

LCRA Transmission Services Corporation

Board Agenda

Tuesday, Dec. 10, 2019
Horseshoe Bay Resort
Conference Rooms E, F, G and H
200 Hi Circle N.
Horseshoe Bay, TX 78657
Earliest start time: 1 p.m.

Items From the Chair

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

Legal Notice

Legal notices are available on the Texas secretary of state website 72 hours prior to the meeting at www.sos.texas.gov/open/index.shtml.

Executive Session

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

OVERVIEW OF LCRA TRANSMISSION SERVICES CORPORATION

In connection with the implementation of retail competition in the electric utility industry in the state of Texas, LCRA was required by the Texas Legislature in its amendments to the Public Utility Regulatory Act (enacted in 1999 under state legislation known as Senate Bill 7, and referred to as SB 7) to unbundle its electric generation assets from its electric transmission and distribution assets. LCRA conveyed, effective Jan. 1, 2002, all of its existing electric transmission and transformation assets (collectively, the Transferred Transmission Assets) to the LCRA Transmission Services Corporation (LCRA TSC) pursuant to the terms of an Electric Transmission Facilities Contract (the Initial Contractual Commitment), dated Oct. 1, 2001.

LCRA TSC is a nonprofit corporation created by LCRA to act on LCRA's behalf pursuant to Chapter 152, Texas Water Code, as amended. After Jan. 1, 2002, LCRA TSC engaged in the electric transmission and transformation activities previously carried out by LCRA and assumed LCRA's obligation to provide, and the right to collect revenues for, electric transmission and transformation services. LCRA TSC is an electric transmission service provider (a TSP) under the state's open-access electric transmission regulatory scheme within the approximately 85 percent area of the state covered by the Electric Reliability Council of Texas (ERCOT). In such capacity, LCRA TSC is entitled to receive compensation from all electric distribution service providers using the electric transmission system within ERCOT. As a TSP in the ERCOT region of the state, the rates that LCRA TSC will charge for transmission services are regulated by the Public Utility Commission of Texas (PUC) and determined pursuant to transmission cost of service rate proceedings filed with and approved by the PUC.

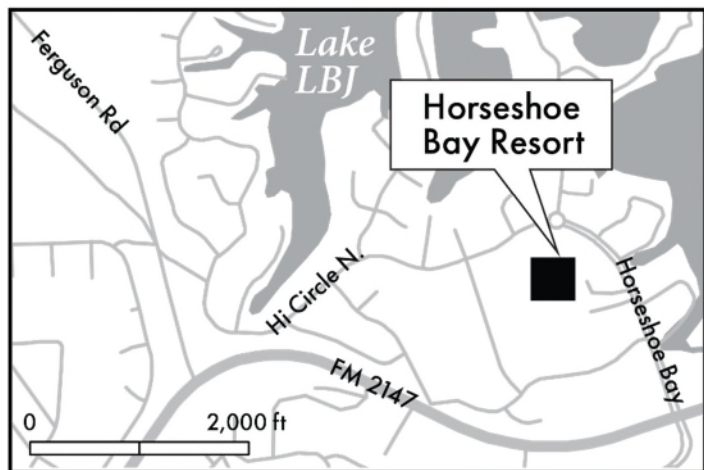
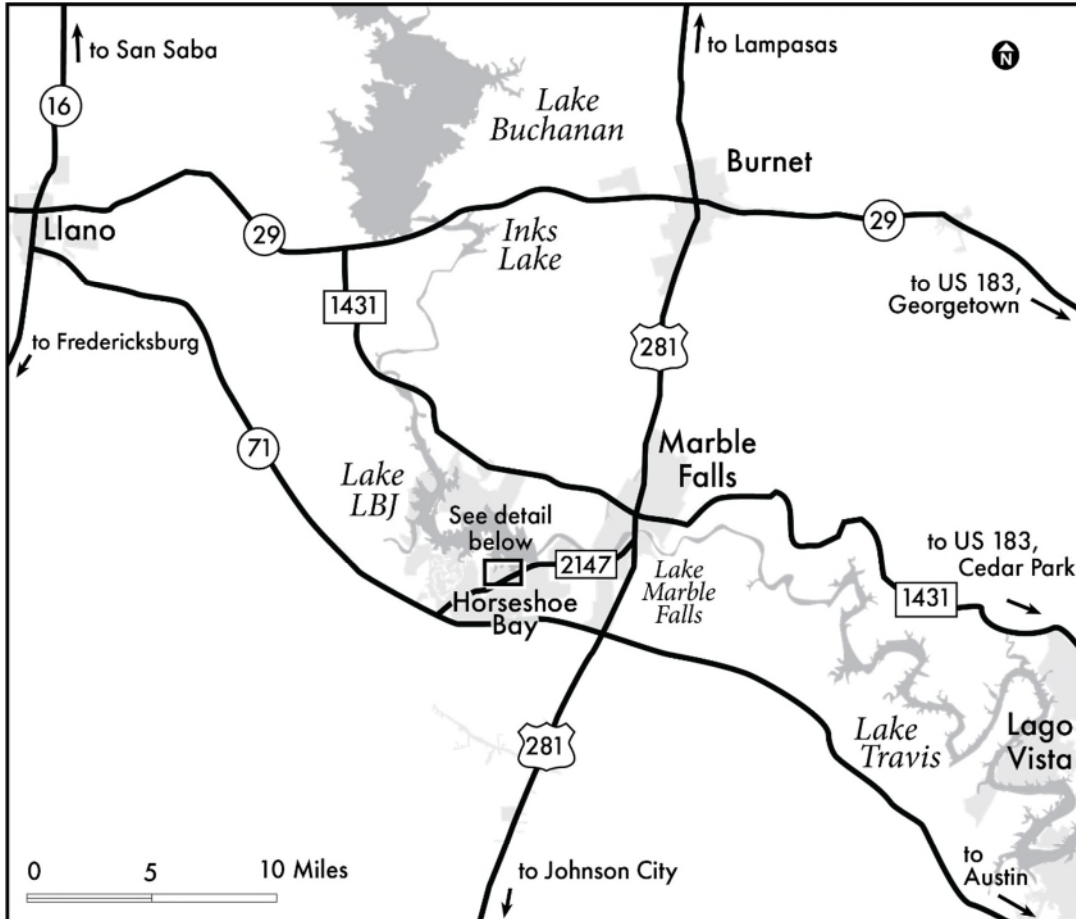
Within the framework of SB 7, LCRA TSC implements the electric transmission business of LCRA, including the expansion of electric transmission services outside of LCRA's traditional electric service territory. LCRA personnel are responsible for performing all of LCRA TSC's activities pursuant to a services agreement between LCRA TSC and LCRA. This includes procuring goods and services on behalf of LCRA TSC and is reflected in the LCRA Board agenda contracts.

Under the LCRA Master Resolution, defined as the LCRA Board resolution governing LCRA's outstanding debt, and certain provisions of state law, the LCRA Board is required to exercise control over all operations of LCRA TSC. This control includes approval of LCRA TSC's business plan and of the sale or disposition of any significant assets of LCRA TSC. The Board of Directors of LCRA TSC (LCRA TSC Board) is appointed by and serves at the will of the LCRA Board. The current membership of LCRA TSC Board is made up entirely of the existing LCRA Board.

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

Horseshoe Bay Resort

Conference Rooms E, F, G and H
200 Hi Circle N.
Horseshoe Bay, TX 78657



FOR DISCUSSION

1. Comments From the Public

Summary

This part of the meeting is intended for comments from the public on topics under LCRA Transmission Services Corporation's jurisdiction but not related to an item on the Board of Directors agenda. The Board may not take action or provide responses during public comments.

In order to address the Board, a member of the public is required to sign and complete the registration form at the entrance to the meeting room.

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

FOR ACTION (CONSENT)

2. Sale of Land in Kendall County

Proposed Motion

Declare an approximately 2.55-acre tract of land, being a portion of LCRA Transmission Services Corporation's Esperanza Substation site in Kendall County, nonessential and authorize the president and chief executive officer or his designee to convey the tract to Pedernales Electric Cooperative, together with an access easement.

Board Consideration

LCRA TSC Board Policy T401 – Land Resources requires at least 12 members of the LCRA TSC Board to declare the land no longer necessary or of beneficial use to the business of LCRA TSC before conveyance.

Budget Status and Fiscal Impact

The fiscal year 2020 business plan contains the administrative costs associated with the sale of this land.

Summary

The Esperanza Substation is a shared substation where LCRA TSC and PEC will have their own independent yards. LCRA TSC acquired the entire site comprising 8.86 acres through condemnation for \$3 million. A 2.55-acre portion of the larger tract has been identified as the PEC yard. LCRA TSC will convey the 2.55-acre tract to PEC, together with an access easement. PEC will pay LCRA TSC \$863,431.15 for the 2.55-acre tract. The purchase price is the proportional share of the acquisition price of the larger 8.86-acre tract.

LCRA TSC representatives performed environmental and cultural due diligence studies, and did not identify any concerns. No adverse impacts to LCRA TSC operations will result from the sale of property.

Exhibit(s)

