



# Board Agenda

Wednesday, Aug. 21, 2019  
LCRA General Office Complex  
Board Room – Hancock Building  
3700 Lake Austin Blvd.  
Austin, TX 78703  
Earliest start time: 9 a.m.

## Items From the Chair

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## Items From the General Manager

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- 2. Financial Report ..... 5

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- 7. Directors’ Fees, Expenses..... 15
- 8. Minutes of Prior Meeting..... 16

## Action Items

- 9. LCRA Board Policy 404 – Grants and Economic Development ..... 24
- 10. LCRA Board Policy 207 – Outside Legal Representation  
and Related Matters ..... 30
- 11. LCRA Board Policy 501 – Water Resources ..... 34
- 12. City of Cedar Park – Amendment to Firm Water Contract for Municipal Use ..... 39
- 13. Horseshoe Bay Resort – Renewal of Firm Water Contract for Irrigation Use ..... 42
- 14. Contracts and Contract Changes ..... 44

**\*This agenda item requires the approval of three-fourths of the LCRA Board’s statutory membership.**

## Executive Session

- 1. Litigation Report
- 2. General Manager Fiscal Year 2019 Performance Evaluation and  
Fiscal Year 2020 Goals Review

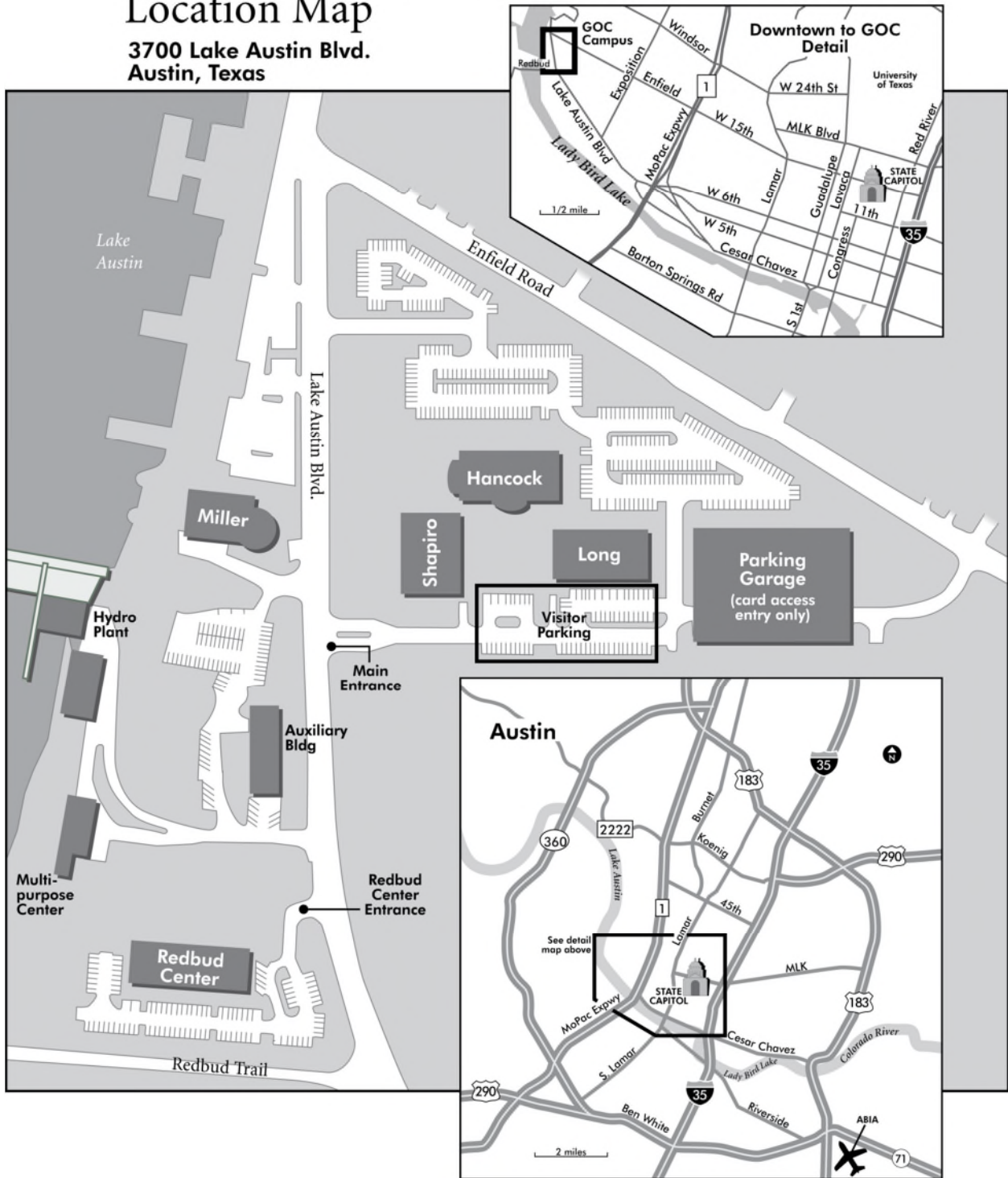
The Board also may go into executive session for advice from legal counsel on any item(s) listed above, pursuant to Chapter 551 of the Texas Government Code.

## Legal Notice

Legal notices are available on the Texas secretary of state website 72 hours prior to the meeting at [www.sos.state.tx.us/open](http://www.sos.state.tx.us/open).

# LCRA General Office Complex Location Map

3700 Lake Austin Blvd.  
Austin, Texas



## **FOR DISCUSSION**

# **1. Comments From the Public**

### **Summary**

This part of the meeting is intended for comments from the public on topics under LCRA's jurisdiction but not related to an item on the Board agenda. No responses or action may be taken by the Board during public comments.

In order to address the Board, a member of the public is required to sign and complete the registration form at the entrance to the meeting room. Please see the Protocols for Public Communication at Board and Committee Meetings as shown in Exhibit A for details.

Any member of the public wishing to comment on an item listed on this agenda will be called to make comments at the appropriate time.

### **Exhibit(s)**

A – Protocols for Public Communication at Board and Committee Meetings

## EXHIBIT A

### **PROTOCOLS FOR PUBLIC COMMUNICATION AT BOARD AND COMMITTEE MEETINGS**

**Approved by the LCRA Board of Directors on Dec. 11, 2018**

- 1. Oral Presentations on Issues Under LCRA's Jurisdiction.** Any person wishing to make an oral presentation at a Board meeting on any matter under LCRA's jurisdiction must complete a registration form that indicates the agenda item or other topic on which they wish to comment, along with the speaker's name, address and other relevant information. Any person making an oral presentation to the Board may distribute related materials to the Board at the meeting.
- 2. Time Allocation.** The presiding officer may limit the length of time for each speaker. Speakers may not trade or donate time to other speakers without permission from the presiding officer, and repetitive testimony shall be minimized.
- 3. Rules of Decorum.** Speakers and members of the audience must avoid disruptive behavior that interferes with the orderly conduct of a public meeting. Placards, banners, and hand-held signs are not allowed in Board or committee meetings, and speakers and members of the audience must avoid personal affronts, profanity, booing, excessive noise, and other disruptive conduct. The presiding officer may direct that anyone who disrupts a meeting be removed from the room.
- 4. Recording.** Any person making an audio or video recording of all or any part of a Board meeting must do so in a manner that is not disruptive to the meeting. During a meeting, members of the public must remain in or behind the public seating area and are not permitted to record from any other area of the meeting room.
- 5. Committee Meetings.** The protocols outlined in 1-4 above also apply to members of the public wishing to address any LCRA Board committee whose membership comprises the entirety of the LCRA Board on matters within the scope of each of those committees.

**FOR DISCUSSION**

## **2. Financial Report**

**Board Consideration**

Staff presents this report monthly to the Board of Directors for discussion.

**Summary**

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

**Presenter(s)**

Julie Rogers  
Controller

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**Lower Colorado River Authority**  
**Financial Highlights**  
**June 2019**

**Lower Colorado River Authority**  
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**Key terms:**

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

**FYE** – Fiscal year-end.

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



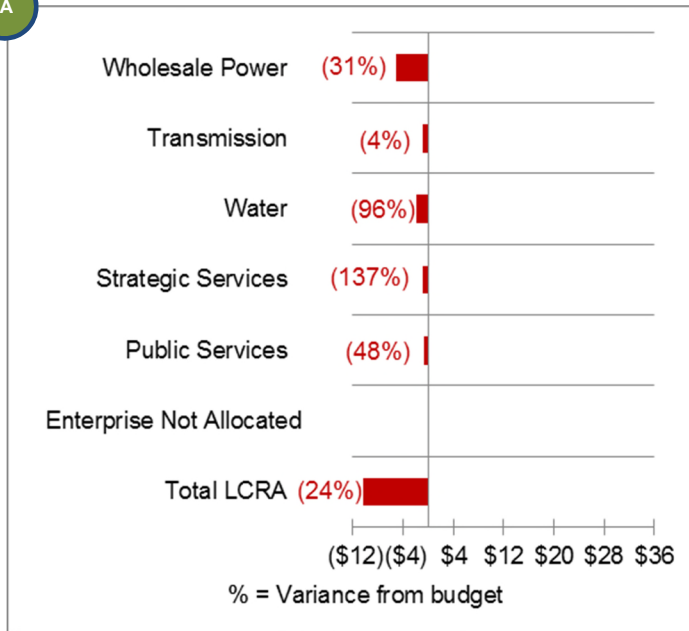
# Lower Colorado River Authority

June 30, 2019

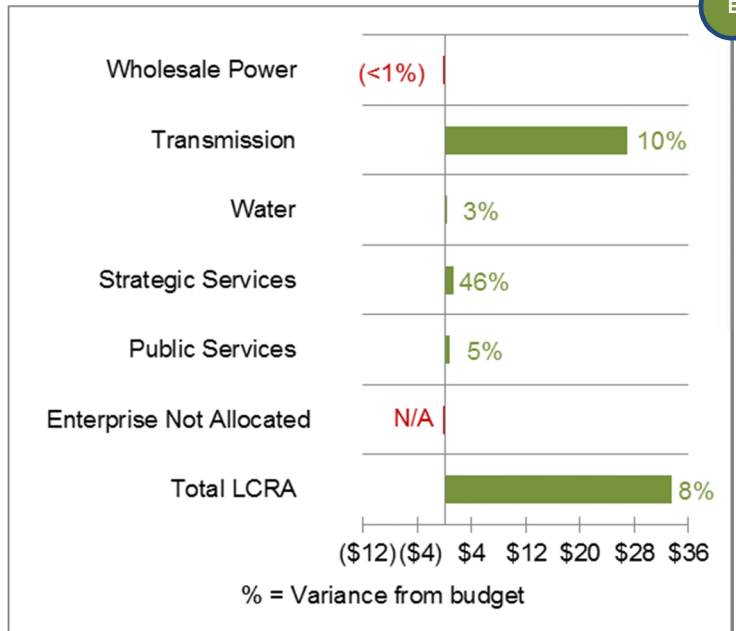
(Dollars in Millions)

## Budget-to-Actual Highlights

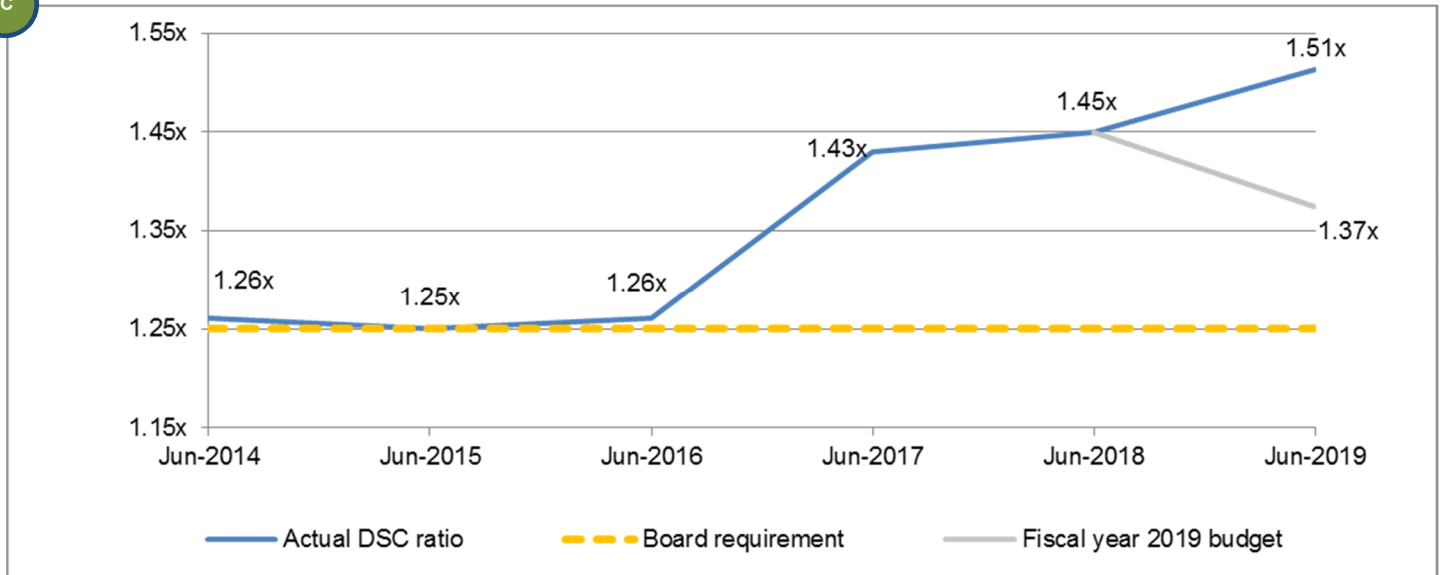
### Net Margin Monthly Variances



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



### Debt Service Coverage



#### Key takeaways:

- Expenses forecasted in previous months that were recorded in June and lower revenues due to 6% lower-than-budgeted load primarily drove Wholesale Power's monthly performance. Year-to-date performance was on target.
- The timing of expenses offset by higher cost of service revenues and interest income primarily drove Transmission's monthly performance. Higher cost of service, interest income and miscellaneous revenues, and lower expenses drove the year-to-date performance.

# Lower Colorado River Authority

June 30, 2019

*(Dollars in Millions)*

## **Key takeaways (continued):**

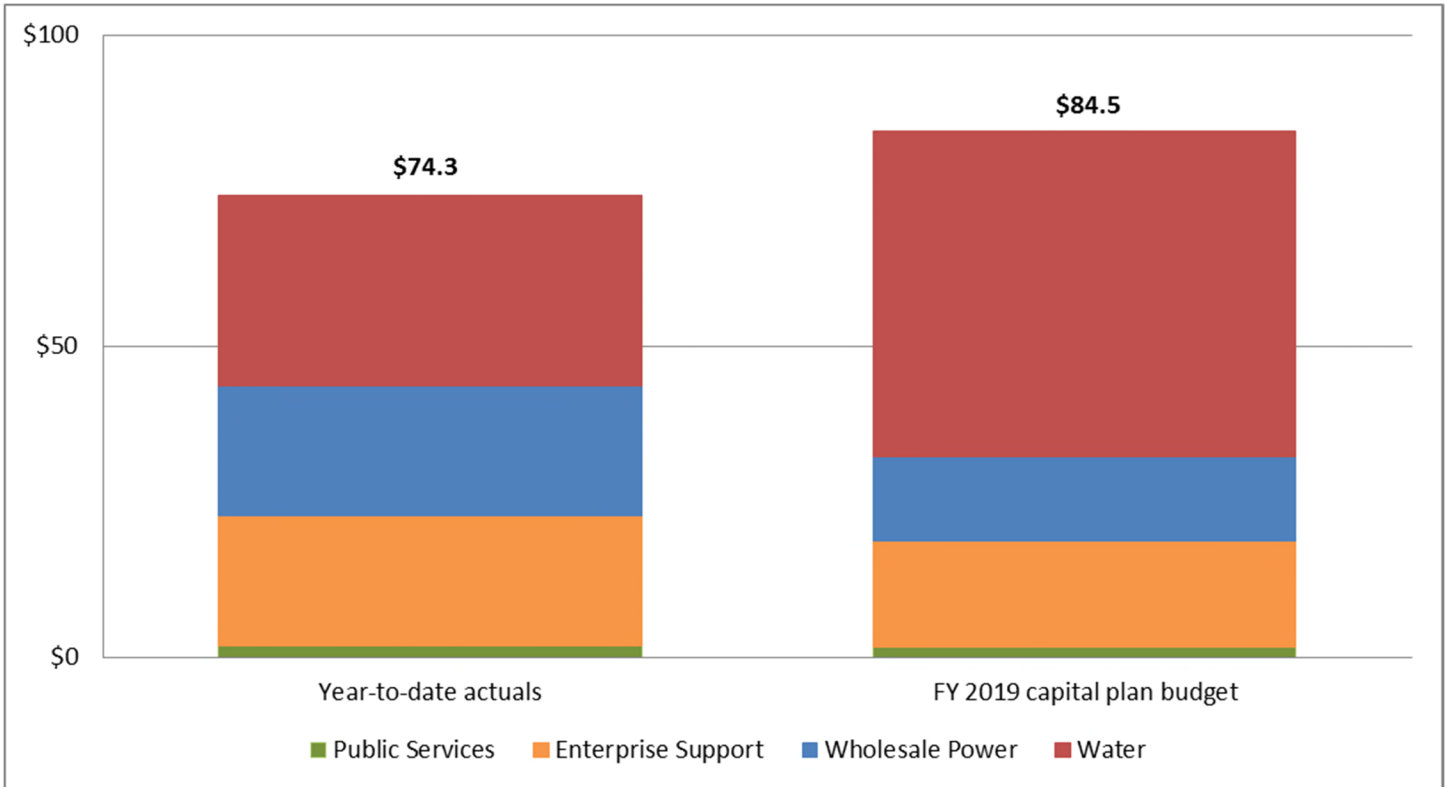
- Lower irrigation revenues and the timing of expenses primarily drove Water's monthly performance. Lower-than-budgeted irrigation and river management expenses drove year-to-date performance.
- The timing of expenses primarily drove Strategic Services' monthly performance. Increased customer service work in Transmission and Telecommunications primarily drove the year-to-date performance.
- The timing of expenses primarily drove Public Services' monthly performance. Lower-than-budgeted expenses drove year-to-date performance.
- Donations for flood relief efforts drove the year-to-date variance for Enterprise Not Allocated.
- The positive year-end performance and slightly lower-than-budgeted debt service in Transmission primarily drove the higher-than-budgeted debt service coverage.

