

LCRA Transmission Services Corporation

Board Agenda

Wednesday, Jan. 22, 2020
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 Chief Executive Officer

Chief Executive Officer/Chief Operating Officer Update

Items From the Chief Financial Officer

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Consent Items

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4. Minutes of Prior Meeting 9

Action Items

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in Pecos County 14
6. Acquisition of Interests in Real Property – Use of Eminent Domain
in Lampasas County 30
7. Fiscal Year 2020 LCRA Transmission Services Corporation
Capital Plan Amendment 38

***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.

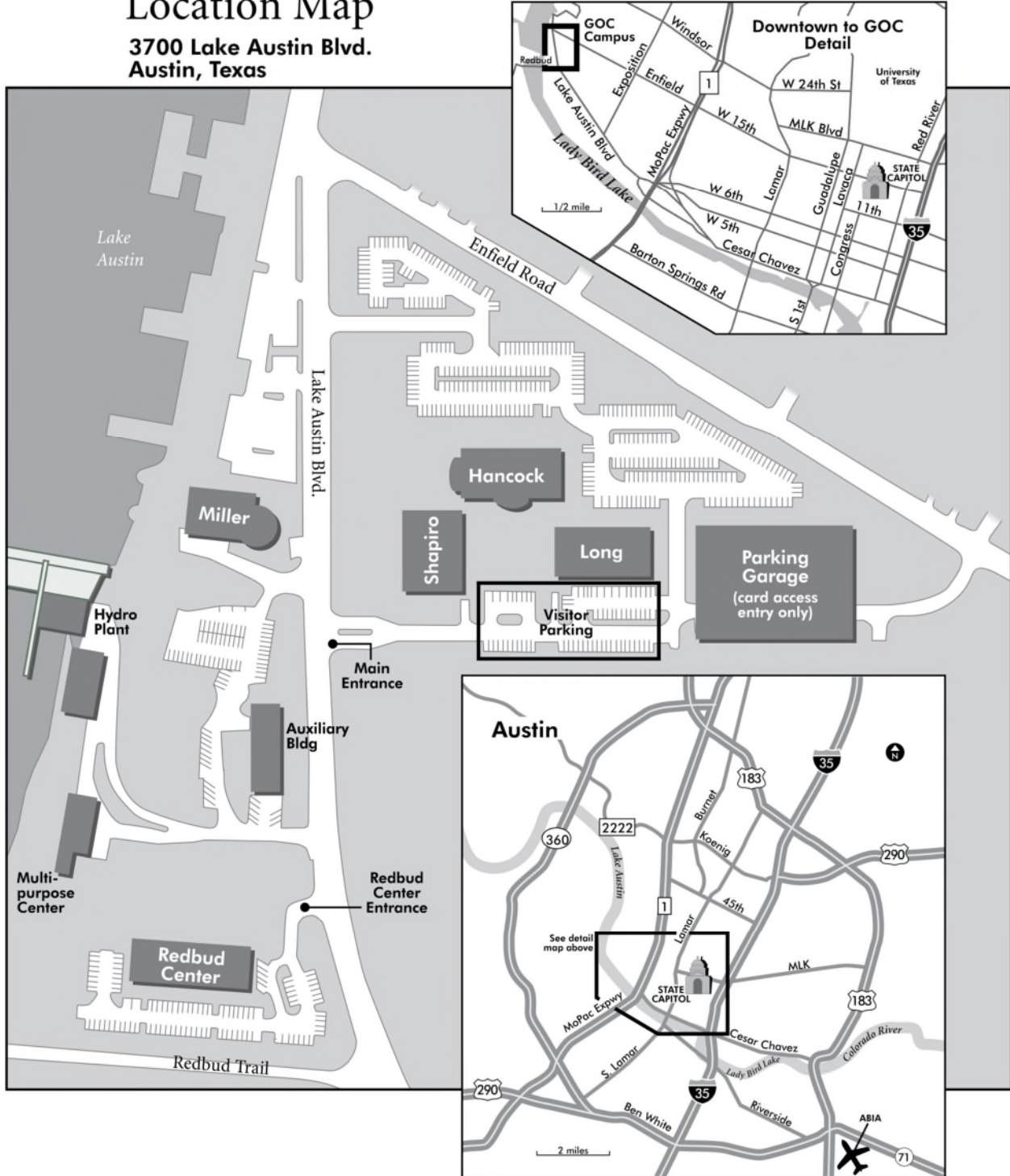
Within the framework of SB 7, LCRA TSC implements the electric transmission business of LCRA, including the expansion of electric transmission services outside of LCRA's traditional electric service territory. LCRA personnel are responsible for performing all of LCRA TSC's activities pursuant to a services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

LCRA General Office Complex Location Map

3700 Lake Austin Blvd.
Austin, Texas



FOR DISCUSSION

1. Comments From the Public

Summary

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

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

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

FOR DISCUSSION

2. Financial Report

Board Consideration

This report is presented monthly to the Board of Directors for discussion.

Summary

The financial report for LCRA Transmission Services Corporation covers the month and fiscal year to date. This report will be handed out at the meeting.

Presenter(s)

Julie Rogers
Controller

FOR ACTION (CONSENT)

3. Sale of Land in Williamson County

Proposed Motion

Declare an approximately 2.15-acre tract of land, being a portion of LCRA Transmission Services Corporation's Spanish Oak Substation site in Williamson 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 Spanish Oak Substation is a shared substation where LCRA TSC and PEC will have their own independent yards. LCRA TSC acquired the entire site comprising 10.04 acres. A 2.15-acre portion of the larger tract has been identified as the PEC yard. LCRA TSC will convey the 2.15-acre tract to PEC, together with an access easement. PEC will pay LCRA TSC \$801,500 for the 2.15-acre tract. The purchase price is the proportional share of the acquisition price of the larger 10.04-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 property sale.

Exhibit(s)

