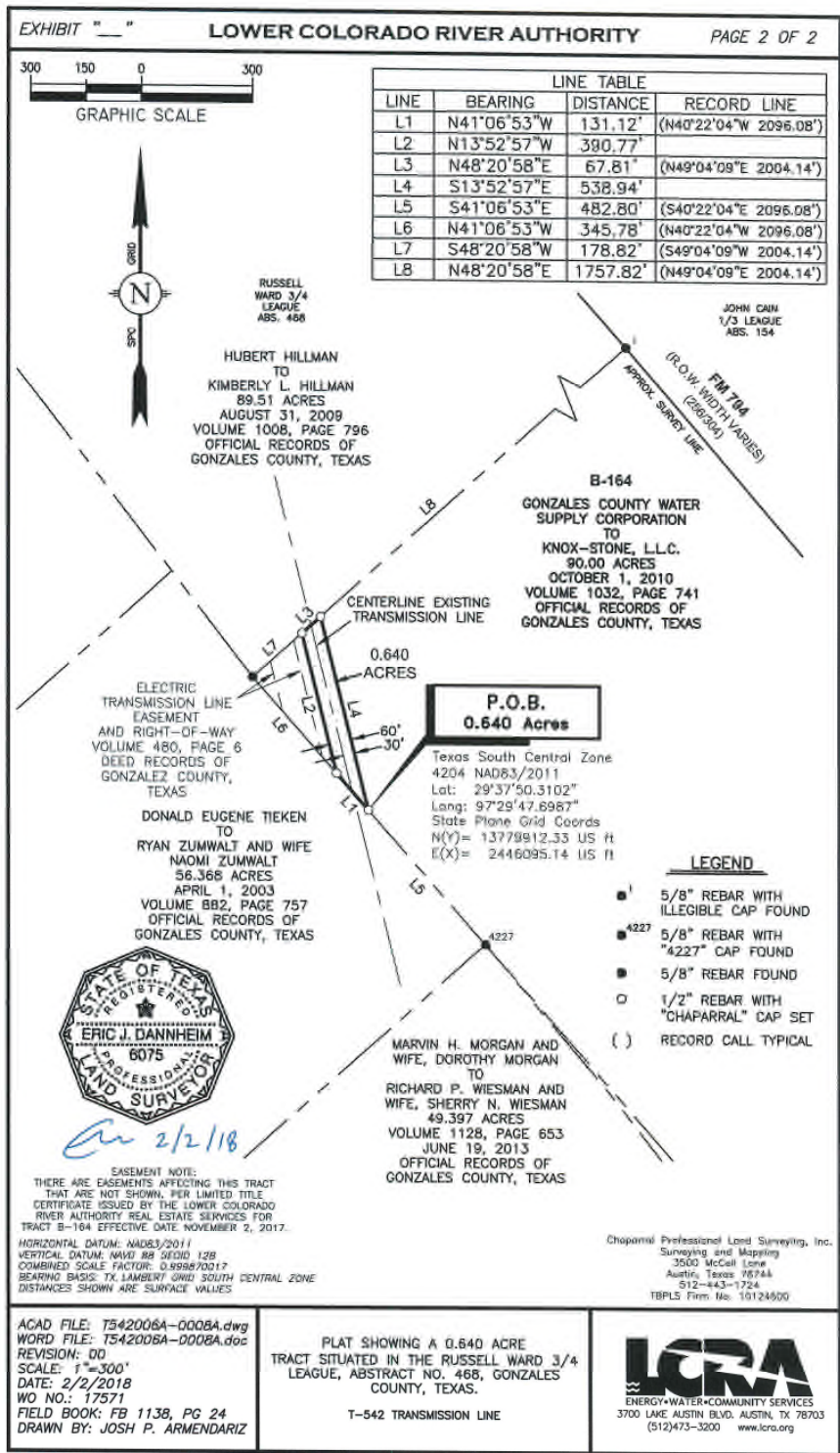
**EXHIBIT 1**  
Page 3 of 5



**EXHIBIT 1**  
Page 4 of 5



**EXHIBIT 1**  
Page 5 of 5



## **FOR ACTION**

# **9. Acquisition of Interests in Real Property – Use of Eminent Domain in Guadalupe County**

### **Proposed Motion**

I move that the LCRA Transmission Services Corporation Board 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 Darst Creek Substation 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, 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 funding and administrative costs were included in the Board-approved budget for the Darst Creek Substation project.

### **Summary**

LCRA TSC proposes acquiring approximately 9.5 acres in fee for the Darst Creek Substation in Guadalupe County as part of the Darst Creek Substation project.

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

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

LCRA TSC representatives will perform environmental and cultural due diligence studies and address all identified 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)**

Steven T. Brown  
Director, Real Estate Services

**Exhibit(s)**

A – Vicinity Map

B – Site Map

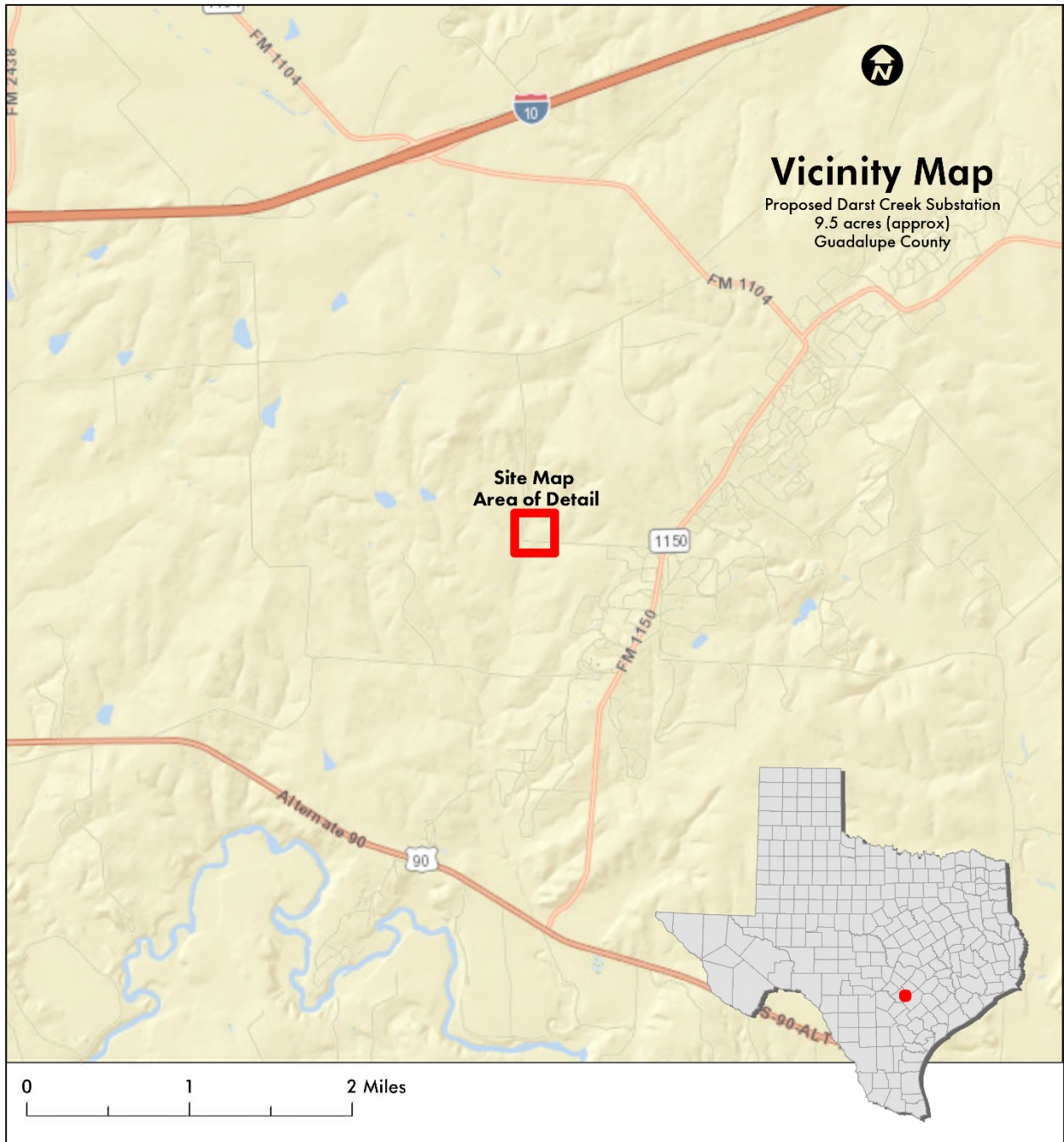
C – Landowner List

D – Resolution

1 – Description of the Specific Property



**EXHIBIT A**



**EXHIBIT B**



**EXHIBIT C**

	<b>Landowner</b>	<b>Approximate Parent Tract Acreage</b>	<b>Land Rights</b>	<b>Approximate Acquisition Acreage</b>	<b>County</b>	<b>Approximate Value</b>
1	Wendel Denman Thuss	461.27	Fee simple (purchase)	9.5	Guadalupe	\$114,000

**TOTAL:**

**\$114,000**

## **EXHIBIT D**

### **PROPOSED MOTION**

**I MOVE THAT THE BOARD 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 PROPERTY DESCRIBED IN EXHIBIT 1 TO THE RESOLUTION FOR THE DARST CREEK SUBSTATION 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 GUADALUPE COUNTY, A FEE SIMPLE PURCHASE.**

**WHEREAS**, LCRA Transmission Services Corporation has determined the need to acquire the interests in real property necessary for the public uses of construction, operation, and maintenance of an electric substation site in Guadalupe County; and

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

**NOW, THEREFORE, BE IT RESOLVED** that the president and chief executive officer or his designee is authorized to purchase the interests in real property from the landowners listed in the attached Exhibit C for the construction of the Darst Creek Substation project, with the description of the location of and interest in the property 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 said interests in real property; that the public necessity requires the condemnation of the interests in real property in order to acquire them for such uses; that LCRA Transmission Services Corporation does not intend to acquire rights to groundwater or surface water in the land; that LCRA Transmission Services Corporation will make a bona fide offer to acquire the interests in real property from the landowner(s) voluntarily as required by Sec. 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 directed to initiate condemnation proceedings against the owner of the property, and against all other owners, lien holders, and other holders of an interest in the property, in order to acquire the