- A – Vicinity Map
- B – Site Map
- C – Landowner List

EXHIBIT A

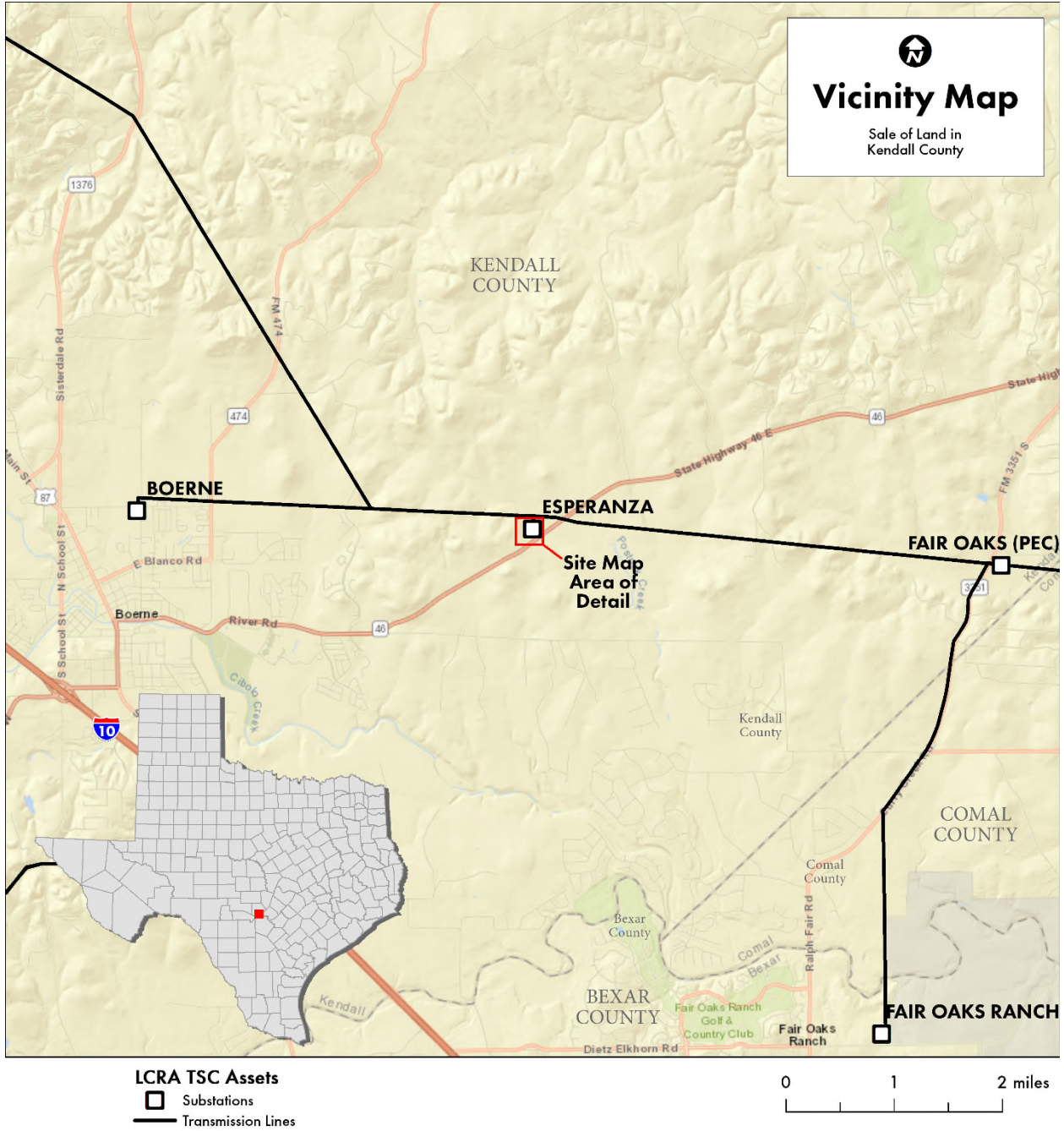


EXHIBIT B



EXHIBIT C

Landowner	Acreage	Land Rights	County	Total Approximate Value
LCRA Transmission Services Corporation	2.55 acres	Fee	Kendall	\$863,431.15

FOR ACTION (CONSENT)

3. Minutes of Prior Meetings

Proposed Motion

Approve the minutes of the Oct. 23, 2019, and Nov. 19, 2019, meetings.

Board Consideration

Section 4.06 of the LCRA Transmission Services Corporation bylaws requires the secretary to keep minutes of all meetings of the Board of Directors.

Budget Status and Fiscal Impact

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

Summary

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

Exhibit(s)

- A – Minutes of Oct. 23, 2019, meeting
- B – Minutes of Nov. 19, 2019, meeting

EXHIBIT A

Minutes Digest
Oct. 23, 2019

- 19-28 Approval of the minutes of the Aug. 21, 2019, and Sept. 18, 2019, meetings.
- 19-29 Approval of the Capital Improvement Project Authorization Request for the Lincoln Substation Upgrade project.
- 19-30 Approval of the Capital Improvement Project Authorization Request for the Giddings-Warda Transmission Line Upgrade project.
- 19-31 Approval of the Capital Improvement Project Authorization Request for the Kendall Most Limiting Series Element Substation Upgrade project.
- 19-32 Adoption of a resolution authorizing the use of the power of eminent domain in Burnet County to acquire rights in the properties described in Exhibit 1 to the resolution for the Marble Falls Double Circuit Transmission Line Upgrade project to ensure the continued reliable transmission of electric energy on the Granite Mountain-Marble Falls (T195) transmission line.

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF
LCRA TRANSMISSION SERVICES CORPORATION
Austin, Texas
Oct. 23, 2019

Pursuant to notice posted in accordance with the Texas Open Meetings Act, the Board of Directors (Board) of LCRA Transmission Services Corporation (LCRA TSC) convened in a regular meeting at 9:08 a.m. Wednesday, Oct. 23, 2019, in the Board Room of the Hancock Building, at the principal office of the Lower Colorado River Authority, 3700 Lake Austin Blvd., Austin, Travis County, Texas. The meeting was open to the public, and the following directors were present, constituting a quorum:

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

Chair Timmerman convened the meeting at 9:08 a.m. and led the Board in pledges of allegiance to the American and Texas flags. Director Whitten provided an invocation.

There were no public comments, neither on general topics under LCRA TSC's jurisdiction (Agenda Item 1) nor on any specific agenda items, during this meeting.

Following an introduction by President and Chief Executive Officer Phil Wilson, Vice President and Chief Operating Officer Kristen Senechal gave the Board an update. Senechal shared a story regarding a break in a fiber line on the Greater Austin Area Telecommunications Network, a shared fiber network in and around Austin, and some team members' hard work and efforts to make necessary repairs.

Controller Julie Rogers presented the financial report for September 2019 [Agenda Item 2].

The Board next took action on the consent agenda.

19-28 Upon motion by Director Gill, seconded by Director Crane, the Board unanimously approved the minutes of the Aug. 21, 2019, and Sept. 18, 2019, meetings [Consent Item 3] by a vote of 15 to 0.

19-29 Vice President of Transmission Asset Optimization Kristian Koellner presented for consideration a staff recommendation, described in Agenda Item 4 [attached hereto as Exhibit A], that the Board approve the Capital Improvement Project Authorization Request for the Lincoln Substation Upgrade project. Upon motion by Director Kelley, seconded by Director Berger, the recommendation was unanimously approved by a vote of 15 to 0.

19-30 Vice President of Transmission Asset Optimization Kristian Koellner presented for consideration a staff recommendation, described in Agenda Item 5 [attached hereto as Exhibit B], that the Board approve the Capital Improvement Project Authorization Request for the Giddings-Warda Transmission Line Upgrade project. Upon motion by Director Berger, seconded by Director Whitten, the recommendation was unanimously approved by a vote of 15 to 0.

19-31 Vice President of Transmission Asset Optimization Kristian Koellner presented for consideration a staff recommendation, described in Agenda Item 6 [attached hereto as Exhibit C], that the Board approve the Capital Improvement Project Authorization Request for the Kendall Most Limiting Series Element Substation Upgrade project. Upon motion by Director Crane, seconded by Director Voelter, the recommendation was unanimously approved by a vote of 15 to 0.

19-32 Director of Real Estate Services Mark Sumrall presented for consideration a staff recommendation described in Agenda Item 7 – Acquisition of Interests in Real Property – Use of Eminent Domain in Burnet County [attached hereto as Exhibit D]. Director Russell moved, seconded by Director Yearly, that the Board adopt the attached resolution; that the Board authorize by record vote the use of the power of eminent domain to acquire rights in the properties described in Exhibit 1 to the resolution for the Marble Falls Double Circuit Transmission Line Upgrade project to ensure the continued reliable transmission of electric energy on the Granite Mountain-Marble Falls (T195) transmission line; and that the first record vote applies to all units of property to be condemned. The Board unanimously approved the motion by a record vote of 15 to 0.

There being no further business to come before the Board, the meeting was adjourned at 9:22 a.m.

Thomas E. Oney
Secretary
LCRA Transmission Services Corporation

Approved: Dec. 10, 2019

EXHIBIT B

Minutes Digest
Nov. 19, 2019

- 19-33 Adoption of a resolution authorizing the use of the power of eminent domain in Culberson County to acquire rights in the properties described in Exhibit 1 to the resolution for the acquisition of easement rights for the Pinnacle Substation Addition project to ensure the continued reliable transmission of electric energy on the Culberson-Kunitz (T720) transmission line.
- 19-34 Adoption of a resolution authorizing the use of the power of eminent domain in Pecos County to acquire rights in the properties described in Exhibit 1 to the resolution for the acquisition of easements and temporary workspaces for the Bakersfield-Solstice Transmission Line Addition project to provide for the reliable transmission of electric energy on the Bakersfield-Solstice (T683) transmission line.

MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF
LCRA TRANSMISSION SERVICES CORPORATION
Austin, Texas
Nov. 19, 2019

Pursuant to notice posted in accordance with the Texas Open Meetings Act, the Board of Directors (Board) of LCRA Transmission Services Corporation (LCRA TSC) convened in a meeting at 10:10 a.m. Tuesday, Nov. 19, 2019, in the Board Room of the Hancock Building, at the principal office of the Lower Colorado River Authority, 3700 Lake Austin Blvd., Austin, Travis County, Texas. The meeting was open to the public, and the following directors were present, constituting a quorum:

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

Absent: Laura D. Figueroa
Charles B. "Bart" Johnson

Chair Timmerman convened the meeting at 10:10 a.m. and led the Board in pledges of allegiance to the American and Texas flags. Director Whitten provided an invocation.

There were no public comments, neither on general topics under LCRA TSC's jurisdiction (Agenda Item 1) nor on any specific agenda items, during this meeting.

19-33 Director of Real Estate Services Mark Sumrall presented for consideration a staff recommendation described in Agenda Item 2 – Acquisition of Interests in Real Property – Use of Eminent Domain in Culberson County [attached hereto as Exhibit A]. Director Martine moved, seconded by Director Berger, that the Board adopt the attached resolution; that the Board authorize by record vote the use of the power of eminent domain to acquire rights in the properties described in Exhibit 1 to the resolution for the acquisition of easement rights for the Pinnacle Substation Addition project to ensure the continued reliable transmission of electric energy on the Culberson-Kunitz (T720) transmission line; and that the first record vote applies to all

units of property to be condemned. The Board unanimously approved the motion by a record vote of 13 to 0.

19-34 Director of Real Estate Services Mark Sumrall presented for consideration a staff recommendation described in Agenda Item 3 – Acquisition of Interests in Real Property – Use of Eminent Domain in Pecos County [attached hereto as Exhibit B]. Director Berger moved, seconded by Director Kelley, that the Board adopt the attached resolution; that the Board authorize by record vote the use of the power of eminent domain to acquire rights in the properties described in Exhibit 1 to the resolution for the acquisition of easements and temporary workspaces for the Bakersfield-Solstice Transmission Line Addition project to provide for the reliable transmission of electric energy on the Bakersfield-Solstice (T683) transmission line; and that the first record vote applies to all units of property to be condemned. The Board unanimously approved the motion by a record vote of 13 to 0.