- A – Vicinity Map
- B – Site Map

EXHIBIT A

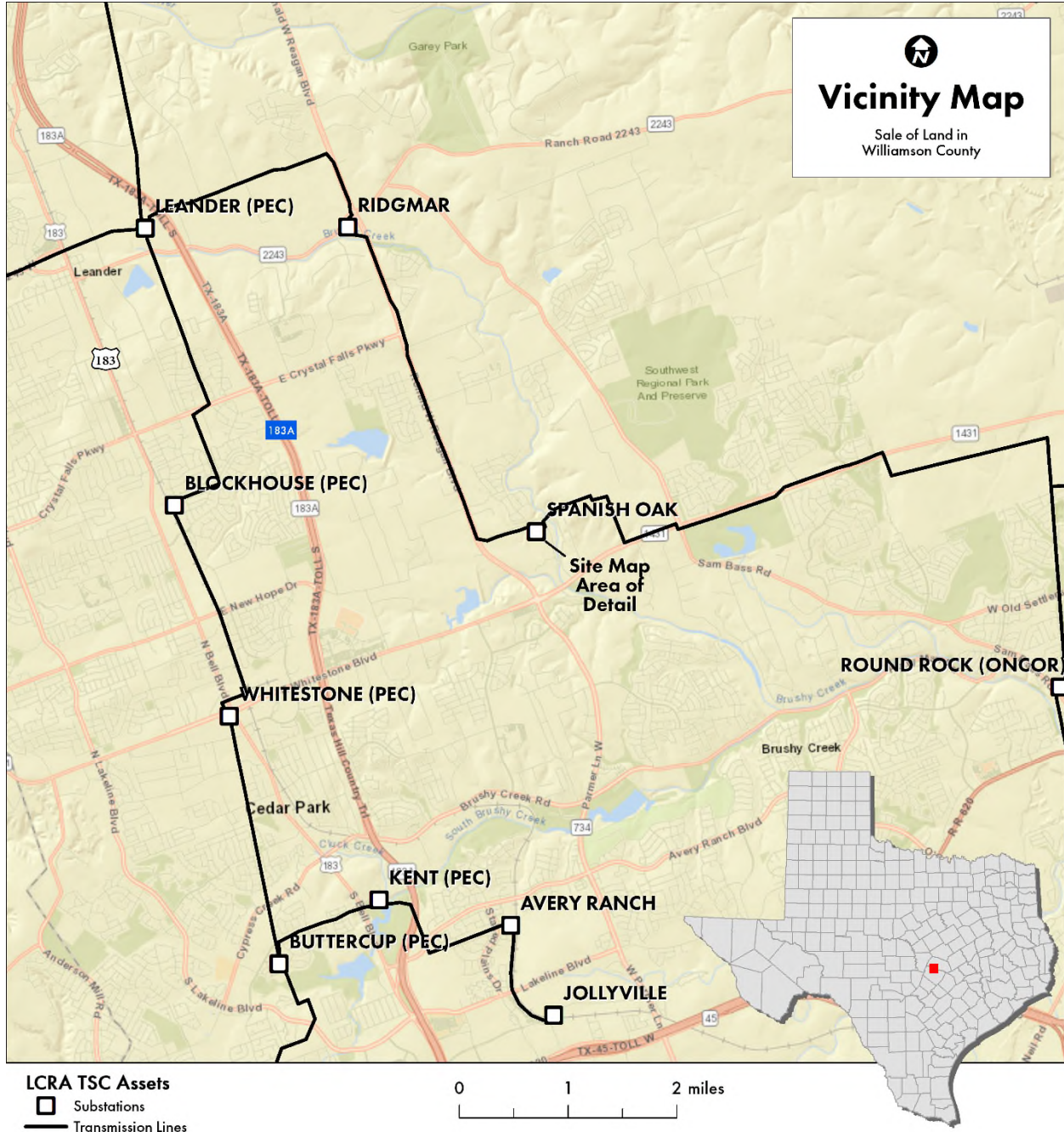


EXHIBIT B



FOR ACTION (CONSENT)

4. Minutes of Prior Meeting

Proposed Motion

Approve the minutes of the Dec. 10, 2019, meeting.

Board Consideration

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

Budget Status and Fiscal Impact

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

Summary

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

Exhibit(s)

A – Minutes of Dec. 10, 2019, meeting

EXHIBIT A

Minutes Digest

Dec. 10, 2019

- 19-35 Declaration of 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 authorization for the president and chief executive officer or his designee to convey the tract to Pedernales Electric Cooperative, together with an access easement.
- 19-36 Approval of the minutes of the Oct. 23, 2019, and Nov. 19, 2019, meetings.
- 19-37 Approval of a resolution delegating authority to the president and chief executive officer on a short-term basis to approve additional funding for capital projects expected to exceed a lifetime budget by 10% and \$300,000.
- 19-38 Approval of a resolution delegating authority to the president and chief executive officer on a short-term basis to approve capital projects associated with generation 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.
- 19-39 Adoption of a resolution authorizing 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.
- 19-40 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 to Solstice Transmission Line Addition project to provide for the reliable transmission of electric energy on the Bakersfield to Solstice (T683) transmission line.

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF
LCRA TRANSMISSION SERVICES CORPORATION
Horseshoe Bay, Texas
Dec. 10, 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 1:09 p.m. Tuesday, Dec. 10, 2019, in conference rooms E, F, G and H at the Horseshoe Bay Resort, 200 Hi Circle North, Horseshoe Bay, Llano 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
Laura D. Figueroa
Raymond A. "Ray" Gill Jr.
Charles B. "Bart" Johnson
Thomas L. "Tom" Kelley
Thomas Michael Martine
George W. Russell
Margaret D. "Meg" Voelter
Martha Leigh M. Whitten
Nancy Eckert Yeary

Absent: Joseph M. "Joe" Crane
Robert "Bobby" Lewis

Chair Timmerman convened the meeting at 1:09 p.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.

The Board next took action on the consent agenda.

Upon motion by Director Berger, seconded by Director Whitten, the Board unanimously approved consent items 2 and 3 included on the Dec. 10, 2019, consent agenda by a vote of 13 to 0 as follows:

19-35 Declaration of an approximately 2.55-acre tract of land, being a portion of LCRA Transmission Services Corporation's Esperanza Substation site in Kendall County, nonessential (no longer necessary, convenient or of beneficial use to the business of LCRA), and authorization for the president and chief executive officer or his

designee to convey the tract to Pedernales Electric Cooperative, together with an access easement, as recommended by staff in Consent Item 2 [attached hereto as Exhibit A].

19-36 Approval of the minutes of the Oct. 23, 2019, and Nov. 19, 2019, meetings [Consent Item 3].

19-37 Chief Financial Officer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 4 [attached hereto as Exhibit B], that the Board approve a resolution delegating authority to the president and chief executive officer on a short-term basis to approve additional funding for capital projects expected to exceed a lifetime budget by 10% and \$300,000. Upon motion by Director Allen, seconded by Vice Chair Cooper, the recommendation was unanimously approved by a vote of 13 to 0.

19-38 Chief Financial Officer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 5 [attached hereto as Exhibit C], that the Board approve a resolution delegating authority to the president and chief executive officer on a short-term basis to approve capital projects associated with generation 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. Upon motion by Director Whitten, seconded by Director Voelter, the recommendation was unanimously approved by a vote of 13 to 0.

19-39 Director of Real Estate Services Mark Sumrall presented for consideration a staff recommendation described in Agenda Item 6 – Acquisition of Interests in Real Property – Use of Eminent Domain in Real County [attached hereto as Exhibit D]. Director Berger moved, seconded by Director Allen, that the Board adopt a resolution authorizing 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. The Board unanimously approved the motion by a record vote of 13 to 0.

19-40 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 Pecos County [attached hereto as Exhibit E]. Director Gill moved, seconded by Director Russell, that the Board adopt a resolution authorizing 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. 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 1:17 p.m.

Thomas E. Oney
Secretary
LCRA Transmission Services Corporation

Approved: Jan. 22, 2020

FOR ACTION

5. 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 easements 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 Maps