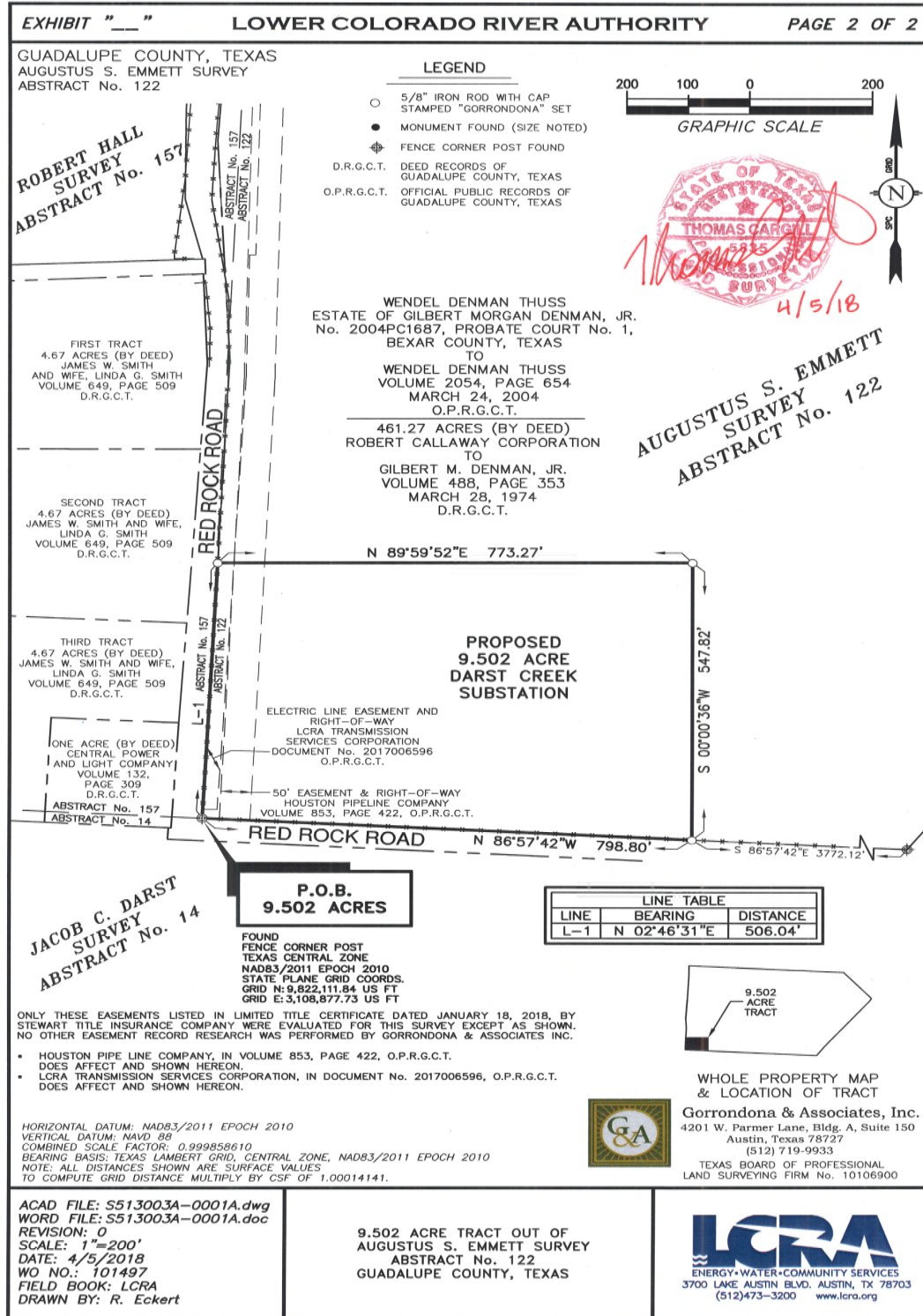
**EXHIBIT D**

Page 2 of 2

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 substation.

**EXHIBIT 1**



## **10. Acquisition of Interests in Real Property – Use of Eminent Domain in Pecos County**

### **Proposed Motion**

I move that the LCRA Transmission Services Corporation Board adopt the attached resolution; that the Board authorize by record vote the use of the power of eminent domain to acquire rights in the property described in Exhibit 1 to the resolution for the Fourmile Circuit Breaker Addition 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, 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 funding and administrative costs were included in the Board-approved budget for the Fourmile Circuit Breaker Addition project.

### **Summary**

LCRA TSC proposes to purchase approximately 7.8 acres for the Fourmile Substation and approximately 13.12 acres in access road easements in Pecos County as part of the Fourmile Circuit Breaker Addition project. Bierschwale Land Company LLC will perform an independent appraisal of the interests in real property to be acquired for use in determining just compensation to the landowners.

Staff has made an initial offer to acquire the necessary interests in real property voluntarily from the landowners listed on Exhibit C, as required by Sec. 21.0113 of the Texas Property Code. Staff will continue to negotiate for the purchase of the interests in real property. Staff members seek Board authorization to proceed with condemnation if an agreement with the landowners cannot be reached.

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

LCRA TSC representatives 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)**

Steven T. Brown  
Director, Real Estate Services

**Exhibit(s)**

A – Vicinity Map

B – Site Maps

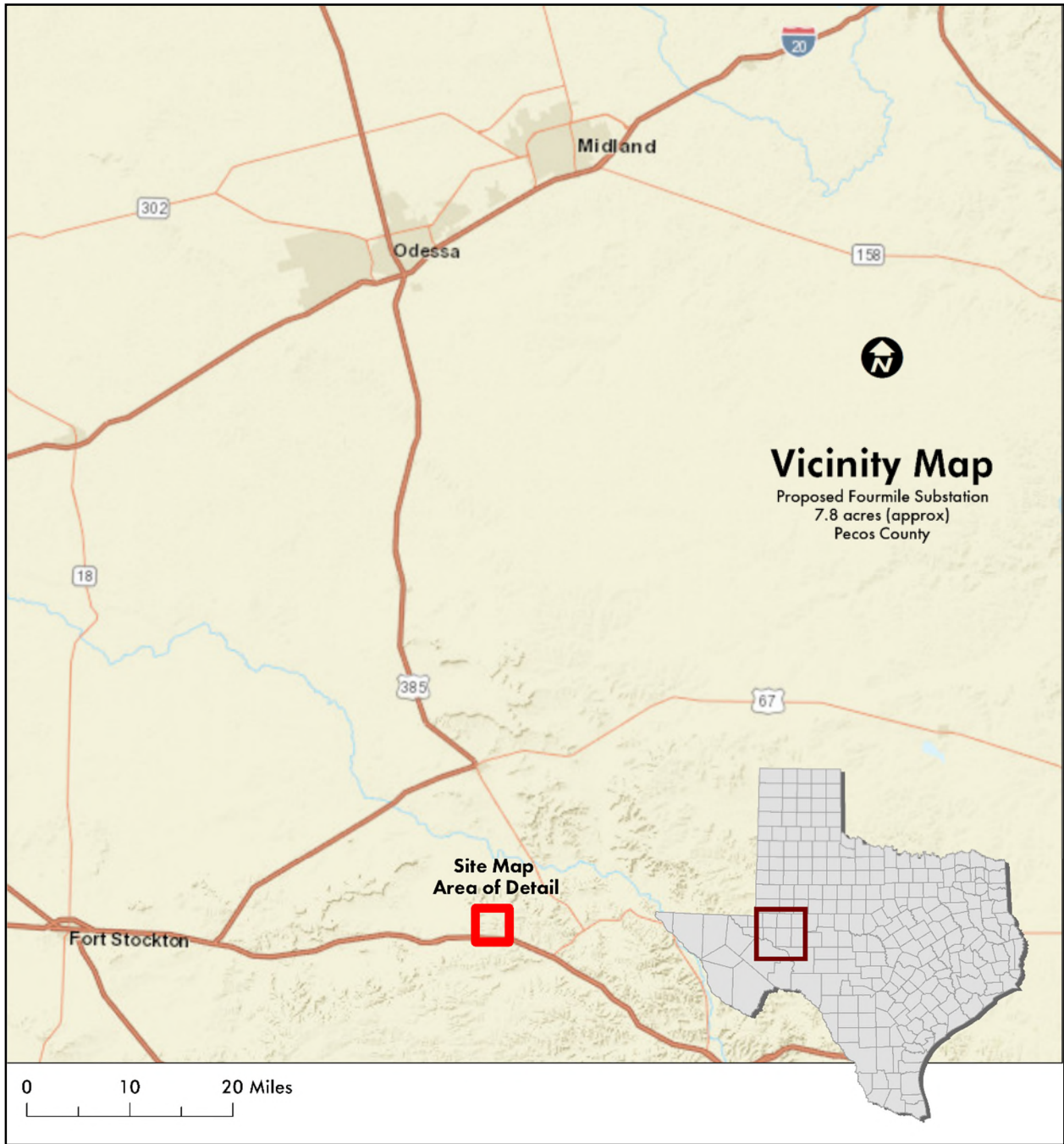
C – Landowner List

D – Resolution

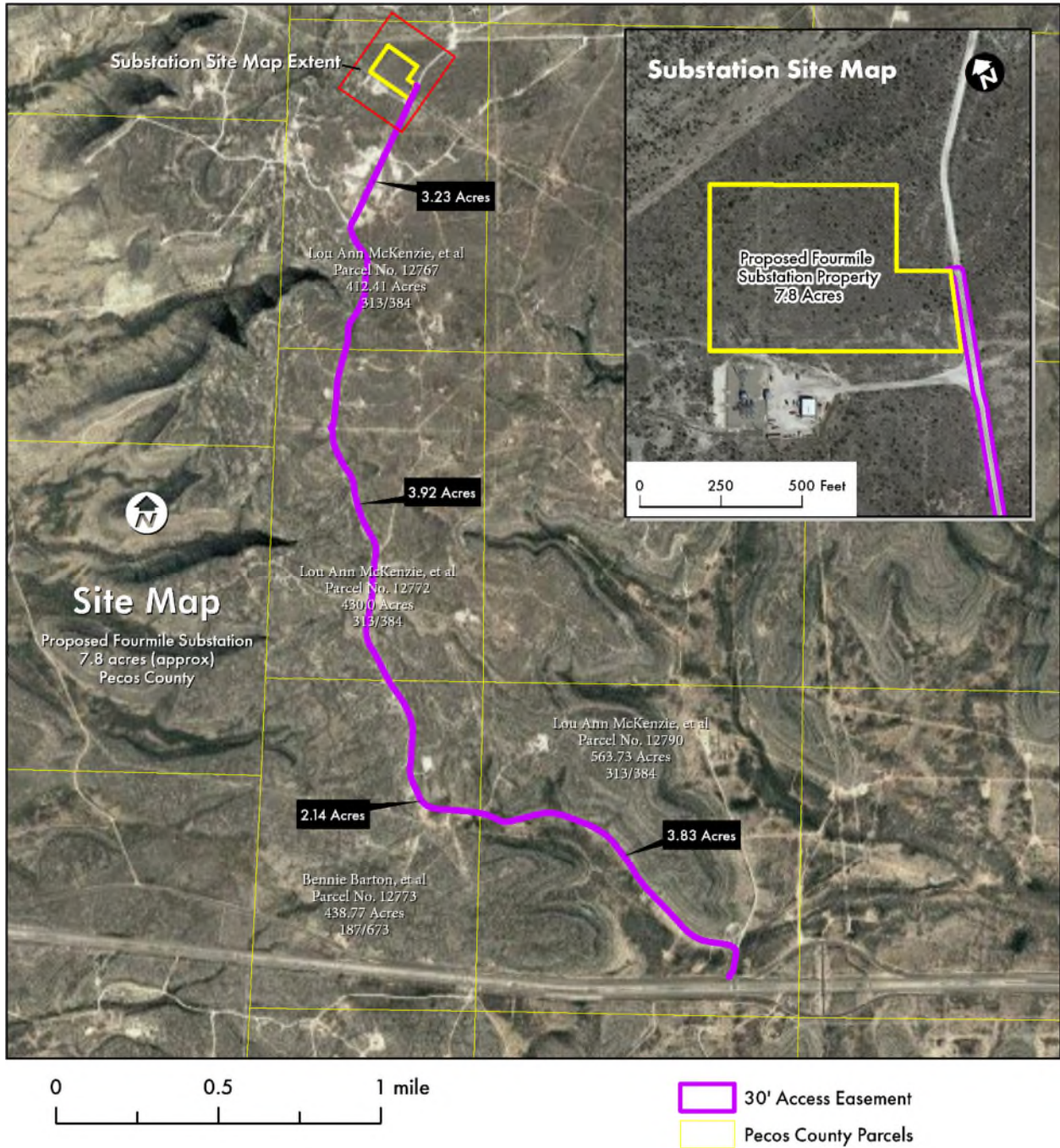
1 – Description of the Specific Property