There being no further business to come before the Board, the meeting was adjourned at 10:18 a.m.

Thomas E. Oney
Secretary
LCRA Transmission Services Corporation

Approved: Dec. 10, 2019

FOR ACTION

4. Delegation of Authority to the President and Chief Executive Officer for Previously Approved Capital Projects

Proposed Motion

Approve the attached resolution delegating authority to the president and chief executive officer on a short-term basis to approve additional funding for capital projects expected to exceed a lifetime budget by 10% and \$300,000.

Board Consideration

LCRA Transmission Services Corporation Board Policy T301 – Finance requires Board of Directors approval for any previously approved project expected to exceed its lifetime budget by 10% and \$300,000.

Budget Status and Fiscal Impact

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

Summary

In 2018 the Board delegated authority to the president and CEO on a short-term basis to approve budget increases for capital projects expected to exceed a lifetime budget by 10% and \$300,000. Staff believes the change has increased efficiency in maintaining project schedules and minimized risk in completing projects while ensuring proper review of the project funding; however, the temporary delegation of authority will expire Dec. 31, 2019. Staff recommends the delegation of authority be extended through Dec. 31, 2020.

Presenter(s)

Jim Travis
Treasurer and Chief Financial Officer

Phil Wilson
President and Chief Executive Officer

Exhibit(s)

A – Resolution

EXHIBIT A

RESOLUTION DELEGATING AUTHORITY TO THE PRESIDENT AND CHIEF EXECUTIVE OFFICER ON A SHORT-TERM BASIS TO APPROVE ADDITIONAL FUNDING FOR CAPITAL PROJECTS EXPECTED TO EXCEED A LIFETIME BUDGET BY 10% AND \$300,000

WHEREAS, Board Policy T301 – Finance requires Board approval of additional funding if an approved capital project is expected to exceed its lifetime budget by 10% and \$300,000; and

WHEREAS, the Board previously delegated to the president and chief executive officer on a temporary basis the authority to approve additional funding if an approved capital project is expected to exceed its lifetime budget by 10% and \$300,000, with such delegation terminating on Dec. 31, 2019; and

WHEREAS, the Board desires to extend the delegation of authority to the president and chief executive officer;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby delegates to the president and CEO the authority to approve additional funding for any approved capital project expected to exceed its lifetime budget by 10% and \$300,000, so long as any such additional funding is available within the capital plan approved by the Board and subject to the following:

- Prior to the approval of additional funding, the president and CEO shall consult with the treasurer and chief financial officer and the vice president and chief operating officer.
- The authority delegated to the president and CEO may not be redelegated by the president and CEO.
- The president and CEO shall report to the Board on a quarterly basis all project funding approved by the president and CEO pursuant to this delegated authority.
- This delegation of authority shall terminate on Dec. 31, 2020.

FOR ACTION

5. Delegation of Authority to the President and Chief Executive Officer for New Generation Interconnection Projects

Proposed Motion

Approve the attached resolution delegating authority to the president and chief executive officer on a short-term basis to approve capital projects associated with generation interconnections not included in the approved capital plan – in each case, only after the generator has executed an interconnect agreement and provided appropriate financial security to LCRA Transmission Services Corporation for its expenses.

Board Consideration

LCRA TSC Board Policy T301 – Finance requires Board of Directors approval for any project exceeding \$1.5 million that is not included in the annual capital plan.

Budget Status and Fiscal Impact

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

Summary

In 2018 the Board delegated authority to the president and chief executive officer on a short-term basis to approve all capital projects associated with generation interconnections not included in the approved capital plan – in each case, only after the generator has executed an interconnect agreement and provided appropriate financial security to LCRA TSC for its expenses. The temporary delegation of authority will expire Dec. 31, 2019. Staff recommends the delegation of authority be extended through Dec. 31, 2020.

The Public Utility Regulatory Act and Public Utility Commission of Texas rules require transmission utilities to provide transmission service to wholesale market participants, including generation facilities owned by independent power producers. This requirement includes constructing new facilities and modifying existing ones.

Through an Electric Reliability Council of Texas process, a generation developer requests an interconnection to LCRA TSC's facilities. LCRA TSC negotiates an interconnection agreement with the generation developer to connect the generation facilities to the existing transmission system. After an interconnection agreement is signed, the generator must post financial security to cover the transmission utility's expenses.

Extension of the delegation of this authority to the president and CEO will allow staff to continue to efficiently maintain project schedules and minimize risk in completing projects by the in-service date requested by the generator.

Presenter(s)

Jim Travis
Treasurer and Chief Financial Officer

Phil Wilson
President and Chief Executive Officer

Exhibit(s)

A – Resolution

EXHIBIT A

RESOLUTION DELEGATING AUTHORITY TO THE PRESIDENT AND CHIEF EXECUTIVE OFFICER ON A SHORT-TERM BASIS TO APPROVE GENERATION INTERCONNECTION-RELATED CAPITAL PROJECTS

WHEREAS, Board Policy T301 – Finance requires Board of Directors approval for any project exceeding \$1.5 million that is not included in the annual capital plan; and

WHEREAS, the Board previously delegated to the president and chief executive officer authority to approve all capital projects associated with new generation interconnect projects, subject to certain limitations, with such delegation terminating on Dec. 31, 2019; and

WHEREAS, the Board desires to extend the delegation of authority to the president and chief executive officer;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby delegates to the president and CEO the authority to approve all capital projects associated with generation interconnection projects not included in the approved capital plan, in each case only after the generator has provided appropriate financial security to LCRA Transmission Services Corporation for its expenses, subject to the following:

- Prior to the approval of any generation interconnection capital project, the president and CEO shall consult with the treasurer and chief financial officer and the vice president and chief operating officer.
- The approval by the president and CEO must meet the official intent requirements set forth in Section 1.150-2 of the IRS Treasury Regulations.
- The approval must not cause total capital expenditures to exceed the approved capital plan or materially adversely impact business planning assumptions.
- The authority delegated to the president and CEO may not be redelegated by the president and CEO.
- The president and CEO shall report to the Board on a quarterly basis all generation interconnection projects approved by the president and CEO pursuant to this delegated authority.
- This delegation of authority shall terminate on Dec. 31, 2020.

FOR ACTION

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

Proposed Motion

I move that the Board of LCRA Transmission Services Corporation adopt the attached resolution; that the Board authorize by record vote the use of the power of eminent domain to acquire rights in the properties described in Exhibit 1 to the resolution for the amendment of easements for the existing Camp Wood to Leakey Transmission Line Overhaul project to ensure the continued reliable transmission of electric energy on the Camp Wood to Leakey (T269) transmission line; and that the first record vote applies to all units of property to be condemned.

Board Consideration

LCRA Transmission Services Corporation Board Policy T401 – Land Resources and Section 2206.053 of the Texas Government Code require Board authorization prior to the initiation of eminent domain proceedings.

Section 2206.053 of the Texas Government Code provides that if two or more Board members object to adopting a single resolution for all units, a separate record vote must be taken for each unit of property. If two or more units of real property are owned by the same person, those units may be treated as one unit of property.

Budget Status and Fiscal Impact

The amendment costs were included in the Board-approved budget for the Camp Wood to Leakey Transmission Line Overhaul project.

Summary

LCRA TSC proposes to amend three easements in Real County for the Camp Wood to Leakey Transmission Line Overhaul project. Bierschwale Land Company LLC performed independent appraisals of the interests in real property to be acquired to determine just compensation to the landowners.

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

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

LCRA TSC representatives performed cultural due diligence studies and made mitigation recommendations for two areas of concern. LCRA TSC representatives also performed environmental due diligence studies. Because of the endangered species habitat located within the project area, a permit from the U.S. Fish and Wildlife Service is required. LCRA TSC recently received its systemwide Incidental Take Permit from the U.S. Fish and Wildlife Service. Higher compensatory mitigation costs will likely be required if there are any effects to habitat situated within a conservation easement on a portion of the property.

Staff requests the Board adopt the resolution in Exhibit D authorizing the initiation of condemnation proceedings on the first record vote for all units of property.

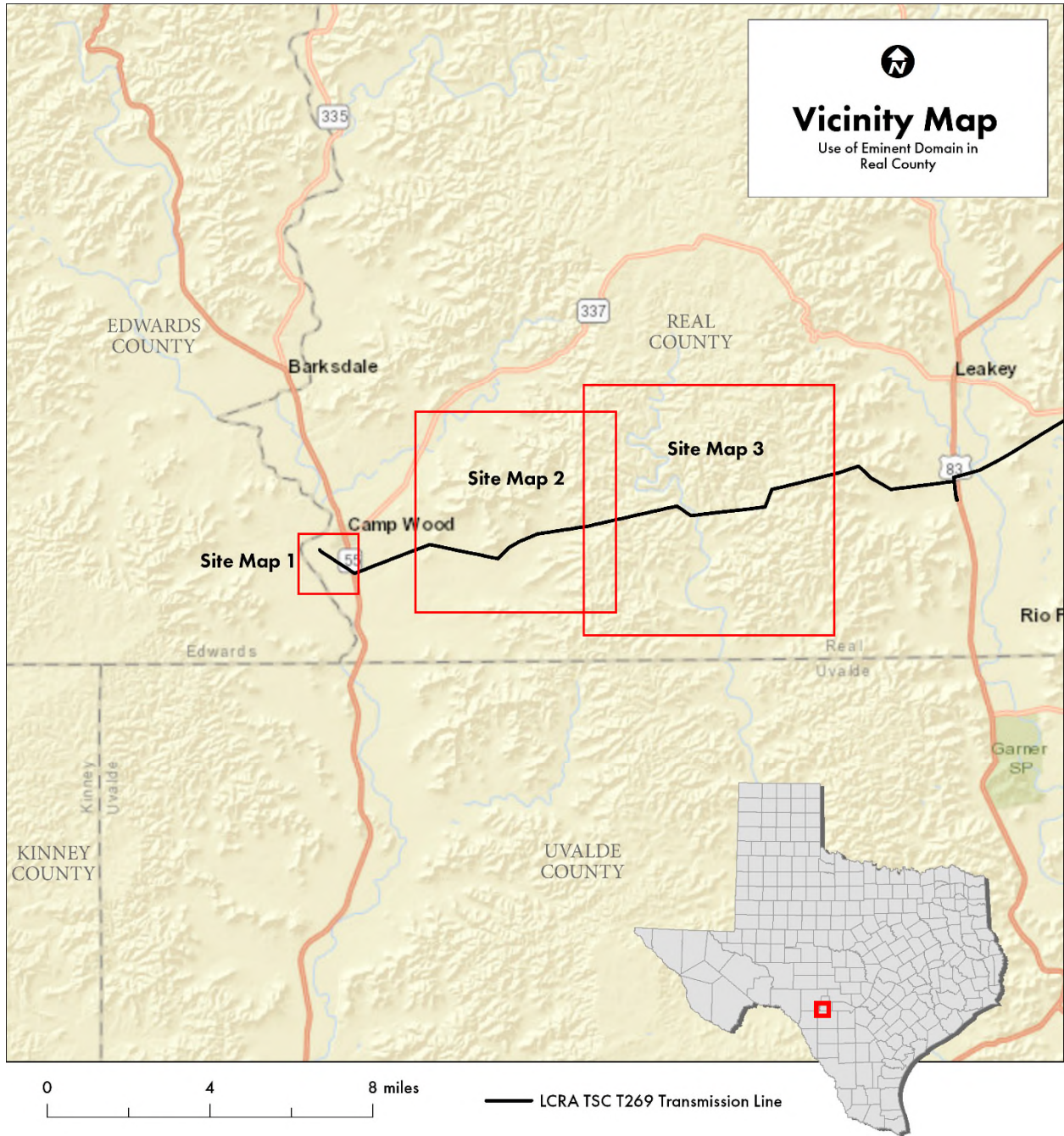
Presenter(s)