C – Landowner List

D – Resolution

1 – Description(s) of the Specific Properties

EXHIBIT A

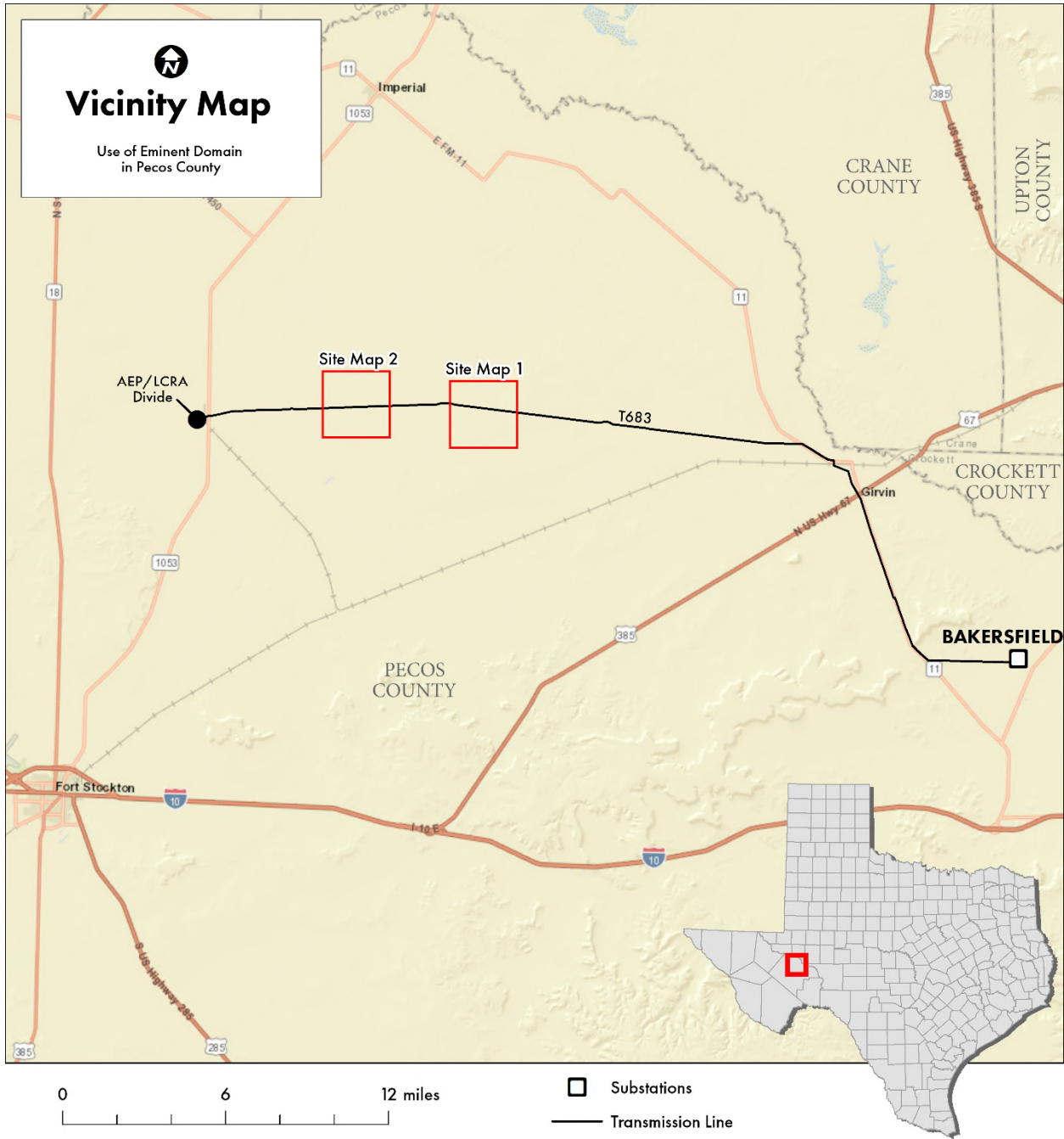
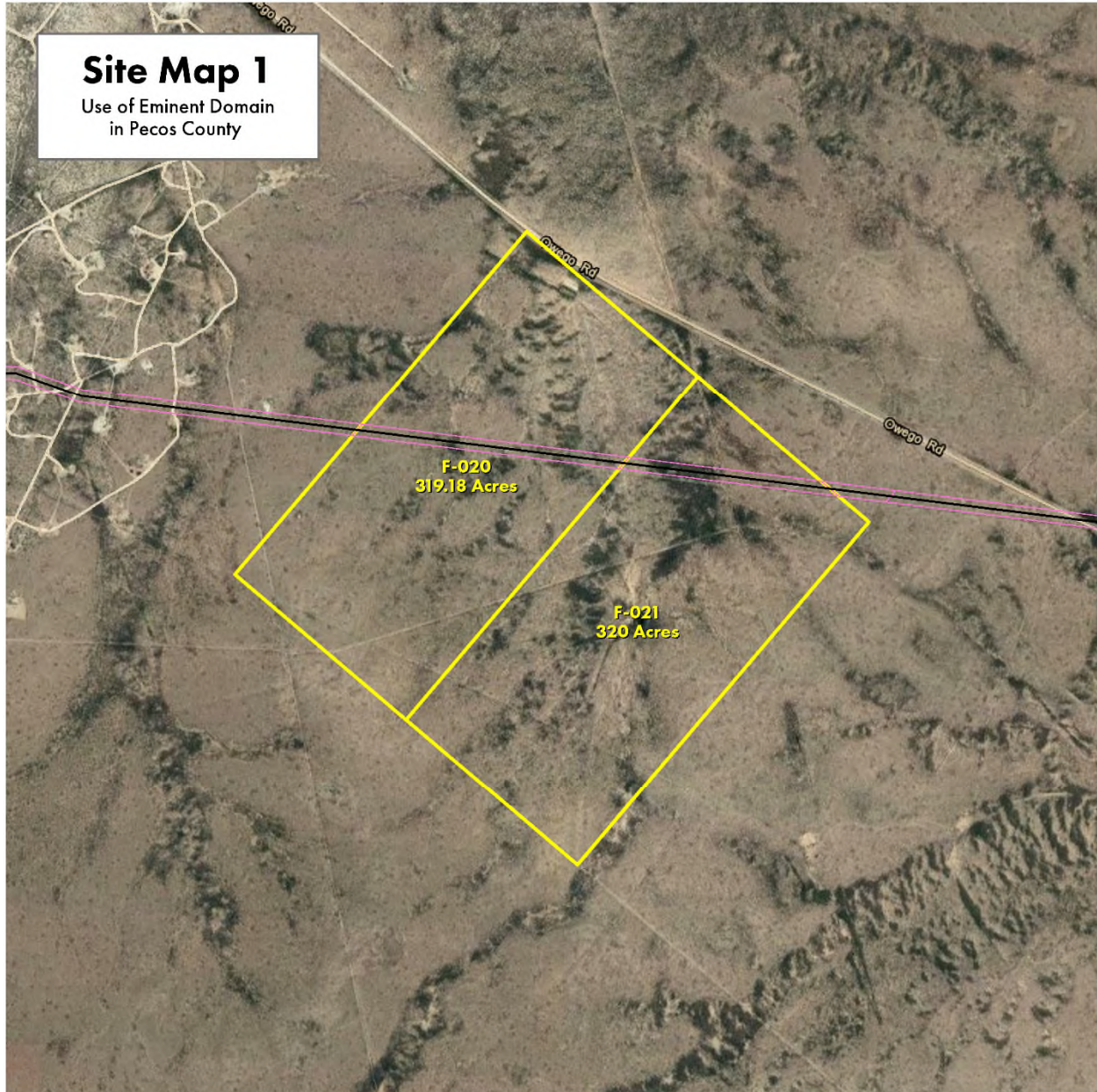


EXHIBIT B
Page 1 of 2



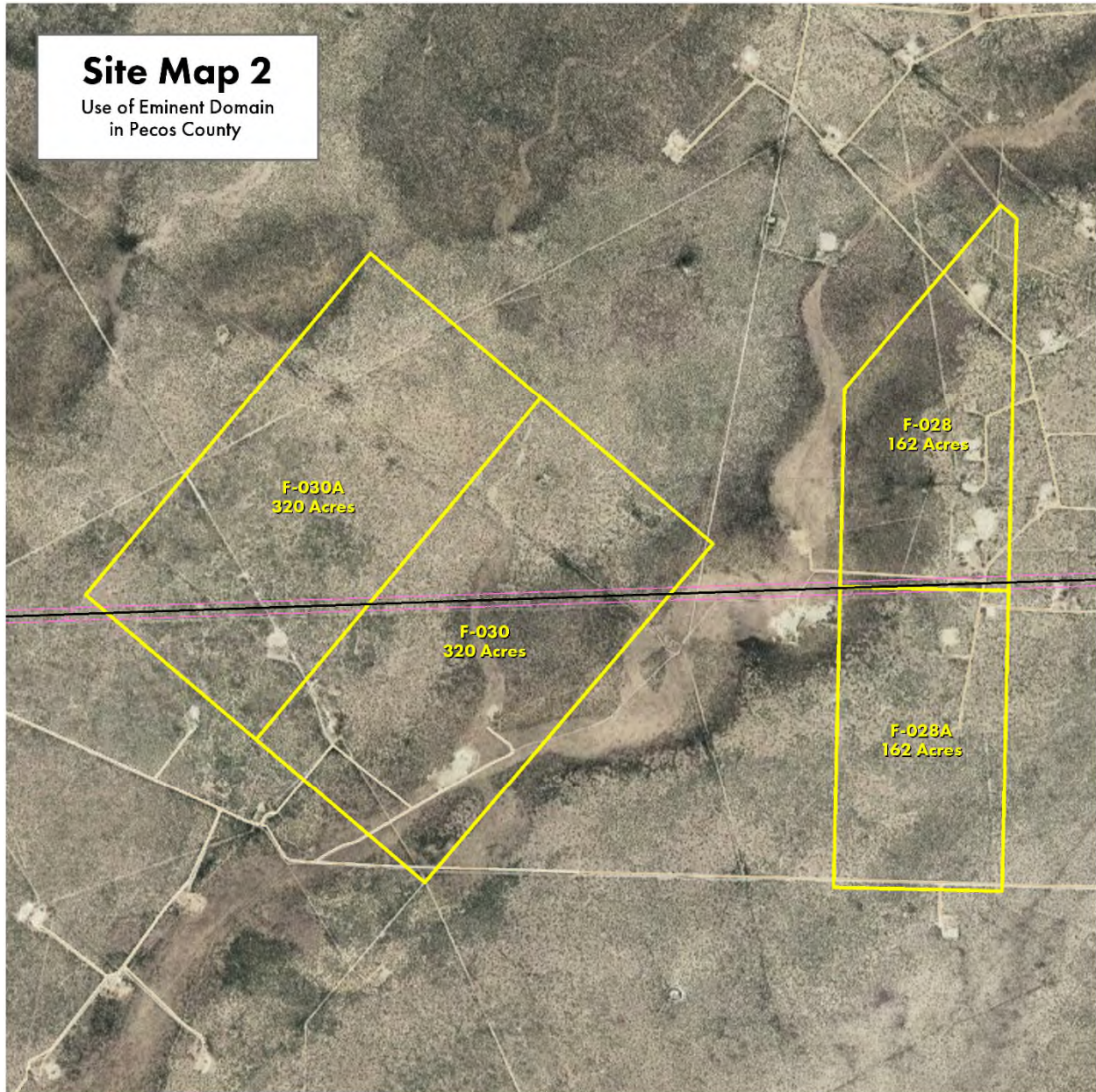
0 2,000 feet

— Transmission Line T683

— Easements

See Exhibit C Landowner List
for owner names and acreages.