**EXHIBIT A**



**EXHIBIT B**



**EXHIBIT C**

	Landowners	Approximate Parent Tract Acreage	Land Rights	Approximate Acquisition Acreage	County	Approximate Value
			Fee Simple	7.8		\$24,633
1	Lou Ann McKenzie, et al.	412.41	Access Road Easement	3.23	Pecos	\$4,737
2	Lou Ann McKenzie, et al.	430.00	Access Road Easement	3.92	Pecos	\$5,685
3	Benny Barton, et al..	438.77	Access Road Easement	2.14	Pecos	\$5,685
4	Lou Ann McKenzie, et al.	563.73	Access Road Easement	3.83	Pecos	\$3,158

**TOTAL:****\$43,898**

**EXHIBIT D**

Page 1 of 2

**PROPOSED MOTION**

**I MOVE THAT THE BOARD 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 PROPERTY DESCRIBED IN EXHIBIT 1 TO THE RESOLUTION FOR THE FOURMILE CIRCUIT BREAKER ADDITION 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 PECOS COUNTY, ELECTRIC SUBSTATION SITE IN FEE SIMPLE AND TRANSMISSION LINE ACCESS 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 an electric substation in Pecos County; and

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

**NOW, THEREFORE, BE IT RESOLVED** that the president and chief executive officer or his designee is authorized to purchase the interests in real property from the landowner(s) listed in the attached Exhibit C for the construction of the Fourmile Circuit Breaker Addition, with the description of the location of and interest in the property LCRA Transmission Services Corporation seeks to acquire being more particularly described in maps provided to the Board and attached to this Resolution as Exhibit 1; that the public convenience and necessity requires the acquisition of said interests in real property; that the public necessity requires the condemnation of the interests in real property in order to acquire them for such 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 Sec. 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 directed to initiate condemnation proceedings against the owner of the property, and against all other owners, lien holders, and other holders of

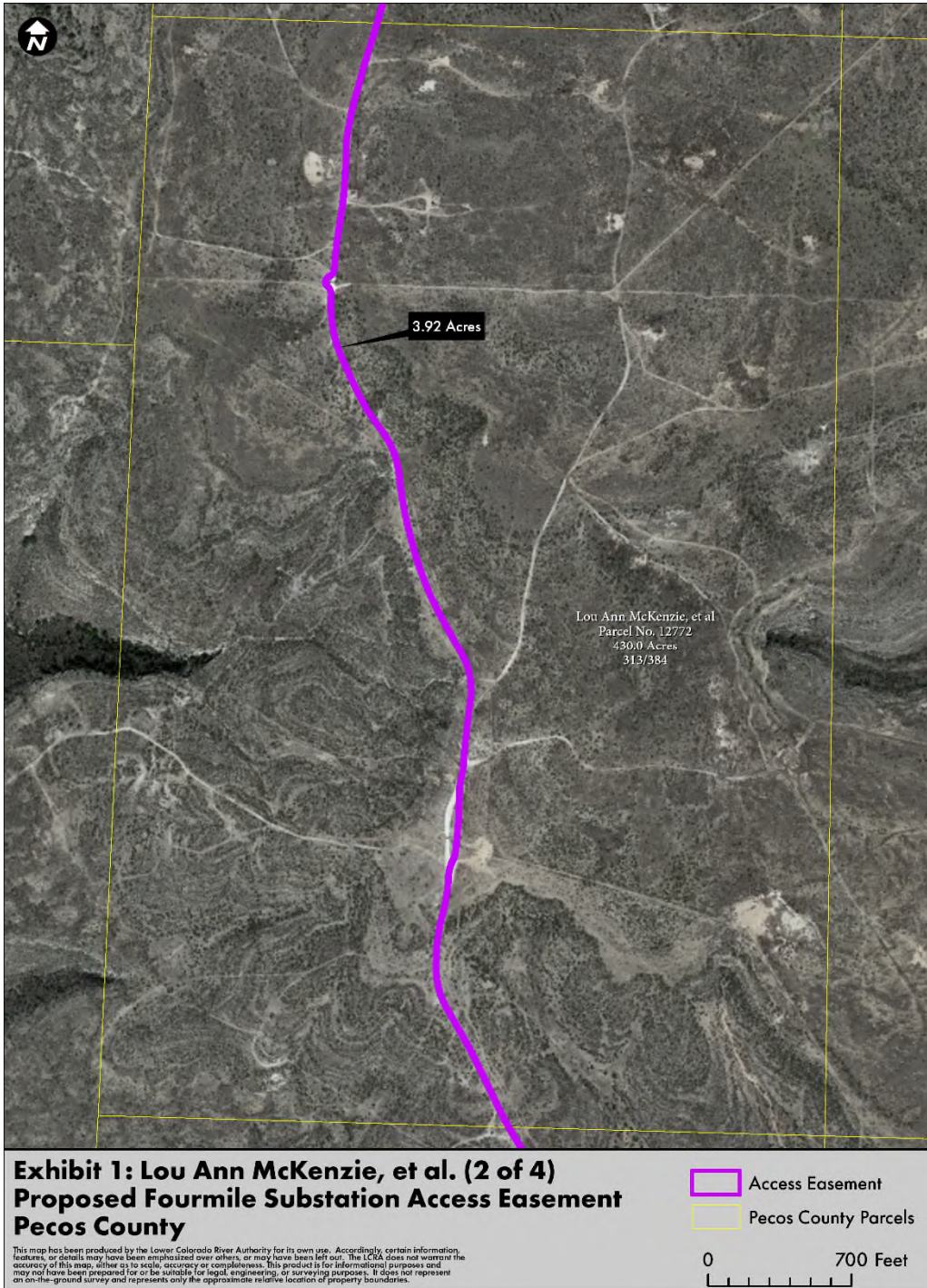
**EXHIBIT D**

Page 2 of 2

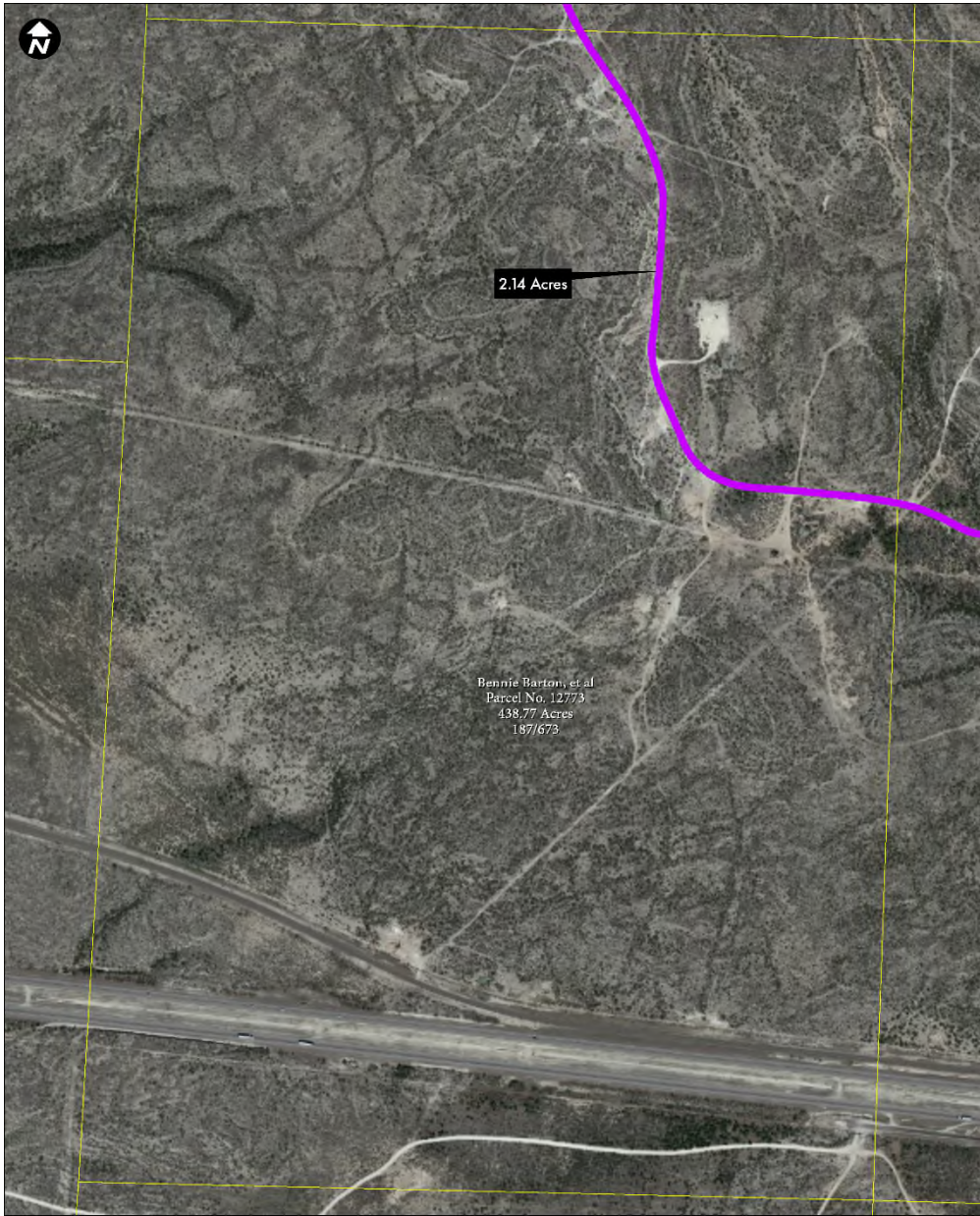
an interest in the property, in order to acquire the necessary interests in real property; and that this resolution take effect immediately from and after its passage;

**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 and substation.







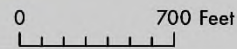
**EXHIBIT 1**



**Exhibit 1: Bennie Barton, et al. (3 of 4)  
Proposed Fourmile Substation Access Easement  
Pecos County**

-  Access Easement
-  Pecos County Parcels

This map has been produced by the Lower Colorado River Authority for its own use. Accordingly, certain information, features, or details may have been emphasized over others, or may have been left out. The LCRA does not warrant the accuracy of this map, either as to scale, accuracy or completeness. This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.





**EXHIBIT 1**



## **FOR ACTION**

# **11. Acquisition of Interests in Real Property – Use of Eminent Domain in Pecos County**

### **Proposed Motion**

I move that the LCRA Transmission Services Corporation Board 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 Desert Mesa Circuit Breaker Addition 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, 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 funding and administrative costs were included in the Board-approved budget for the Desert Mesa Circuit Breaker Addition project.

### **Summary**

LCRA TSC proposes to acquire a 5.97-acre substation and a 2.38-acre access easement for the Desert Mesa Substation in Pecos County as part of the Desert Mesa Circuit Breaker Addition project.