# Lower Colorado River Authority

June 30, 2019

(Dollars in Millions)

## Capital Performance



Business area	Year-to-date actuals	Percentage of budget spent	FY 2019 capital plan budget
Wholesale Power	\$ 20.7	150%	\$ 13.8
Water	30.8	59%	52.1
Public Services	1.7	100%	1.7
Enterprise Support	21.1	125%	16.9
	<b>\$ 74.3</b>	<b>88%</b>	<b>\$ 84.5</b>

Note: Transmission's capital summary is found in the LCRA Transmission Services Corporation Financial Report.

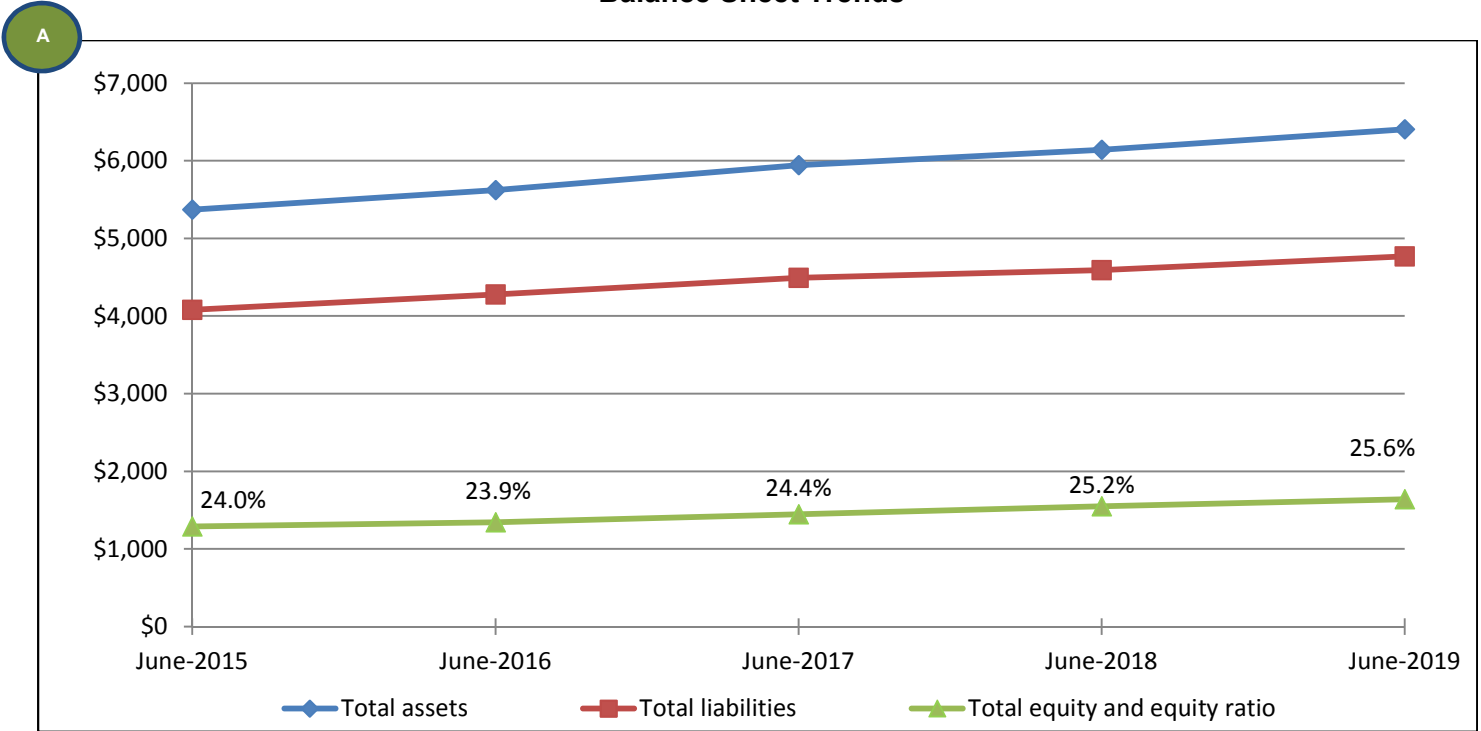
### Key takeaways:

- LCRA capital spending for FY 2019 was \$10.2 million under the capital plan budget. The primary driver for the variance is the delay of spending on the New Regional Water Supply projects. The \$6.9 million unfavorable variance for Wholesale Power is primarily due to the addition of the Lost Pines Combustion Turbine B Compressor Parts Replacement project. LCRA filed claims and received proceeds under its insurance policy for the damage associated with this project. Enterprise Support is \$4.2 million over budget due to the reclassification of a Transmission minor capital project to an Enterprise Support project.
- For any project not previously authorized by the Board in the capital plan, authority is delegated to the general manager to approve any capital project with a lifetime budget not to exceed \$1.5 million according to LCRA Board Policy 301 – Finance. The GM approved three new projects this quarter.
  - Llano Fiber Addition for \$745,000.
  - Fayette Power Project Units 1 and 2 Dozer Overhaul for \$517,000.
  - Sim Gideon Power Plant Unit 1 Auxiliary Transformer for \$360,000.

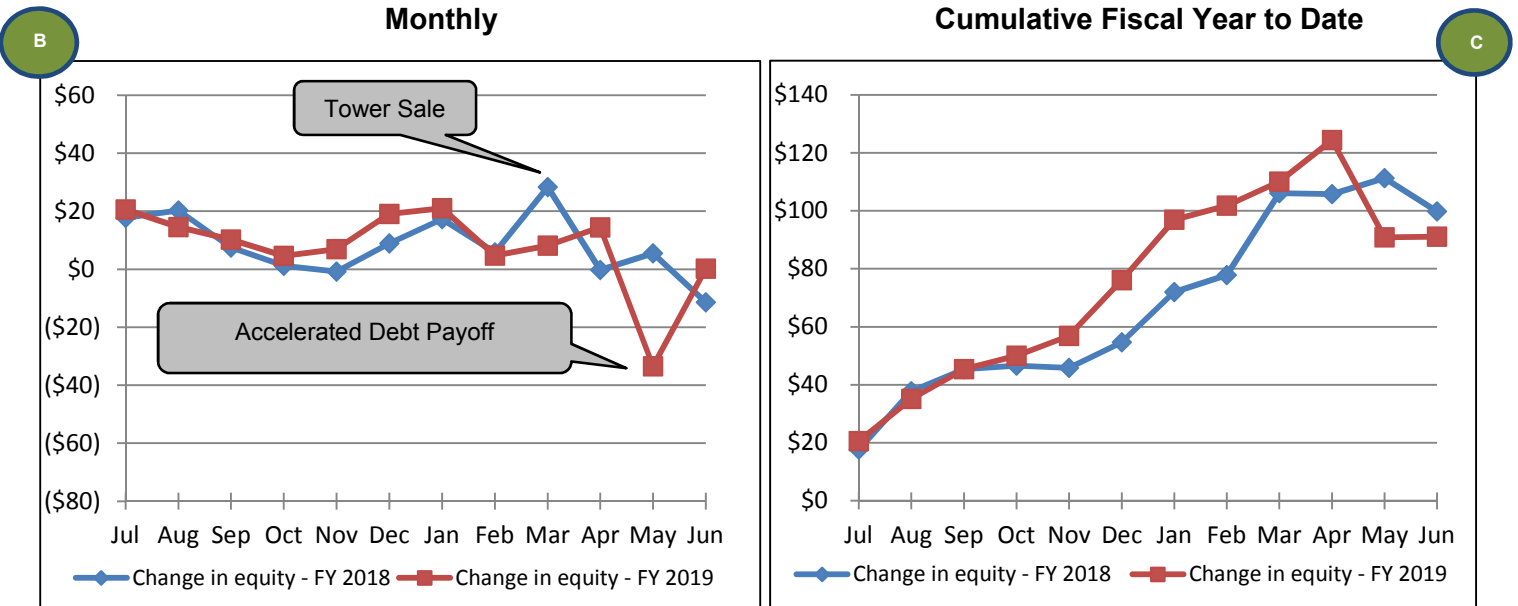
# Lower Colorado River Authority Financial Statement Trends

June 30, 2019  
(Dollars in Millions)

## Balance Sheet Trends



## Income Statement Trends



### Key takeaways:

- Assets and liabilities are trending slightly higher compared with June 2018 due to construction activities related to the capital plan.
- A growth in monthly operating income was facilitated by a reduction in depreciation expense of \$26 million as a result of a new depreciation study. However, this growth is dampened in year-to-date net income by May's recognition of previously deferred depreciation due to the debt payoff.

# Lower Colorado River Authority

June 30, 2019

(Dollars in Millions)

## Condensed Balance Sheets

	June 30, 2019	June 30, 2018
<i>Assets</i>		
Total current assets	\$ 640.2	\$ 580.7
Total long-term assets	5,765.9	5,560.2
<b>Total Assets</b>	<b>\$ 6,406.1</b>	<b>\$ 6,140.9</b>
<i>Liabilities</i>		
Total current liabilities	\$ 660.5	\$ 603.8
Total long-term liabilities	4,106.0	3,988.6
Total liabilities	4,766.5	4,592.4
<i>Equity</i>		
Total equity	1,639.6	1,548.5
<b>Total Liabilities and Equity</b>	<b>\$ 6,406.1</b>	<b>\$ 6,140.9</b>

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

	Fiscal Year to Date	
	2019	2018
<b>Operating Revenues</b>		
Electric	\$ 1,030.8	\$ 982.2
Water and irrigation	25.6	25.6
Other	44.0	27.6
<b>Total Operating Revenues</b>	<b>1,100.4</b>	<b>1,035.4</b>
<b>Operating Expenses</b>		
Fuel	291.6	296.2
Purchased power	162.8	73.6
Operations	163.0	207.7
Maintenance	46.4	47.5
Depreciation, depletion and amortization	151.3	184.5
<b>Total Operating Expenses</b>	<b>815.1</b>	<b>809.5</b>
<b>Operating Income</b>	<b>285.3</b>	<b>225.9</b>
<b>Nonoperating Revenues (Expenses)</b>		
Interest on debt	(165.0)	(162.0)
Other income (expenses)	(29.2)	35.9
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(194.2)</b>	<b>(126.1)</b>
<b>Change in Equity</b>	<b>91.1</b>	<b>99.8</b>
<b>Equity - Beginning of Period</b>	<b>1,548.5</b>	<b>1,448.7</b>
<b>Equity - End of Period</b>	<b>\$ 1,639.6</b>	<b>\$ 1,548.5</b>

# Lower Colorado River Authority

June 30, 2019

(Dollars in Millions)

## Condensed Statements of Cash Flows

	Fiscal Year to Date	
	2019	2018
Net cash provided by operating activities	\$ 480.8	\$ 418.1
Net cash provided by noncapital financing activities	3.3	2.3
Net cash used in capital and financing activities	(585.2)	(376.3)
Net cash provided by (used in) investing activities	267.0	(115.7)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	165.9	(71.6)
<b>Cash and Cash Equivalents - Beginning of Period</b>	242.4	314.0
<b>Cash and Cash Equivalents - End of Period</b>	<u>\$ 408.3</u>	<u>\$ 242.4</u>

# Lower Colorado River Authority

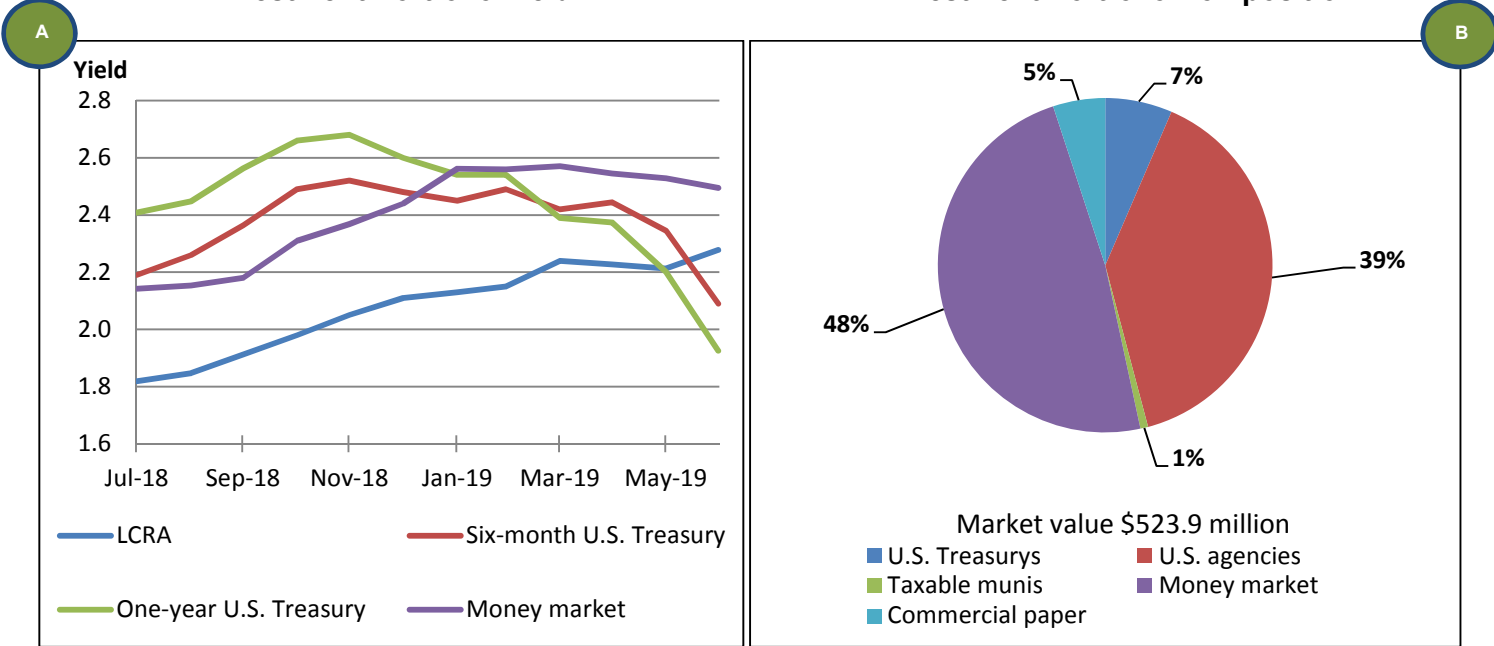
June 30, 2019

(Dollars in Millions)

## Investments and Debt

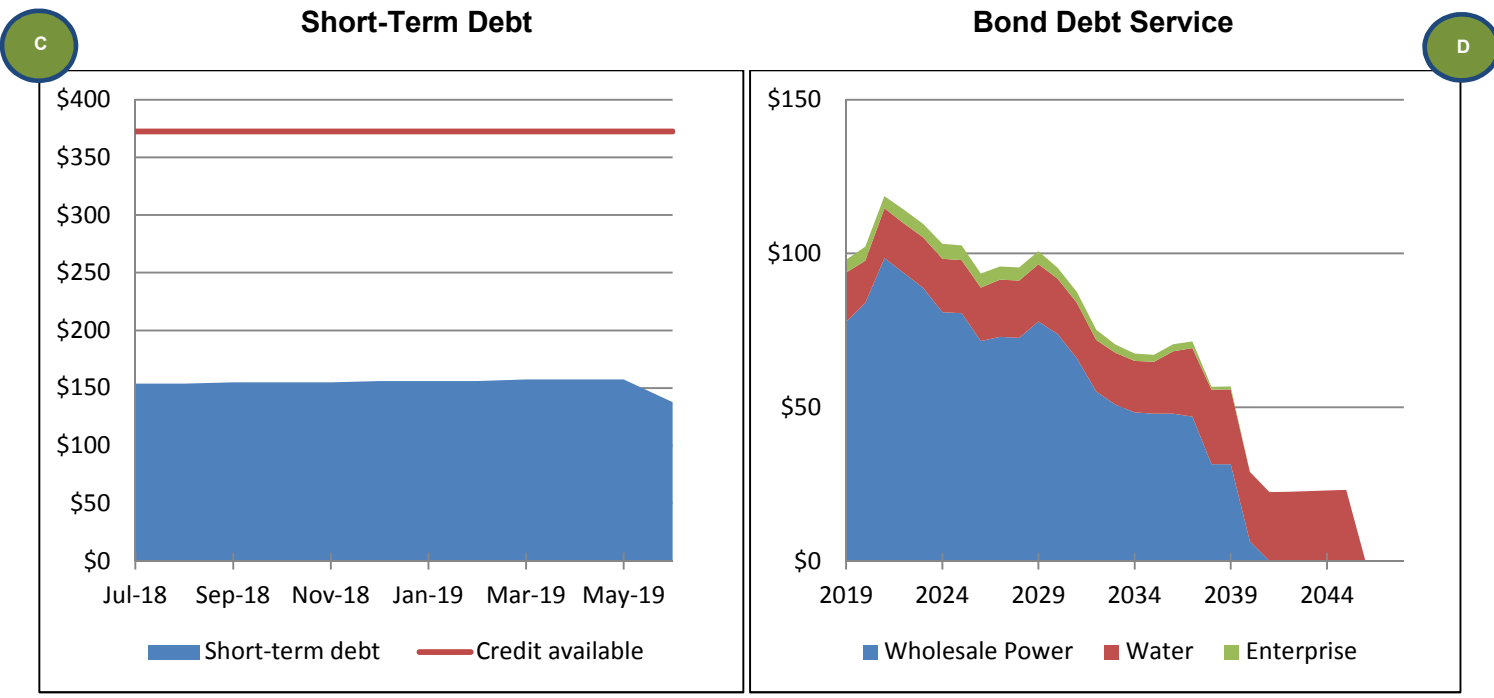
### Investment Portfolio Yield

### Investment Portfolio Composition



### Short-Term Debt

### Bond Debt Service



#### Key takeaway:

- The Federal Open Market Committee left rates unchanged in the 2.25%-2.50% range at the June 2019 meeting. The market is anticipating a 100% chance of cutting rates by at least 0.25% at the July 2019 meeting, leaving the federal funds target rate in the 2.00%-2.25% range.