EXHIBIT B
Page 2 of 2



0 2,000 feet

— Transmission Line T683
□ Easements

See Exhibit C Landowner List
for owner names and acreages.

EXHIBIT C

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-020	See list below	319.18 acres	Easement	10.99 acres	Pecos	\$9,176	\$6,924	\$16,100
F-021	See list below	320 acres	Easement	8.49 acres	Pecos	\$6,786	\$5,349	\$12,200
F-030A	See list below	320 acres	Easement	10.72 acres	Pecos	\$7,966	\$6,271	\$14,300
F-030	See list below	320 acres	Easement	12.39 acres	Pecos	\$9,317	\$7,248	\$16,600
F-028A	See list below	162 acres	Easement	1.63 acres	Pecos	\$2,563	\$954	\$3,600
F-028	See list below	162 acres	Easement	5.30 acres	Pecos	\$2,602	\$3,101	\$5,800

F-020

Alan A. Blum and Catherine B. Blum, trustees of the Alan A. Blum and Catherine B. Blum Living Trust, dated Nov. 22, 2016; Cynthia R. Benoit; and William C. Benoit, trustee of the William C. Benoit Trust.

F-021

Charles E. Gallagher; John P. Gallagher; and Mark H. Gallagher.

F-030A

Abell-Hanger Foundation; Bank of America N.A. as trustee for the Bold Trust; Baxsto LLC; Betty Ann Fults Campbell aka Betty Ann Fults Remy; Blairbax Energy LLC; Bruce Downing; Buffy Energy LLC; David Allan Downing; Donald Steven Tipton; Jana Dee Downing Taft; Jean Tipton Milaskey; John Downing; John J. Tipton; John W. Murchison Oil and Gas LTD; Lee Fikes, as trustee of the Catherine Whitten Fikes Revocable Trust; Leland Fikes Foundation Inc.; M14 Minerals LTD; Michael Edward Downing; Robert E. Tipton; Roderick James Downing II; Suzanne A. Fults; Ted Fults; Tim Fults; and Timothy D. Tipton.

F-030

Abell-Hanger Foundation; Bank of America N.A. as trustee for the Bold Trust; Baxsto LLC; Betty Ann Fults Campbell aka Betty Ann Fults Remy; Blairbax Energy LLC; Bruce Downing; Buffy Energy LLC; David Allan Downing; Donald Steven Tipton; Jana Dee Downing Taft; Jean Tipton Milaskey; John Downing; John J. Tipton; John W. Murchison Oil and Gas LTD; Lee Fikes, trustee of Legacy Trust; Leland Fikes Foundation Inc.; M14 Minerals LTD; Michael Edward Downing; Robert E. Tipton; Roderick James Downing II; Suzanne A. Fults; Ted Fults; Tim Fults; and Timothy D. Tipton.

F-028A

Blairbax Energy LLC; Buffy Energy LLC; Baxsto LLC; H.A. Hedberg Trust; Gary Frederick Taft; Mary Elizabeth Pederson; John William Hall; Charles Clayton Gumm III; William Boaz Gumm; Rainey Trust; Laurie Sue Davenport; Gail Hazelwood; Lisa Germany; David Wright; Gladys C. Schneider Trust; John W. Colby Jr.; George C. Colby; Deirdre C. Sato; Yetta Jane Risner; Thomas Ross Colby; Sarah Elizabeth Colby Amburgey; Deborah H. Paoella; Myrlane Mendenhall; George Patrick Holden; Harold Tweed Holden; Katy J. Rieger; Richard G. Taft Revocable Trust; Barbara Taft Harding; Joseph Taft Personal Trust; Jan Woodhouse Trust; Bridget Dunken Trust; Julia E. Simpson Management Trust; Burwell Netwon Aycock; Bill Tennille Aycock; Robert Adrian Aycock; Barbara Zan Aycock; Elizabeth Haley Aycock; Robert Andries Schneider; Richard Harry Schneider; Susan Grace Schneider; Estate of Elizabeth Lucilla Housewright; and the Gene Schneider Trust.

F-028

Bridget Dunken Trust; Jan Woodhouse Trust; Barbara Taft Harding; Sara Elizabeth Amburgey; Baxsto LLC; Rainey Trust; Blairbax Energy LLC; Buffy Energy LLC; H.A. Hedberg Trust; Mary Elizabeth Pederson; John William Hall; Gary Frederick Taft; John W. Colby Jr.; George G. Colby; Deirdre C. Sato; Gladys C. Schneider Trust; Charles Clayton Gumm III; William Boaz Gumm; Laurie Sue Davenport; Gail Hazelwood; Lisa Germany; David Wright; Yetta Jane Risner; Thomas Ross Colby; the Gene Schneider Trust; Richard G. Taft Revocable Trust; Joseph Taft Personal Trust; Deborah H. Paoella; Julia E. Simpson Management Trust; Burwell Newton Aycock; Bill Tennille Aycock; Robert Adrian Aycock; Barbara Zan Aycock; Elizabeth Haley Aycock; Robert Andries Schneider; George Patrick Holden; Harold Tweed Holden; Katy J. Rieger; Myrlane Mendenhall; Richard Harry Schneider; and Susan Grace Schneider.

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 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.