Mark Sumrall
Director, Real Estate Services

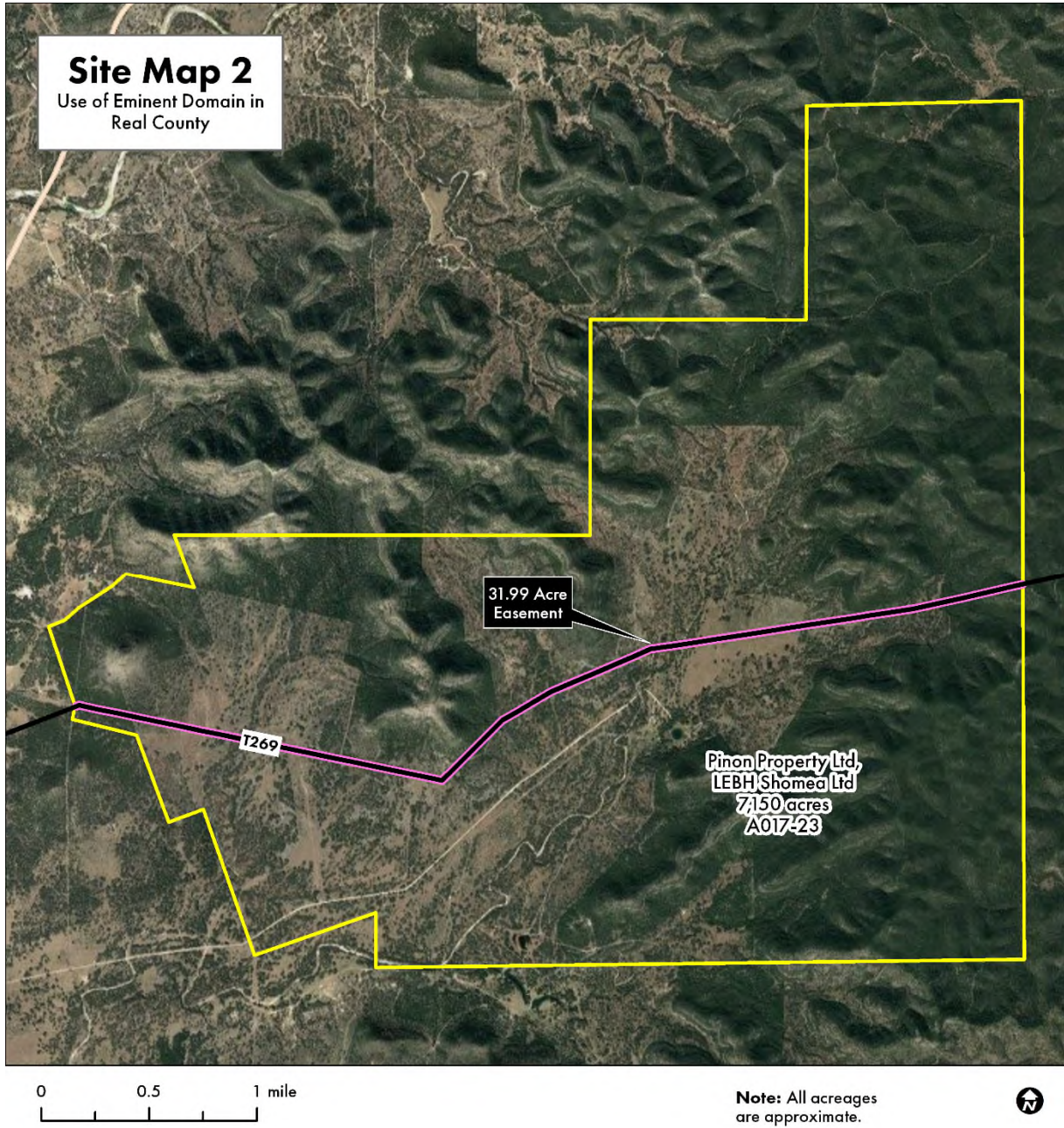
Exhibit(s)

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

EXHIBIT A







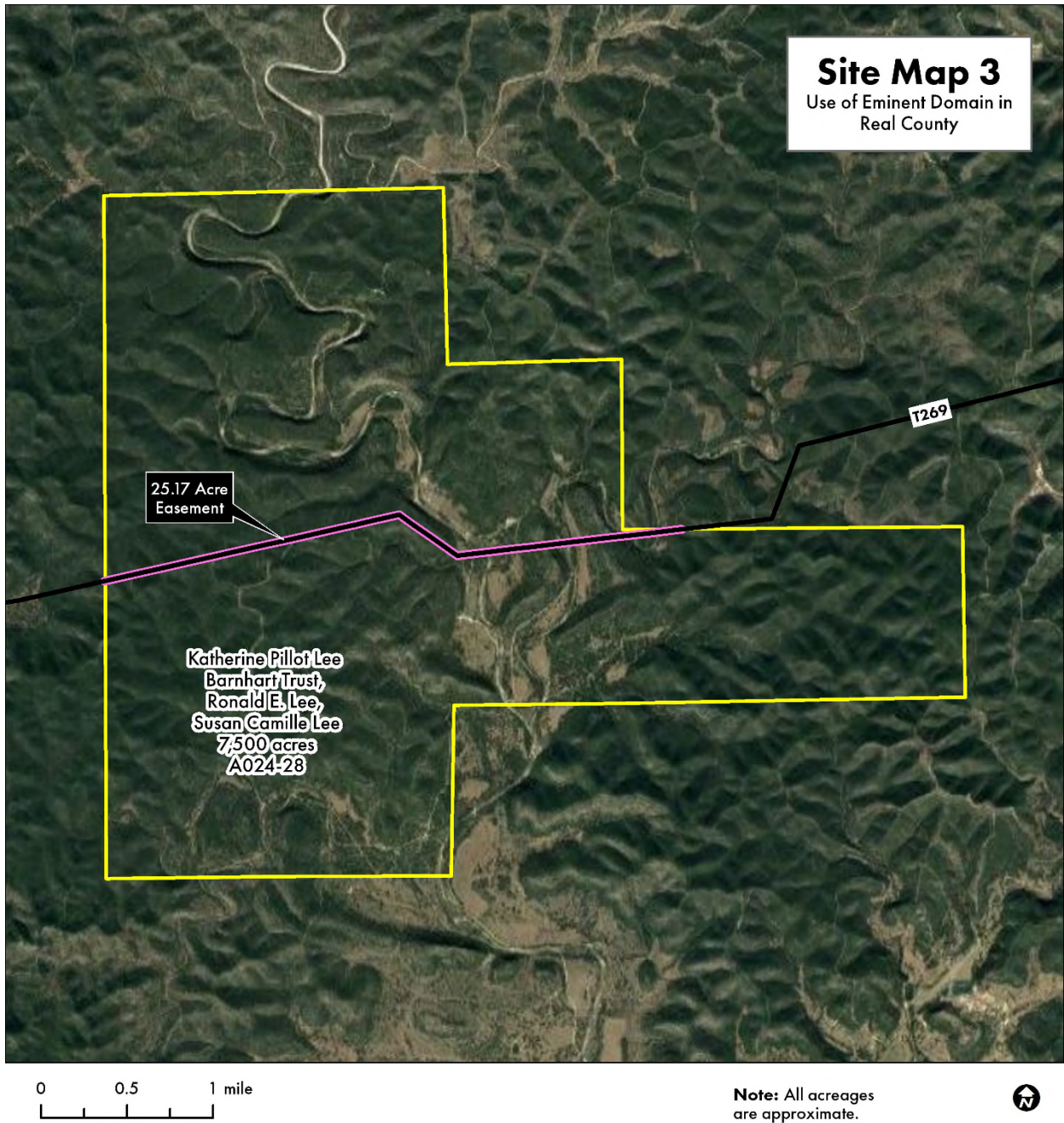


EXHIBIT C

Parcel ID	Landowner	Approximate Parent Tract Acreage	Land Rights	Approximate Acquisition Acreage	County	Diminution in Value of Remainder	Value of Proposed Easement Rights	Total Approximate Value
A001 A002 A003	Gildart Estate, Lana Powers Harper, Mitchel Lee Harper, Jad Powers Harper	480 acres	Easement Rights	6.95 acres	Real	\$140,400	\$37,530	\$177,930
A017 A018 A019 A020 A021 A022 A023	Pinon Property Ltd, LEBH Shomea Ltd	7,150 acres	Easement Rights	31.99 acres	Real	\$172,776	\$45,058	\$217,834
A024 A025 A026 A027 A028	Katherine Pillot Lee Barnhart Trust, Ronald E. Lee, Susan Camille Lee	7,500 acres	Easement Rights	25.17 acres	Real	\$138,125	\$36,811	\$174,936

EXHIBIT D

Page 1 of 2

PROPOSED MOTION

I MOVE THAT THE BOARD OF LCRA TRANSMISSION SERVICES CORPORATION ADOPT THE ATTACHED RESOLUTION; THAT THE BOARD AUTHORIZE BY RECORD VOTE THE USE OF THE POWER OF EMINENT DOMAIN TO ACQUIRE RIGHTS IN THE PROPERTIES DESCRIBED IN EXHIBIT 1 TO THE RESOLUTION FOR THE AMENDMENT OF EASEMENTS FOR THE EXISTING CAMP WOOD TO LEAKEY TRANSMISSION LINE OVERHAUL PROJECT TO ENSURE THE CONTINUED RELIABLE TRANSMISSION OF ELECTRIC ENERGY ON THE CAMP WOOD TO LEAKEY (T269) TRANSMISSION LINE; AND THAT THE FIRST RECORD VOTE APPLIES TO ALL UNITS OF PROPERTY TO BE CONDEMNED.

