

# LCRA Transmission Services Corporation Special Called Board Meeting Agenda

Wednesday, Feb. 19, 2020  
LCRA General Office Complex  
Board Room – Hancock Building  
3700 Lake Austin Blvd.  
Austin, TX 78703  
Earliest start time: 10 a.m.

## Items From the Chair

1. Comments From the Public ..... 4

## Action Items

2. LCRA Transmission Services Corporation Board Policy T301 – Finance ..... 5
3. Thirtieth Supplemental Resolution and Issuance of LCRA Transmission Services Corporation Series 2020 Refunding Revenue Bonds ..... 11
4. Acquisition of Interests in Real Property – Use of Eminent Domain in Hays and Caldwell Counties ..... 14

## Executive Session

The Board may go into executive session 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.texas.gov/open/index.shtml](http://www.sos.texas.gov/open/index.shtml).

## 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.

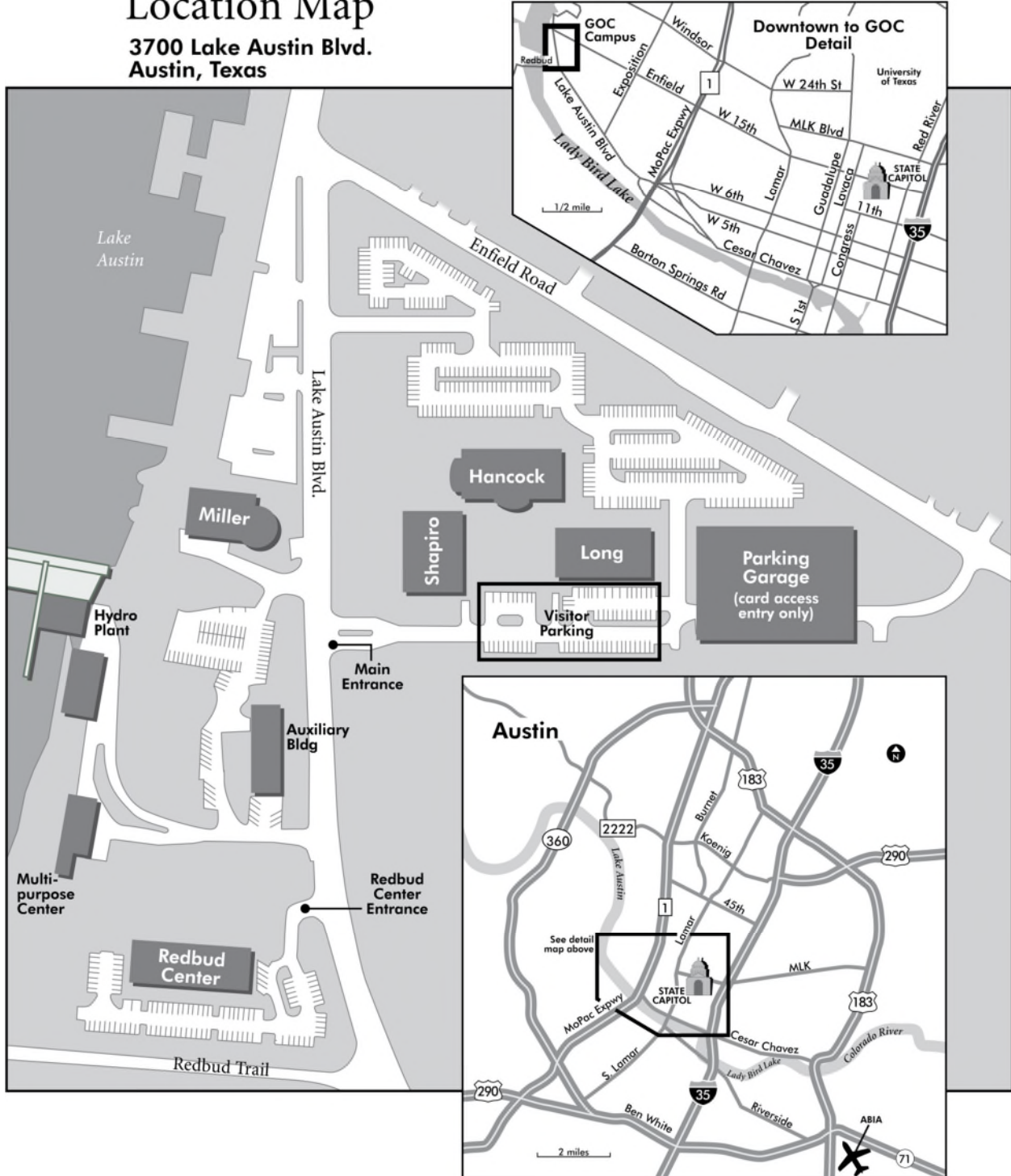
Within the framework of SB 7, LCRA TSC implements the electric transmission business of LCRA, including the expansion of electric transmission services outside of LCRA's traditional electric service territory. LCRA personnel are responsible for performing all of LCRA TSC's activities pursuant to a services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