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# **Lower Colorado River Authority**

## **Financial Highlights**

**July 2019**

**Lower Colorado River Authority**  
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and Changes in Equity ..... 3

**Key term:**

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

# Lower Colorado River Authority

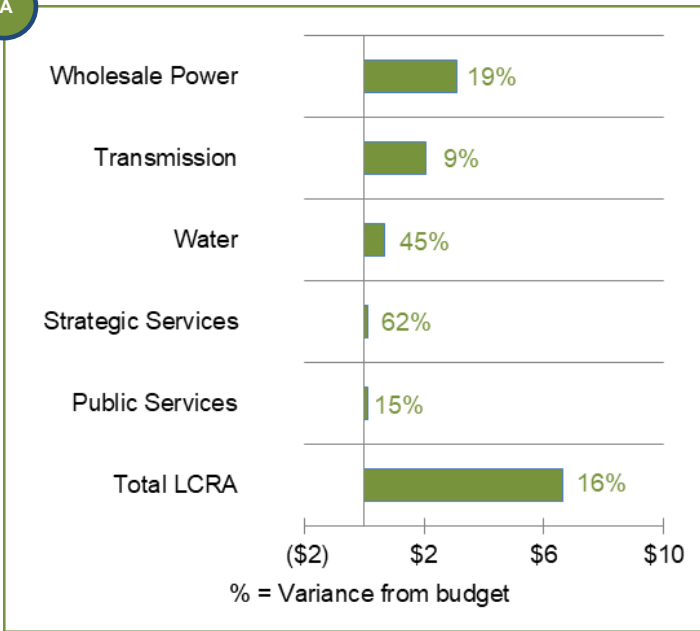
July 31, 2019

(Dollars in Millions)

## Budget-to-Actual Highlights

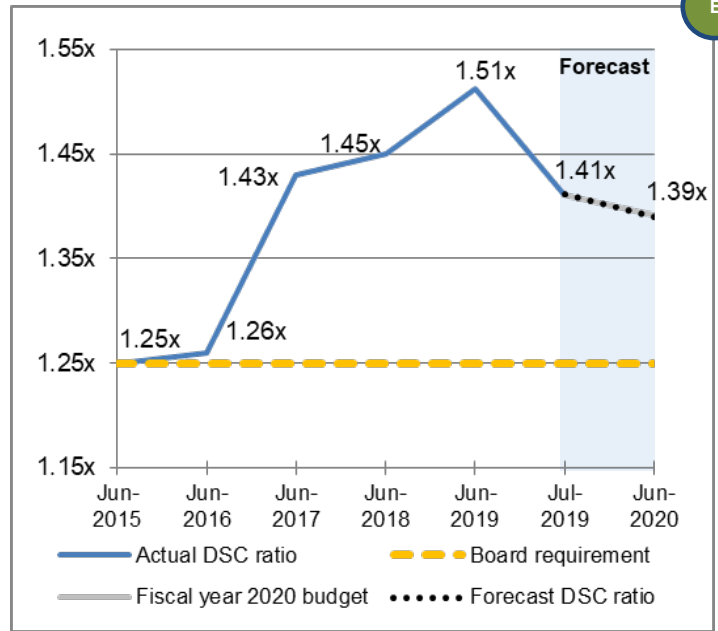
A

### Net Margin Monthly Variances



B

### Debt Service Coverage



#### Key takeaways:

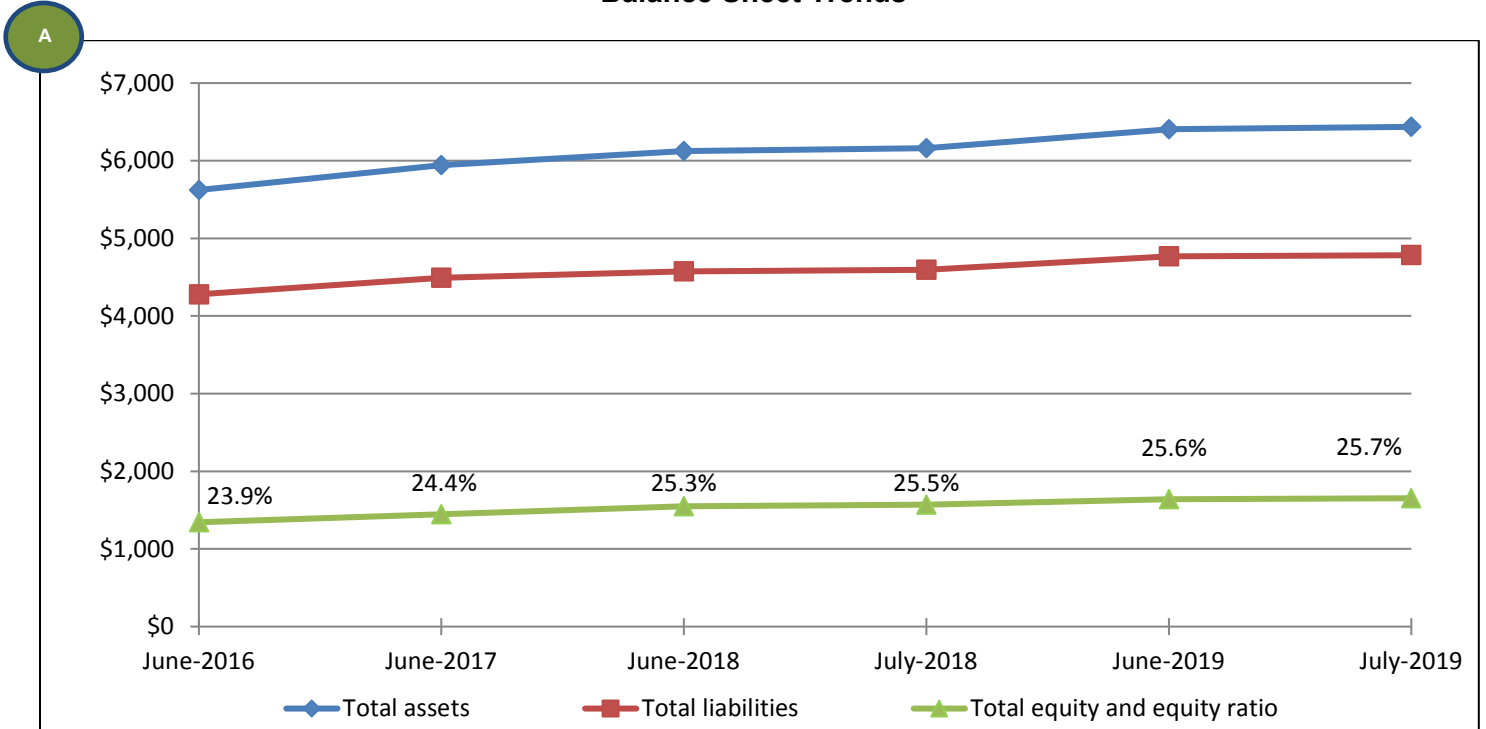
- Timing of expenses primarily drove Wholesale Power and Transmission's monthly performances.
- Higher irrigation revenues, combined with lower-than-budgeted irrigation and river management expenses due to timing, drove Water's monthly performance.
- The timing of transmission customer service work primarily drove Strategic Services' monthly performance.
- The timing of revenues and expenses primarily drove Public Services' monthly performance.
- The positive year-end performance and slightly lower-than-budgeted debt service in Transmission primarily drove the higher-than-budgeted debt service coverage.
- Staff currently expects debt service coverage to meet the budget of 1.39x in FY 2020.

# Lower Colorado River Authority

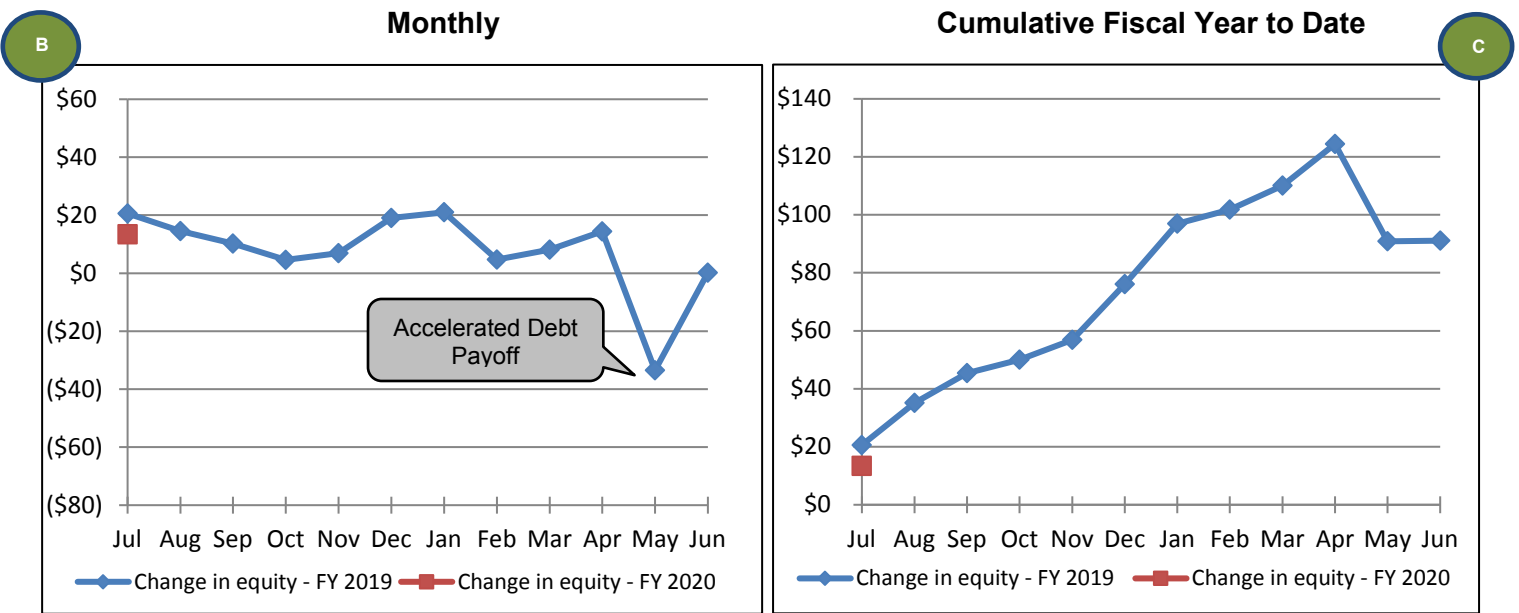
## Financial Statement Trends

July 31, 2019  
(Dollars in Millions)

### Balance Sheet Trends



### Income Statement Trends



#### Key takeaways:

- Assets and liabilities compared with July 2018 have trended upward due to construction activities related to the capital plan.
- The income statement trend remained steady compared with prior periods.

## Lower Colorado River Authority

July 31, 2019

(Dollars in Millions)

### Condensed Balance Sheets

	July 31, 2019	July 31, 2018
<i>Assets</i>		
Total current assets	\$ 683.3	\$ 589.9
Total long-term assets	5,752.9	5,573.5
<b>Total Assets</b>	<b>\$ 6,436.2</b>	<b>\$ 6,163.4</b>
<i>Liabilities</i>		
Total current liabilities	\$ 662.4	\$ 620.4
Total long-term liabilities	4,120.8	3,973.9
Total liabilities	4,783.2	4,594.3
<i>Equity</i>		
Total equity	1,653.0	1,569.1
<b>Total Liabilities and Equity</b>	<b>\$ 6,436.2</b>	<b>\$ 6,163.4</b>

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

	Fiscal Year to Date	
	2020	2019
<b>Operating Revenues</b>		
Electric	\$ 94.0	\$ 105.8
Water and irrigation	3.1	3.1
Other	3.6	4.9
<b>Total Operating Revenues</b>	100.7	113.8
<b>Operating Expenses</b>		
Fuel	25.2	40.2
Purchased power	16.8	13.2
Operations	10.4	11.9
Maintenance	2.2	2.7
Depreciation, depletion and amortization	11.7	11.6
<b>Total Operating Expenses</b>	66.3	79.6
<b>Operating Income</b>	34.4	34.2
<b>Nonoperating Revenues (Expenses)</b>		
Interest on debt	(13.2)	(13.3)
Other expenses	(7.8)	(0.3)
<b>Total Nonoperating Expenses</b>	(21.0)	(13.6)
<b>Change in Equity</b>	13.4	20.6
<b>Equity - Beginning of Period</b>	1,639.6	1,548.5
<b>Equity - End of Period</b>	<b>\$ 1,653.0</b>	<b>\$ 1,569.1</b>

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**FOR ACTION (CONSENT)**

### **3. December 2019 LCRA Board Meeting Date**

**Proposed Motion**

Approve changing the date of the December 2019 LCRA Board of Directors meeting to Tuesday, Dec. 10.

**Board Consideration**

The LCRA bylaws provide that the regular meeting of the Board takes place on the last Wednesday before the 25th day of each month. Any deviation from that schedule requires Board approval.

**Budget Status and Fiscal Impact**

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

**Summary**

The Board approved its calendar year 2019 Board and committee meetings schedule on Aug. 22, 2018. The proposed change would move the December 2019 Board meeting from Dec. 11 to Dec. 10.

**FOR ACTION (CONSENT)**

## **4. Proposed LCRA Board and Committee Meeting Dates for Calendar Year 2020**

**Proposed Motion**

Approve the proposed LCRA Board and committee meeting dates for calendar year 2020 as listed in Exhibit A.

**Board Consideration**

The LCRA bylaws provide that the regular meeting of the Board takes place on the last Wednesday before the 25th day of each month. Any deviation from that schedule requires Board approval.

**Budget Status and Fiscal Impact**

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

**Summary**

The proposed Board and committee meeting dates for calendar year 2020 as listed in Exhibit A were reviewed by the Executive Committee at its meeting on May 21, 2019.

**Exhibit(s)**

A – Proposed LCRA Board and Committee Meeting Dates for Calendar Year 2020



## **EXHIBIT A**

### **Proposed LCRA Board and Committee Meeting Dates for Calendar Year 2020**

<b>Month</b>	<b>Committee Meetings</b>	<b>Board Meeting</b>
<b>January</b>	21	22
<b>February</b>	19	-
<b>March</b>	-	11*
<b>April</b>	-	15**
<b>May</b>	19	20
<b>June</b>	17	-
<b>July</b>	No Meeting	
<b>August</b>	18	19
<b>September</b>	23	-
<b>October</b>	20	21
<b>November</b>	-	18*
<b>December</b>	-	16

\*Optional Board meeting dates.

\*\*This Board meeting will include the annual business and capital plans work session.

## **5. Sale of Land in Bastrop County (CR-08)**

### **Proposed Motion**

Declare two tracts of land totaling 2.127 acres, being a portion of McKinney Roughs Nature Park in Bastrop County (CR-08), non-essential and authorize the general manager or his designee to sell the land to the Texas Department of Transportation, and make the following findings:

1. There is no feasible and prudent alternative to the conveyance of the property nor change in use of the property; and
2. The conveyance and change in use of the land includes all reasonable planning to minimize harm to the land, as a public park, that may result from the land's conveyance and change in use.

### **Board Consideration**

Section 8503.020(b) of the Texas Special District Local Laws Code requires the approval of three-fourths of the LCRA Board's statutory membership (12 members) prior to the conveyance of any interest in real property. Section 49.226 of the Texas Water Code authorizes LCRA to convey real property for fair market value without going through a bid process. LCRA Board Policy 401 – Land Resources requires three-fourths of the LCRA Board's statutory membership to declare the land to be no longer necessary or of beneficial use to the business of LCRA prior to conveyance. Additionally, Section 8503.020 of the Texas Special District Local Laws Code and LCRA Board Policy 401 require the Board to approve the terms of all land sales. Chapter 26 of the Texas Parks and Wildlife Code requires that before a political subdivision approves a change in use of publicly owned park land, the governing body must make certain findings related to the change in use of the park land.

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

The administrative costs associated with conveying the land are contained in the fiscal year 2020 business plan. The proceeds of \$214,100 will be credited to the Public Recreation and Conservation Land Acquisition Fund in accordance with LCRA Board Policy 403 – Community Services.

### **Summary**

TxDOT is acquiring property along Highway 71 in Bastrop County for its SH 71 East Corridor Project, which will include adding an overpass, exit lanes, and upgrades to the frontage road at Pope Bend Road. The project requires TxDOT to acquire approximately 2.127 acres of land in two small tracts – 1.846 acres and 0.2808 acre – from the LCRA-owned McKinney Roughs (Parcel CR-08). TxDOT has offered a total of \$214,100 compensation for the tracts based on third-party appraisals performed by Eckmann Groll Inc.