**RESOLUTION
AUTHORIZING ACQUISITION OF INTERESTS IN REAL PROPERTY BY
CONDEMNATION IN REAL COUNTY FOR
EASEMENT AMENDMENTS.**

WHEREAS, LCRA Transmission Services Corporation has determined the need to acquire the interests in real property necessary for the public purposes of construction, operation, and maintenance of an electric transmission line for three separate easement amendments in Real County; and

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

NOW, THEREFORE, BE IT RESOLVED that the president and chief executive officer or his designee is authorized to purchase the interests in real property from the landowner(s) listed in the attached Exhibit C for the Camp Wood to Leakey Transmission Line Overhaul project, with the description of the location(s) of and interests in the properties that LCRA Transmission Services Corporation seeks to acquire being more particularly described in maps provided to the Board and attached to this Resolution as Exhibit 1; that the public convenience and necessity requires the acquisition of said interests in real property; that the public necessity requires the condemnation of the interests in real property in order to acquire them for such purposes; that LCRA Transmission Services Corporation does not intend to acquire rights to groundwater or surface water in the land; that LCRA Transmission Services Corporation will make a bona fide offer to acquire the interests in real property from the landowner(s) voluntarily as required by Sec. 21.0113 of the Texas Property Code; and that at such time as LCRA Transmission Services Corporation has determined that the landowner(s) and LCRA Transmission Services Corporation will be unable to reach an agreement on the fair market value of the subject interests in real property and that it

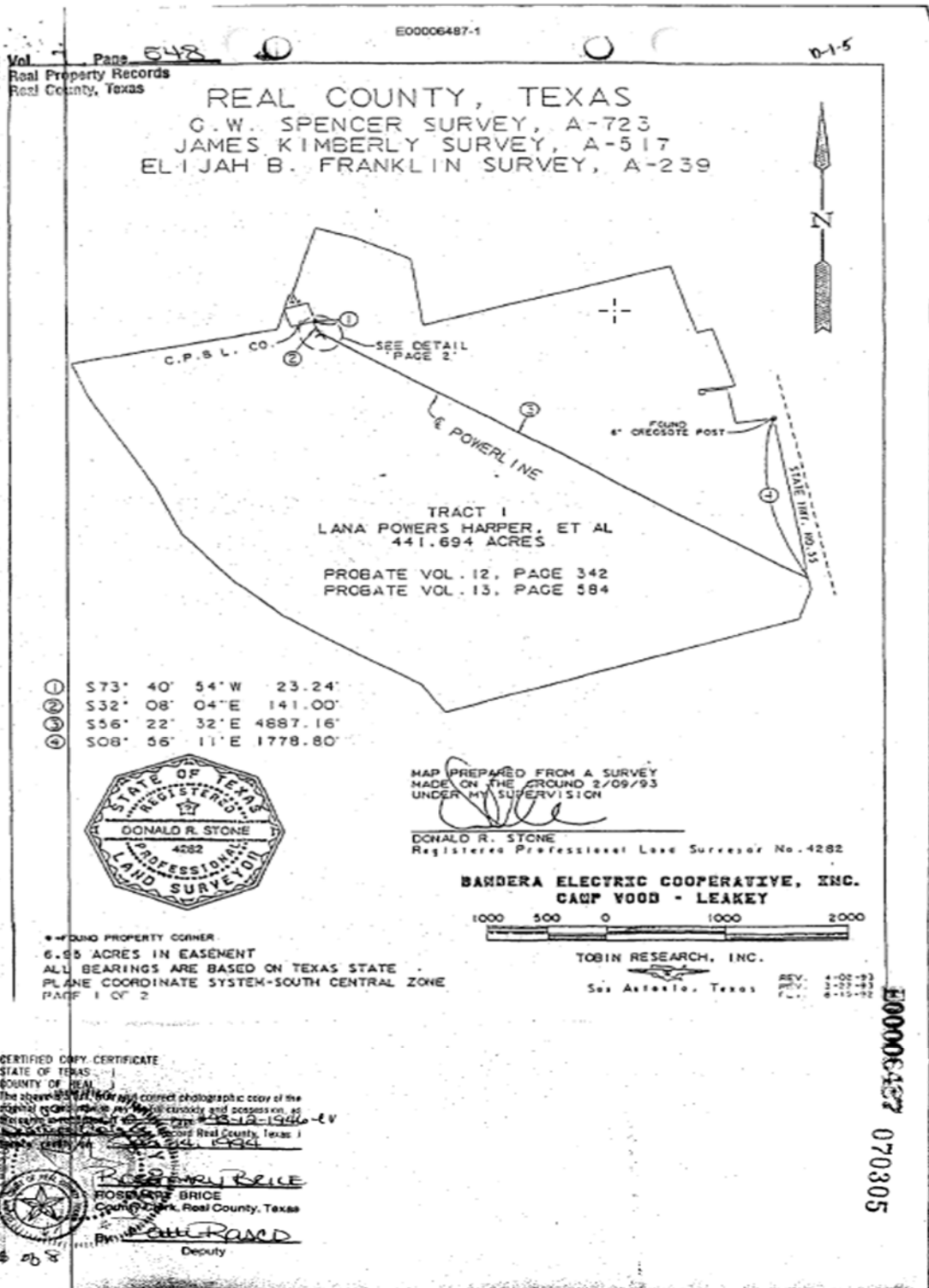
EXHIBIT D

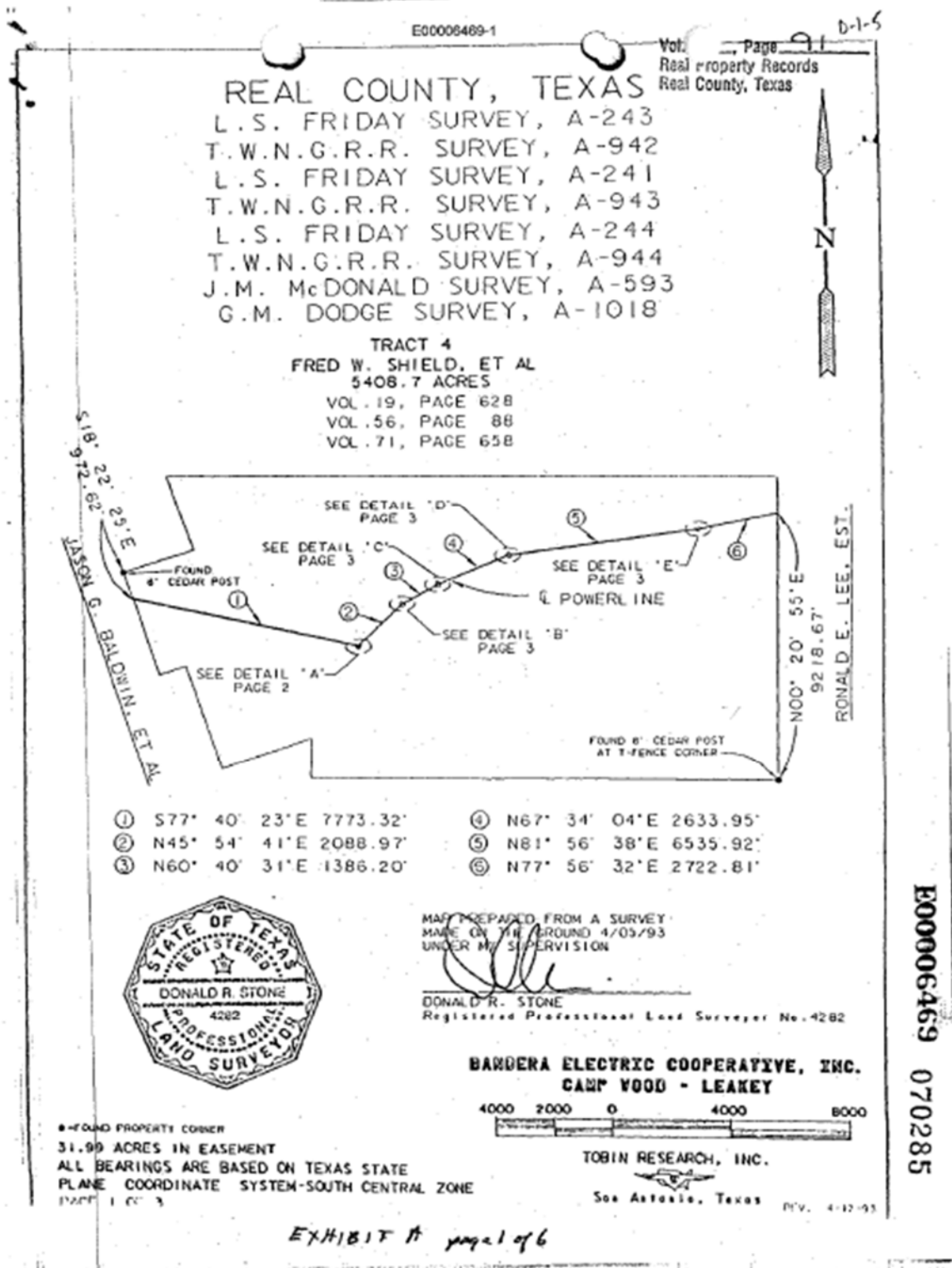
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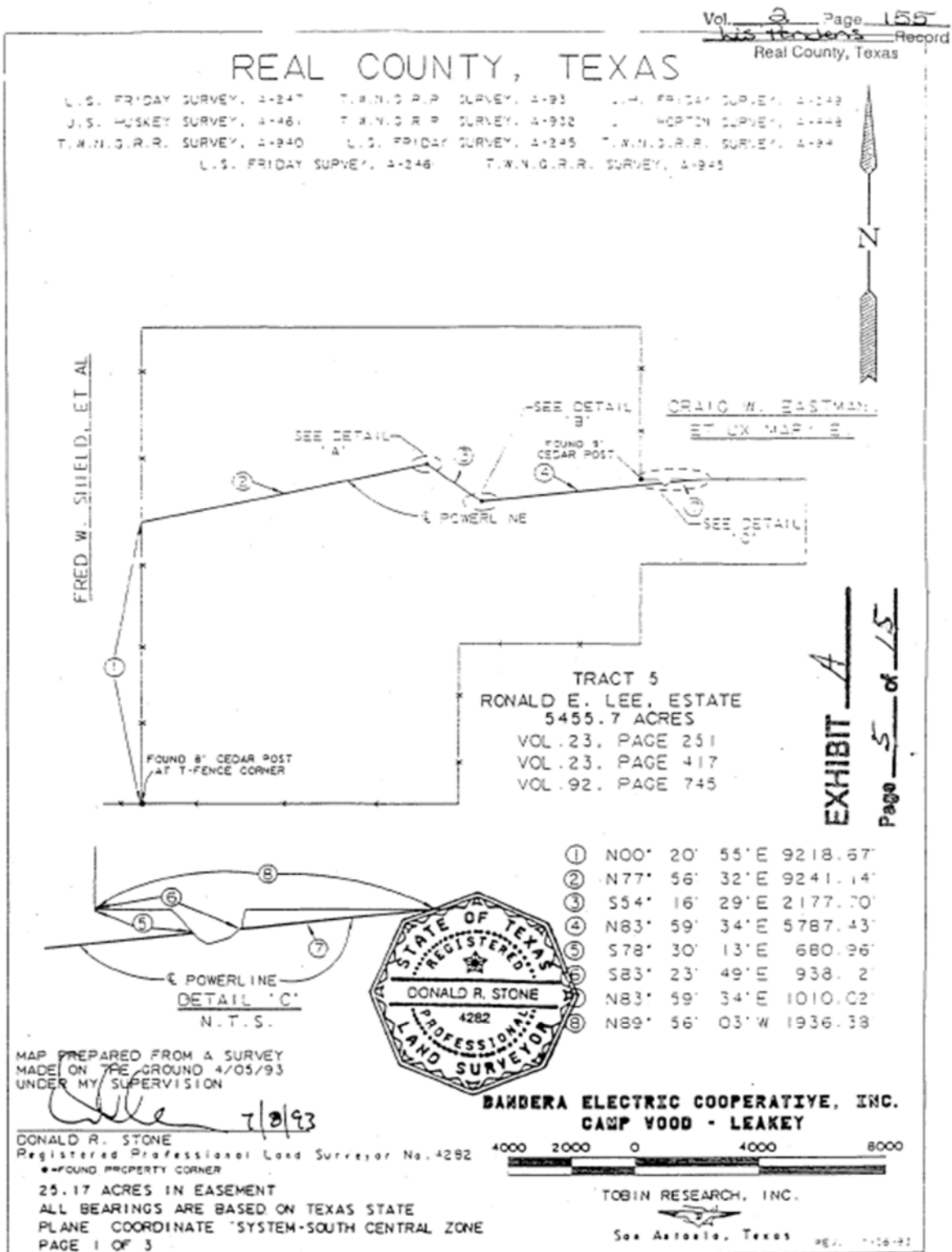
should appear that further negotiations for settlement with the landowner(s) would be futile, then the president and chief executive officer or his designee is authorized and directed to initiate condemnation proceedings against the owner(s) of the properties, and against all other owners, lien holders, and other holders of an interest in the properties, in order to acquire the necessary interests in real property; and that this resolution take effect immediately from and after its passage;