# **2. LCRA Transmission Services Corporation Board Policy T301 – Finance**

### **Proposed Motion**

Approve amendments to LCRA Transmission Services Corporation Board Policy T301 – Finance as attached in Exhibit A.

### **Board Consideration**

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

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

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

### **Summary**

Staff recommends amendments to Section T301.40 relating to approval of a capital project's lifetime budget and approval of capital projects associated with generation interconnections, as well as minor editorial amendments as needed in Section T301.20 and elsewhere in the policy.

Currently, lifetime budgets for capital projects are approved by the Board with the annual capital plan before the start of each fiscal year. Staff proposes changes to that process so the Board will approve lifetime budgets for individual projects throughout the fiscal year. This change will allow staff to seek Board approval for individual capital projects through the regular agenda process and provide a more accurate cost estimate of a capital project's lifetime budget based on more information.

In 2018 and 2019, the Board delegated 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, subject to certain limitations. Staff proposes delegating this authority to the president and CEO on a permanent basis. This change will allow staff to continue to efficiently maintain project schedules and minimize risks in completing projects by the in-service dates requested by generators.

Proposed changes to the policy are redlined in Exhibit A.

### **Presenter(s)**

Jim Travis  
Treasurer and Chief Financial Officer

### **Exhibit(s)**

A – Proposed Amendments to LCRA TSC Board Policy T301 – Finance

## EXHIBIT A

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### LCRA TRANSMISSION SERVICES CORPORATION BOARD POLICY

#### T301 – FINANCE

~~Feb. 15, 2017~~ Feb. 19, 2020

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##### T301.10 PURPOSE

This policy provides a framework from which the LCRA Transmission Services Corporation (LCRA TSC), an affiliated corporation of LCRA, will maintain financial integrity while serving the long-term interests of ratepayers, and other constituencies. LCRA TSC recognizes that maintaining financial integrity is critical to accomplishing its goals and discharging its responsibilities. This policy establishes processes to be used by the LCRA TSC Board of Directors to define the strategic plan for LCRA TSC and to approve specific program goals, objectives and associated budgets.

##### T301.20 DEFINITIONS

Business Plan – The business plan is the document approved by the LCRA TSC Board (Board) annually that establishes the Board's goals and priorities. The business plan includes operating and capital budgets as well as projections of LCRA TSC's overall financial performance and capital financing plans. It describes the categories of projects, products and services that support the associated revenues and expenditures over a five-year period.

Debt Service Coverage (Coverage) – Debt service coverage is the ratio of that fiscal year's ending total revenues minus total operating and maintenance expenses (net of depreciation, amortization, and other revenue and expense exclusions resulting from prior period funding), divided by scheduled debt service on all obligations as approved in the business plan.

Equity Ratio (Ratio) – The calculation is the ratio of total equity divided by total assets.

Fixed-Rate Debt – Fixed-rate debt consists of coupon securities that have a scheduled maturity or mandatory sinking fund redemption date. Fixed-rate debt that has been synthetically converted to variable-rate debt via a derivative instrument will be classified as variable-rate debt for the term of the derivative instrument.

Operating and Maintenance Expenses – Operating and maintenance expenses consist of all reasonable and necessary costs and expenses incurred in the operation and maintenance of the LCRA TSC system.

Variable-Rate Debt – Variable-rate debt consists of securities on which the interest rate varies over time (a) based on an index or formula such as variable-rate demand notes or auction rate bonds, or (b) because the securities are sold in the short-term market (with a **maturity not exceeding 270 days**), such as commercial paper.

### **T301.30 FINANCIAL OBJECTIVES**

In seeking to fulfill its commitment to ratepayers and public service objectives, LCRA TSC will maintain a high level of financial stability and will not compromise long-term financial integrity to achieve short-term benefits.