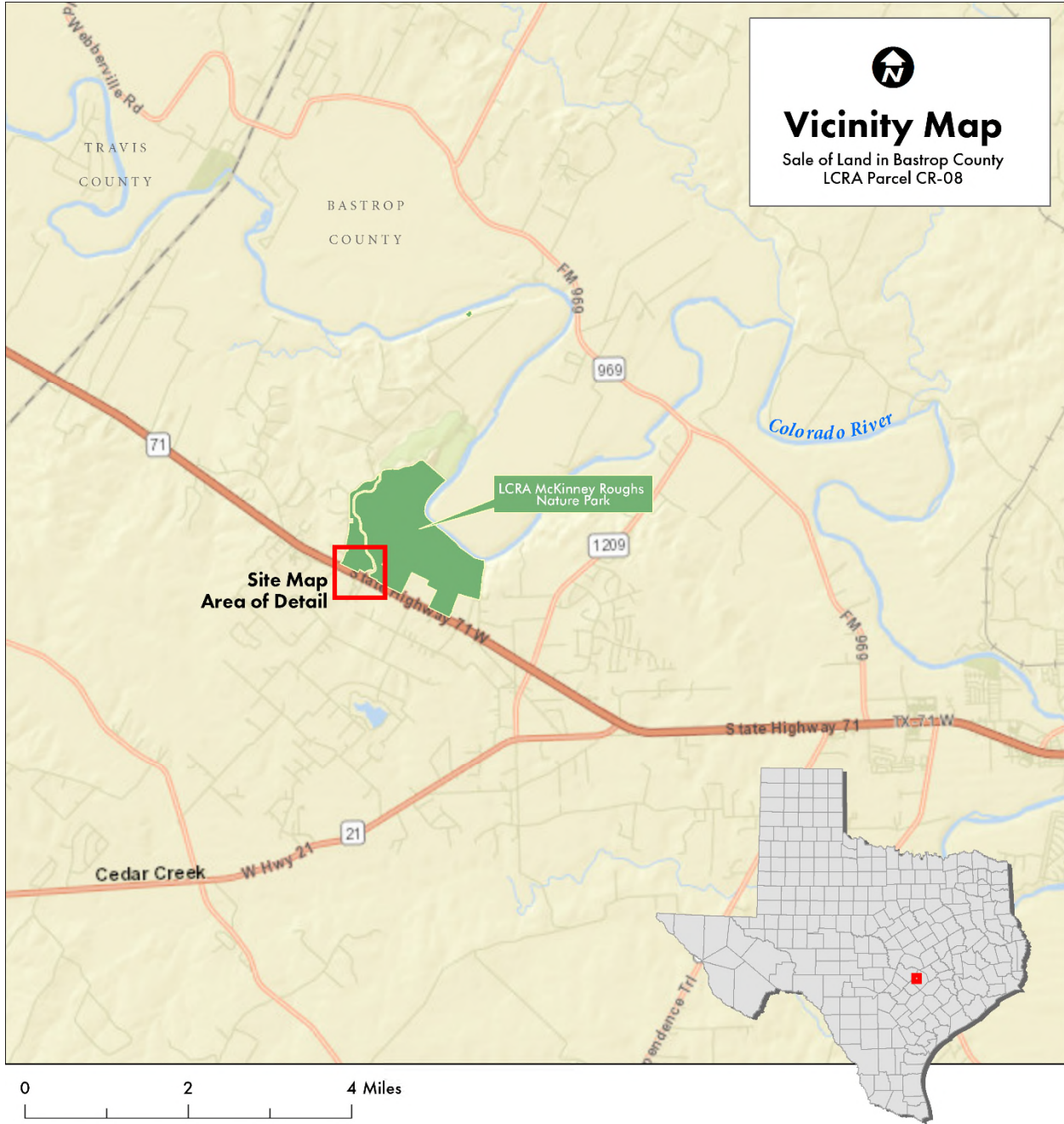
Chapter 26 of the Texas Parks and Wildlife Code required TxDOT to host a public hearing regarding the change in use of park property; 141 people attended the hearing on May 22, 2018, in Bastrop. No comments related to McKinney Roughs Nature Park were received from the public.

LCRA will reserve all presently held oil, gas, and sulfur rights, provided that LCRA shall not be permitted to drill or excavate for minerals on the surface of the property. TxDOT will provide vegetative screening consisting of live oaks, supplemented by a native shrub species acceptable to LCRA, along a portion of the new TxDOT right of way and will install and maintain temporary irrigation for the vegetative screen for a minimum of two years. LCRA staff will complete and document environmental and cultural due diligence in accordance with Board Policy 401.403 prior to the conveyance.

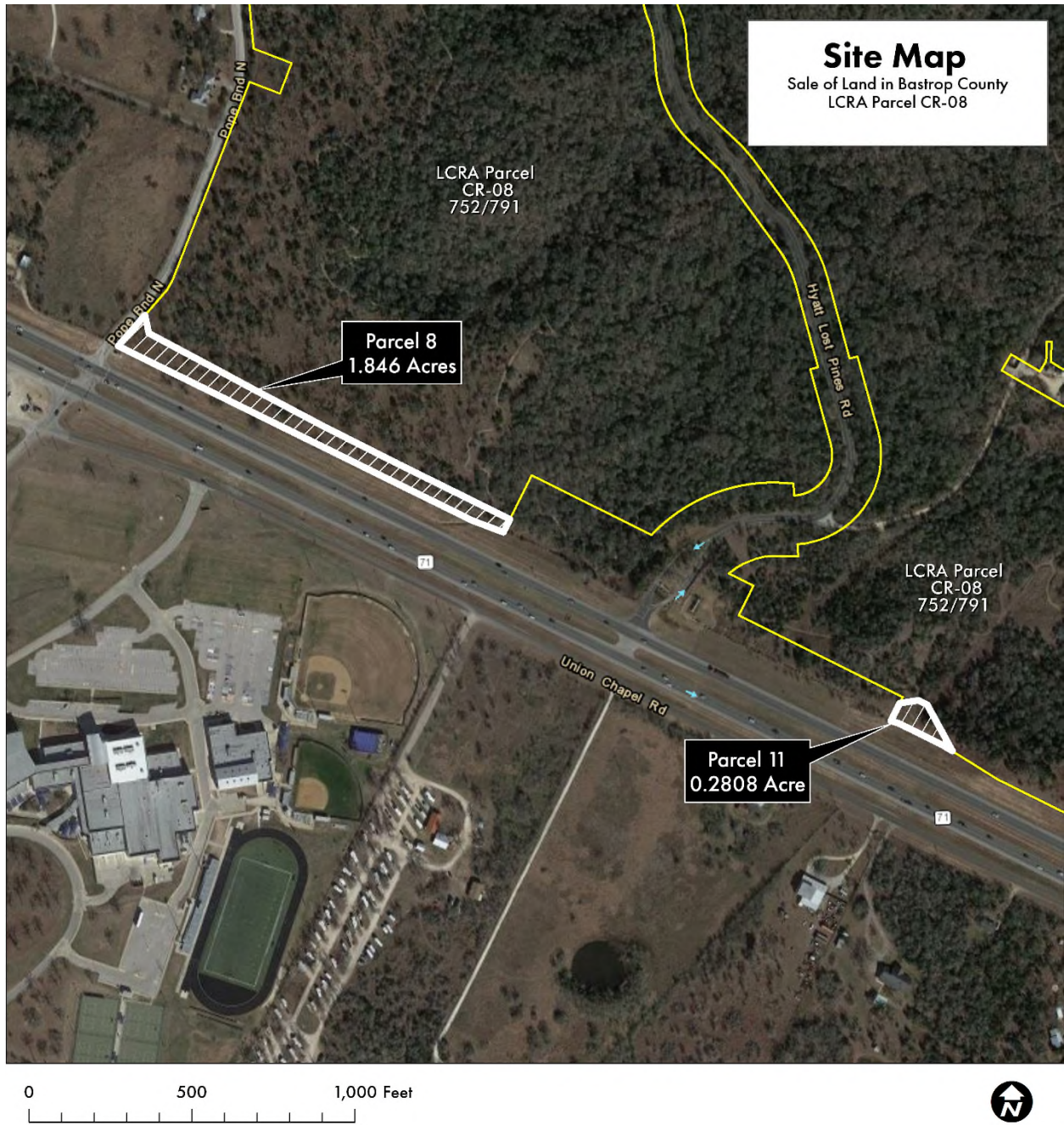
**Exhibit(s)**

- A – Vicinity Map
- B – Site Map

**EXHIBIT A**



**EXHIBIT B**



**FOR ACTION (CONSENT)**

## **6. Reclassification of Capital Improvement Projects**

### **Proposed Motion**

Approve reclassifying \$3.45 million of fiscal year 2020 spending from Transmission minor capital projects to Enterprise Support minor capital projects.

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

This action will have no budgetary or fiscal impact to the LCRA approved FY 2020 capital plans.

### **Summary**

Prior to FY 2019, LCRA purchased and owned minor capital assets, primarily fleet assets, for use by LCRA Transmission Services Corporation. These assets were funded by both LCRA TSC and LCRA.

During the FY 2019 and 2020 planning processes, LCRA categorized the budget for these purchases as Transmission projects in anticipation of transferring ownership of these assets from LCRA to LCRA TSC. However, upon additional analysis, staff determined the existing ownership of these assets by LCRA is still the most appropriate arrangement.

Staff seeks Board approval to reclassify the FY 2020 budget of \$3.45 million as an Enterprise Support project instead of a Transmission minor capital project. Staff reclassified similar expenditures for these types of assets in FY 2019 prior to close of the fiscal year.

**FOR ACTION (CONSENT)**

## **7. Directors' Fees, Expenses**

**Proposed Motion**

Approve directors' fees and expense reports.

**Board Consideration**

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

**Budget Status and Fiscal Impact**

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

**Summary**

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

**FOR ACTION (CONSENT)**

## **8. Minutes of Prior Meeting**

**Proposed Motion**

Approve the minutes of the May 22, 2019, meeting.

**Board Consideration**

Section 2.04 of the LCRA bylaws requires the secretary to keep minutes of all meetings of the Board of Directors.

**Budget Status and Fiscal Impact**

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

**Summary**

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

**Exhibit(s)**

A – Minutes of May 22, 2019, meeting



## **EXHIBIT A**

Minutes Digest  
May 22, 2019

- 19-18a Election of Stephen F. Cooper as Board vice chair for a term to begin on July 1, 2019, and expire on June 30, 2021.
- 19-18b Election of Joseph M. “Joe” Crane as Board secretary for a term to begin on July 1, 2019, and expire on June 30, 2021.
- 19-19 Approval of the appointment of LCRA Board committee members and committee chairs.
- 19-20 Approval of a resolution honoring David Smith, LCRA retiree.
- 19-21 Approval of a resolution honoring Pamela Jo “PJ” Ellison for her service on the LCRA Board of Directors.
- 19-22 Approval of a resolution honoring Franklin Scott Spears Jr. for his service on the LCRA Board of Directors.
- 19-23 Authorization for the general manager or his designee to grant an approximately 0.1928-acre stormwater drainage easement to CenterPoint Energy across an LCRA canal in the Gulf Coast Irrigation District in Matagorda County.
- 19-24 Authorization for the general manager or his designee to grant an approximately 0.19-acre permanent easement and 0.126-acre temporary construction easement to EC&R Development LLC for an underground electric collection line and an access road that will cross an LCRA canal in the Gulf Coast Irrigation District in Matagorda County.
- 19-25 Authorization for the general manager or his designee to convey to Aqua Water Supply Corporation a 20-foot-wide, 0.03-acre permanent easement and an adjacent 20-foot-wide, 0.03-acre temporary workspace easement across a portion of LCRA Parcel CR-08C in Bastrop County to install an underground water line.
- 19-26 Approval of directors’ fees and expense reimbursements.
- 19-27 Approval of the minutes of the Jan. 23, 2019, Feb. 20, 2019, and April 16, 2019, meetings.
- 19-28 Adoption of resolutions approving the fiscal year 2020 business and capital plans for LCRA and each of its affiliated nonprofit corporations

(LCRA Transmission Services Corporation, LCRA Wholesale Energy Services Corporation, WSC Energy II and GenTex Power Corporation).

- 19-29 Approval of the expenditure of up to \$5 million from the Infrastructure Reserve Fund for engineering and construction activities associated with Arbuckle Reservoir.
- 19-30 Approval of the LCRA Raw Water Conservation Plan and authorization for the general manager or his designee to submit the plan to the Texas Commission on Environmental Quality.
- 19-31 Authorization for the general manager or his designee to negotiate and execute the following contracts: Contract No. 5155 (Southern Field Environmental Elements); Contract numbers 5146, 5147 and 5148 (American Efficiency Services LLC, Evergreen Environmental Services LLC doing business as Evergreen North American Industrial Services and HydroChem LLC doing business as HydroChemPSC); Contract numbers 5157 and 5158 (Siemens Power Transmission and Distribution Inc. and ABB Inc.); Contract numbers 5151, 5152 and 5153 (Trench Limited Inc., ABB Inc. and KBS Electrical Distribution Inc.); Contract No. 5133 (Planet Forward Energy Solutions LLC); Contract numbers 5128, 5129 and 5140 (Action Battery Wholesalers doing business as BAE Batteries, Mesa Technical Associates Inc. and Nolan Power Group LLC.); Contract No. 5098 (Nokia of America Corporation); Contract No. 5122 (Dailey Wells Communications Inc.); Contract No. 5141 (W.W. Grainger Inc.); Contract numbers 5086, 5088 and 5090 (Pickett and Associates Inc., Burns and McDonnell Engineering Inc. and McCord Engineering Inc.); and Purchase Order No. 75127 (Stephen G. Wright).
- 19-32 Adoption and approval of the Fifty-fifth Supplemental Resolution to the Master Resolution to authorize the issuance of a taxable private placement note program in an amount not to exceed \$150 million principal amount, and also authorization for the general manager or the chief financial officer to execute a related note purchase agreement and all associated agreements necessary to support a letter of credit to the Electric Reliability Council of Texas to satisfy LCRA's financial security credit requirements pursuant to the ERCOT protocols for nodal market participants.

MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF THE  
LOWER COLORADO RIVER AUTHORITY  
Austin, Texas  
May 22, 2019

Pursuant to notice posted in accordance with the Texas Open Meetings Act, the Board of Directors (Board) of the Lower Colorado River Authority (LCRA) convened in a regular meeting at 9:33 a.m. Wednesday, May 22, 2019, in the Board Room of the Hancock Building, at the principal office of LCRA, 3700 Lake Austin Blvd., Austin, Travis County, Texas. The meeting was open to the public, and the following directors were present, constituting a quorum:

Timothy Timmerman, Chair  
Thomas Michael Martine, Vice Chair  
Stephen F. Cooper, Secretary  
Michael L. "Mike" Allen  
Lori A. Berger  
Joseph M. "Joe" Crane  
Laura D. Figueroa  
Raymond A. "Ray" Gill Jr.  
Thomas L. "Tom" Kelley  
Robert "Bobby" Lewis  
George W. Russell  
Margaret D. "Meg" Voelter  
Martha Leigh M. Whitten  
Nancy Eckert Yeary

Absent: Charles B. "Bart" Johnson

Chair Timmerman convened the meeting at 9:33 a.m.

There were no public comments on general topics under LCRA's jurisdiction (Agenda Item 1) during this meeting.

Chair Timmerman introduced Agenda Item 2 – Election of LCRA Board officers [attached hereto as Exhibit A]. Director Martine, chair of the Nominating Committee, reported the committee's nominations as follows: Stephen F. Cooper for vice chair and Joseph M. "Joe" Crane for secretary. Directors Gill and Whitten served on the Nominating Committee. There were no other nominations for these positions. Upon motion by Director Martine, seconded by Director Gill, the Board elected the following officers by a unanimous vote of 14 to 0:

19-18a Stephen F. Cooper to serve as Board vice chair for a term to begin on July 1, 2019, and expire on June 30, 2021.

19-18b Joseph M. “Joe” Crane to serve as Board secretary for a term to begin on July 1, 2019, and expire on June 30, 2021.

19-19 Chair Timmerman presented for consideration a recommendation, described in Agenda Item 3 [attached hereto as Exhibit B], that the Board approve the appointment of LCRA Board committee members and committee chairs as shown in revised Exhibit A of the agenda item. Upon motion by Director Kelley, seconded by Director Gill, the recommendation was unanimously approved by a vote of 14 to 0.

General Manager Phil Wilson gave the Board an update on safety. He highlighted staff’s management of flood operations during the May rain events; the Wholesale Power Safety Training Rodeo, including a video from the rodeo; and improvements underway to the courtyard of the General Office Complex. Wilson referenced the fiscal year 2020 business and capital plans agenda item, noted the growth in Texas and that the plans document how LCRA is helping to meet the needs of the Texans it serves. He also said LCRA recently paid off LCRA Series 2009 bonds totaling about \$133 million, with a major part of that debt associated with Wholesale Power.

Wilson gave an update on the Sunset review process, including the status of LCRA’s implementation of recommendations resulting from the review. He shared examples of employees’ contributions and accomplishments demonstrating the Colorado Commitment: I will make every LCRA endeavor outstanding. Wilson concluded by showing a video of the fifth annual LCRA Steps Forward Day held on April 5.

19-20 General Manager Phil Wilson presented for consideration a staff recommendation that the Board approve a resolution [attached hereto as Exhibit C] honoring LCRA retiree David Smith. Upon motion by Director Lewis, seconded by Director Figueroa, the recommendation was unanimously approved by a vote of 14 to 0.

19-21 General Manager Phil Wilson presented for consideration a recommendation that the Board approve a resolution [attached hereto as Exhibit D] honoring Pamela Jo “PJ” Ellison for her service on the LCRA Board of Directors. Upon motion by Director Cooper, seconded by Director Whitten, the Board unanimously approved the resolution by a vote of 14 to 0.

19-22 General Manager Phil Wilson presented for consideration a recommendation that the Board approve a resolution [attached hereto as Exhibit E] honoring Franklin Scott Spears Jr. for his service on the LCRA Board of Directors. Upon motion by Director Martine, seconded by Director Gill, the Board unanimously approved the resolution by a vote of 14 to 0.

Chair Timmerman next recessed the meeting at 10:44 a.m. for a short break and reconvened the meeting at 10:57 a.m.

Controller Julie Rogers presented the financial report for April 2019 [Agenda Item 5].

The Board next took action on the consent agenda. Upon motion by Director Russell, seconded by Director Berger, the Board unanimously approved consent items 6, 7, 8, 9 and 10 included on the May 22, 2019, consent agenda by a vote of 13 to 0 as follows [Director Lewis was temporarily absent for voting]:

19-23 Authorization for the general manager or his designee to grant an approximately 0.1928-acre stormwater drainage easement to CenterPoint Energy across an LCRA canal in the Gulf Coast Irrigation District in Matagorda County, as recommended by staff in Consent Item 6 [attached hereto as Exhibit F].