BE IT FURTHER RESOLVED that the president and chief executive officer or his designee is hereby authorized to do all things necessary and proper to carry out the intent and purpose of this resolution, including determination and negotiation of the interests in real property that are proper and convenient for the operation of the electric transmission line.

EXHIBIT 1
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FOR ACTION

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

Proposed Motion

I move that the Board of LCRA Transmission Services Corporation adopt the attached resolution; that the Board authorize by record vote the use of the power of eminent domain to acquire rights in the properties described in Exhibit 1 to the resolution for the acquisition of easements and temporary workspaces for the Bakersfield to Solstice Transmission Line Addition project to provide for the reliable transmission of electric energy on the Bakersfield to Solstice (T683) transmission line; and that the first record vote applies to all units of property to be condemned.

Board Consideration

LCRA Transmission Services Corporation Board Policy T401 – Land Resources and Section 2206.053 of the Texas Government Code require Board authorization prior to the initiation of eminent domain proceedings.

Section 2206.053 of the Texas Government Code provides that if two or more Board members object to adopting a single resolution for all units, a separate record vote must be taken for each unit of property. If two or more units of real property are owned by the same person, those units may be treated as one unit of property.

Budget Status and Fiscal Impact

The acquisition costs were included in the Board-approved budget for the Bakersfield to Solstice Transmission Line Addition project.

Summary

LCRA TSC proposes to acquire transmission line and temporary workspaces in Pecos County for the Bakersfield to Solstice Transmission Line Addition project. Valbridge Property Advisors performed independent appraisals of the interests in real property to be acquired to determine just compensation to the landowners.

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

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

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

Presenter(s)

Mark Sumrall
Director, Real Estate Services

Exhibit(s)

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

EXHIBIT A

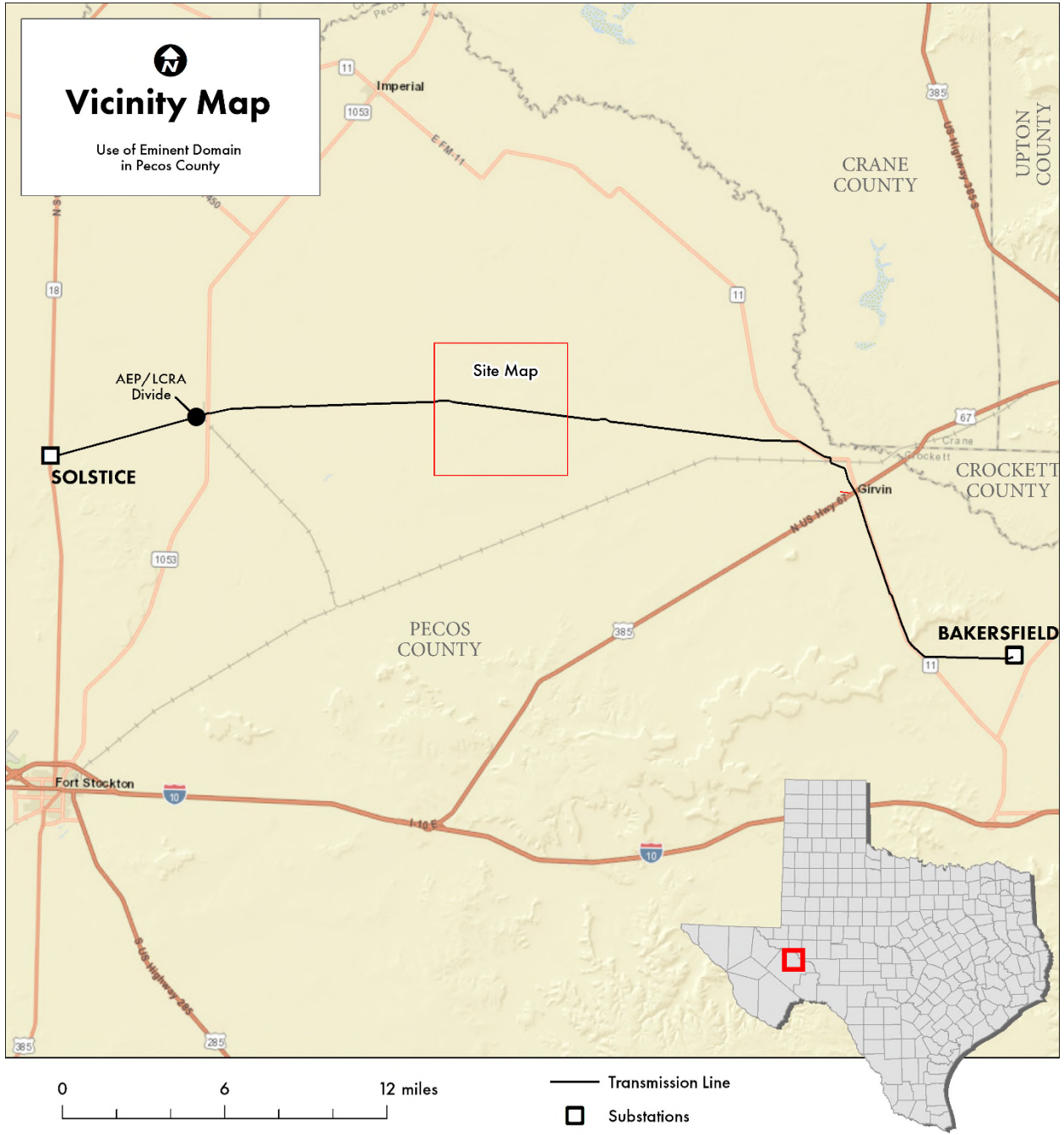
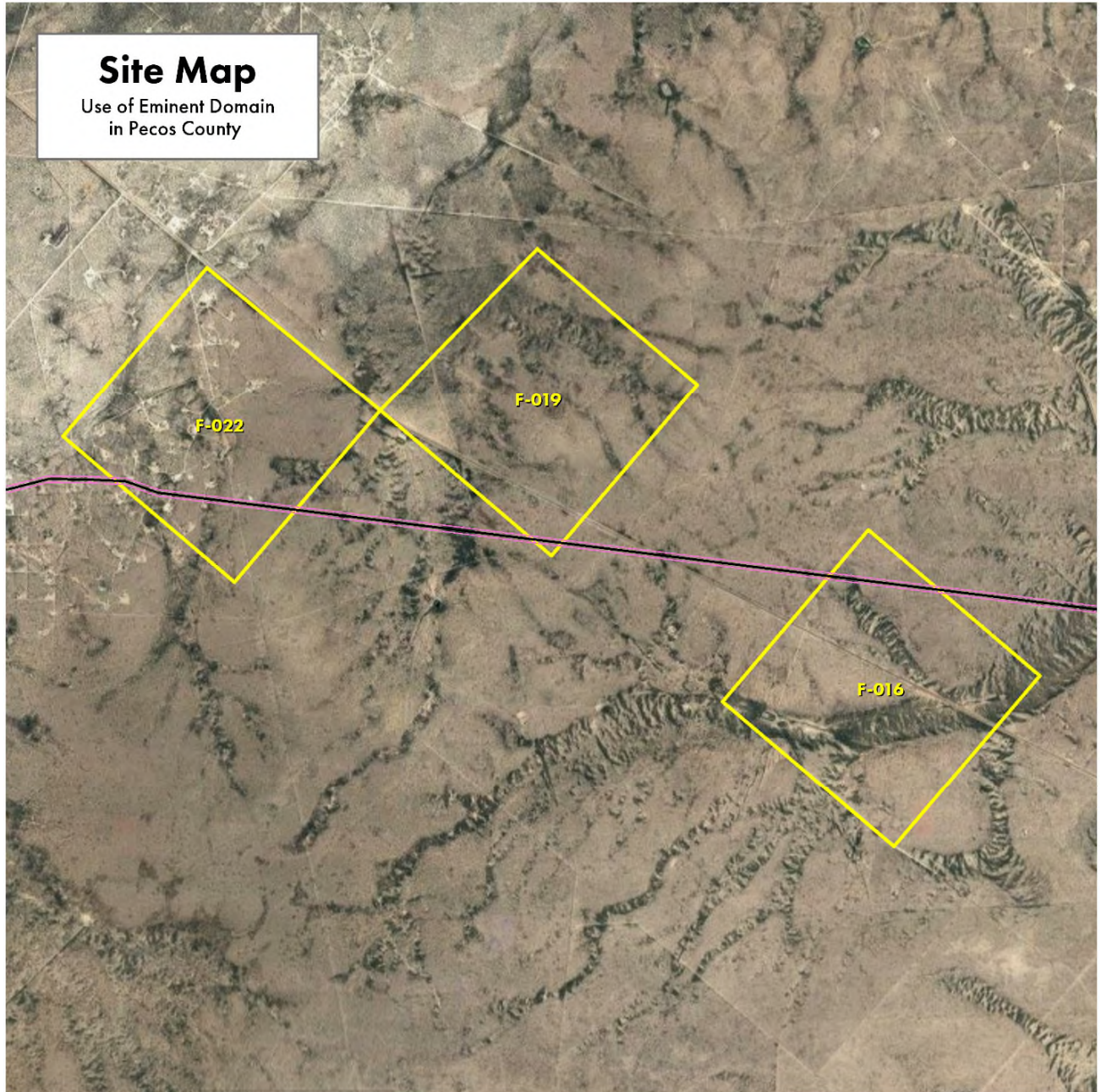