The chief executive officer (CEO) is authorized to engage financial service providers and other related professional service providers if deemed necessary and appropriate by the CEO in consultation with the chief financial officer, considering the expertise and cost of any such service provider. The CEO will provide an annual report to the Board listing all contracts into which LCRA TSC entered pursuant to this paragraph.

**T301.301 Debt Service Coverage** – To provide a margin of safety in LCRA TSC's financial affairs, revenue levels will be set in accordance with rules and regulations of the Public Utility Commission of Texas to provide necessary funding of operating reserves and the capital program and to ensure that debt service coverage exceeds the minimum level of 1.25x required in the bond resolution. Higher levels of coverage will be appropriate in periods of rapid growth and capital investment and to mitigate possible regulatory lag. In the event that overall debt service coverage is projected to be below 1.25x for any fiscal year, the Board will promptly implement a plan, to be recommended by staff, which could include rate proceedings, cost reductions or other means to achieve a debt service coverage ratio of 1.25x.

This policy level of debt service coverage shall be reviewed each year in conjunction with the preparation of the business plan. Revenue levels will be evaluated in consideration of, but not limited to, bond ratings, capital funding requirements, current business conditions, economic projections and load-growth assumptions, delays inherent in the regulatory process, operating reserve requirements, and the projected size and frequency of necessary rate adjustments. Rates will be established to produce appropriate revenue levels commensurate with specific economic, regulatory, contractual and other risk factors that are adequate to cover operating and maintenances expenses, debt service, covenanted debt service reserves, liquidity requirements, and equity funding for the capital program.

**T301.302 Rates** LCRA TSC will use commercially reasonable efforts to obtain regulatory approval of rates and prices that cover the cost of specific services, allow it to be self-supporting, and provide a stable and predictable flow of revenues. Rate adjustments, as needed to maintain appropriate levels of revenue, will be reasonably structured to achieve these goals. These revenues will be adequate to cover operating

and maintenance expenses (including funding statutory requirements of LCRA), debt service, equity funding for the capital program, and operating reserve requirements.

Rates for electric transmission and transformation services are regulated by the Public Utility Commission of Texas.

**T301.303 Sources of Financing.** LCRA TSC will use a combination of equity and debt to finance capital additions such that both current and future ratepayers are allocated an equitable portion of the costs. LCRA TSC may borrow for capital projects when it is appropriate to spread the cost of capital assets over their useful lives.

The issuance of debt requires an affirmative vote of a majority of the Board. LCRA TSC will not issue debt for working capital items. Pursuant to state law, the LCRA Board of Directors must approve any financing or other obligations.

As appropriate, LCRA TSC will evaluate mechanisms to restructure or refinance debt. LCRA TSC will continually evaluate alternatives to conventional financing to lower the overall cost of capital for ratepayers.

LCRA TSC may structure debt such that the average maturity of the debt approximates the average life of the assets financed; however, debt issues may be structured with a shorter average maturity if economically justified. LCRA TSC will build equity that will maintain appropriate access to capital markets and is consistent with regulatory guidance. While LCRA TSC may be highly leveraged during periods of rapid growth, LCRA TSC business plans will specifically address the accumulation of equity to achieve and maintain a minimum long-term equity position of 20~~percent~~%.

**T301.304 Variable-Rate Financing.** LCRA TSC may use variable-rate debt to provide flexibility in its overall capital program and to manage its overall interest rate exposure.

The variable-rate limit is 25~~percent~~% of total capitalization, long-term debt plus total equity as presented periodically in LCRA TSC's financial statements.

**T301.305 Operating Reserves.** In addition to any debt service reserve funds required by bond resolutions governing LCRA TSC's debt, LCRA TSC will build and maintain appropriate target levels of operating reserves as follows:

Six months of average debt service on all outstanding LCRA TSC debt and other obligations to LCRA, and two months of average operating and maintenance expenses, including those billed by LCRA.

The portion of operating reserves relating to debt service on LCRA TSC's contractual obligation to LCRA will be maintained on LCRA's books of record, and may be changed from time to time as the contractual commitment changes. The portion of operating reserves relating to stand-alone financing by LCRA TSC may be funded with excess revenues or substituting such reserves with surety bonds or other insurance.



If at any time the level of reserves are less than the target levels set forth in this policy, the Board will promptly implement a plan, to be recommended by staff, to increase rates, reduce costs, or otherwise cause there to be sufficient revenues to replenish the level of reserves to such target levels within 12 months.