19-24 Authorization for the general manager or his designee to grant an approximately 0.19-acre permanent easement and 0.126-acre temporary construction easement to EC&R Development LLC for an underground electric collection line and an access road that will cross an LCRA canal in the Gulf Coast Irrigation District in Matagorda County, as recommended by staff in Consent Item 7 [attached hereto as Exhibit G].

19-25 Authorization for the general manager or his designee to convey to Aqua Water Supply Corporation a 20-foot-wide, 0.03-acre permanent easement and an adjacent 20-foot-wide, 0.03-acre temporary workspace easement across a portion of LCRA Parcel CR-08C in Bastrop County to install an underground water line, as recommended by staff in Consent Item 8 [attached hereto as Exhibit H].

19-26 Approval of directors' fees and expense reimbursements, as recommended in Consent Item 9 [attached hereto as Exhibit I].

19-27 Approval of the minutes of the Jan. 23, 2019, Feb. 20, 2019, and April 16, 2019, meetings [Consent Item 10].

19-28 Chief Financial Officer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 11 [attached hereto as Exhibit J], that the Board adopt resolutions approving the fiscal year 2020 business and capital plans for LCRA and each of its affiliated nonprofit corporations (LCRA Transmission Services Corporation, LCRA Wholesale Energy Services Corporation, WSC Energy II and GenTex Power Corporation). The Board had a detailed discussion on the FY 2020 business and capital plans during a work session on April 16. Upon motion by Director Berger, seconded by Director Gill, the recommendation was unanimously approved by a vote of 13 to 0 [Director Lewis was temporarily absent for voting on this item].

19-29 Executive Vice President of Water John Hofmann presented for consideration a staff recommendation, described in Agenda Item 12 [attached hereto as Exhibit K], that the Board approve the expenditure of up to \$5 million from the Infrastructure Reserve Fund for engineering and construction activities associated with Arbuckle Reservoir. Upon motion by Director Berger, seconded by Director Figueroa, the recommendation was unanimously approved by a vote of 14 to 0.

Jo Karr Tedder, president of Central Texas Water Coalition (CTWC), addressed the Board regarding Agenda Item 13 – LCRA Raw Water Conservation Plan. CTWC also provided written comments regarding this item.

19-30 Vice President of Water Resources Monica Masters presented for consideration a staff recommendation, described in Agenda Item 13 [attached hereto as Exhibit L], that the Board approve the LCRA Raw Water Conservation Plan and authorize the general manager or his designee to submit the plan to the Texas Commission on Environmental Quality. Staff also discussed this item with the Water Operations Committee on May 21. Upon motion by Director Berger, seconded by Director Kelley, the recommendation was unanimously approved by a vote of 14 to 0.

19-31 Chief Financial Officer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 14 [attached hereto as Exhibit M], that the Board authorize the general manager or his designee to negotiate and execute the following contracts: Contract No. 5155 (Southern Field Environmental Elements); Contract numbers 5146, 5147 and 5148 (American Efficiency Services LLC, Evergreen Environmental Services LLC doing business as Evergreen North American Industrial Services and HydroChem LLC doing business as HydroChemPSC); Contract numbers 5157 and 5158 (Siemens Power Transmission and Distribution Inc. and ABB Inc.); Contract numbers 5151, 5152 and 5153 (Trench Limited Inc., ABB Inc. and KBS Electrical Distribution Inc.); Contract No. 5133 (Planet Forward Energy Solutions LLC); Contract numbers 5128, 5129 and 5140 (Action Battery Wholesalers doing business as BAE Batteries, Mesa Technical Associates Inc. and Nolan Power Group LLC.); Contract No. 5098 (Nokia of America Corporation); Contract No. 5122 (Dailey Wells Communications Inc.); Contract No. 5141 (W.W. Grainger Inc.); Contract numbers 5086, 5088 and 5090 (Pickett and Associates Inc., Burns and McDonnell Engineering Inc. and McCord Engineering Inc.); and Purchase Order No. 75127 (Stephen G. Wright). Travis noted that the total amount of Purchase Order No. 75127 on Page 62 of the agenda should reflect \$120,000 instead of \$20,147. Upon motion by Director Voelter, seconded by Director Lewis, the recommendation was unanimously approved by a vote of 14 to 0.

Chair Timmerman declared the meeting to be in executive session at 11:17 a.m., pursuant to sections 551.071 and 551.086 of the Texas Government Code (Open Meetings Act). Executive session ended, and Chair Timmerman declared the meeting to be in public session at 12:20 p.m., with all directors present except Director Johnson.

19-32 Director Lewis moved, seconded by Director Gill, that the Board adopt and approve the Fifty-fifth Supplemental Resolution to the Master Resolution [attached hereto as Exhibit N], as discussed in executive session, to authorize the issuance of a taxable private placement note program in an amount not to exceed \$150 million principal amount, and also authorize the general manager or the chief financial officer to execute a related note purchase agreement and all associated agreements necessary to support a letter of credit to the Electric Reliability Council of Texas to satisfy LCRA's

financial security credit requirements pursuant to the ERCOT protocols for nodal market participants. The Board unanimously approved the motion by a vote of 14 to 0.

There being no further business to come before the Board, the meeting was adjourned at 12:21 p.m.

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Joseph M. Crane  
Secretary  
LCRA Board of Directors  
Approved: Aug. 21, 2019

**FOR ACTION**

## **9. LCRA Board Policy 404 – Grants and Economic Development**

### **Proposed Motion**

Approve revisions to LCRA Board Policy 404 – Grants and Economic Development as shown in Exhibit A, establishing a new economic development program to facilitate rural broadband connectivity and telecommunications services in the LCRA service area; and find that the program is intended and expected to accomplish the program's stated purposes.

### **Board Consideration**

Board of Directors approval is required for any changes to LCRA Board policies. The establishment of an economic development program under Chapter 152 of the Texas Water Code requires formal action of the Board.

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

This program will be managed within the FY 2020 business and capital plan approved by the Board.

### **Summary**

Staff recommends approval of this item to establish a new economic development program under Chapter 152 of the Texas Water Code. The proposed program is intended to promote economic development within LCRA's service area by facilitating rural broadband connectivity and telecommunications services in rural communities. The program will make use of excess broadband infrastructure and fiber optic line capacity.

The goals, requirements, restrictions and procedures for the program are set out in the proposed changes to Board Policy 404 as shown in Exhibit A.

### **Presenter**

Phil Wilson  
General Manager

### **Exhibit(s)**

A – Proposed Revisions to LCRA Board Policy 404 – Grants and Economic Development



## EXHIBIT A

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### LCRA BOARD POLICY

#### 404 – GRANTS AND ECONOMIC DEVELOPMENT

~~Dec. 11, 2018~~ Aug. 21, 2019

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##### **404.10 PURPOSE**

This policy establishes guidelines under which assistance, including grants or loans of money, services or property, may be extended by LCRA for economic development purposes consistent with Chapter 152 of the Texas Water Code (Chapter 152).

##### **404.20 POLICY**

It is the policy of LCRA to sponsor and participate in appropriate economic development programs that are intended to strengthen the economic base and further the economic development of LCRA's statutory district and electric and water service areas. The goal of any such program will be to:

- Encourage economic diversification;
- Contribute to the health and development of a community to improve the attractiveness of the community to public and private enterprises; or
- Improve the quality or quantity of services essential for the development of viable communities and economic growth, including services related to education, transportation, public safety, recreation, health care, training, community planning or employment.

In no event will LCRA make receiving electric service from LCRA a condition for participation in or receiving a benefit from an economic development program. Furthermore, LCRA will not use an economic development program to promote fuel switching or the substitution of electric power for another fuel or energy source or provide an economic incentive or other incentive to use electric power to preferentially market the use of electric power over another fuel or energy source.

##### **404.30 APPLICABILITY AND LIMITS OF THIS SECTION**

This policy applies to those LCRA economic development activities that are authorized solely under Chapter 152, including routine economic development programs, extraordinary economic development programs and the Community Development Partnership Program, as further defined and explained in separate sections below. The

economic development policy is not intended to address or limit in any way any LCRA activity for which LCRA has authority independent of Chapter 152, such as developing parks and recreation facilities within LCRA's statutory district and providing water and electric services, regardless of the fact that such activities may produce incidental economic benefits.

#### **404.40 ROUTINE PROGRAMS**

Routine economic development programs are those programs and activities that involve any of the following:

- Providing used equipment of minimal value or materials and services that do not unreasonably impact LCRA's normal business operations;
- Sponsoring economic development efforts through grants of \$20,000 or less;
- Participating in nonprofit regional economic development coalitions and organizations intended to promote viable communities and economic growth within LCRA's statutory district and service areas;
- Recruiting new business and expansion efforts;
- Promoting tourism; and
- Providing scholarships to students through the LCRA Scholarship Program.

Examples of routine economic development programs include donations of used computers to schools; grants to nonprofit organizations for scholarships; use of LCRA equipment for installation of holiday lights, flagpoles and other fixtures at public facilities; Steps Forward Day and similar community activities; and membership and participation in strategic coalitions and other nonprofit organizations that contribute to the economic development of the region. Routine economic development programs are intended and expected to carry out the purposes of strengthening the economic base and furthering the economic development of the LCRA service area.

The participant in or recipient of the program will be required to be located within LCRA's statutory district or electric or water service area.

Funding for a routine economic development program must be consistent with the LCRA business plan and be within the budget of the line of business undertaking the activity.

#### **404.50 EXTRAORDINARY PROGRAMS**

Grants or loans of money, services or property by LCRA for economic development purposes that are not routine economic development programs are considered to be extraordinary economic development programs. No extraordinary economic development

program will be undertaken by LCRA without the specific approval of the LCRA Board of Directors.

#### **404.60 COMMUNITY DEVELOPMENT PARTNERSHIP PROGRAM**

Under the authority granted in Chapter 152, and at the discretion of the Board, LCRA will operate the Community Development Partnership Program (CDPP) to provide community development grants to governmental and nonprofit entities for capital projects in LCRA's water service and wholesale power service areas.

All communities of the LCRA service area, whether in the wholesale power service area or water service area, are eligible for grants under this program. Grants will be made on behalf of LCRA and its wholesale power customer serving the grant recipient's area.

**404.601 CDPP Review Committee.** The LCRA Board will create an 11-member review committee to review, score and award all CDPP grants and services valued at more than \$1,000, except for grants awarded pursuant to the GM/CEO's discretionary authority as described below. The 11-member CDPP Review Committee will be made up of the GM/CEO, who will serve continuously; three LCRA Board members appointed by the LCRA Board chair for one calendar year term; six electric customer representatives for two-year rotating terms; and one water customer for a two-year term. All committee members will continue to serve until their successors are selected. Any member unable to attend a committee meeting may appoint a proxy representing the member's interest group on the committee.

**404.602 Grant application process.** The CDPP Review Committee will develop and implement the grant application, review and selection process. The LCRAGM/CEO will have the discretion to award grants or services up to \$2,500 in value without the LCRA Board or CDPP Review Committee approval, not to exceed a total of \$50,000 per program year. This policy is intended to allow LCRA to respond more quickly to smaller requests and to free the CDPP Review Committee to focus on larger grant requests.

**404.603 Funding.** No administrative or operating expenses will be taken out of the funds the Board allocates for the grant program. All operating funds and resources will come from the Governmental and Regional Affairs budget.

Seventy percent of the grant money available must be awarded for grants of \$25,000 or less. Thirty percent of the grant money available may be awarded for grants of \$25,001 to \$50,000 each. A 20 percent cash and/or in-kind match will be required for grants of more than \$5,000. In any event, a participant may only receive one grant in any 24-month period.

Grant funds awarded by the CDPP Review Committee will only be used for capital improvement projects and not for planning grants, hiring of consultants, training or workshops with the exception of public firefighting organizations, including volunteer fire departments. Capital improvements are defined as, but not limited to, all projects related

to physical improvement, additions and betterments to the community. LCRA and the CDDP Review Committee may use rules adopted by the Texas Commission on Fire Protection as general guidelines in determining eligibility for and types of assistance to public firefighting organizations.

LCRA may provide technical assistance for parks pursuant to Chapter 152 independent of the CDDP Review Committee.

**404.604 Project Monitoring.** LCRA staff will ensure completion of each grantee's project.

#### **404.70 RURAL BROADBAND AND TELECOMMUNICATIONS PROGRAM**

Under the authority granted in Chapter 152, and at the discretion of the Board, LCRA will establish and administer the Rural Broadband and Telecommunications Program (Project Connect) within LCRA's service area to facilitate rural broadband connectivity and telecommunications services in rural communities through the deployment of excess broadband infrastructure and fiber optic line capacity.

**404.701 Program Goal.** The goal of Project Connect is to leverage LCRA's excess fiber optic lines and excess transport network capacity to facilitate broadband connectivity and telecommunications services in underserved rural communities within LCRA's service area in an effort to:

- (i) encourage economic diversification within the communities;
- (ii) contribute to the health and development of the communities to improve the attractiveness of the communities to public and private enterprises; and
- (iii) improve the quality or quantity of services essential for the development of viable communities and economic growth, including services related to education, transportation, public safety, recreation, health care, training, community planning, or employment.

**404.702 Participant Requirements.** Entities eligible to participate in the Project Connect program include governmental entities, utility cooperatives, hospitals, public school districts and other education organizations, and internet service providers.

#### **404.703 Restrictions, Procedures and Budget.**

##### A. Restrictions on Participants.

1. Participants must use the program to provide rural broadband or telecommunications service to end users within LCRA's service area.
2. Participants may not use the program to initiate service to end users located within any municipality with more than 50,000 residents, based on the most recent census.

##### B. Restrictions on Program.

1. Necessary property rights will be acquired.
2. The program will use excess capacity available in the system.
3. The program does not include delivery of content or last-mile service.

4. The program is limited to facilitating broadband connectivity and telecommunications services only.
5. The program may provide either dim, lit or dark fiber.
6. The program does not include two-way radio service.
7. This program will not cause LCRA to become either a telecommunications common carrier or an internet service provider.

C. Procedures.

1. Participant initiates the request for use of broadband infrastructure or telecommunications facilities.
2. Participant must enter into legally binding, individually negotiated agreement with LCRA.
3. Staff will develop and follow an internal process for review and approval of each economic development opportunity.

D. Budget Limits. The Board will establish an annual budget for the Project Connect program each year in the LCRA Business Plan.

**404.80 AUTHORITY**

LCRA enabling legislation, Chapter 8503, Texas Special District Local Laws Code  
Texas Water Code, Chapter 152

**EFFECTIVE:** Sept. 21, 2016 (moved from Board Policy 403 – Community Services).  
Amended Dec. 11, 2018 and Aug. 21, 2019.

**FOR ACTION**

## **10. LCRA Board Policy 207 – Outside Legal Representation and Related Matters**

**Proposed Motion**

Approve amendments to LCRA Board Policy 207 – Outside Legal Representation and Related Matters, as shown in Exhibit A, including changing the name to Legal Matters and Alternative Dispute Resolution.

**Board Consideration**

Board of Directors approval is required for any changes to LCRA Board policies.

**Budget Status and Fiscal Impact**

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

**Summary**

Staff recommends revisions to LCRA Board Policy 207 – Outside Legal Representation and Related Matters in order to comply with an amendment to the LCRA Act recently adopted by the Texas Legislature in response to a Sunset Commission recommendation. The new law requires the Board to develop a policy to encourage the use of alternative dispute resolution procedures to assist in the resolution of disputes under the authority's jurisdiction.

The amended policy would require staff to develop, maintain, and follow procedural guidelines for determining the appropriateness of the use of ADR procedures in any given situation. Staff has prepared the procedural guidelines and will implement them immediately.

**Presenter(s)**

Tom Oney  
General Counsel

**Exhibit(s)**

A – Proposed Amendments to LCRA Board Policy 207 – Outside Legal Representation and Related Matters

## EXHIBIT A

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### LCRA BOARD POLICY

#### 207 – ~~OUTSIDE LEGAL REPRESENTATION AND RELATED MATTERS~~ AND ALTERNATIVE DISPUTE RESOLUTION

~~Sept. 21, 2016~~ Aug. 21, 2019

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#### 207.10 PURPOSE

This policy establishes requirements for the retention of outside legal counsel and related legal services, including retention of special counsel to the LCRA Board of Directors.

#### 207.20 OUTSIDE LEGAL COUNSEL

**207.201 Approval.** Except as provided in Section 207.30 below, the general counsel is authorized to engage outside legal counsel when necessary to support the legal representation of LCRA; however, the general counsel will consider the expertise, the cost and the potential for conflicts of interest (as described in the Texas Disciplinary Rules of Professional Conduct) of any firm or attorney being considered. No employee may request a written opinion from outside counsel or distribute copies of any such opinion without prior approval from the general counsel or his or her designee.

**207.202 Related Legal Services.** When services other than outside legal counsel are necessary to support the legal representation of LCRA, the general counsel may engage such services upon approval from the GM/CEO.

**207.203 Written Agreements.** No outside counsel may be retained without a written contract.

**207.204 Reporting to the Board.** Each time the general counsel enters into a contract for outside legal or related services, he or she will report to the Board the name of the firm and the type of work the firm is hired to perform. The report will be given no later than 30 days after the date of the contract.

#### 207.30 SPECIAL COUNSEL TO THE BOARD

**207.301 Special Counsel to the Board.** The general counsel is the legal advisor to the Board, although the Board may at any time consult with or retain special counsel to the Board of its choice in the representation of the Board on any matter the Board determines is warranted or advisable. The Board may consult with the general counsel in this regard, but such consultation is not required. Circumstances in which the Board

may retain special counsel to the Board include but are in no way limited to circumstances in which the Board determines an independent legal review of any matter is merited or a conflict of interest exists or may exist between the interests of the Board and LCRA staff or one or more Board members and LCRA. Any Board director may consult directly with and request legal advice from special counsel to the Board relating to any matter for which special counsel has been retained.