**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 six 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

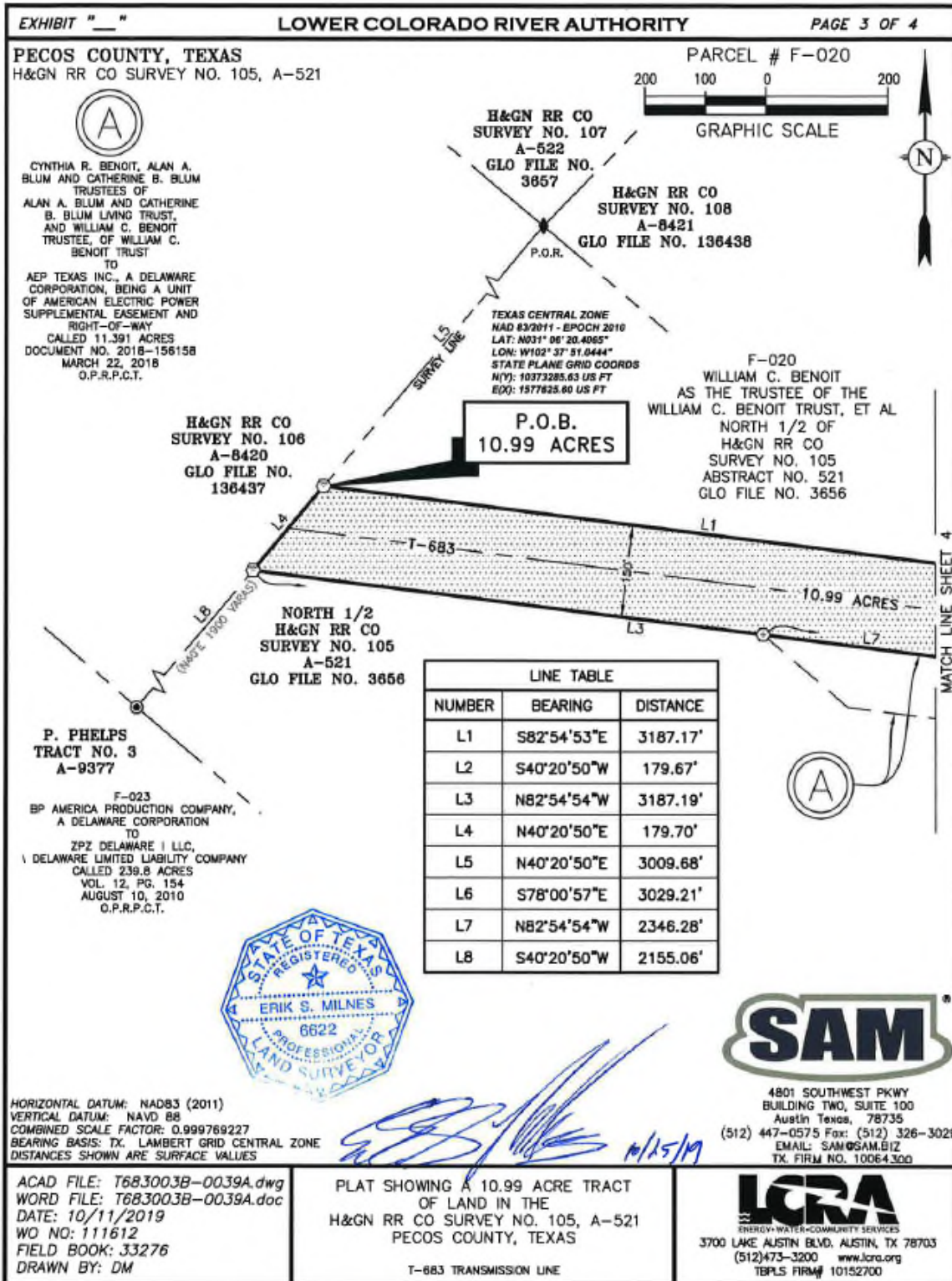
EXHIBIT D

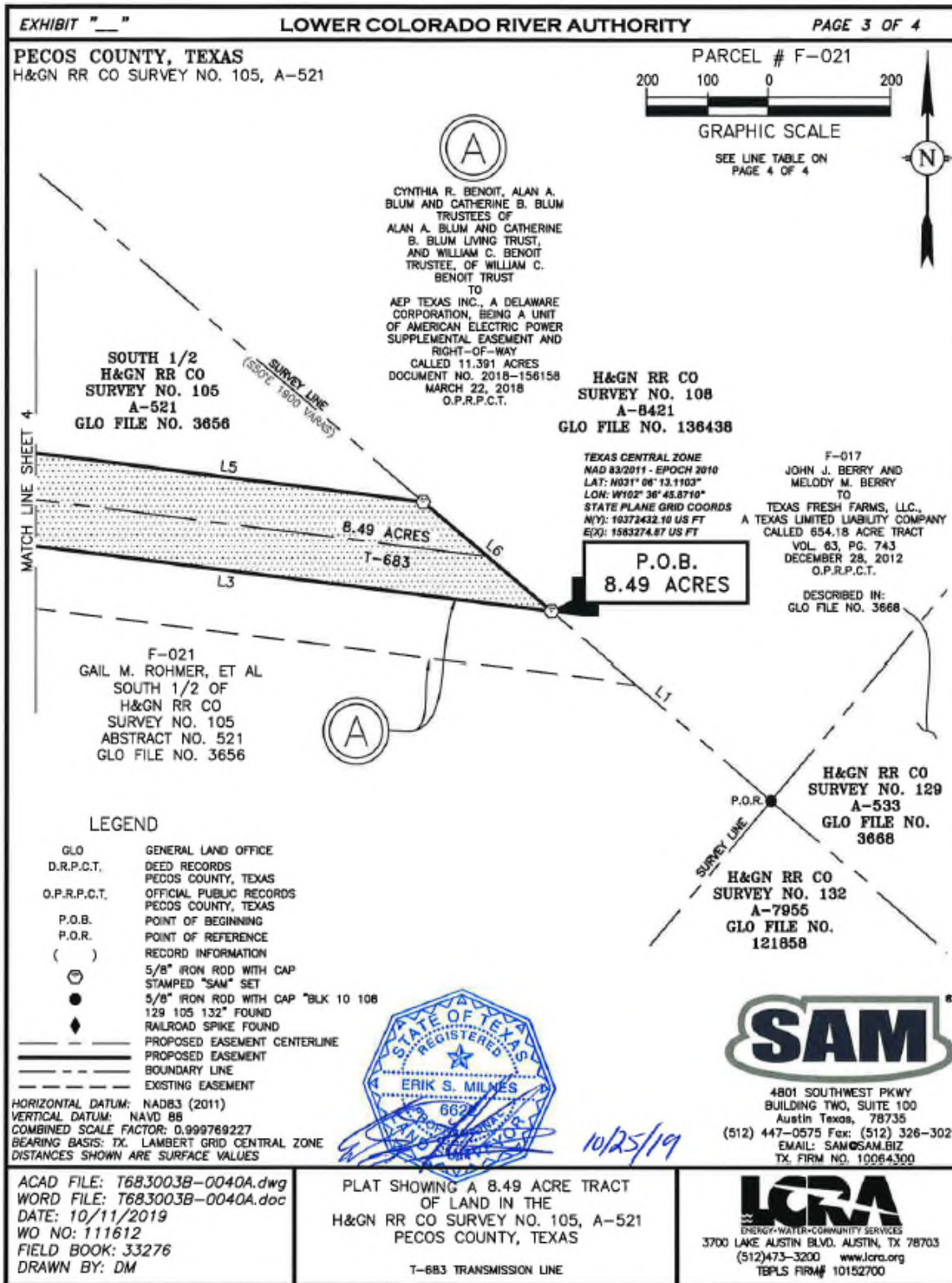
Page 2 of 2

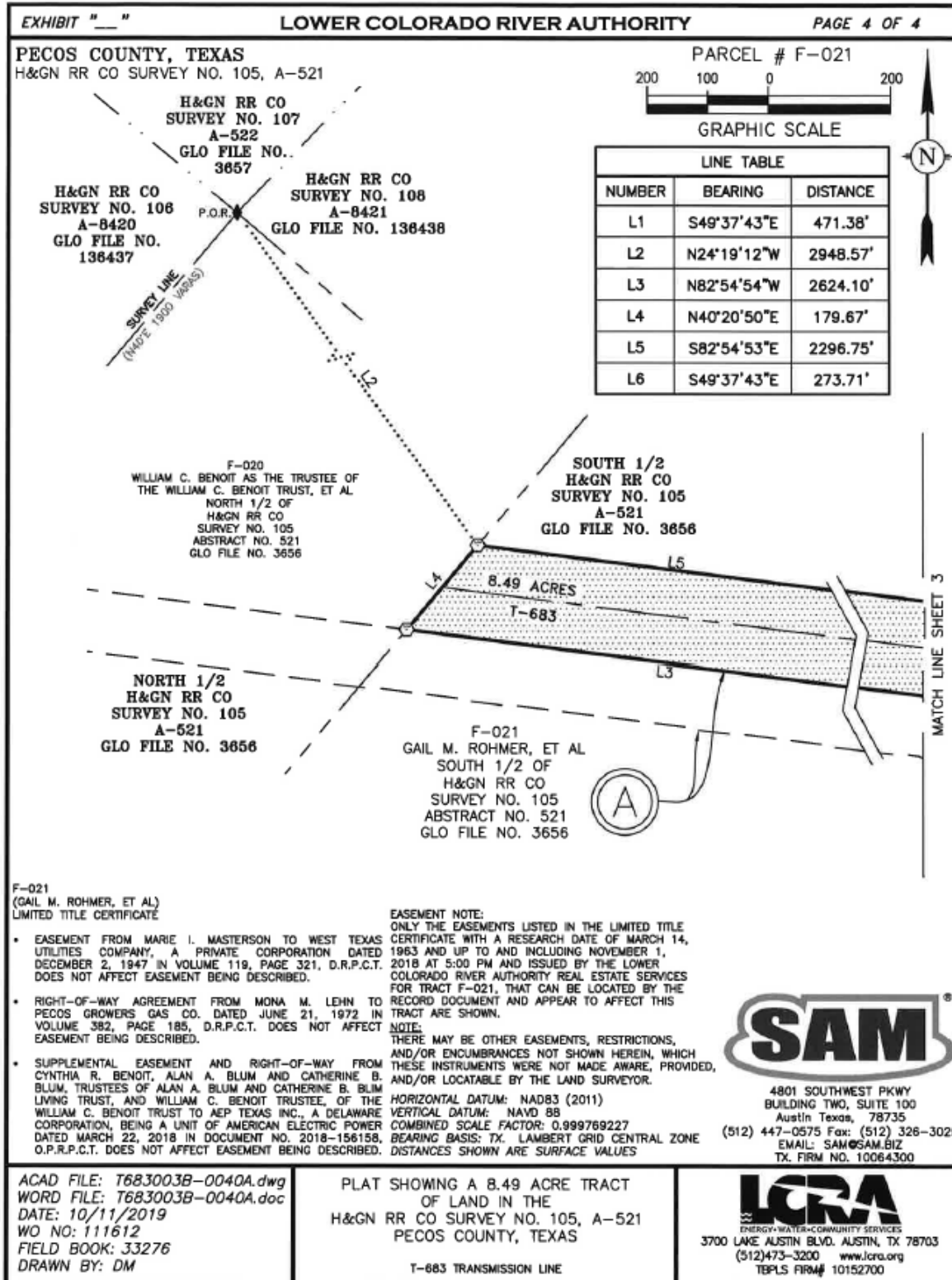
president and chief executive officer or his designee is authorized and directed to initiate condemnation proceedings against the owner(s) of the properties, and against all other owners, lien holders, and other holders of an interest in the properties, in order to acquire the necessary interests in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