To the extent that:

- a) payments pursuant to contractual commitments are current;
- b) debt service payments are current; and
- c) operating and debt service reserves are funded,

the Board may declare and distribute remaining revenues to LCRA, subject to conditions and limitations agreed to by LCRA TSC in connection with regulatory proceedings of the Public Utility Commission of Texas.

**T301.306 Alternative Financing.** As appropriate, LCRA TSC will evaluate mechanisms to restructure or refinance debt. LCRA TSC will continually evaluate alternatives to conventional financing to obtain the lowest overall cost of capital for ratepayers.

**T301.307 Investment Policy.** LCRA TSC hereby adopts and incorporates by reference the Banking and Investments policy of LCRA with respect to all investments of LCRA TSC.

**T301.308 Insurance.** LCRA TSC acknowledges that property and casualty insurance may be unavailable for the facilities and operations of the transmission and transformation business. In this regard, LCRA TSC will use operating reserves held from time to time by LCRA TSC to provide self-insurance against these types of property and casualty risks. Additionally, LCRA TSC may use the proceeds of short-term borrowings to fund any such losses.

## **T301.40 PLANNING**

**Business Plan:** LCRA TSC will prepare a business plan to be submitted for LCRA TSC and LCRA Board approval before the start of each fiscal year. The business plan will include the organization's goals and objectives and will describe the projects categories, products and services that comprise a five-year forecast for:

- Operating and maintenance expenses.
- Capital expenditures.
- Capital funding sources.
- Debt service requirements.

Adoption of the business plan authorizes the CEO to complete work plans and make associated expenditures within the budgets as provided for in accordance with Board policies. The resolution adopting the business plan will authorize establish the capital and operating budgets for the upcoming fiscal year. ~~Approval of the business plan constitutes~~

~~authorization to proceed with capital projects included in year one of the plan and establishes the projects' respective lifetime budgets. The Board will approve lifetime budgets for individual projects throughout the fiscal year.~~ The resolution adopting the business plan also will include guidelines for authorizing capital spending and reporting requirements for business plan results.

If annual expenditures for operations or capital are expected to exceed Board-authorized levels, additional approval from the Board will be required. Staff will provide sufficient support for the additional funding request and provide analysis for impacts on current and future rates.

For any project not previously authorized by the Board ~~in the capital plan~~, authority is delegated to the CEO to approve any capital project with a lifetime budget not to exceed \$1.5 million. ~~The CEO also is delegated authority to approve all capital projects associated with generation interconnection projects not previously authorized by the Board, in each case only after the generator has provided appropriate financial security to LCRA TSC for its expenses. Prior to the approval of any generation interconnection capital project, the CEO shall consult with the chief financial officer and chief operating officer.~~ Such approval by the CEO will meet the official intent requirements set forth in Section 1.150-2 of the IRS Treasury Regulations. ~~These~~This delegations will apply only when such approval does not cause total capital expenditures to exceed the approved capital plan or materially adversely impact business planning assumptions. In such a situation, Board approval will be required. Staff will communicate any CEO-approved projects to the Board on a quarterly basis. If Board approval is required, staff will communicate to the Board the funding source and rate impact of any new project when Board approval is requested. A new project may require an amendment to the existing capital plan or be managed within the previously authorized annual spending limits.

If an approved capital project is expected to exceed its lifetime budget by ~~10-percent%~~ and \$300,000, additional funding approval from the Board will be required. Approval of a new capital plan may reset the project's lifetime budget.

**Quarterly Business Plan Update:** The CEO will provide quarterly updates that include indicators of year-to-date operational and financial performance, progress toward key goals, and financial performance projections.

**EFFECTIVE:** Aug. 22, 2001. Amended Oct. 16, 2001; June 12, 2002; March 19, 2003; Oct. 21, 2003; ~~and~~ Feb. 15, 2017; and Feb. 19, 2020.

## FOR ACTION

### **3. Thirtieth Supplemental Resolution and Issuance of LCRA Transmission Services Corporation Series 2020 Refunding Revenue Bonds**

#### **Proposed Motion**

Staff recommends the Board of Directors approve the adoption of the Thirtieth Supplemental Resolution to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program authorizing the issuance of Transmission Contract Refunding Revenue Bonds (LCRA Transmission Services Corporation Project), Series 2020 (the Bonds) in an amount not to exceed \$400 million for the following purposes: (i) current refunding of portions of the LCRA Transmission Contract Revenue Commercial Paper Notes (LCRA Transmission Services Corporation Project) Tax-Exempt Series and LCRA Transmission Contract Revenue Revolving Notes (LCRA Transmission Services Corporation Project), Series C and Tax-Exempt Series D; (ii) current refunding of certain outstanding long-term Transmission Contract Debt; (iii) funding debt service reserve funds for the Bonds; and (iv) paying for issuance costs.