**207.302 Approval.** Special counsel to the Board must be approved by a majority vote of the Board at a regular or special Board meeting, or if the Board chair determines that it is not practical to wait for a Board meeting, the chair may retain special counsel to the Board at any time subject to approval by the Board at the next scheduled Board meeting.

**207.303 Conflicts.** Special counsel to the Board will promptly disclose to the chair any conflicts or potential conflicts of interest between special counsel to the Board and LCRA. Special counsel to the Board also will consult with the general counsel regarding potential conflicts with LCRA. The Board may either waive any existing or potential conflict or terminate the representation.

**207.304 Written Agreements.** Special counsel to the Board may not be retained without a written agreement. After approval of the Board, or if the chair determines it is not practical to wait for a Board meeting, the chair will execute a written agreement regarding the representation. Except as otherwise provided by this Board policy or by the written agreement, special counsel to the Board must comply with the general terms of the standard engagement letter and LCRA Guidelines for Outside Counsel typically used for retention of outside counsel under Section 207.20 above.

**207.305 Reporting to the Board.** Unless the written agreement with special counsel to the Board provides otherwise, special counsel to the Board will be supervised by the chair, or another Board member as authorized by the Board, and invoices and other administrative matters relating to special counsel to the Board will be routed through the general auditor. The general auditor will report the compensation and expenses paid for special counsel to the Board for each calendar quarter in which the special counsel has provided legal service to the Board.

## **207.40 ALTERNATIVE DISPUTE RESOLUTION**

**207.401 Policy.** It is the policy of LCRA to encourage the use of appropriate alternative dispute resolution (ADR) procedures under Chapter 2009, Government Code, to assist in the resolution of internal and external disputes under LCRA's jurisdiction.

**207.402 Procedures.** The GM/CEO is directed to coordinate the implementation of this policy and shall ensure that appropriate procedural guidelines are developed, maintained, and followed for the review of disputes on a case-by-case basis to



determine the appropriateness of ADR measures. The GM/CEO shall periodically provide the Board of Directors an update on the use of ADR procedures.

**207.450      AUTHORITY**

LCRA enabling legislation, Texas Special District Local Laws Code, Chapter 8503  
LCRA Bylaws, Section 3.04

**EFFECTIVE:** Feb. 16, 2011. Amended Aug. 15, 2012; June 19, 2013; ~~and~~ Sept. 21, 2016; and Aug. 21, 2019.

**FOR ACTION**

## **11. LCRA Board Policy 501 – Water Resources**

**Proposed Motion**

Approve revisions to LCRA Board Policy 501 – Water Resources as shown in Exhibit A.

**Board Consideration**

Board of Directors approval is required for any changes to LCRA Board policies.

**Budget Status and Fiscal Impact**

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

**Summary**

Staff recommends revisions to LCRA Board Policy 501 – Water Resources in order to comply with an amendment to the LCRA Act recently adopted by the Texas Legislature in response to a Sunset Commission recommendation. The new law requires the Board to develop and implement a policy that provides a structure for public engagement in regard to water supply projects. The proposed changes to the policy provide a description of how LCRA will seek to actively engage stakeholders in the process of developing new water supply projects.

Proposed changes are redlined in Exhibit A.

**Presenter**

Tom Oney  
General Counsel

**Exhibit(s)**

A – Proposed Revisions to LCRA Board Policy 501– Water Resources

## EXHIBIT A

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### LCRA BOARD POLICY

#### 501 – WATER RESOURCES

~~Sept. 21, 2016~~ Aug. 21, 2019

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#### 501.10 PURPOSE

This policy establishes principles and guidelines for implementing LCRA's responsibilities regarding water supply management, planning and development, water conservation, environmental flows, water quality protection, water contracts and rates, and the temporary lowering of LCRA-operated lakes.

#### 501.20 WATER SUPPLY MANAGEMENT, PLANNING AND DEVELOPMENT

**501.201 Water Supply.** LCRA will take initiative in appropriate management, planning, programs and projects to control, store, preserve, use, develop, conserve and manage the water supplies under its jurisdiction. To guide this effort, LCRA will adhere to the following general principles:

1. As a regional water supplier, LCRA will, where practically feasible, cooperate with regional efforts to benefit the Colorado River basin.
2. LCRA will optimize its water supply by managing the water stored in lakes Buchanan and Travis with a basinwide perspective of ensuring firm water supplies are available during an extended drought while continuing to make interruptible supplies available whenever possible. LCRA will achieve this objective, in part, through the development and implementation of its state-approved Water Management Plan.
3. While maximizing the potential supplies available from its Colorado River rights in a cost-effective manner, LCRA may consider development of new, cost-effective supplies to serve its customers.
4. LCRA will monitor developments in state water law and water rights permitting and, where necessary, take action to ensure the legal rights and obligations LCRA has to manage the state's water resources are not significantly and adversely affected by such activities.
5. LCRA will stay fully apprised of developments regarding the legal framework under which groundwater is regulated and evaluate LCRA's role and the potential

impacts to LCRA. Through ongoing assessments of groundwater supplies, LCRA will encourage and research conjunctive management and use of groundwater and surface water supplies. LCRA may plan, develop and manage groundwater and conjunctive use projects where economically feasible and supported by sound science.

6. LCRA will explore opportunities to improve the reliability of water supply for agricultural needs through diverse, cost-effective strategies that increase available supply in the lower basin while minimizing the impact on firm water customers.
7. A preference for a basinwide approach to benefit both upstream and downstream interests will be given when pursuing water supply strategies.

501.202 Public Engagement. LCRA will provide information to the public about plans for future water supply projects and will solicit feedback from the public in the decision-making process. -LCRA's public engagement process may include the use of one or more of the following: advisory committees, community forums, town hall meetings or open houses, newspaper advertisements, dedicated webpages, online feedback forms, and other strategies, as appropriate, in addition to any applicable regulatory agency-required public process. -The scope and details of LCRA's public engagement process for any proposed project will depend on the size and nature of the proposed project.

For any new water supply project that is expected to create 10,000 acre-feet or more per year, staff will, at a minimum:

- Meet with stakeholder groups and, as appropriate, individuals to provide information about the proposed project, answer questions, and solicit input.
- Create a dedicated webpage designed to educate the public about the proposed project and to solicit input from stakeholders and other interested participants. The webpage will provide information relevant to the proposed project, including meeting presentations, participant comments and LCRA's responses, and appropriate technical information.
- Provide periodic progress reports to the Water Operations Committee in public meetings of the committee, including reports on feedback and input received from the public.

Nothing in this policy shall be construed as requiring the disclosure of information that is protected under Texas open government laws.

## **501.30 WATER CONSERVATION**

LCRA will meet or exceed state water conservation requirements and provide leadership in promoting the conservation of water. LCRA's commitment to conserving water will be achieved by implementing a variety of programs designed to encourage the conservation of water.

## **501.40 ENVIRONMENTAL FLOWS**

LCRA is committed to maintaining, and where reasonably possible, improving fish, wildlife and recreation resources in the river and bay system. LCRA will continue to be a leader in developing high-quality science on environmental flows for the benefit of the lower Colorado River basin and comply with all state and federal requirements in the most efficient way possible. LCRA will provide water to help meet environmental flow needs in a manner that does not diminish or hamper its ability to meet current and future water demands of other beneficial users in the basin.

## **501.50 WATER QUALITY PROTECTION**

LCRA will provide leadership in protecting water quality and, where reasonably possible, improving the quality of the surface water and groundwater within the lower Colorado River watershed. LCRA will seek to protect against degradation of water quality and will support recreation, aquatic life and water supply uses of the waters under its jurisdiction. LCRA will implement this goal through monitoring, assessment, advocacy, contracting, regulatory oversight, and reliance on the best available science, technology and innovation. LCRA will cooperate with other concerned public and private entities to help address issues of concern related to water quality within the lower Colorado River watershed, including groundwater.

## **501.60 WATER CONTRACTS AND RATES**

**501.601 Water Contracts.** LCRA will develop reasonable rules for the consideration, issuance and administration of raw water contracts. Such rules should address requirements for water conservation, drought contingency, interbasin transfers, water quality impacts, and other requirements necessary for the fair and appropriate administration of water contracts. The rules should be updated from time to time to reflect changes to Board policy, applicable law or other business needs. LCRA staff will develop standard form raw water contracts consistent with Board policies and rules.

**501.602 Water Rates.** LCRA's rates will be just and reasonable, not unduly discriminatory, and set to fully recover LCRA's costs to control, store, preserve, conserve, use, plan, develop, manage, distribute and sell the water supplies under its jurisdiction, consistent with state law. The rates will be designed to allow LCRA to be self-supporting in providing these services and with the goal of providing for a stable and predictable flow of revenue.

**501.603 Board Consideration and Public Input.** Implementation of new rates will be carried out within a time frame that attempts to minimize adverse impacts upon the customers of LCRA. All contract rules and rates will be presented to the LCRA Board of Directors for approval, and the public, including all water customers, will be afforded an opportunity to comment on such actions prior to the Board's consideration for approval.

## **501.70            LOWERING LCRA-OPERATED LAKES**

The general manager may authorize the temporary lowering of Inks Lake, Lake LBJ, Lake Marble Falls and Lake Austin only if such lowering will not interfere with LCRA's essential operations, unreasonably impact aquatic habitat, or result in any unrecovered losses related to water supply and are otherwise consistent with LCRA's water rights and existing contracts and leases. Further, such lowerings will not result in any unreasonable losses related to hydro-generation revenues for any lowering of Lake Austin or any lowering of Inks Lake, Lake LBJ or Lake Marble Falls that occurs with a frequency of more than once every four years.

## **501.80            AUTHORITY**

Texas Water Code, chapters 11 and 12

Texas Special District Local Laws Code §§ 8503.001, 8503.004, 8503.0105, 8503.011, 8503.012, 8503.013, 8503.028, 8503.029 and 8503.030

**EFFECTIVE:** Dec. 15, 2010. Amended Sept. 21, 2016; and Aug. 21, 2019.

## **FOR ACTION**

# **12. City of Cedar Park – Amendment to Firm Water Contract for Municipal Use**

### **Proposed Motion**

Authorize the general manager or his designee to amend the current firm raw water contract with the City of Cedar Park for municipal use of LCRA's firm water supply to increase the maximum annual quantity from 20,500 acre-feet per year to 23,000 acre-feet per year.

### **Board Consideration**

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

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

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

### **Summary**

The City of Cedar Park has requested to increase its current contracted maximum annual quantity by 2,500 acre-feet per year, from 20,500 acre-feet to 23,000 acre-feet. In May 2018, the Board approved a 40-year contract that increased the maximum annual quantity from 18,000 acre-feet to 20,500 acre-feet and agreed to waive the requirement for notice for a contract increase of up to 2,500 acre-feet if Cedar Park submitted such a request within one year. In May 2019, Cedar Park submitted the requested increase to its maximum annual quantity with the application fees associated with the additional water. Cedar Park has an estimated population of 70,000 and a service area that falls within both the Colorado and Brazos river basins. Cedar Park has been an LCRA customer for more than 30 years.

Due to its location, Cedar Park currently holds an interbasin transfer permit, allowing the use of Colorado River water in the Brazos River basin. After executing the amendment, Cedar Park and LCRA will jointly file an amendment with the Texas Commission on Environmental Quality to allow the transfer of the additional water. Under the amended contract, Cedar Park would waive any rights to return flows beyond those for which Cedar Park already holds a permit.

The contract includes water conservation and drought contingency plans that meet LCRA's requirements. These plans include adoption of permanent limits to weekly landscape irrigation and other measures that reflect many of the best practices in the region. LCRA has determined there are sufficient firm water supplies in lakes Buchanan and Travis or other sources of supply, including LCRA run-of-river water rights, to meet the amount requested.

Staff recommends the approval of this contract amendment to increase Cedar Park's maximum annual quantity from 20,500 acre-feet to 23,000 acre-feet per year.

**Presenter(s)**

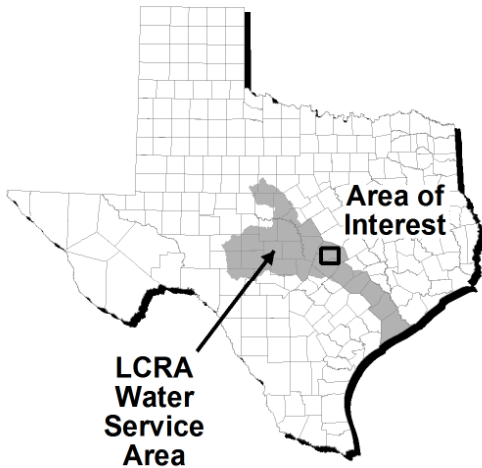
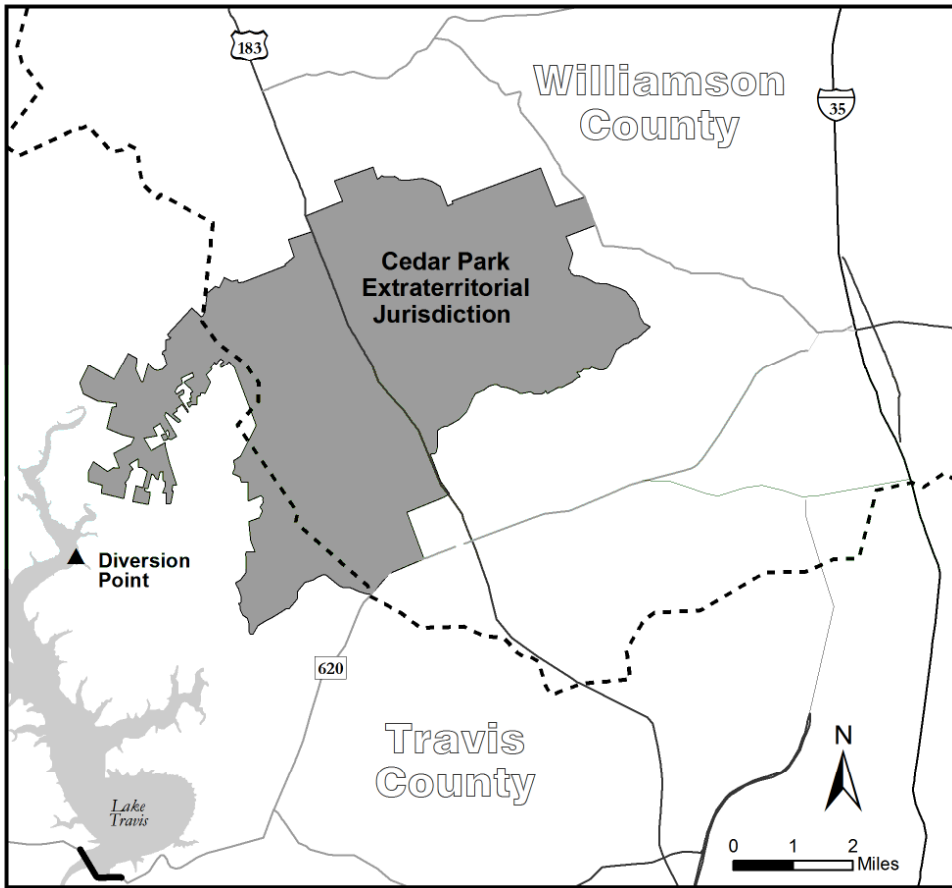
Monica Masters  
Vice President, Water Resources

**Exhibit(s)**

A – General Location Map



**EXHIBIT A**



**General Location Map**

**Water Sale Contract  
for Municipal Use  
City of Cedar Park**

- Municipal Extraterritorial Jurisdiction
- ▲ Diversion Point

**FOR ACTION**

## **13. Horseshoe Bay Resort – Renewal of Firm Water Contract for Irrigation Use**

### **Proposed Motion**

Authorize the general manager or his designee to negotiate and execute a standard firm raw water contract renewal with Horseshoe Bay Resort for irrigation use of LCRA's firm water supply of up to 1,475 acre-feet per year for a term of 10 years.

### **Board Consideration**

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

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

The new contract with Horseshoe Bay Resort will maintain revenues similar to those generated from the current contract due to similar payment provisions in the current and new contracts.

### **Summary**

Horseshoe Bay Resort's current contract allows for the irrigation of four golf courses as well as vegetated and landscaped areas around the resort hotel and marina. The 400-room resort covers an area of about 1,100 acres and is situated on the banks of Lake LBJ in Llano County. The proposed replacement contract will include LCRA's current standard terms and will maintain the same quantity of 1,475 acre-feet per year with a 10-year term.

Staff has reviewed and approved Horseshoe Bay Resort's conservation and drought contingency plans. The resort operates all pump stations with variable frequency drive – a type of motor controller that reduces electricity and water consumption. The resort also reduces irrigation of rough during drought; monitors soil moisture using sensors and mobile moisture meters to manage water more accurately; and uses on-site weather stations to help manage irrigation use.

LCRA also has determined there are sufficient firm water supplies in lakes Buchanan and Travis or other sources of supply, including LCRA run-of-river water rights, to meet the recommended amount. This replacement contract will not result in an increase in LCRA's total firm water commitments.

Staff recommends the Board approve this renewal contract for 1,475 acre-feet per year of firm water supply.