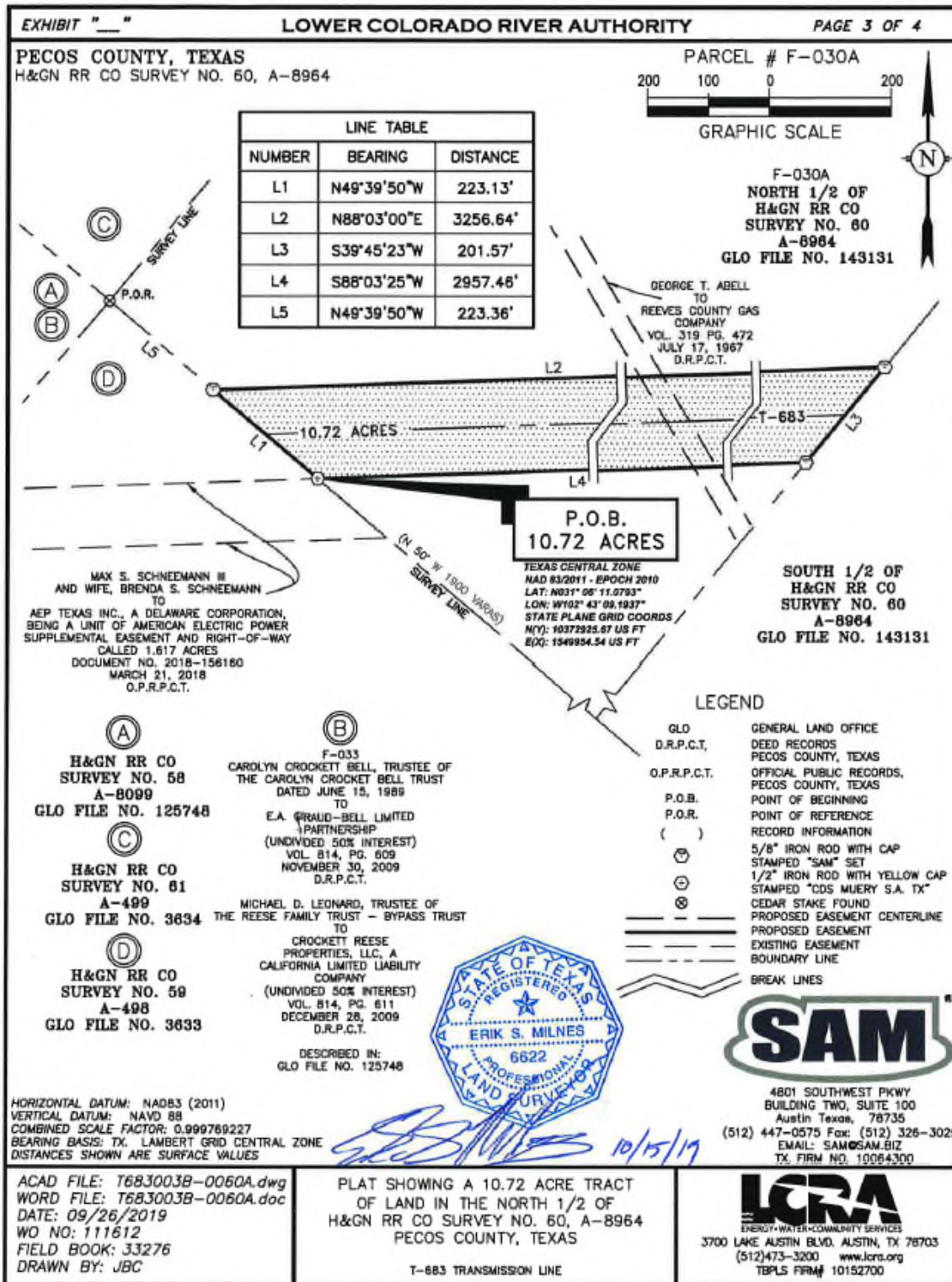
BE IT FURTHER RESOLVED that the president and chief executive officer or his designee is hereby authorized to do all things necessary and proper to carry out the intent and purpose of this resolution, including determination and negotiation of the interests in real property that are proper and convenient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