This motion also will:

1. Approve related documents, in substantially final form, including the escrow agreement, paying agent/registrars agreement, the Preliminary Official Statement and the Transmission Contract Revenue Debt Installment Payment Agreement Supplement Related to the Bonds (the 2020 Installment Payment Agreement Supplement). Bond counsel has prepared or reviewed all documents.
2. Delegate authority to the chief executive officer or the chief financial officer to:
  - a. Select all or a portion of LCRA TSC's outstanding debt to be refunded by the Bonds and provide for appropriate notices of redemption/prepayment/defeasance;
  - b. Approve any final changes to said documents necessary to facilitate proper issuance of such Bonds;
  - c. Establish the terms of the Bonds as provided in the resolution (including issuing such bonds in one or more separate series (tax-exempt and/or taxable), the principal amounts and maturity schedules, interest rates, redemption provisions and terms of any reserve funds); and
  - d. Approve the terms of the sale of the Bonds to an underwriting team lead by Citibank, and to execute a bond purchase agreement.

#### **Board Consideration**

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

Controlling Resolution requires the Board to deliver a resolution to LCRA approving the Bonds.

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

The fiscal year 2020 LCRA TSC business plan anticipates the refunding of LCRA TSC Series 2010 bonds and a portion of the short-term debt. Based on current market conditions and continued low interest rates, the refunding will be advantageous and provide cost savings.

### **Summary**

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

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

The 2020 Installment Payment Agreement Supplement is a supplemental agreement to the Transmission Installment Payment Agreement between LCRA and LCRA TSC executed in 2003. The supplemental agreement provides for the arms-length obligation of LCRA TSC to pay LCRA the debt service associated with the Bonds and further provides for LCRA TSC's ownership of the projects financed or refinanced with the proceeds of the Bonds.

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

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

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

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

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

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

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

Staff currently expects the Bonds to be sold and delivered by April 9, 2020, subject to the approving opinions of the Office of the Attorney General and bond counsel.

**Presenter(s)**

Jim Travis

Treasurer and Chief Financial Officer

## **FOR ACTION**

# **4. Acquisition of Interests in Real Property – Use of Eminent Domain in Hays and Caldwell Counties**

### **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 amendments to existing easements for the Easement Enhancement Fiscal Year 2019 System Upgrade project for the continued reliable transmission of electric energy on the San Marcos to Robert Brown Jr. (T220), Robert Brown Jr. to Clear Fork (T519) and Clear Fork to Lockhart (T601) transmission lines and that the first record vote applies to all units of property to be condemned.

### **Board Consideration**

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

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

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

The acquisition cost was included in the Board-approved budget for the Easement Enhancement FY 2019 System Upgrade project.

### **Summary**

LCRA TSC proposes to amend existing transmission line easements in Hays and Caldwell counties for the Easement Enhancement FY 2019 System Upgrade project. Allen, Williford and Seal 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 landowner(s).

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

LCRA TSC will perform environmental and cultural due diligence studies and address all identified concerns. Staff requests that the Board adopt the resolution in Exhibit D authorizing the initiation of condemnation proceedings on the first record vote for all units of property.