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

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

LCRA TSC representatives will perform environmental and cultural due diligence studies and address all identified 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)**

Steven T. Brown  
Director, Real Estate Services

**Exhibit(s)**

A – Vicinity Map

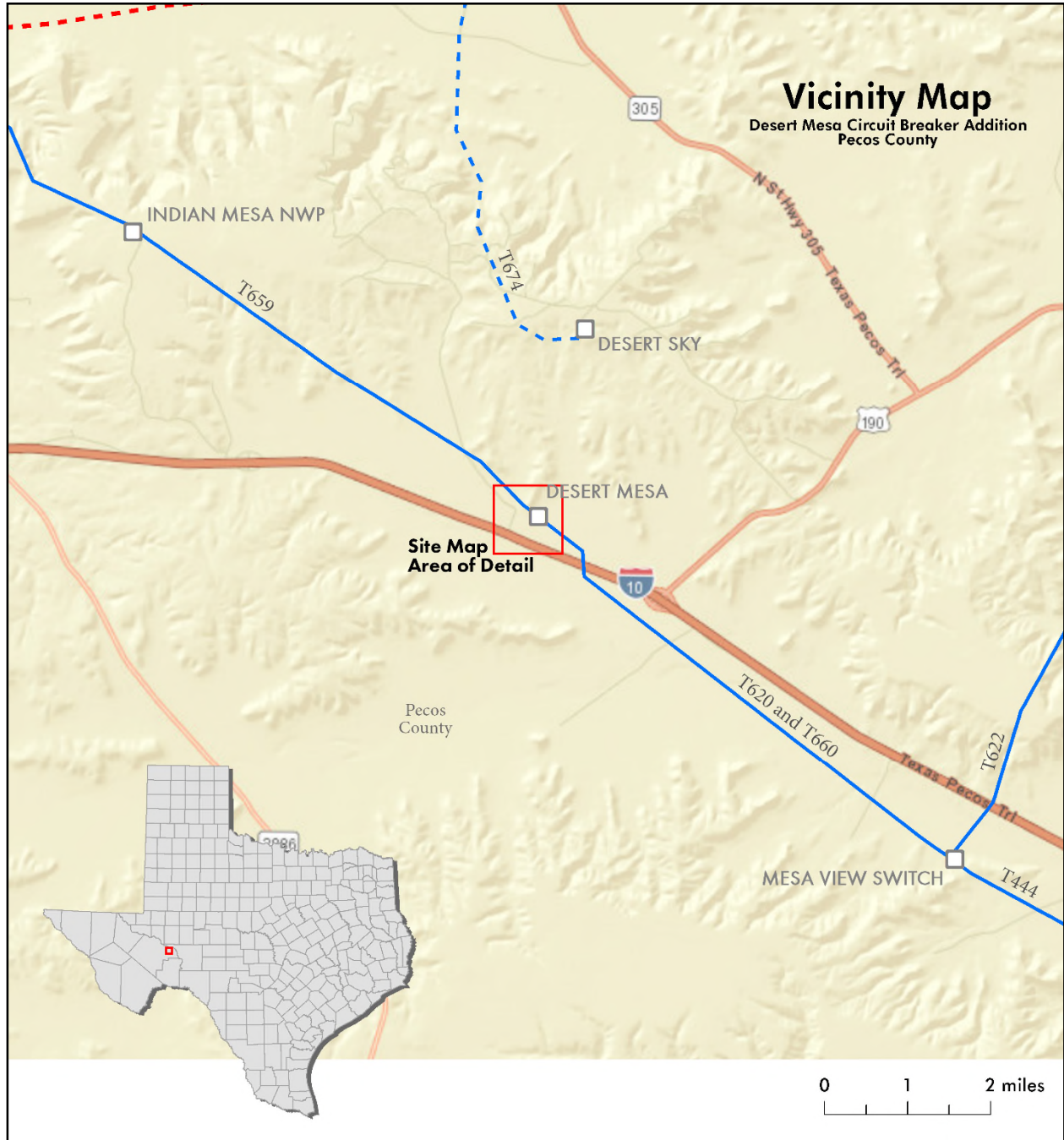
B – Site Map

C – Landowner List

D – Resolution

1 – Description of the Specific Property

**EXHIBIT A**



**EXHIBIT B**



**EXHIBIT C**

	<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>
			Fee simple	5.97		\$18,853
1	Wilson Brothers Pecos Ranch LP	646.8	Access easement	2.38	Pecos	\$7,516

**TOTAL:**

**\$26,369**

**EXHIBIT D**

Page 1 of 2

**PROPOSED MOTION**

**I MOVE THAT THE BOARD 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 PROPERTY DESCRIBED IN EXHIBIT 1 TO THE RESOLUTION FOR THE DESERT MESA CIRCUIT BREAKER ADDITION 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 PECOS COUNTY, FEE SIMPLE PURCHASE AND ACCESS ROAD EASEMENT.**

**WHEREAS**, LCRA Transmission Services Corporation has determined the need to acquire the interests in real property necessary for the public uses of construction, operation and maintenance of an electric substation site in Pecos County; and

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

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

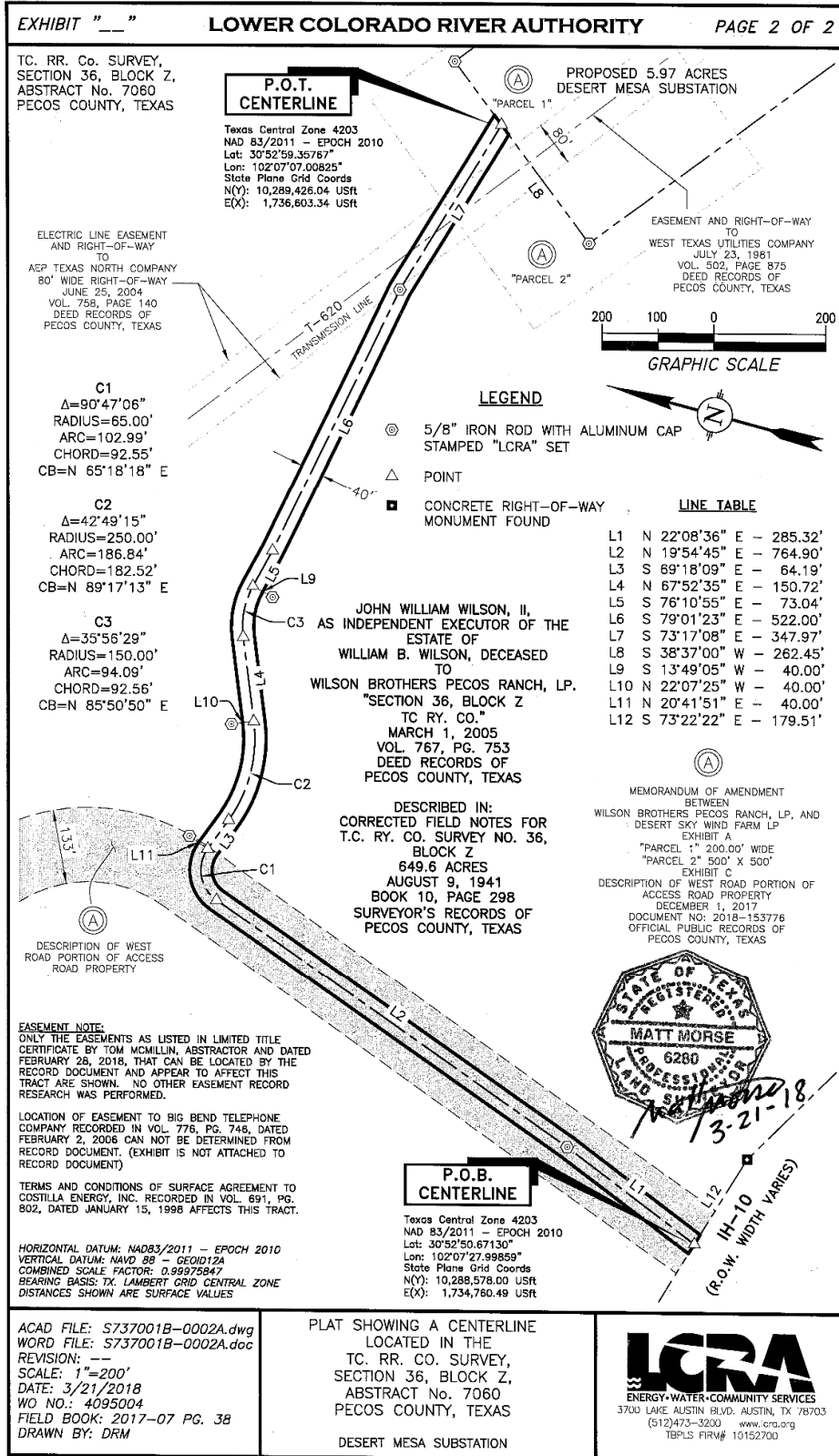
**EXHIBIT D**

Page 2 of 2

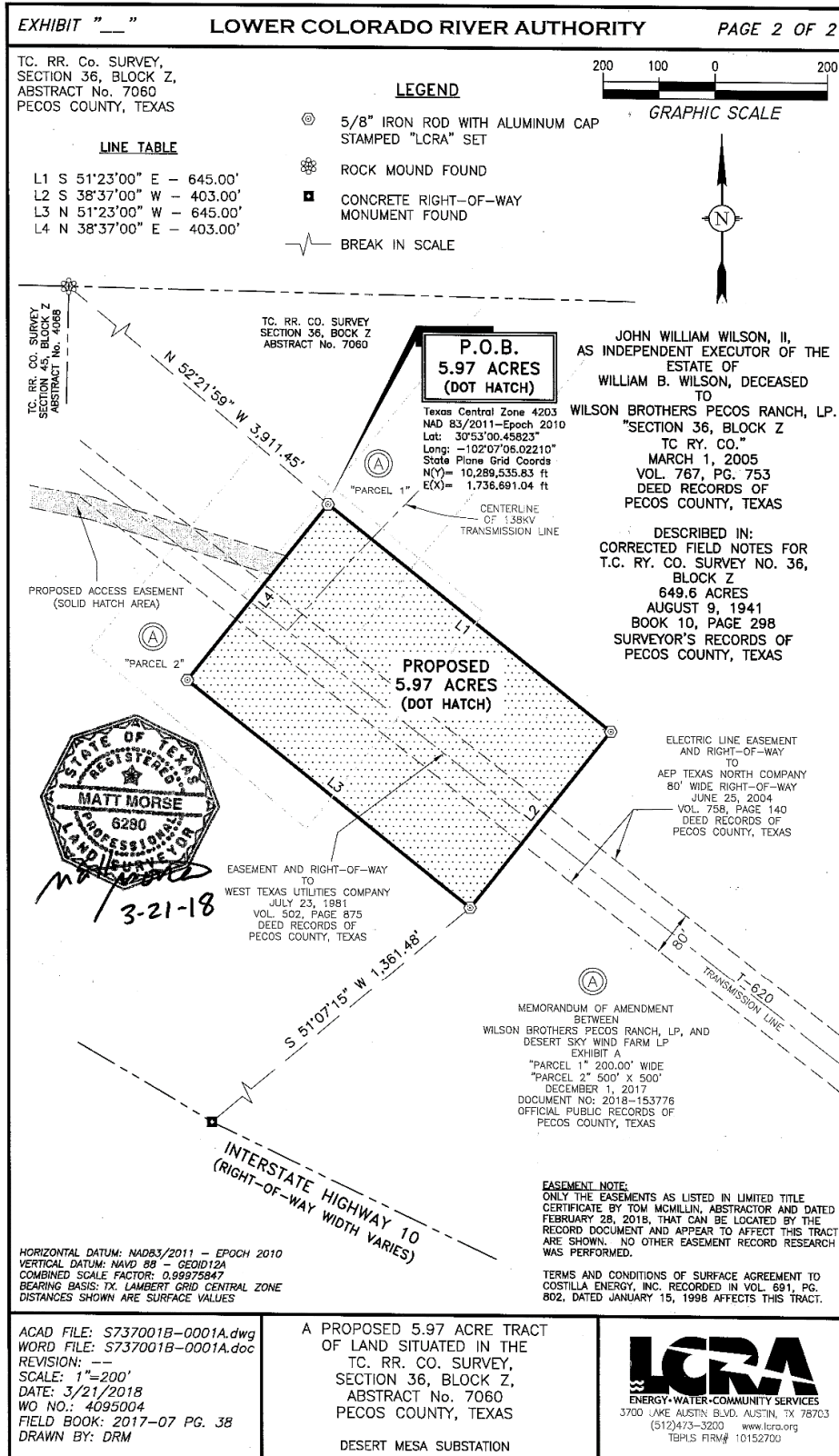
initiate condemnation proceedings against the owner of the property, and against all other owners, lien holders, and other holders of an interest in the property, in order to acquire the necessary interests in real property, and that this resolution take effect immediately from and after its passage;

**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 substation site.





**EXHIBIT 1**  
Page 2 of 2



## **FOR ACTION**

# **12. Acquisition of Interests in Real Property – Use of Eminent Domain in Upton County**

### **Proposed Motion**

I move that the LCRA Transmission Services Corporation Board 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 King Mountain Circuit Breaker Addition 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, 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 funding and administrative costs were included in the Board-approved budget for the King Mountain Circuit Breaker Addition project.