EXHIBIT 1
Page 1 of 7









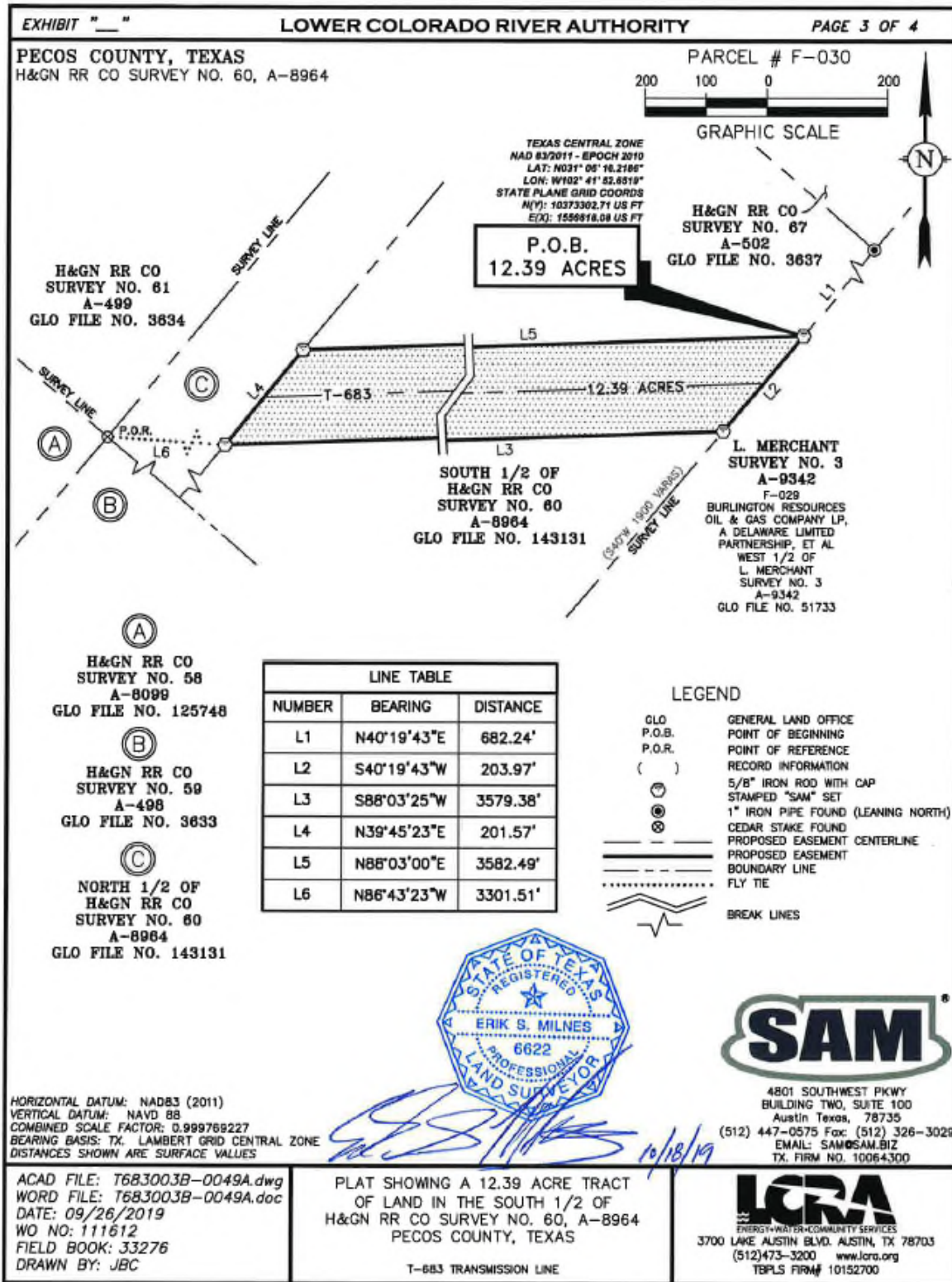
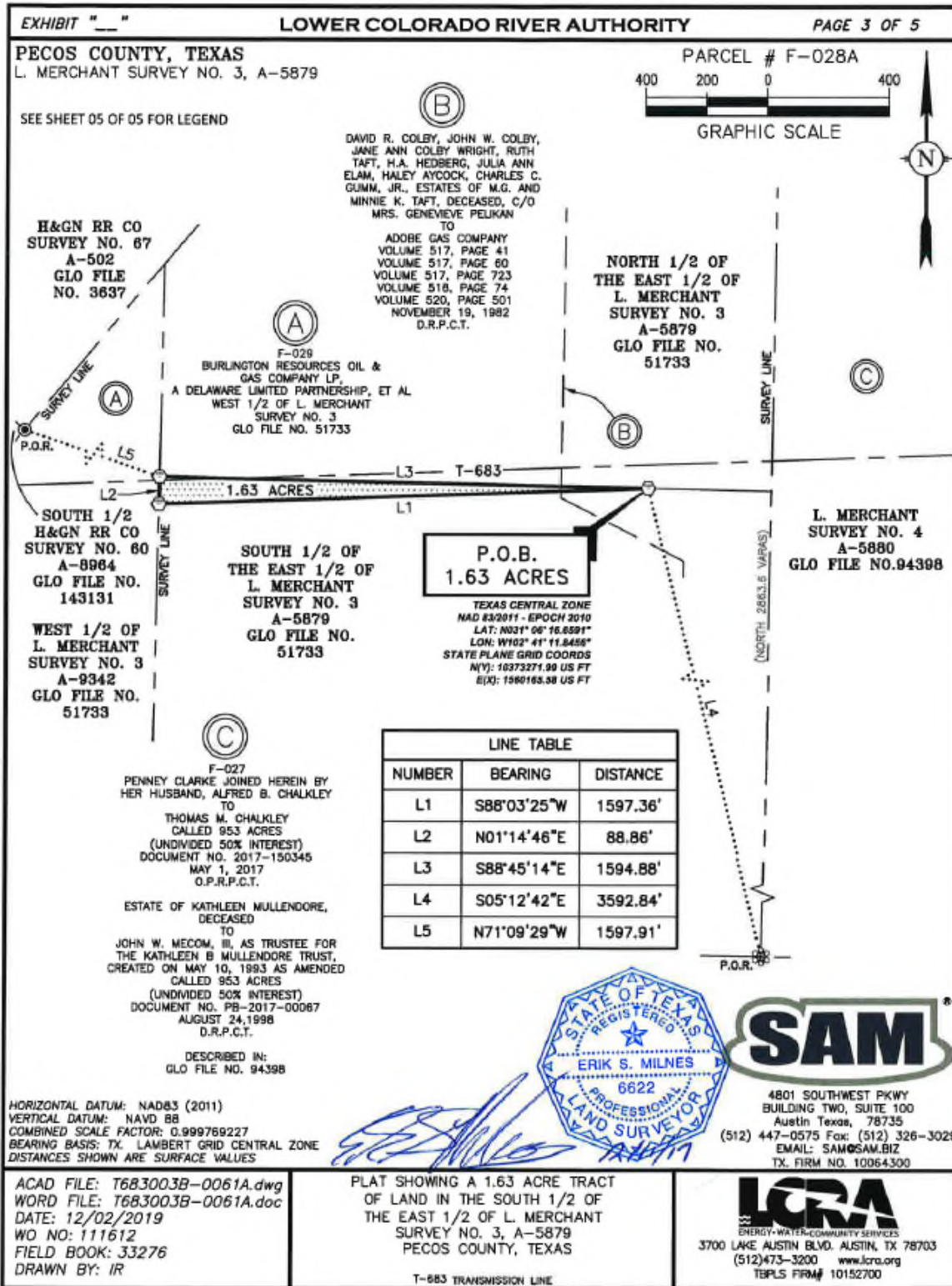
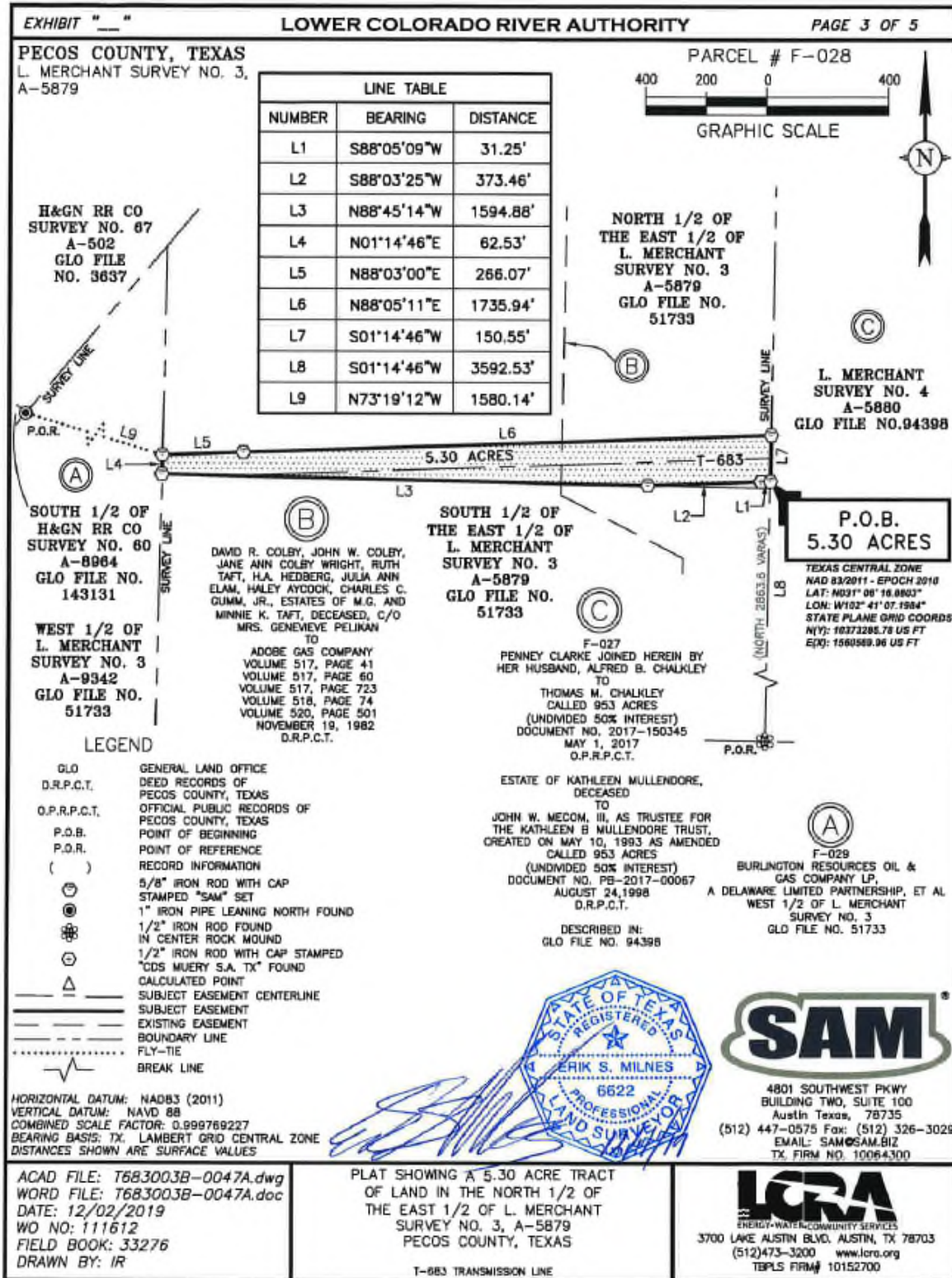


EXHIBIT 1
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FOR ACTION

6. Acquisition of Interests in Real Property – Use of Eminent Domain in Lampasas 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 property described in Exhibit 1 to the resolution for the acquisition of an electric substation site for the Kempner Circuit Breaker Addition project; and that the first record vote applies to the 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 Kempner Circuit Breaker Addition project.

Summary

LCRA TSC proposes to acquire a substation site in fee simple in Lampasas County for the Kempner Circuit Breaker Addition project. Kokel-Oberrender-Wood Appraisal performed an independent appraisal of the interests in real property to be acquired to determine just compensation to the landowner.