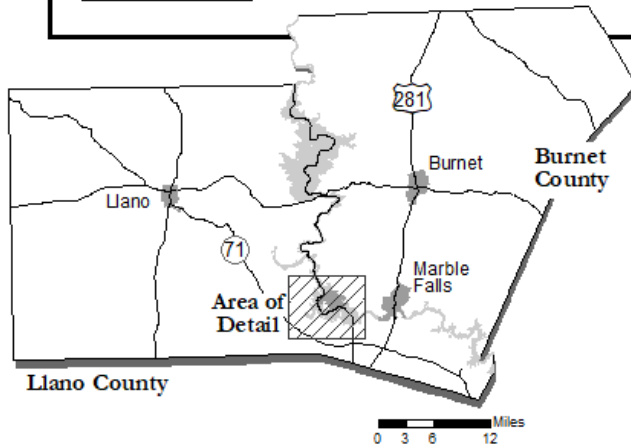
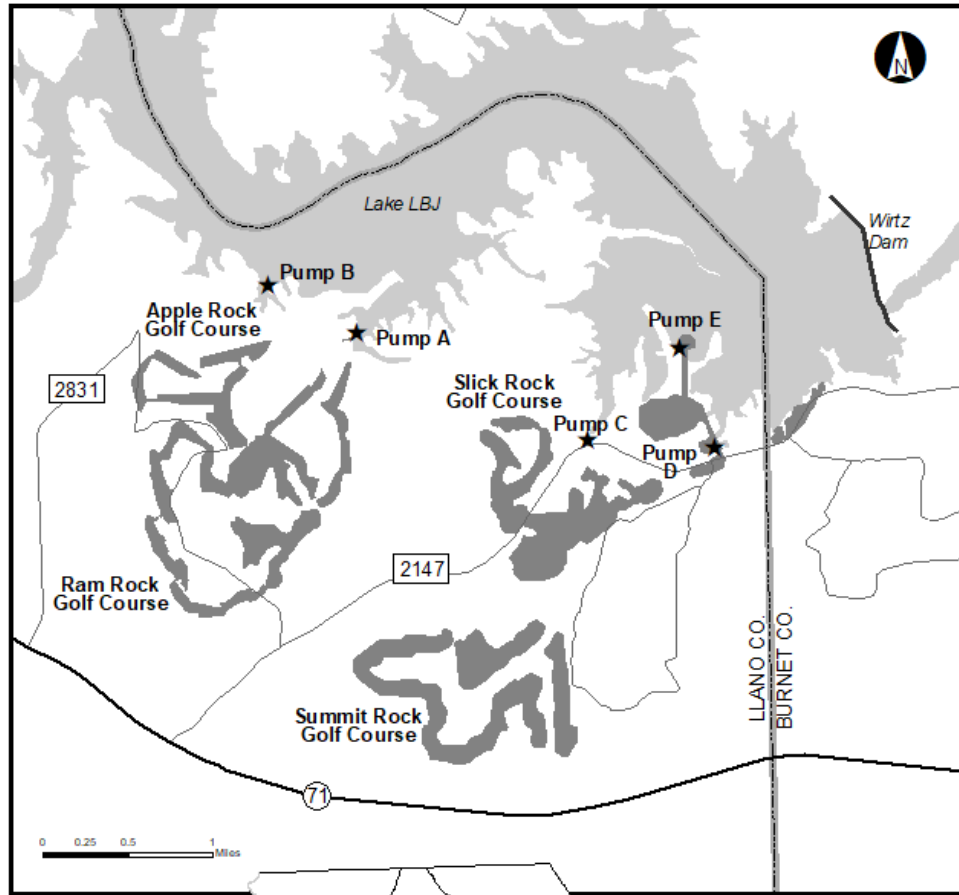
### **Presenter(s)**

Monica Masters  
Vice President, Water Resources

### **Exhibit(s)**

A – General Location Map

**EXHIBIT A**



**General Location Map**

**Firm Water Contract  
for Irrigation Use**

- Horseshoe Bay Resort Service Area
- Diversion Point, Pump

## FOR ACTION

# 14. Contracts and Contract Changes

### Proposed Motion

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

### Board Consideration

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

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

### Budget Status and Fiscal Impact

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

### Summary

Supplier (Contract No.)	Spending	Supplying
Dupont Building Inc. (5218)	\$5.23 million	Metal shelters for Telecommunications
Burns & McDonnell Engineering Company Inc. (5227) and SGV International LLC (5228)	\$10 million	Telecommunications engineering services
Black & Veatch Corporation (5233) and Electrical Consultants Inc. (5234)	\$7 million	Engineering as-built designing services
AFL Telecommunications Inc. (5238)	\$30 million	Optical ground wire
Turtle and Hughes Inc. (5251)	\$17 million	Electrical supplies and industrial parts and supplies
Southwire Company LLC (5284)	\$60 million	Aluminum overhead conductor

<b>Supplier (Contract No.)</b>	<b>Spending</b>	<b>Supplying</b>
AECOM Technical Services Inc. (5289), Burns & McDonnell Engineering Company Inc. (5290), Freese and Nichols Inc.(5291), HDR Engineering Inc.(5292), Arredondo, Zepeda & Brunz LLC (5293), Acuren Inspection doing business as M&M Engineering Associates (5294), Mistras Group Inc.(5295), Reinhart & Associates Inc.(5296), Stanley Consultants Inc.(5297), Structural Integrity Associates Inc.(5298), Pape Dawson Munoz LLC (5301), Wiss, Janney, Elstner Associates Inc.(5302), and INTERA Inc. (5303)	\$60 million	Professional engineering and ancillary services
ChemTreat Inc. (5299)	\$7 million	Specialty chemicals and water treatment services
Saber Power Services LLC (5306)	\$20.117 million	Gabriel Substation design-build services
<b>Total</b>	<b>\$216.347 million</b>	

**Presenter(s)**

Michael McGann  
Vice President, Supply Chain

**Exhibit(s)**

A – New Contracts  
B – Contract Administration

**EXHIBIT A**

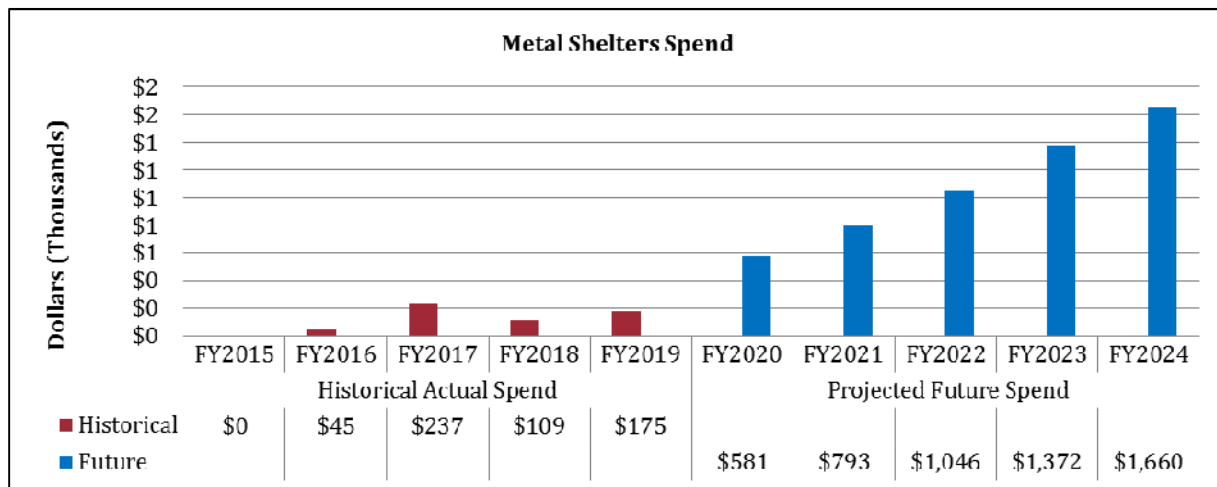
**New Contracts**

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

**Contract No.** 5218  
**Supplier:** Dupont Building Inc.  
**Contract Amount:** Not to exceed \$5.23 million  
**Contract Length:** One base year with four one-year options to extend  
**Description:** This master contract is for the provision of metal shelters for LCRA Transmission Services Corporation.

**Background:**

- The internal layout of a communication shelter helps protect highly sensitive equipment from overheating in order to provide reliable service for both Telecommunications and its customers.



**Actions:**

- LCRA invited 12 suppliers to participate. LCRA received and evaluated four proposals.
- Ability to provide was the highest-weighted criterion for the evaluation.
- The contract award amount is not to exceed \$5.23 million.
- Based on the forecast need and proposed contract terms, LCRA expects to save \$1 million over the life of the contract (compared with the median of responses received).
- Based on the evaluation and negotiation, LCRA recommends Dupont Building Inc. as the supplier for this contract.

**Contract No.** 5227 and 5228

**Supplier:** Burns & McDonnell Engineering Company Inc. and  
SGV International LLC

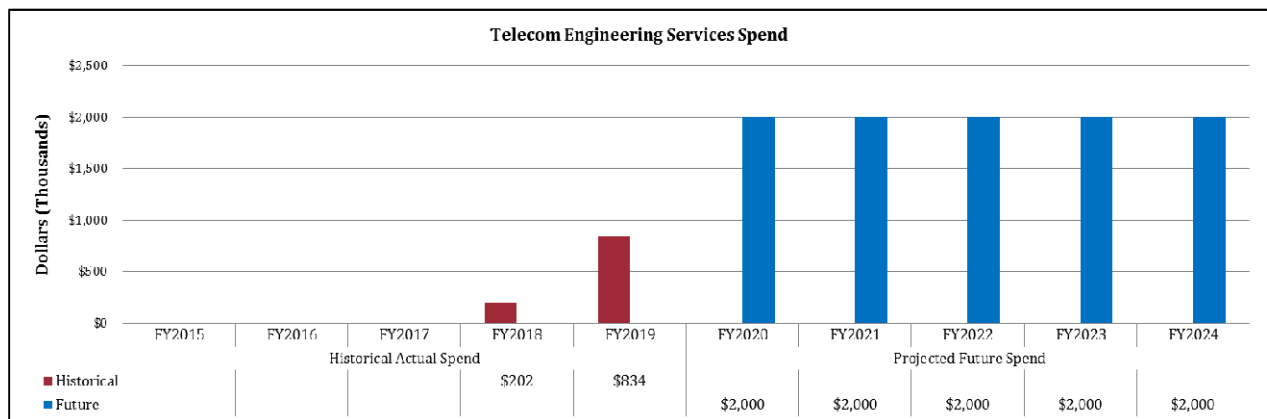
**Contract Amount:** Not to exceed \$10 million

**Contract Length:** One year with four one-year options to extend

**Description:** These master contracts are for the provision of telecommunication engineering services used by Transmission.

**Background:**

- Before fiscal year 2018, LCRA’s Telecommunications Engineering team performed all telecommunications engineering in-house. Outsourcing some of the engineering activity allows LCRA to accomplish all projects without significantly increasing permanent staff.
- LCRA currently has contracts with Burns & McDonnell Engineering Inc. and TRC Engineers Inc. for telecommunications engineering services.
- The current contracts do not expire until December 2021. However, spending has been higher than anticipated requiring early re-solicitation.
- The historical five-year spending is about \$1.036 million.



**Actions:**

- LCRA received five proposals and evaluated four proposals.
- Experience and methodology were the highest-weighted criteria for the evaluation.
- The contract award amount is not to exceed \$10 million. This amount represents a shared sum from which the proposed contracts may draw.
- Based on the evaluation and negotiation, LCRA recommends Burns & McDonnell Engineering Company Inc. and SGV International LLC as the suppliers for this category.

**Contract No.** 5233 and 5234

**Supplier:** Black & Veatch Corporation and Electrical Consultants Inc. (adding these suppliers to the contract)

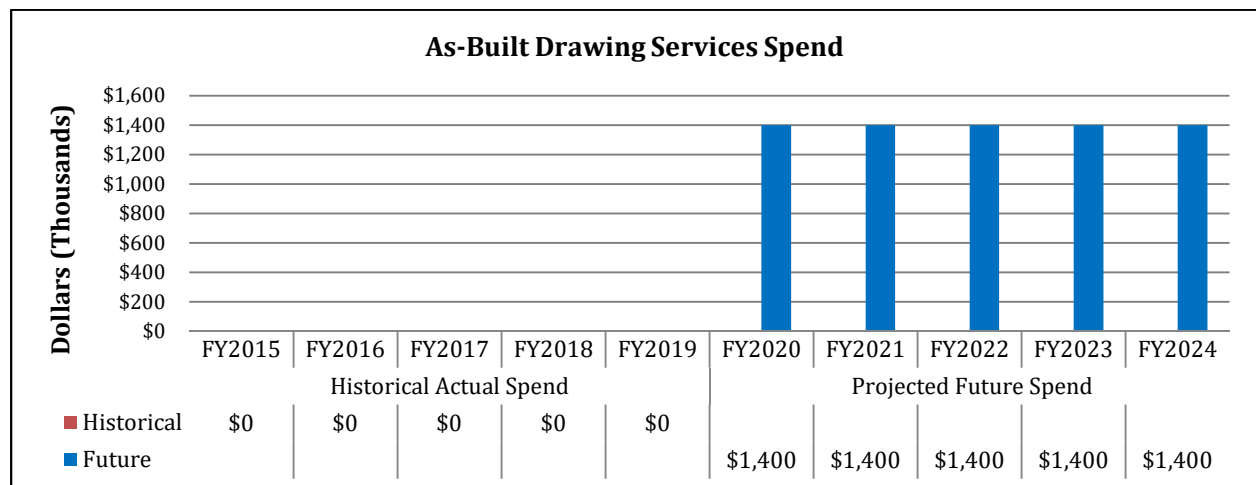
**Contract Amount:** Not to exceed \$7 million (no additional funds on top of the \$7 million the Board approved in May 2019)

**Contract Length:** One year with four one-year options to extend

**Description:** These master contracts are for the provision of as-built drawing services for LCRA Transmission Services Corporation.

**Background:**

- In May 2019, the Board approved a \$7 million shared sum contract between Pickett and Associates Inc., Burns & McDonnell Engineering Inc., and McCord Engineering Inc., for the provision of as-built drawing services used by LCRA Transmission Services Corporation. Due to the volume of work and to avoid capacity constraints among the awarded suppliers, staff recommends Black & Veatch Corporation and Electrical Consultants Inc. as additional suppliers for this category (adding suppliers, not adding funds).
- The historical five-year spending is \$0. Prior to May 2019, this work was not outsourced.





**Actions:**

- LCRA invited five suppliers to participate. LCRA received 11 proposals and evaluated nine proposals.
- Firm experience was the highest-weighted criterion for the evaluation.
- The contract award amount is not to exceed the \$7 million the Board previously approved. This amount represents a shared sum from which the awarded and additional proposed contracts may draw.
- Based on the evaluation and negotiations, LCRA recommends Black & Veatch Corporation and Electrical Consultants Inc. as additional suppliers for this category.

**Contract No.**           **5238**

**Supplier:**               AFL Telecommunications Inc.

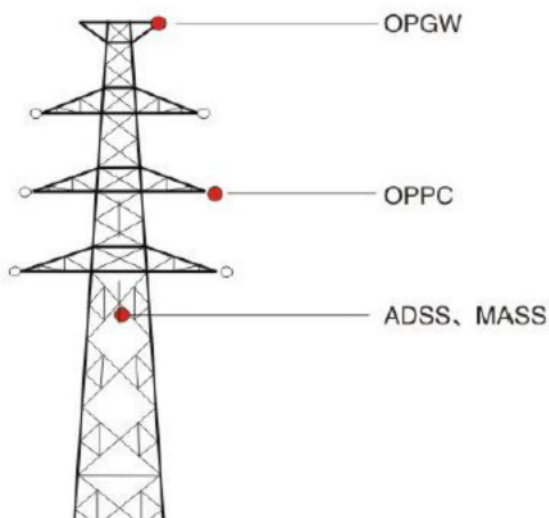
**Contract Amount:**   Not to exceed \$30 million

**Contract Length:**   One base year with four one-year options to extend

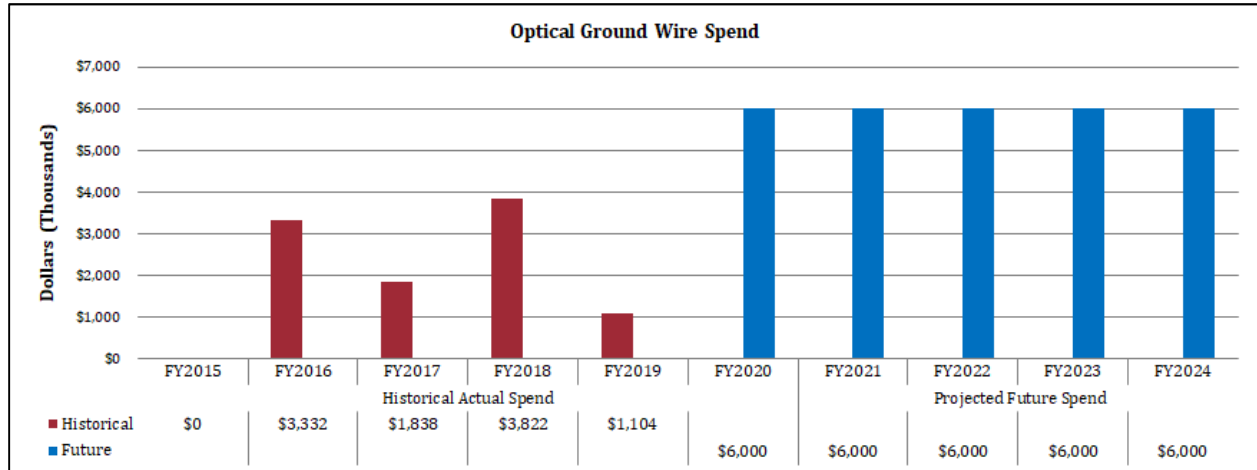
**Description:**         This master contract is for the provision of optical ground wire to be used by LCRA Transmission Services Corporation.

**Background:**

- Optical ground wire (OPGW) is required to function as a standard overhead ground wire cable used to shield electric transmission lines from lightning as well as a medium for telecommunications by the use of optical fibers.
- Optical phase conductor (OPPC) is used as an alternative telecommunication solution when optical ground wire is not a viable option.
- All-dielectric self-supporting cable (ADSS) is used when live wire installations are required.
- Metallic aerial self-supporting (MASS) cable is used as an alternative phase or when ground wire is not an alternative or economical.



- Optical ground wire is preferred for its performance under the most rugged conditions. Its central aluminum pipe provides superb fiber protection, making it ideal for everything from basic installations to those applications requiring high tensions or for extremely long spans.