### **Summary**

LCRA TSC proposes to acquire an approximately 5.42-acre tract in fee for the King Mountain Substation in Upton County as part of the King Mountain Circuit Breaker Addition project.

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

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

LCRA TSC representatives will perform environmental and cultural due diligence studies and address all identified 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)**

Steven T. Brown  
Director, Real Estate Services

**Exhibit(s)**

A – Vicinity Map

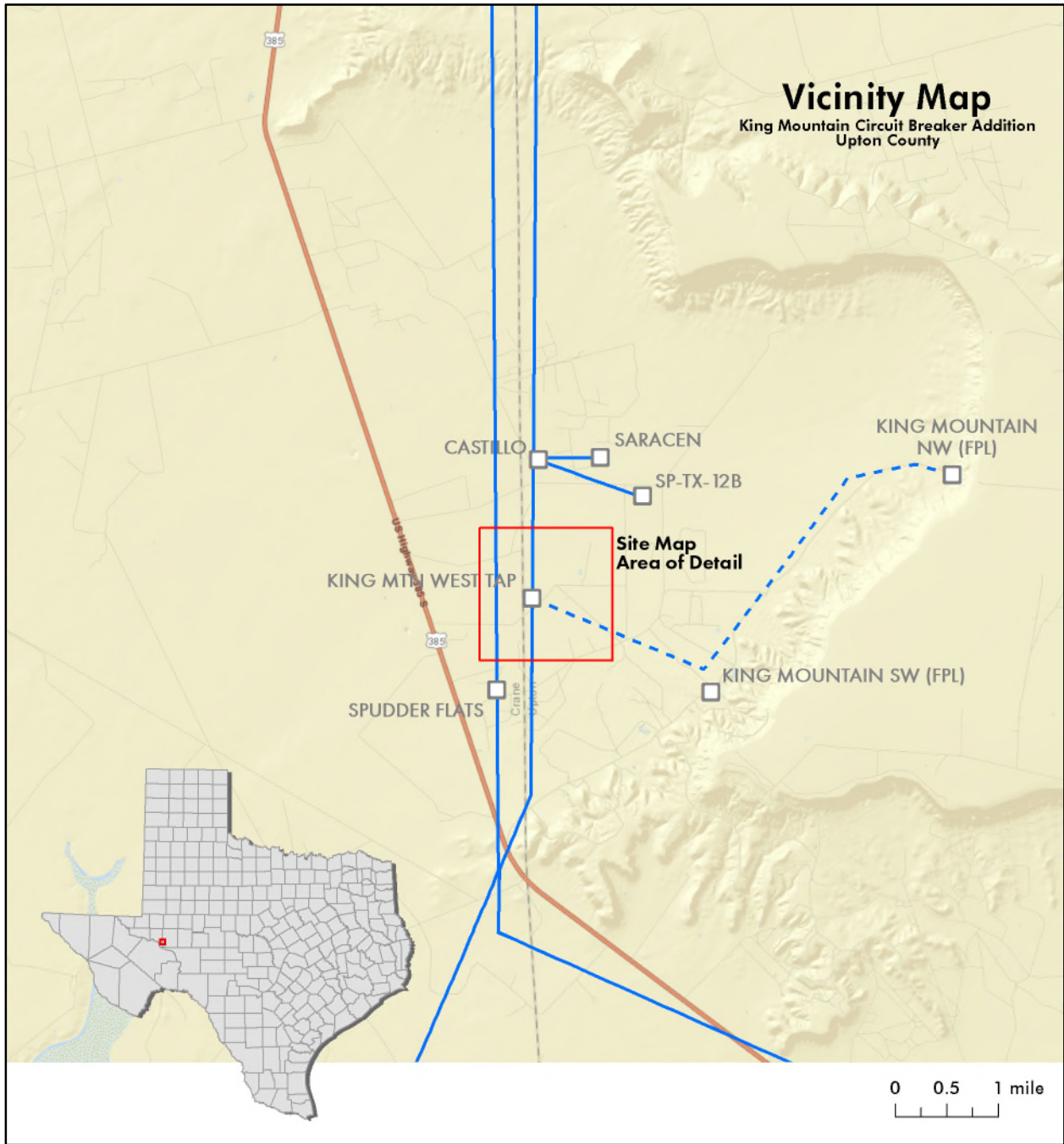
B – Site Map

C – Landowner List

D – Resolution

1 – Description of the Specific Property

**EXHIBIT A**



**EXHIBIT B**



**EXHIBIT C**

	<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>
1	Fowler Johns, LP	310.71	Fee simple	5.43	Upton	\$17,117

**TOTAL:**

**\$17,117**

**EXHIBIT D**

Page 1 of 2

**PROPOSED MOTION**

**I MOVE THAT THE BOARD 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 PROPERTY DESCRIBED IN EXHIBIT 1 TO THE RESOLUTION FOR THE KING MOUNTAIN CIRCUIT BREAKER ADDITION 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 UPTON COUNTY, FEE SIMPLE AND EASEMENT PURCHASE.**

**WHEREAS**, LCRA Transmission Services Corporation has determined the need to acquire the interests in real property necessary for the public uses of construction, operation and maintenance of an electric substation site in Upton County; and

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

**NOW, THEREFORE, BE IT RESOLVED** that the president and chief executive officer or his designee is authorized to purchase the interests in real property from the landowner(s) listed in the attached Exhibit C for the construction of the King Mountain Circuit Breaker Addition project, with the description of the location of and interest in the property 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 said interests in real property; that the public necessity requires the condemnation of the interests in real property in order to acquire them for such uses; that LCRA Transmission Services Corporation does not intend to acquire rights to groundwater or surface water in the land; that LCRA Transmission Services Corporation will make a bona fide offer to acquire the interests in real property from the landowner(s) voluntarily as required by Sec. 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 directed to initiate condemnation proceedings against the owner of the property, and against all other owners, lien holders, and other holders of an interest in the property, in order to

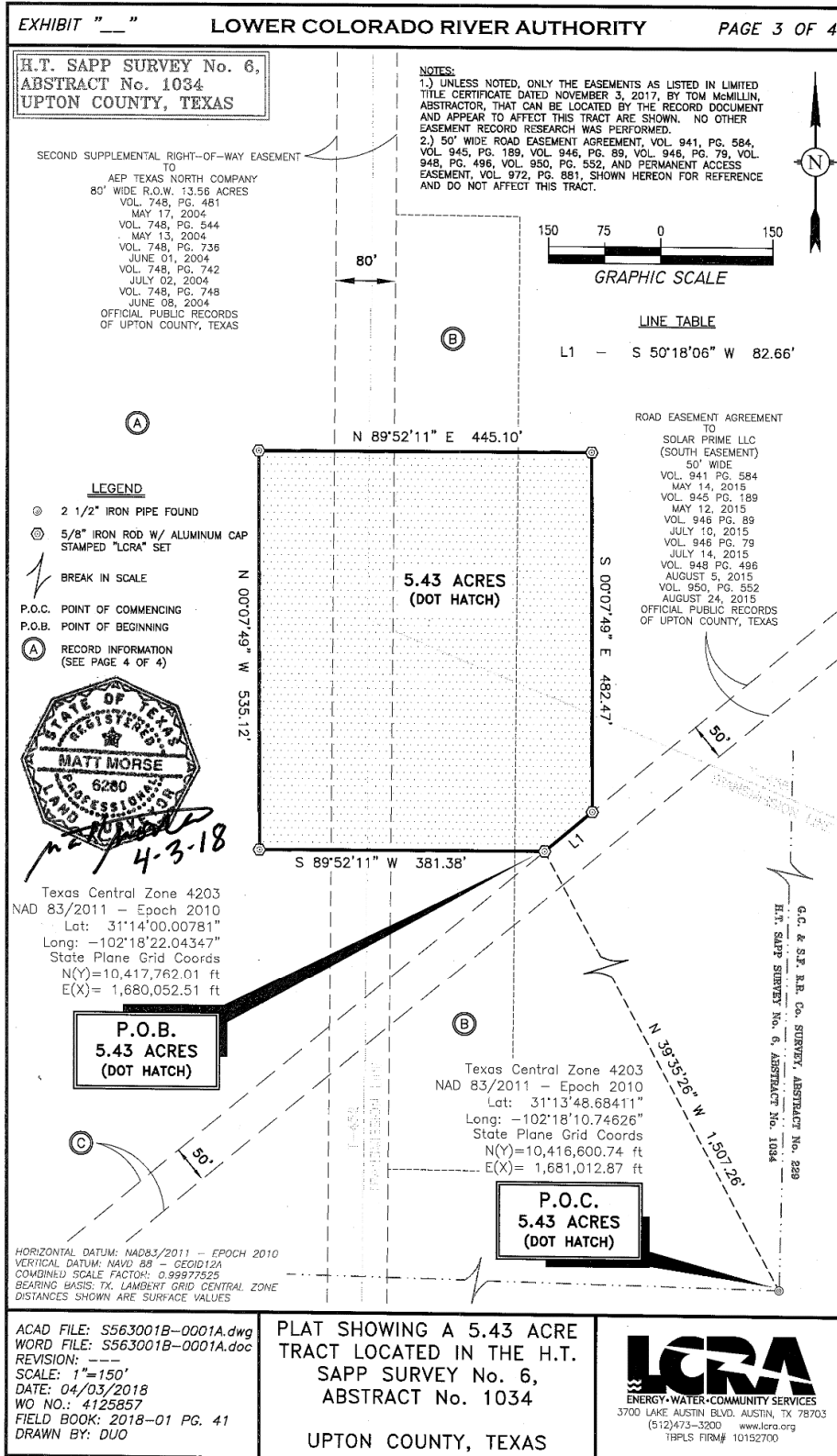


**EXHIBIT D**

Page 2 of 2

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 substation site.



## **FOR ACTION**

# **13. Acquisition of Interests in Real Property – Use of Eminent Domain in Upton County**

### **Proposed Motion**

I move that the LCRA Transmission Services Corporation Board 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 Robbins Switch Circuit Breaker Addition 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, 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 funding and administrative costs were included in the Board-approved budget for the Robbins Switch Circuit Breaker Addition project.

### **Summary**

LCRA TSC proposes to acquire approximately 6.04-acres in fee and 10.24-acres in access easements for the Robbins Switch Substation in Upton County as part of the Robbins Switch Circuit Breaker Addition project.