EXHIBIT B



See Exhibit C Landowner List
for owner names and acreages.

EXHIBIT C

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Parcel ID	Landowner	Approximate Parent Tract Acreage	Land Rights	Approximate Acquisition Acreage	County	Diminution in Value of Remainder	Value of Proposed Easement	Total Approximate Value
F-022	See list below	632.63 acres	Easement	15.00 acres	Pecos	\$10,080	\$7,630	\$17,800
F-019	See list below	640 acres	Easement	2.51 acres	Pecos	\$2,520	\$1,638	\$4,200
F-016	See list below	654.71 acres	Easement	9.05 acres	Pecos	\$7,770	\$5,689	\$13,500

F-022 Landowners

Anderson-Prichard Oil Corporation; Barbara Jeanne Ratliff Trust U/A 07/08/04; Betty B. Cranfill Wright; Burlington Resources Oil & Gas Company; Calto Oil Company; Carolyn Burton Campbell; Charles Vance Campbell Jr.; Charter Alliance LLC; Christopher William Clinton, independent executor of the Estate of Helen Margaret Fromme Clinton; Cynthia Cranfill Scott; E. D. Soward; Elizabeth Rose McClellan; Estate of Ben Fromme; First National Bank of Dallas, as trustee of trusts created under the will of J.H. Reynolds; George McGehee; George S. Heyer Jr.; George S. Tallichet; Germany Exploration Company; Glenna Kay Mitchamore Bongirno; Goldston Oil Corporation, as nominee for the beneficiaries: Lydia Mayfield Abbott 1999 Trust, Jack H. Mayfield III, Walter G. Mayfield, and Iris Goldston Trust for Nancy Zoe Goldston (Herpin); Helen Gail Cutler; Henri Lucien Tallichet; Home-Stake Oil & Gas Company; Isabel Cranfill Campbell; James Kelly Neal Jr.; Janet Sue Warner Fisher; Joe Haldas; Joe S. Dean; Joe Turner Jr.; Joy Cole Fromme; Mary B. Keller Revocable Trust Declaration; Mary Helen Neal Craft; Mary Horne Heath; Midwest Oil Corporation; Mona Cranfill Campbell; Nancy Zoe Goldston Herpin; Nina W. Bowden; Occidental Permian Ltd.; Pansy Richardson; Patricia Linehan Rochelle, trustee of the Elizabeth Louise Warner Linehan Trust; Patti Lynn Goldston Mayfield; Robert Lanier Clark Jr.; Sarah Seay Campbell; Southland Royalty Company; Texas Pacific Oil Company Inc.; the Robert A. Welch Foundation; Thomas Cranfill Campbell; ThreeRivers LLC; Tom M. Cranfill, also known as Thomas Mabry Cranfill; and Wanete Oil Company.

EXHIBIT C

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F-019 Landowners

Anderson-Prichard Oil Corporation; Barbara Jeanne Ratliff Trust U/A 07/08/04; Beams Minerals Company; Bonnie Jane Garrett; Burlington Resources Oil & Gas Company; Callie Butler Goodrich; Charles Hatton Goodrich; Cory Neal; David Key Garrett; Elizabeth Rose McClellan; Estate of Ben Fromme; Estate of Cary P. Butcher; Estate of David E. Goodrich; Estate of Gavin R. Garrett; Estate of Geraldine Malloy; Estate of Helen Margaret Fromme Clinton; Estate of Maurine V. Goodrich; Estate of Odessa Schlosser; Estate of Robert R. Goodrich; Estate of Svend A. Schlosser; First National Bank of the County of Tom Green, State of Texas; Gavin Robert Garrett; Harriett Goodrich; Helen Gail Cutler; Home-Stake Oil & Gas Company; James Kelly Neal Jr.; Janet Sue Fisher; Joanne McEwen Phelps; John Goodrich Malloy; Joy Cole Fromme; Julia Garrett Heinrichs; Kelly Kristine Baber Nelson; Keyes Management Trust; LaForce Family LP; Lochbuie Limited Partnership; Louise Fromme Kadane; Margaret Cecelia Malloy; Mary B. Keller; Mary Helen Neal Craft; Maurine Garrett Hill; Melissa A. Baber; Occidental Permian Ltd.; Pacific Enterprises Oil Company; Patricia Linehan Rochelle, trustee of the Elizabeth Louise Warner Linehan Trust; Paul Malloy; Randolph Manning Fromme; Robert David Goodrich; T. Hall Keyes IV; Texas Pacific Oil Company Inc.; and Wade Sperry Goodrich.

F-016 Landowners

Barbara Jeanne Ratliff, trustee of the Barbara Jeanne Ratliff Trust U/A 7/8/04; Burlington Resources Oil & Gas Company Inc.; Charles R. Wiggins; Dan Wallace Irwin; Herd Partners Ltd.; Janet Sue Fisher; Kathleen Irwin Schuster; Kerr-McGee Corporation; Leona M. Hamilton; Leona M. Hamilton, trustee of the Hamilton Living Trust dated Aug. 14, 1996, and any amendments thereto; Patricia Linehan Rochelle, trustee of the Elizabeth Louise Warner Linehan Trust; R. C. Banks; Shirley C. Wallace; and Texas Fresh Farms LLC.

EXHIBIT D

Page 1 of 2

PROPOSED MOTION

I MOVE THAT THE BOARD OF LCRA TRANSMISSION SERVICES CORPORATION ADOPT THE ATTACHED RESOLUTION; THAT THE BOARD AUTHORIZE BY RECORD VOTE THE USE OF THE POWER OF EMINENT DOMAIN TO ACQUIRE RIGHTS IN THE PROPERTIES DESCRIBED IN EXHIBIT 1 TO THE RESOLUTION FOR THE BAKERSFIELD TO SOLSTICE TRANSMISSION LINE ADDITION PROJECT TO PROVIDE FOR THE RELIABLE TRANSMISSION OF ELECTRIC ENERGY ON THE BAKERSFIELD TO SOLSTICE (T683) TRANSMISSION LINE; AND THAT THE FIRST RECORD VOTE APPLIES TO ALL UNITS OF PROPERTY TO BE CONDEMNED.

**RESOLUTION
AUTHORIZING ACQUISITION OF INTERESTS IN REAL PROPERTY
BY CONDEMNATION IN PECOS COUNTY FOR
TRANSMISSION LINE EASEMENTS.**

WHEREAS, LCRA Transmission Services Corporation has determined the need to acquire the interests in real property for three separate parcels necessary for the public purposes of construction, operation, and maintenance of an electric transmission line in Pecos County; and

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

NOW, THEREFORE, BE IT RESOLVED that the president and chief executive officer or his designee is authorized to purchase the interests in real property from the landowner(s) listed in the attached Exhibit C for the Bakersfield to Solstice Transmission Line Addition project, with the description of the locations of and interests in the properties that LCRA Transmission Services Corporation seeks to acquire being more particularly described in maps provided to the Board and attached to this Resolution as Exhibit 1; that the public convenience and necessity requires the acquisition of said interests in real property; that the public necessity requires the condemnation of the interests in real property in order to acquire them for such purposes; that LCRA Transmission Services Corporation does not intend to acquire rights to groundwater or surface water in the land; that LCRA Transmission Services Corporation will make a bona fide offer to acquire the interests in real property from the landowner(s) voluntarily as required by Sec. 21.0113 of the Texas Property Code; and that at such time as LCRA Transmission Services Corporation has determined that the landowner(s) and LCRA Transmission Services Corporation will be unable to reach an agreement on the fair market value of the subject interests in real property and that it should appear that further negotiations for settlement with the landowner(s) would be futile, then the

EXHIBIT D

Page 2 of 2

president and chief executive officer or his designee is authorized and directed to initiate condemnation proceedings against the owner(s) of the properties, and against all other owners, lien holders, and other holders of an interest in the properties, in order to acquire the necessary interests in real property; and that this resolution take effect immediately from and after its passage;

BE IT FURTHER RESOLVED that the president and chief executive officer or his designee is hereby authorized to do all things necessary and proper to carry out the intent and purpose of this resolution, including determination and negotiation of the interests in real property that are proper and convenient for the operation of the electric transmission line.