**Actions:**

- LCRA invited 11 suppliers to participate. LCRA received five proposals and evaluated four proposals.
- Cost was the highest-weighted criterion for the evaluation.
- The contract award amount is not to exceed \$30 million.
- Based on the forecast need and proposed contract terms, LCRA expects to save \$1.2 million over the life of the contract (compared with the previous price paid).
- Based on the evaluation and negotiation, LCRA recommends AFL Telecommunications Inc. as the supplier for this contract.

**Contract No. 5251**

**Supplier:** Turtle and Hughes Inc.

**Contract Amount:** Not to exceed \$17 million

**Contract Length:** One base year with six one-year options to extend

**Description:** This master contract is for the provision of electrical and industrial parts and supplies to be used as needed throughout LCRA.

**Background:**

- Examples of supplies are conduit bushings and switchgear components.



Figure 1 Conduit Bushing .29

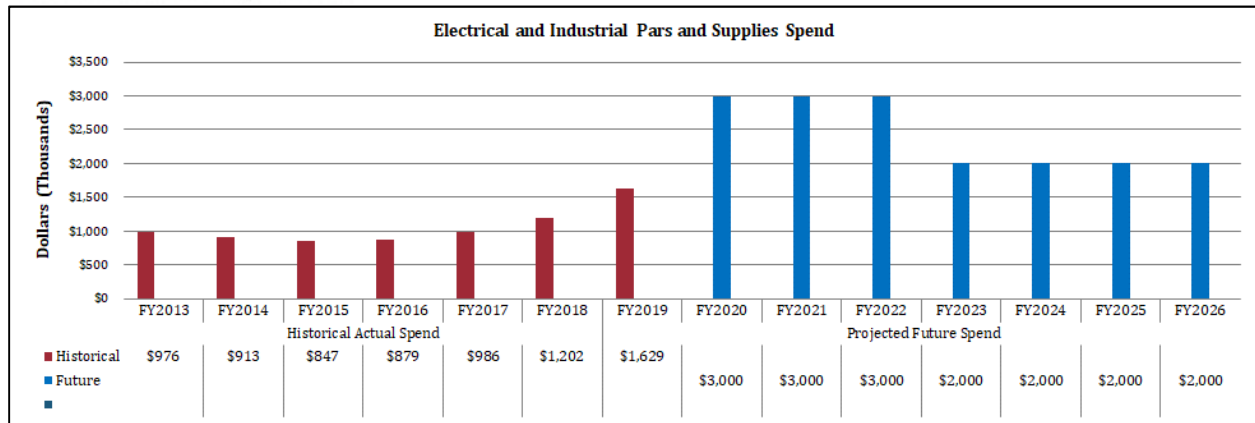


Figure 2 Power Distribution Unit 4,000



Figure 3 Switchgear Room 1 Lot can cost \$153,000

Source: Turtle and Hughes website



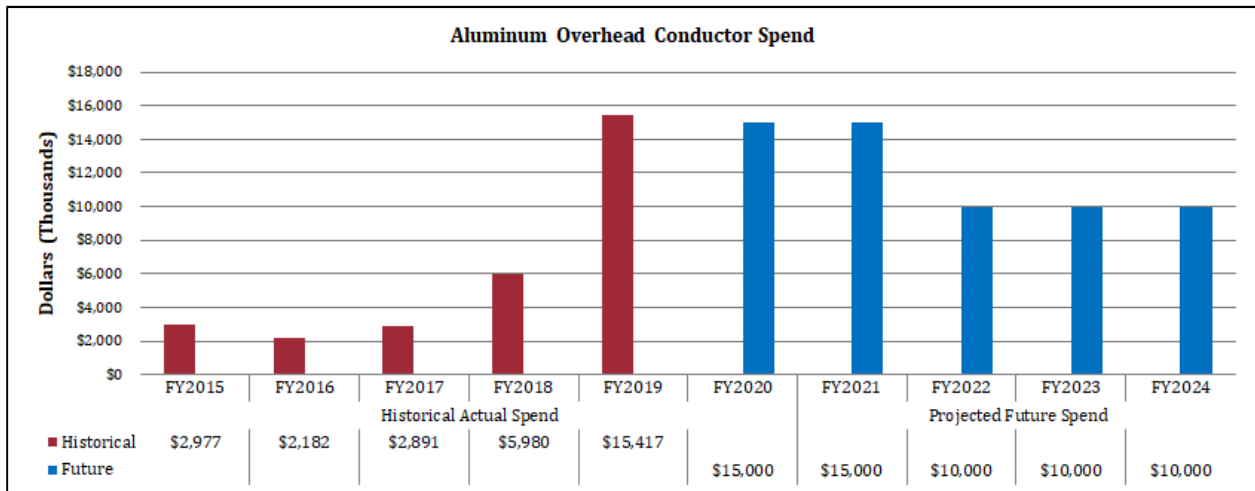
**Actions:**

- LCRA invited 13 suppliers to participate. LCRA received five proposals and evaluated four proposals.
- Ability to perform and cost were the highest-weighted criterion for the evaluation.
- The contract award amount is not to exceed \$17 million.
- The supplier is offering a rebate program that will yield a 3% return on annual spending.
- Based on the evaluation and negotiation, LCRA recommends Turtle and Hughes Inc., a woman-owned business enterprise, as the supplier for this contract.

**Contract No.** 5284  
**Supplier:** Southwire Company LLC  
**Contract Amount:** Not to exceed \$60 million  
**Contract Length:** One base year with four one-year options to extend  
**Description:** This master contract is for the provision of aluminum overhead conductor to be used by LCRA Transmission Services Corporation.

**Background:**

- Aluminum overhead conductor is a steel-reinforced cable, which is a type of high-capacity, high-strength stranded conductor typically used in overhead power lines. The outer strands are high-purity aluminum, chosen for its good conductivity, low weight and low cost. This type of conductor is LCRA's most commonly used conductor.



**Actions:**

- LCRA invited seven suppliers to participate. LCRA received and evaluated three proposals.
- Cost was the highest-weighted criterion for the evaluation.
- The contract award amount is not to exceed \$60 million.
- The supplier is offering 0.5% volume discount and a scrap recovery program that is projected to yield an estimated \$318,000 per year in aluminum scrap recovery.
- Based on the evaluation and negotiation, LCRA recommends Southwire Company LLC as the supplier for this contract.

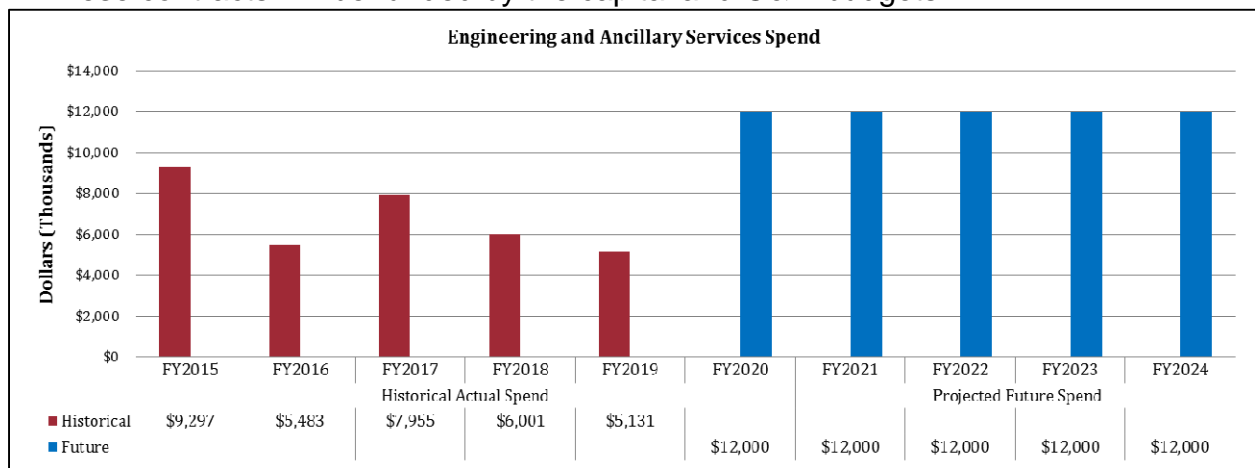
**Contract No.**        **5289, 5290, 5291, 5292, 5293, 5294, 5295, 5296, 5297, 5298, 5301, 5302, 5303**

**Supplier:**        AECOM Technical Services Inc., Burns & McDonnell Engineering Company Inc., Freese and Nichols Inc., HDR Engineering Inc., Arredondo, Zepeda & Brunz LLC, Acuren Inspection doing business as M&M Engineering Associates, Mistras Group Inc., Reinhart & Associates Inc., Stanley Consultants Inc., Structural Integrity Associates Inc., Pape Dawson Munoz LLC, Wiss, Janney, Elstner Associates Inc., and INTERA Inc.

**Contract Amount:** Not to exceed \$60 million  
**Contract Length:** One year with four one-year options to extend  
**Description:** These master contracts are for the provision of engineering and ancillary services used by LCRA and LCRA Transmission Services Corporation.

**Background:**

- These contracts cover the following engineering scopes: dam design and dam safety, water resources engineering, civil and structural engineering, groundwater hydrology and engineering, metallurgical analysis, nondestructive testing and critical piping services, fossil and hydroelectric power plant engineering, and chemical engineering.
- These contracts will be funded by the capital and O&M budgets.



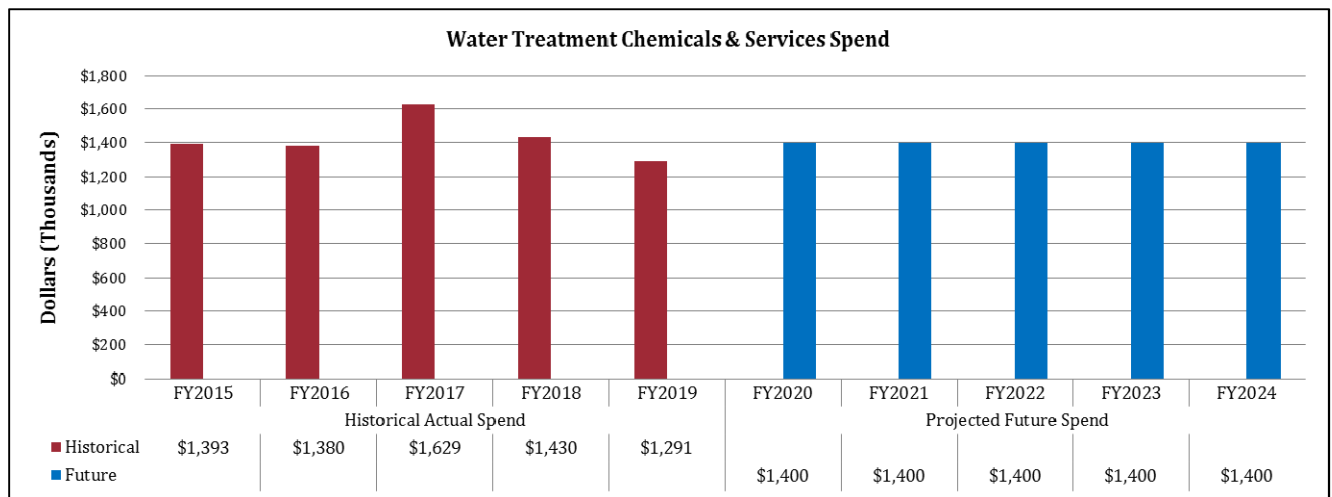
**Actions:**

- LCRA invited 850 suppliers to participate. LCRA received 34 proposals and evaluated 33 proposals.
- Experience and resumes were the highest-weighted criteria for the evaluation.
- The contract award amount is not to exceed \$60 million. This amount represents a shared sum from which the proposed contracts may draw.
- Based on the evaluation and negotiation, LCRA recommends AECOM Technical Services Inc., Burns & McDonnell Engineering Company Inc., Freese and Nichols Inc., HDR Engineering Inc., Arredondo, Zepeda & Brunz LLC, Acuren Inspection doing business as M&M Engineering Associates, Mistras Group Inc., Reinhart & Associates Inc., Stanley Consultants Inc., Structural Integrity Associates Inc., Pape Dawson Munoz LLC, Wiss, Janney, Elstner Associates Inc., and INTERA Inc. as the suppliers for this category.

**Contract No.** 5299  
**Supplier:** ChemTreat Inc.  
**Contract Amount:** Not to exceed \$7 million  
**Contract Length:** One base year with five one-year options to extend  
**Description:** This master contract is for the provision of specialty chemicals and water treatment services to be used by Wholesale Power.

**Background:**

- This category includes equipment performance monitoring and water testing and analysis to optimize the effectiveness of the chemical treatment program at each Generation facility.
- The supplier will provide full-service management of chemical use (inventory on-site, replenishment, etc.) for all chemicals covered by the contract.



**Actions:**

- LCRA invited 20 suppliers to participate. LCRA received and evaluated six proposals.
- Service and technical expertise were the highest-weighted criteria for the evaluation.
- The contract award amount is not to exceed \$7 million.
- Based on proposed pricing and proposed contract terms, LCRA expects to save about \$600,000 over the life of the contract (compared with the median of responses received).
- Based on the evaluation and negotiation, LCRA recommends ChemTreat Inc. as the supplier for this contract.

**Contract No.** 5306  
**Supplier:** Saber Power Services, LLC  
**Contract Amount:** Not to exceed \$20,117,000  
**Contract Length:** Until the contract is fulfilled  
**Description:** This is a one-time “design-build” contract for the Gabriel Substation.

**Background:**

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

**Actions:**

- Design-build sourcing is done in two phases: qualification phase, then proposal phase.
- LCRA invited 36 suppliers to participate in the qualification phase, in addition to posting the solicitation on LCRA’s website. LCRA received 12 responses and evaluated three.
  - The highest weighted criteria for the qualification phase were firm experience and personnel experience.
  - The firm experience and personnel experience criteria were evaluated based upon project history summaries and resumes.
- LCRA invited the three suppliers with the highest scores in the qualification phase to participate in the proposal phase. LCRA received and evaluated two proposals.
  - The highest weighted criteria for the proposal phase were project approach and cost.
  - Project approach and cost were evaluated based upon the project plan and project price.
- Based on proposed pricing and proposed contract terms, LCRA expects to save about \$1,000,000 over the life of the contract (compared to the other proposals received).
- The contract award amount is not to exceed \$20,117,000
- Based on the evaluation and negotiation, LCRA recommends Saber Power Services, LLC as the supplier for this category.

## **EXHIBIT B**

### **Contract Administration**

LCRA Board Policy 308 – Purchasing Contracts requires Board approval for contract changes when the accumulated changes are in excess of \$100,000 for consulting services and contracts valued at more than \$2 million for goods, services (excluding consulting services), construction or software. Each month, any changes that reach these limits are noted in Exhibit B.

- A Change Order is a change to the statement of work, specifications or schedule of the contract.
- An Amendment is a change to a contract that affects other terms and conditions of the contract.
- An Increase in Estimate is a request to spend more funds than were previously estimated to be spent through a given contract. The contract is not changed; only the internal estimate of the amount to be spent with the supplier.
- A Task Order is an order for services awarded under an indefinite delivery or indefinite quantity contract. These contracts were originally awarded with the intent to order specific work in subsequent orders, when the exact amount, quantity and work were required.

**Contract No.** 5137  
**Supplier:** Phillips and Jordan Inc.  
**Contract Amount:** Not to exceed \$3 million  
**Contract Length:** Until the contract is fulfilled  
**Description:** This is an increase in estimate for a one-time contract to provide wooden construction mats used by Transmission for the Belleville South to Glidden Line Storm Hardening project.

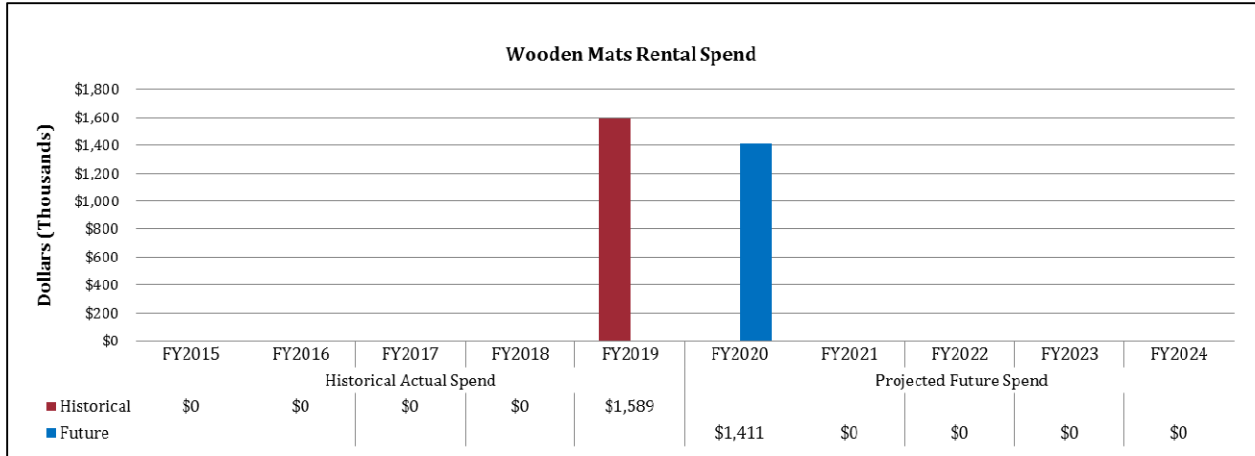
### **Background**

- Wood construction mats are used to protect property and provide access to construction sites in areas that have become impassable due to water saturation.
- High rainfall patterns drove high use of construction mats.
- LCRA is planning for continued high use of construction mats due to an expected continuation of El Niño weather patterns.

**Contract History:** The previous year's spending for this contract was \$1.6 million.

Original contract (March 2019)	\$1,700,000
Increase in estimate No. 1 (August 2019)	\$1,300,000
<hr/> Total	<hr/> <u>\$3,000,000</u>





**Actions:**

- LCRA directly solicited four suppliers, in addition to posting the opportunity. LCRA received and evaluated three proposals.
- The highest-weighted criterion was total cost (rental, transportation, installation and removal).

Based on the evaluation and negotiation, staff recommends

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