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

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

LCRA TSC representatives will perform environmental and cultural due diligence studies and address all identified 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)**

Steven T. Brown  
Director, Real Estate Services

**Exhibit(s)**

A – Vicinity Map

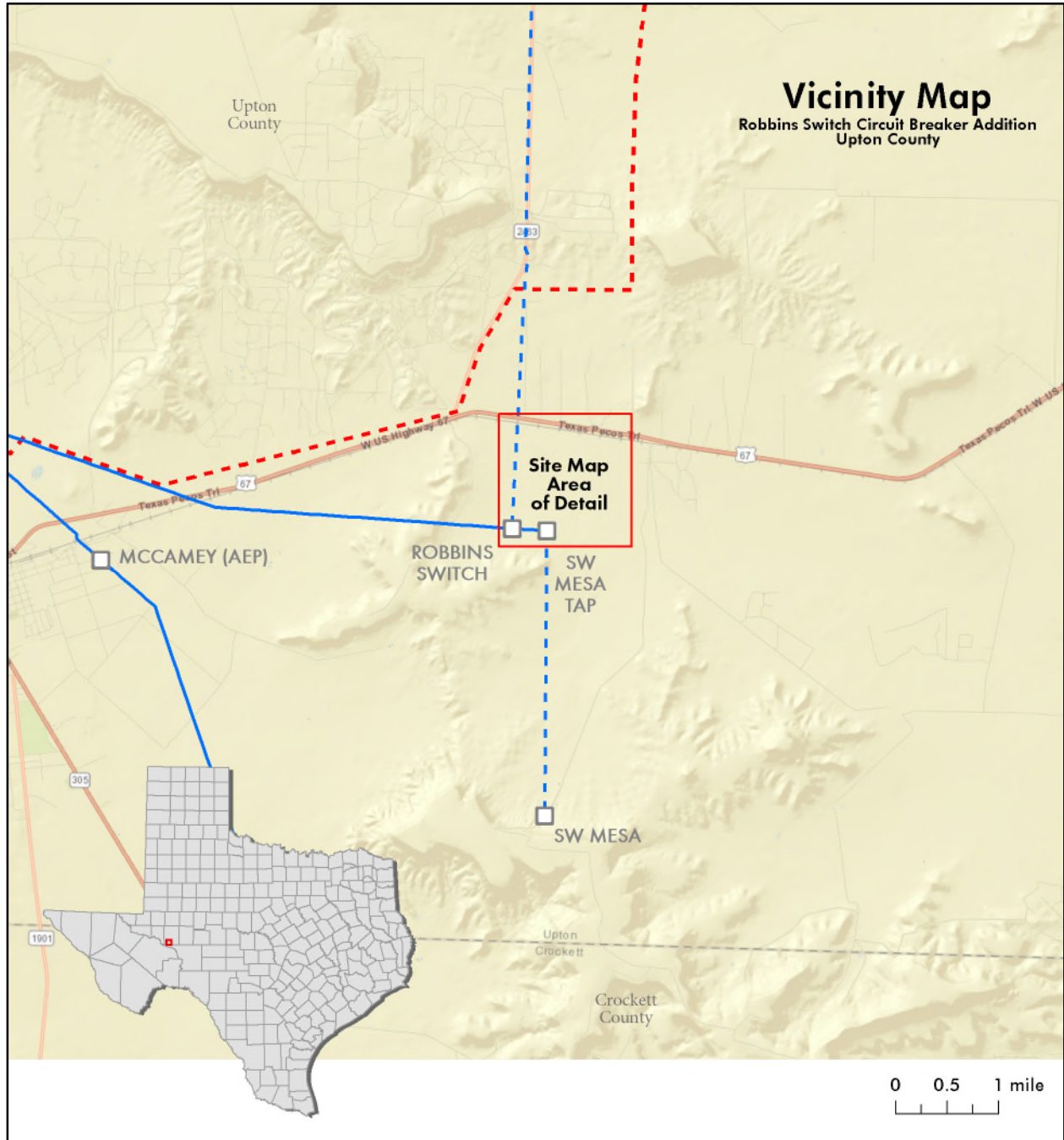
B – Site Map

C – Landowner List

D – Resolution

1 – Description of the Specific Property

**EXHIBIT A**



**EXHIBIT B**



**EXHIBIT C**

	<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>
1	BP Kelton Family Limited Partnership	909.66	Access easement	0.32	Upton	\$1,011
			Fee simple	6.04		\$19,074
2	McCamey Land & Cattle LP	647.5	Access easement	9.92	Upton	\$31,328

**TOTAL:****\$51,413**

**EXHIBIT D**

Page 1 of 2

**PROPOSED MOTION**

**I MOVE THAT THE BOARD 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 PROPERTY DESCRIBED IN EXHIBIT 1 TO THE RESOLUTION FOR THE ROBBINS SWITCH CIRCUIT BREAKER ADDITION 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 UPTON COUNTY, FEE SIMPLE AND ACCESS EASEMENT PURCHASES.**

**WHEREAS**, LCRA Transmission Services Corporation has determined the need to acquire the interests in real property necessary for the public uses of construction, operation and maintenance of an electric substation site in Upton County; and

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

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



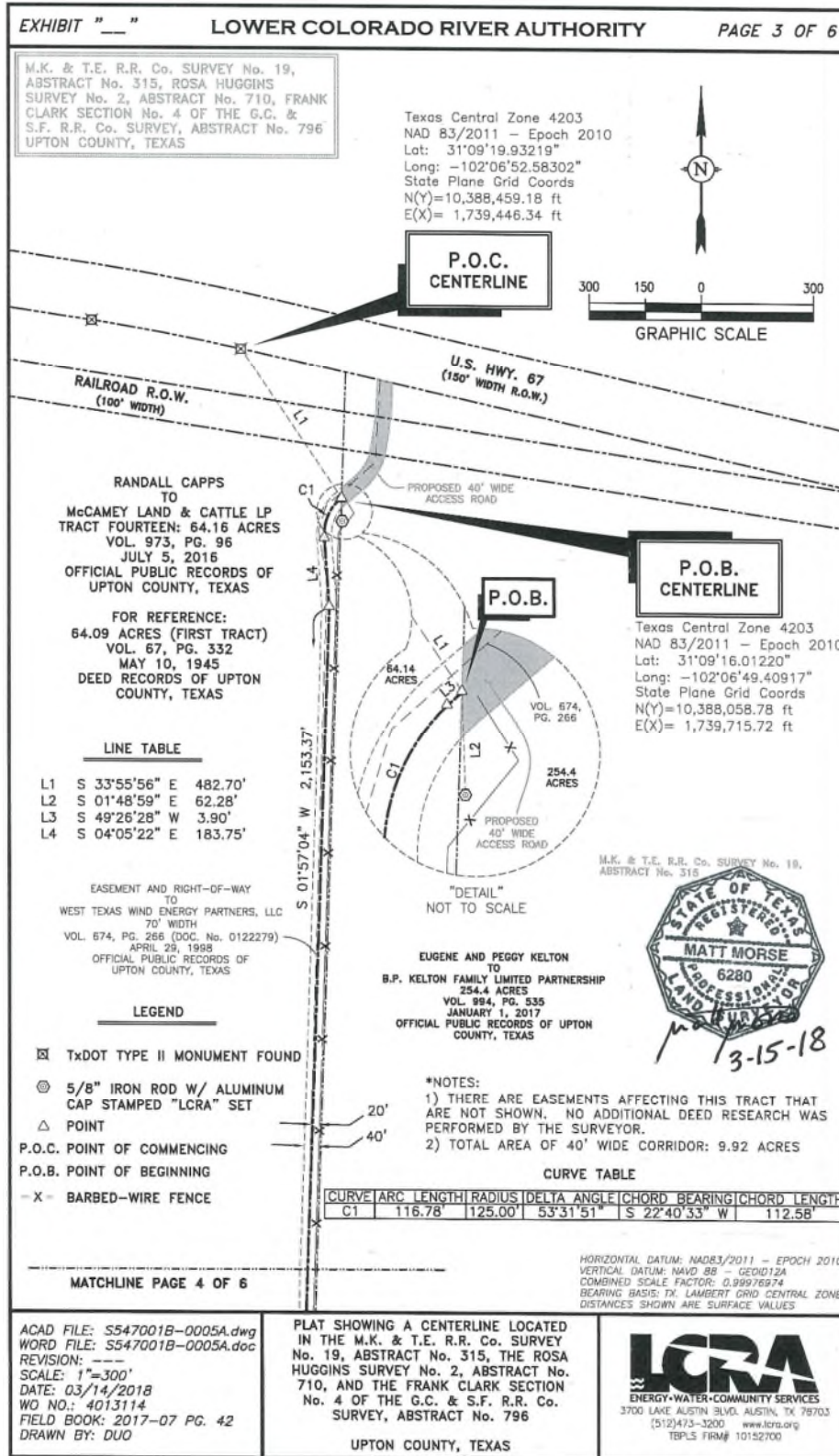
## **EXHIBIT D**

Page 2 of 2

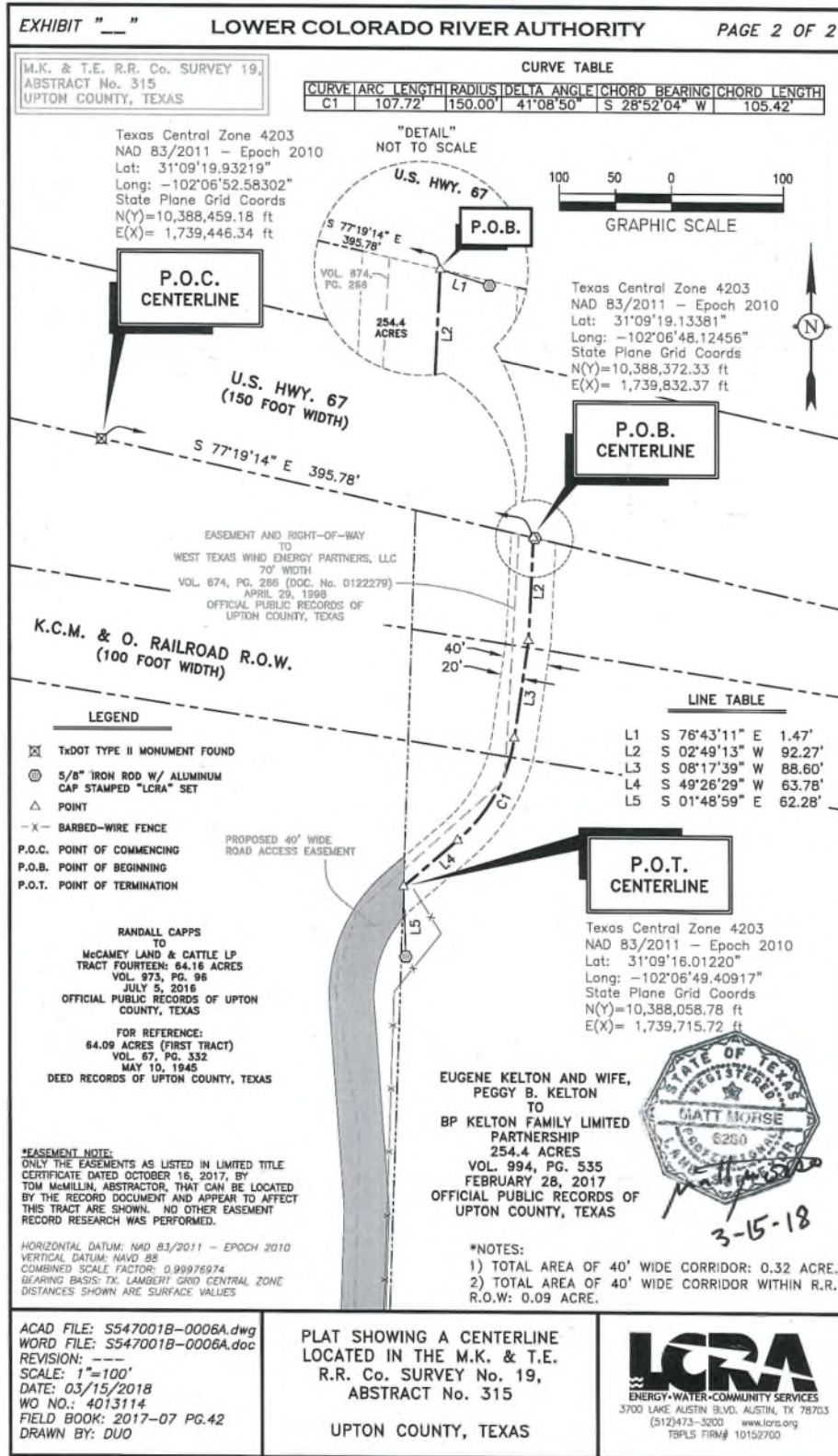
initiate condemnation proceedings against the owner of the property, and against all other owners, lien holders, and other holders of an interest in the property, in order to acquire the necessary interests in real property, and that this resolution take effect immediately from and after its passage;