EXHIBIT 1
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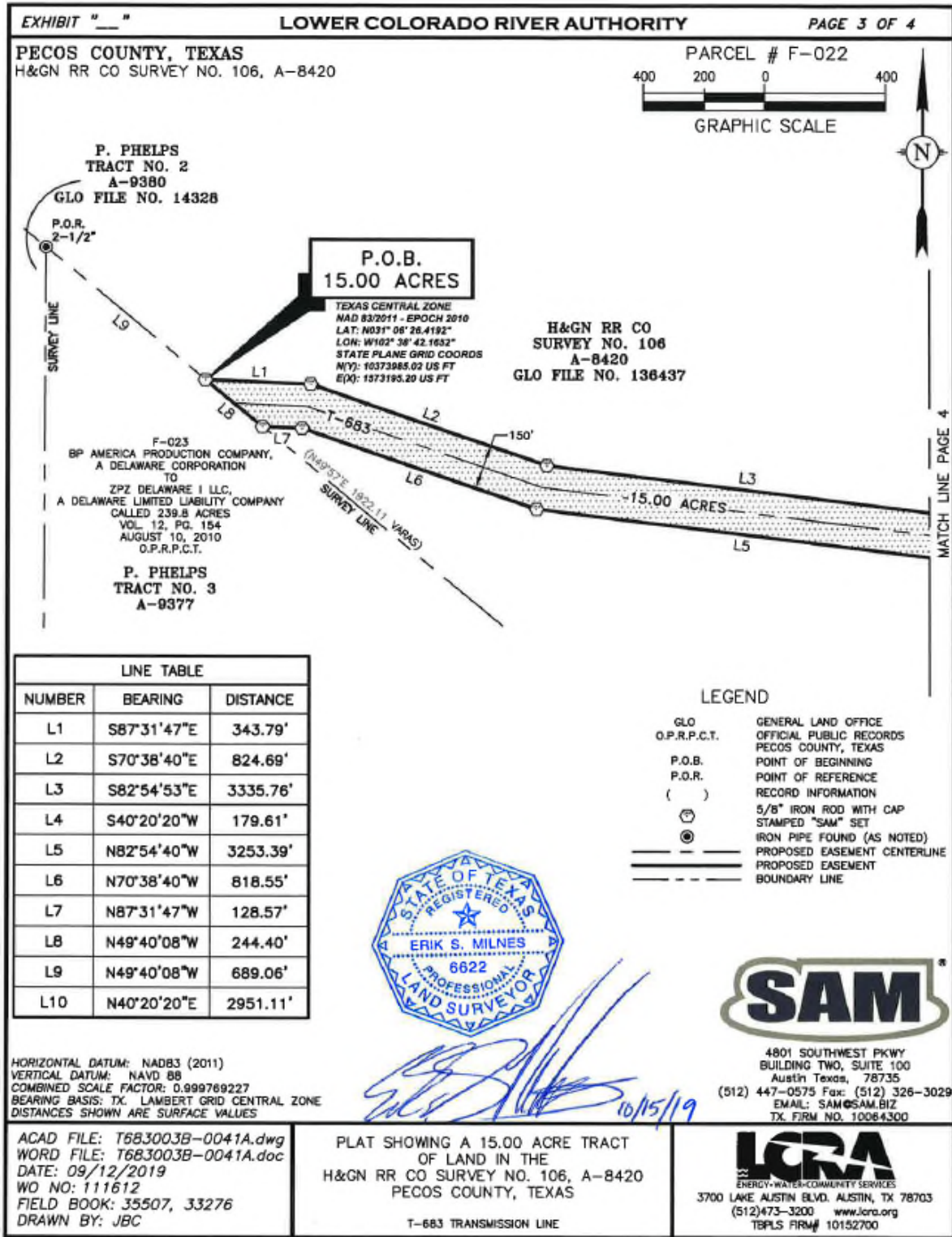
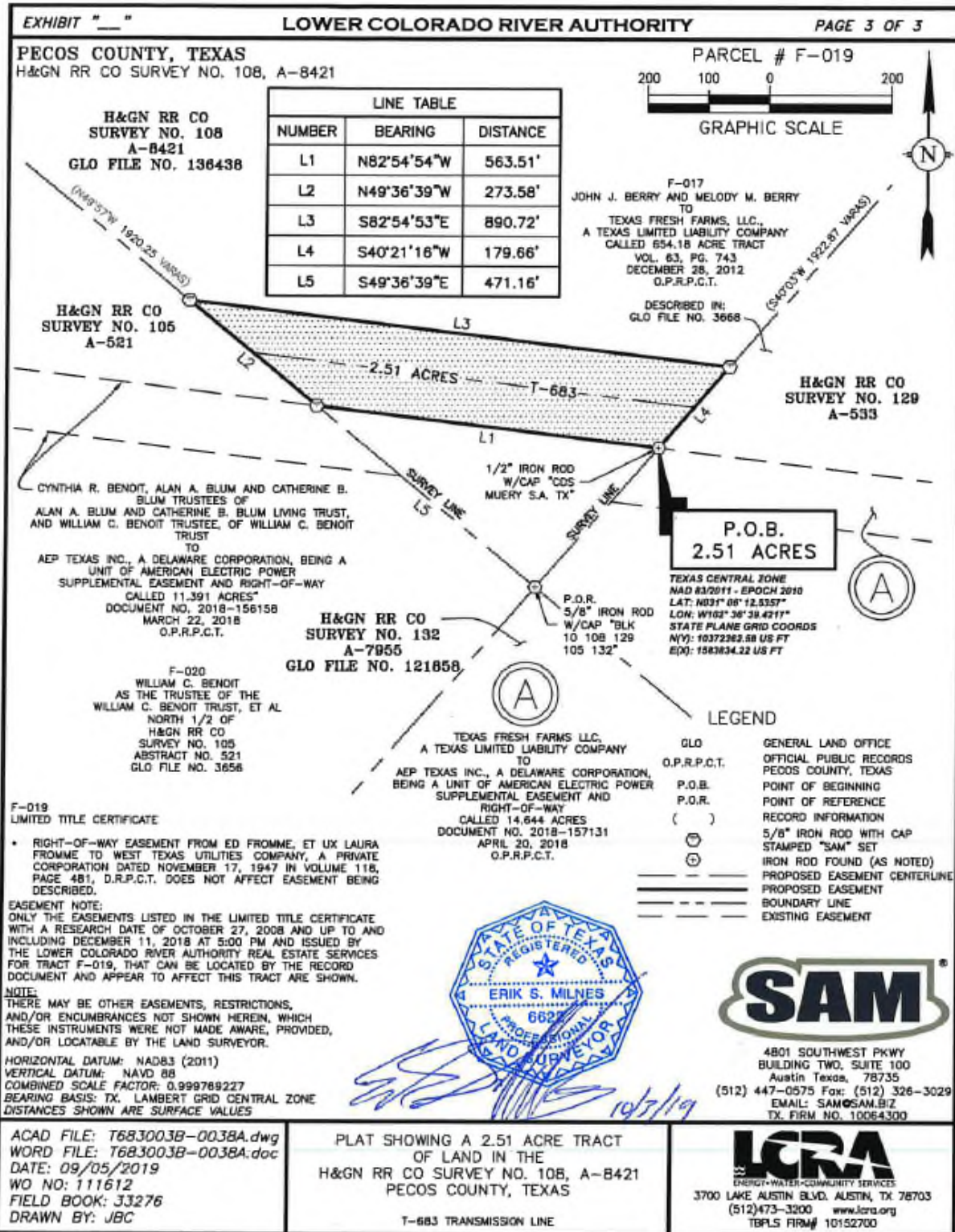
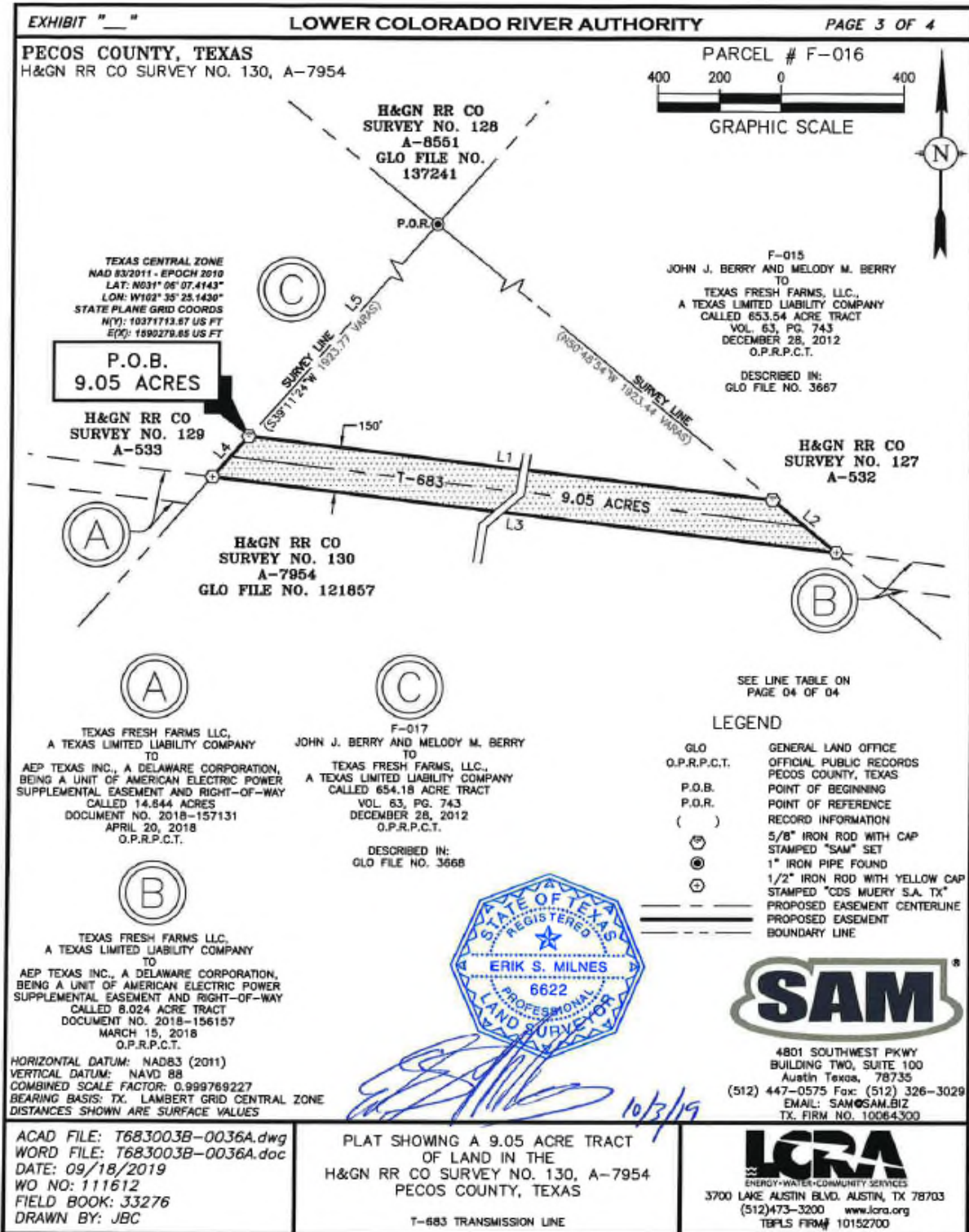


EXHIBIT 1
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