Staff will make an initial offer to acquire the necessary interests in real property voluntarily from the landowner 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.

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

LCRA TSC representatives 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 of the Specific Property

EXHIBIT A

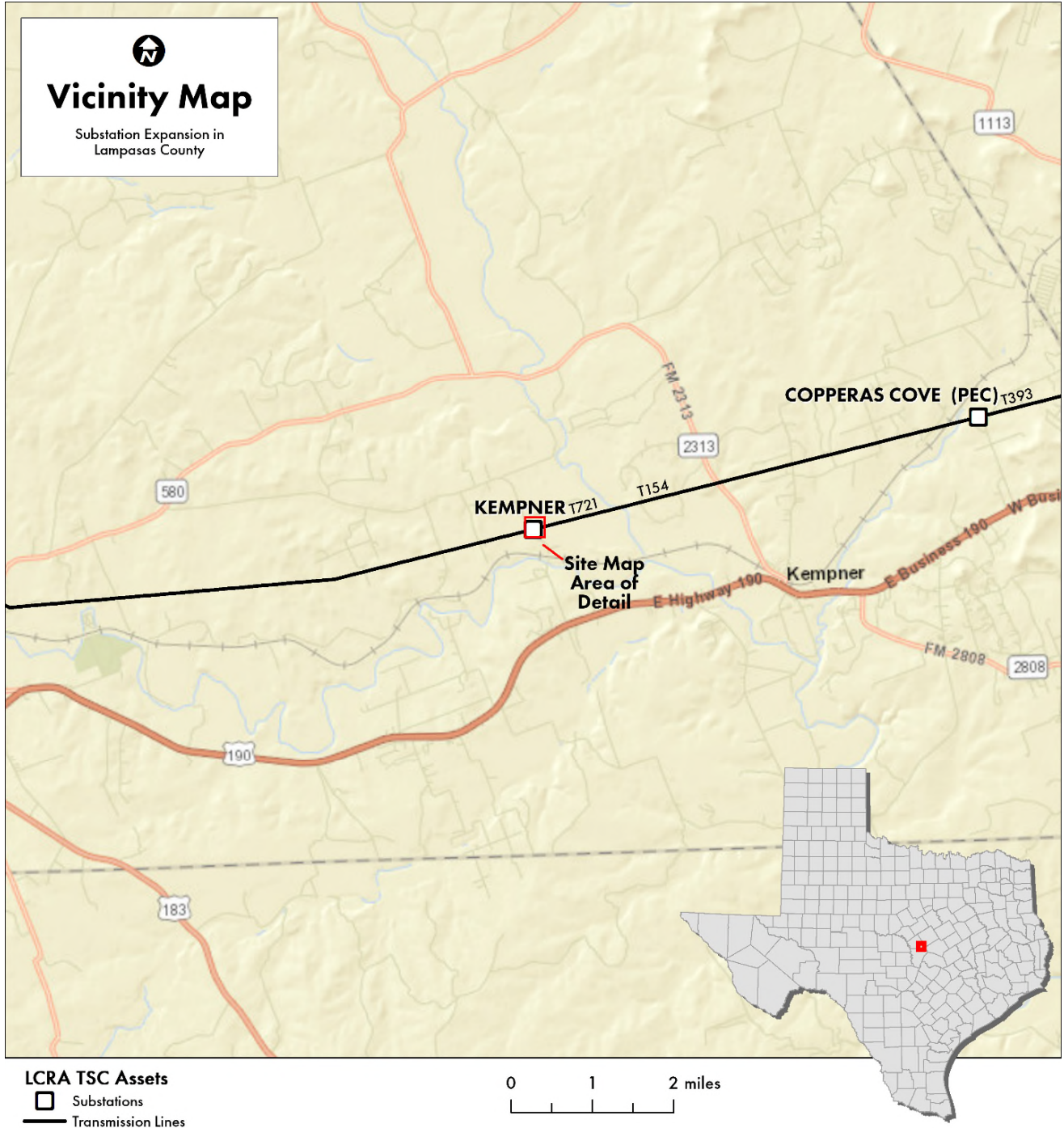
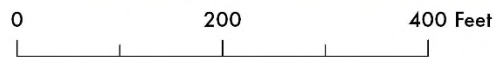


EXHIBIT B



Note: All acreages are approximate.

EXHIBIT C

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
A048	Kristy Wieland May	466.50 acres	Fee Simple	5.00 acres	Lampasas	\$72,000	\$60,000	\$132,000

EXHIBIT D

Page 1 of 2

PROPOSED MOTION

I MOVE THAT THE BOARD OF LCRA TRANSMISSION SERVICES CORPORATION ADOPT THE ATTACHED RESOLUTION; THAT THE BOARD AUTHORIZE BY RECORD VOTE THE USE OF THE POWER OF EMINENT DOMAIN TO ACQUIRE RIGHTS IN THE PROPERTY DESCRIBED IN EXHIBIT 1 TO THE RESOLUTION FOR THE ACQUISITION OF AN ELECTRIC SUBSTATION SITE FOR THE KEMPNER CIRCUIT BREAKER ADDITION PROJECT; AND THAT THE FIRST RECORD VOTE APPLIES TO ALL UNITS OF PROPERTY TO BE CONDEMNED.

**RESOLUTION
AUTHORIZING ACQUISITION OF INTERESTS IN REAL PROPERTY
BY CONDEMNATION IN LAMPASAS COUNTY FOR THE FEE SIMPLE PURCHASE
FOR A SUBSTATION.**

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

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

NOW, THEREFORE, BE IT RESOLVED that the president and chief executive officer or his designee is authorized to purchase the interests in real property from the landowner listed in the attached Exhibit C for the Kempner Circuit Breaker Addition project, with the description of the location of and interests in the property that LCRA Transmission Services Corporation seeks to acquire being more particularly described in maps provided to the Board and attached to this Resolution as Exhibit 1; that the public convenience and necessity requires the acquisition of said interests in real property; that the public necessity requires the condemnation of the interests in real property in order to acquire them for such purposes; that LCRA Transmission Services Corporation does not intend to acquire rights to groundwater or surface water in the land; that LCRA Transmission Services Corporation will make a bona fide offer to acquire the interests in real property from the landowner 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 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 would be futile, then the president and chief executive officer or his designee is authorized and directed to initiate condemnation proceedings against the owners of the property, and against all other owners, lien holders, and

EXHIBIT D

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

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

FOR ACTION

7. Fiscal Year 2020 LCRA Transmission Services Corporation Capital Plan Amendment

Proposed Motion

Approve an amendment to the Fiscal Year 2020 LCRA Transmission Services Corporation Capital Plan to increase authorization for capital spending in FY 2020 from \$341.9 million to \$443.2 million.

Board Consideration

LCRA TSC Board Policy T301 – Finance requires annual approval of a capital plan by the LCRA TSC Board of Directors. The policy states that if annual expenditures for operations or capital are expected to exceed Board-authorized levels, additional approval from the Board will be required.

Budget Status and Fiscal Impact

The proposed amendment to increase LCRA TSC's capital budget authorization in FY 2020 will have no impact on LCRA TSC's existing rates for the provision of regulated transmission services. All of these costs will be recoverable in either a future interim capital addition or a full rate case filing.

Summary

Because LCRA TSC anticipates exceeding the capital spending budget, staff is seeking approval to increase the FY 2020 capital budget. The additional FY 2020 funding will cover costs for materials and construction to keep approved projects on schedule.

The LCRA TSC Board approved the FY 2020 LCRA TSC capital plan in May 2019, establishing a capital spending limit of \$341.9 million for FY 2020. The current fiscal year-end forecast for capital spending is \$443.2 million. This is an increase of \$101.3 million or 30%.

The increase in FY 2020 capital spending is primarily the result of:

- New capital projects (\$30.2 million).
- Changes in project assumptions (\$26.4 million).
- Additional prespending on projects (\$14 million).
- Project spending delayed from FY 2019 (\$13.8 million).
- Weather impacts (\$5.2 million).
- Other project changes (\$11.7 million).

The Public Utility Commission of Texas establishes LCRA TSC's rates for regulated transmission services based on the actual costs of capital projects. This amendment does not increase the lifetime budget for any individual capital project, but amends the spending limit established for FY 2020 to reflect changes to LCRA TSC's expectation of spending within the current fiscal year. The additional capital spending in FY 2020 will be recovered in a future interim capital addition or full rate case filings.

Presenter(s)

Kristen Senechal
Vice President and Chief Operating Officer

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