**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 substation site.

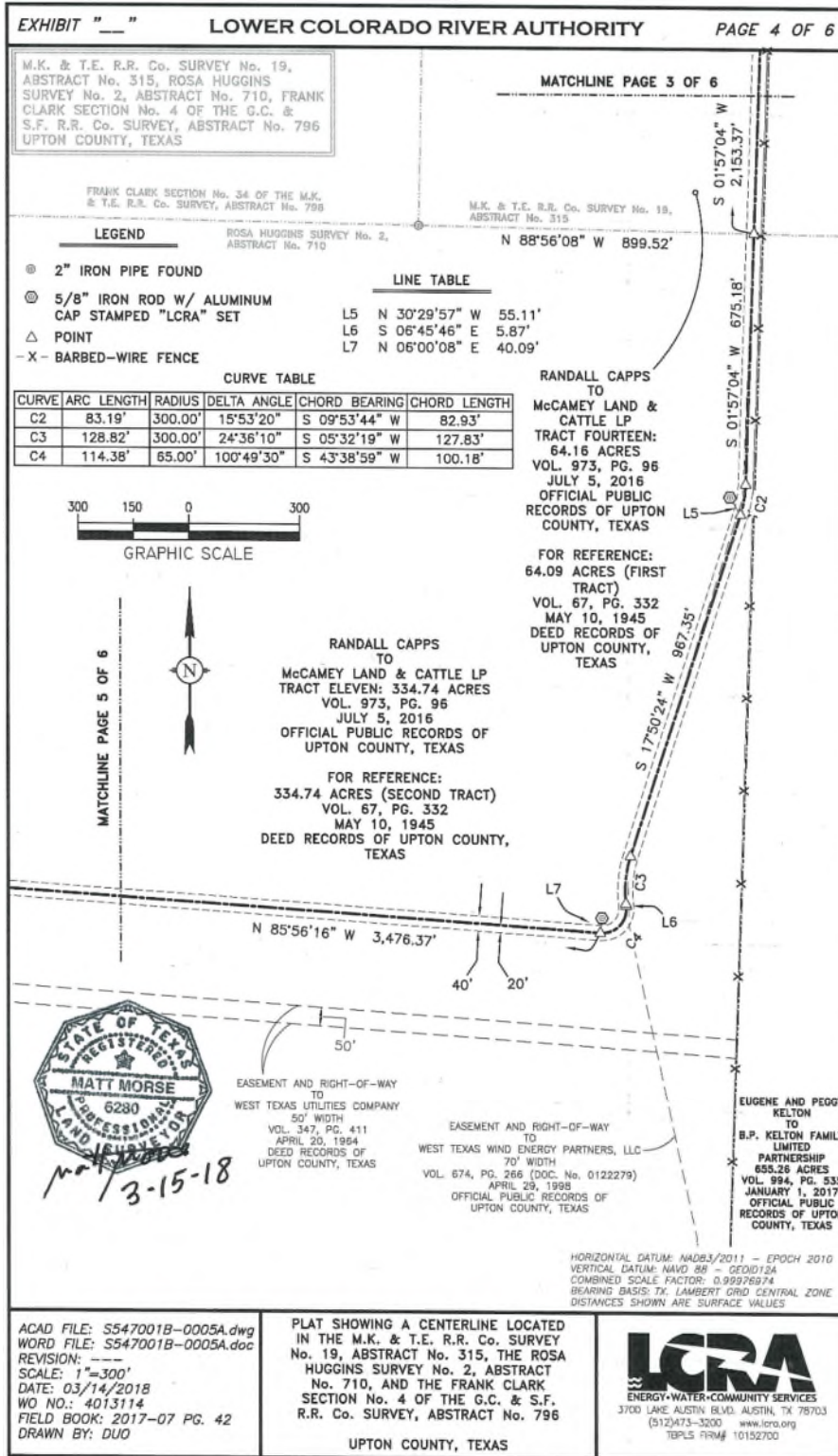
**EXHIBIT 1**  
Page 1 of 6



**EXHIBIT 1**  
Page 2 of 6



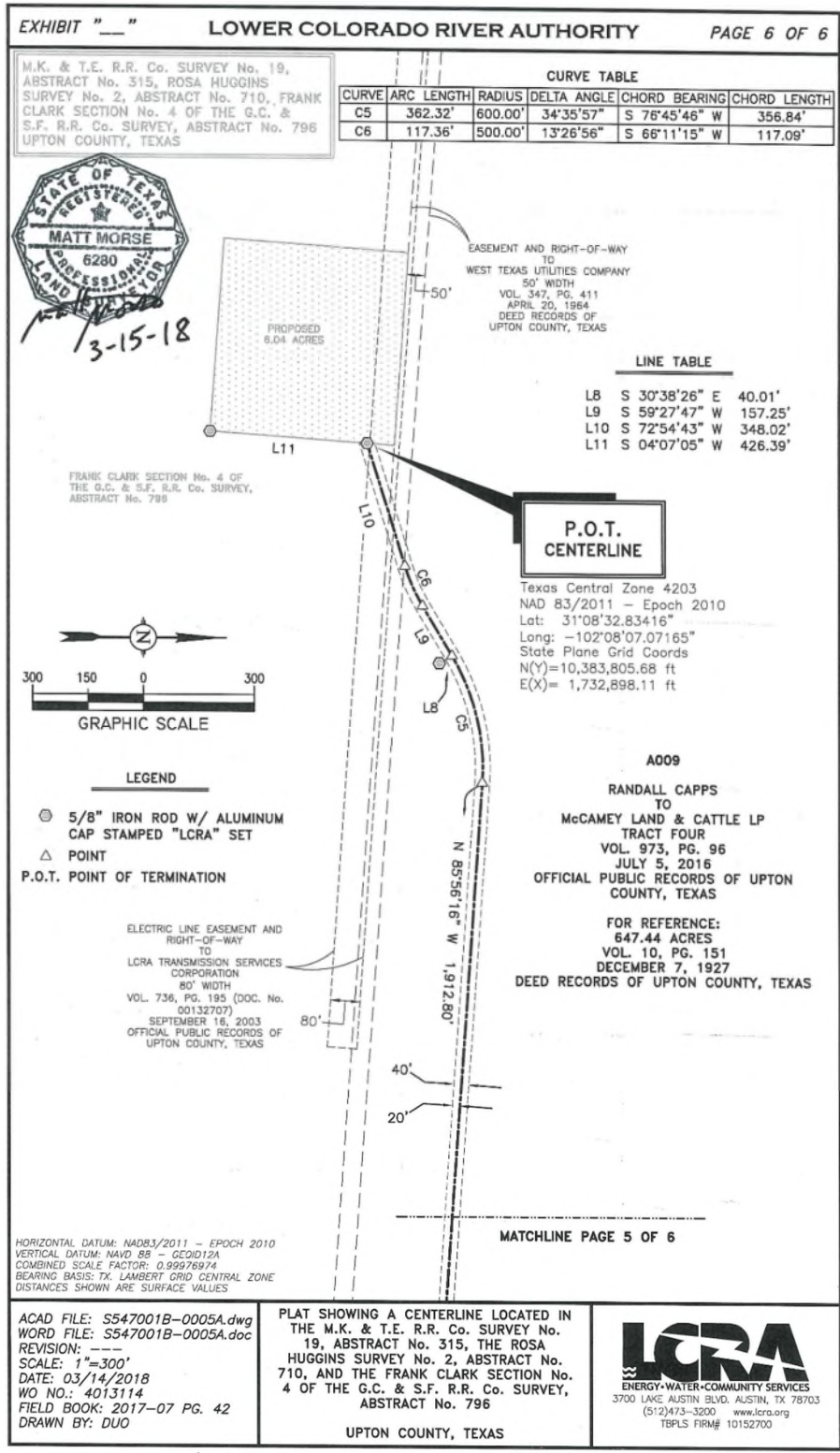
**EXHIBIT 1**  
Page 3 of 6

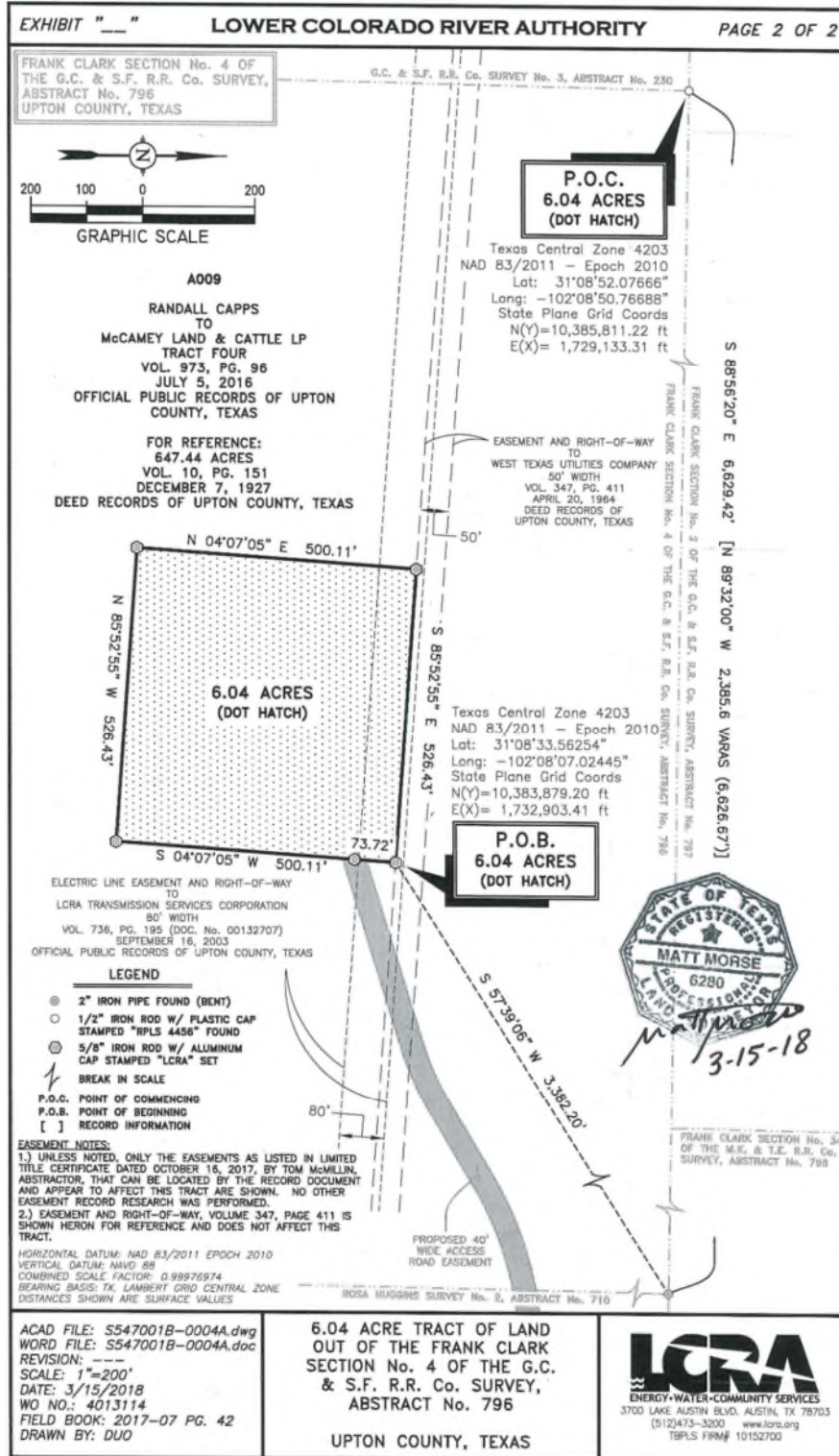




**EXHIBIT 1**

Page 5 of 6





## **FOR ACTION**

# **14. Acquisition of Interests in Real Property – Use of Eminent Domain in Kendall County**

### **Proposed Motion**

I move that the Board 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 Esperanza Substation Addition 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, 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 cost was included in the Board-approved budget for the Esperanza Substation Addition project.

### **Summary**

LCRA TSC proposes to purchase 8.86 acres in fee simple and 0.72 of an acre for a transmission line easement in Kendall County for the Esperanza Substation Addition project. Valbridge Property Advisors performed an independent appraisal of the interests in real property to be acquired to determine just compensation to the landowner.

Staff has made a bona fide offer to acquire the necessary interests in real property voluntarily from the landowner listed on Exhibit C, as required by Sec. 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 it cannot reach agreement with the landowners.

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

LCRA TSC representatives performed environmental and cultural due diligence studies and did not identify any concerns. This project does not require a Certificate of Convenience and Necessity.

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.



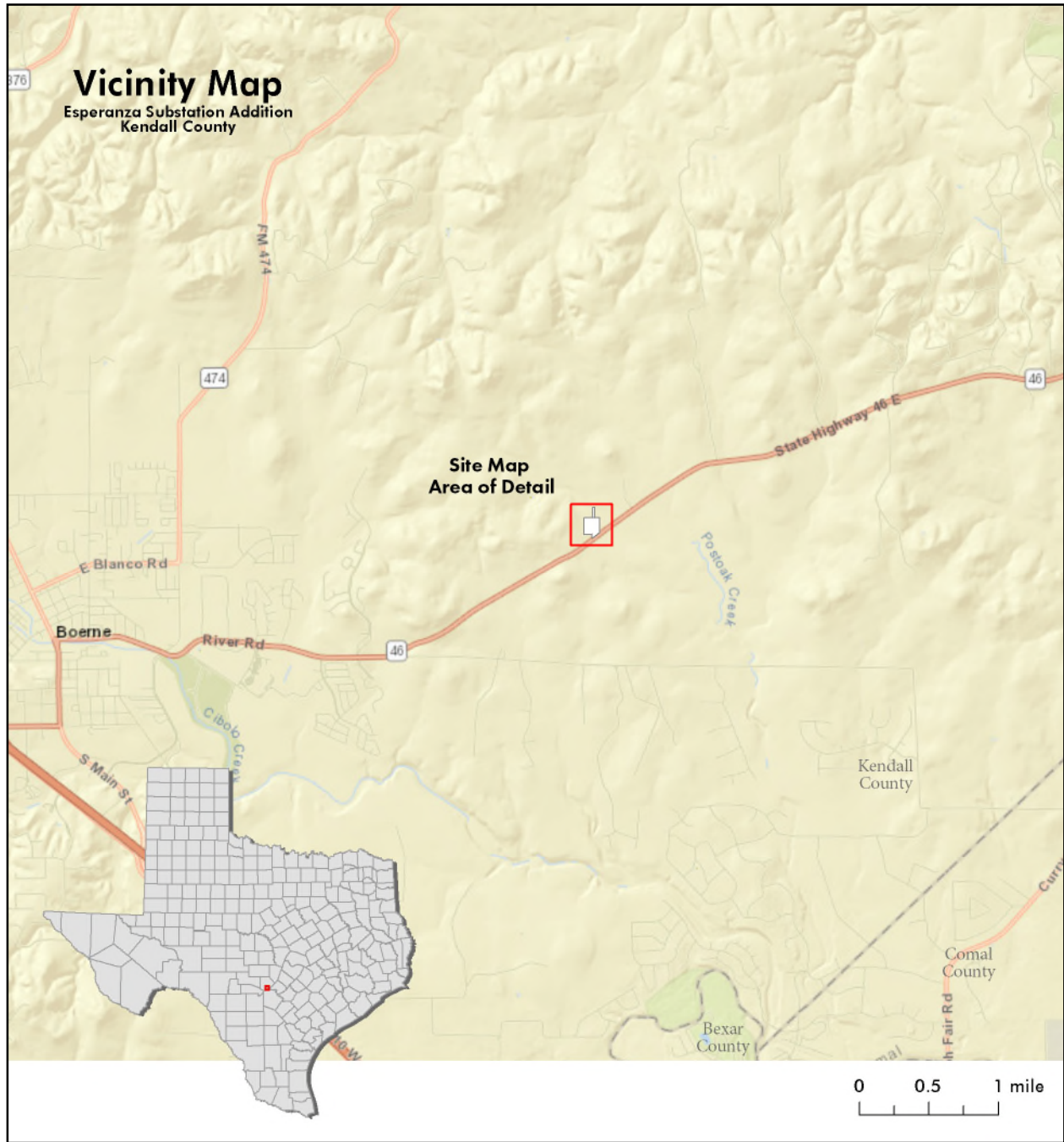
**Presenter(s)**

Steven T. Brown  
Director, Real Estate Services

**Exhibit(s)**

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

**EXHIBIT A**



**EXHIBIT B**



**EXHIBIT C**

	<b>Landowner</b>	<b>Approximate Parent Tract Acreage</b>	<b>Land Rights</b>	<b>Approximate Acquisition Acreage</b>	<b>County</b>	<b>Approximate Value</b>
1	Harvey Duennenberg Ranches, LTD	222 acres	Fee simple Transmission line easement	8.86 0.72	Kendall	\$595,000

**TOTAL:**

**\$595,000**

**EXHIBIT D**

Page 1 of 2

**PROPOSED MOTION**

**I MOVE THAT THE BOARD 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 PROPERTY DESCRIBED IN EXHIBIT 1 TO THE RESOLUTION FOR THE ESPERANZA SUBSTATION ADDITION 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 KENDALL COUNTY, A FEE SIMPLE PURCHASE AND A TRANSMISSION LINE EASEMENT PURCHASE.**

**WHEREAS**, LCRA Transmission Services Corporation has determined the need to acquire the interests in real property necessary for the public uses of construction, operation and maintenance of an electric substation site in Kendall County; and

**WHEREAS**, an independent, professional appraisal of the subject property 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 listed in the attached Exhibit C for the construction of the Esperanza Substation Addition project, with the description of the location of and interest in the property LCRA Transmission Services Corporation seeks to acquire being more particularly described in maps provided to the Board and attached to this Resolution as Exhibit 1; that the public convenience and necessity requires the acquisition of said interests in real property; that the public necessity requires the condemnation of the interests in real property in order to acquire them for such uses; that LCRA Transmission Services Corporation does not intend to acquire rights to groundwater or surface water in the land; that LCRA Transmission Services Corporation will make a bona fide offer to acquire the interests in real property from the landowner(s) voluntarily as required by Sec. 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 directed to

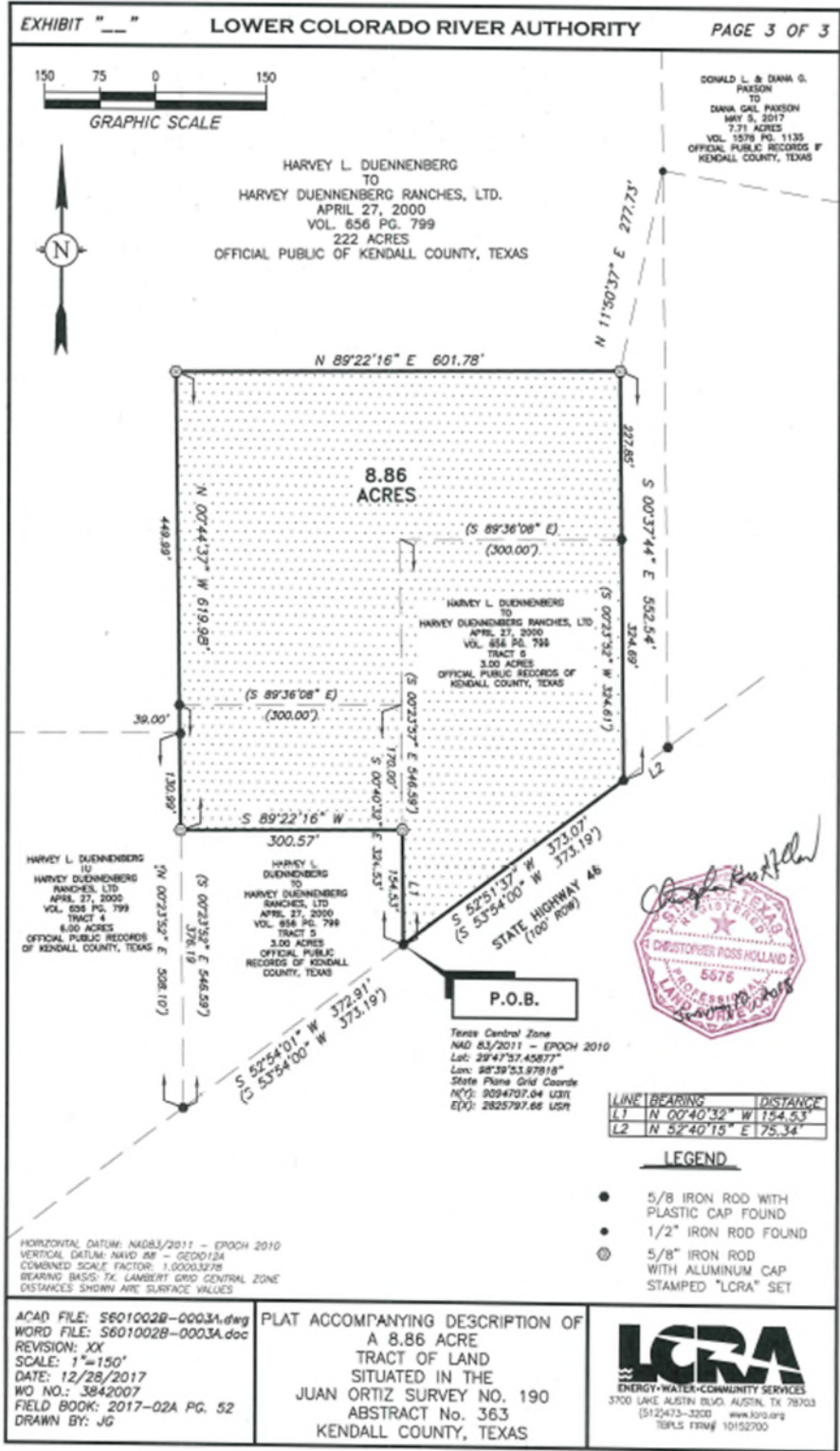
**EXHIBIT D**

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initiate condemnation proceedings against the owner 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 substation site.

**EXHIBIT 1**  
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