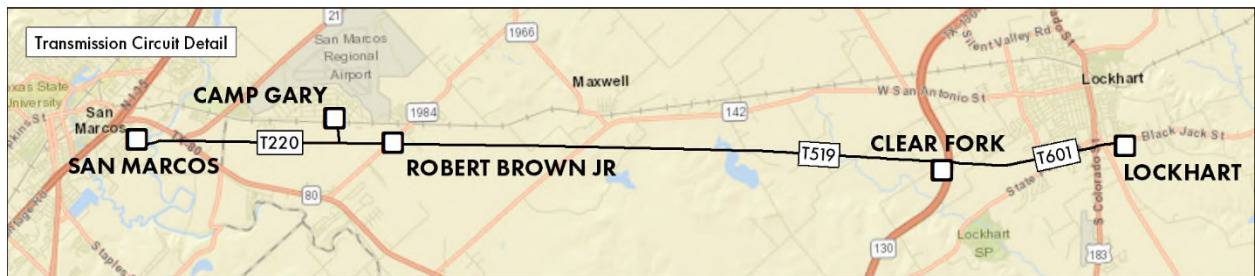
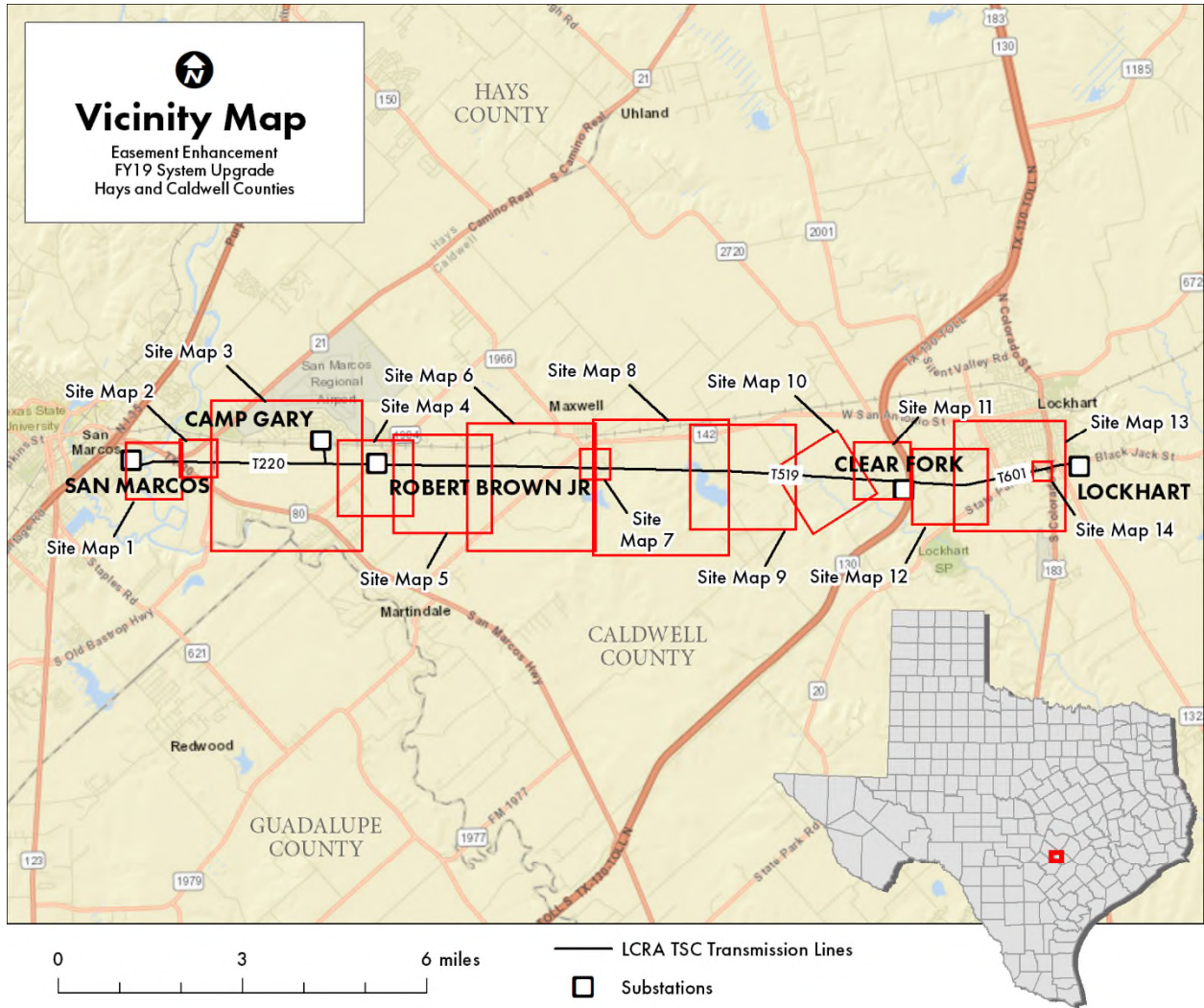
**Presenter(s)**

Mark Sumrall  
Director, Real Estate Services

**Exhibit(s)**

- A – Vicinity Map
- B – Site Maps 1-15
- C – Landowner List
- D – Resolution

**EXHIBIT A**





**EXHIBIT B**  
Page 1 of 15



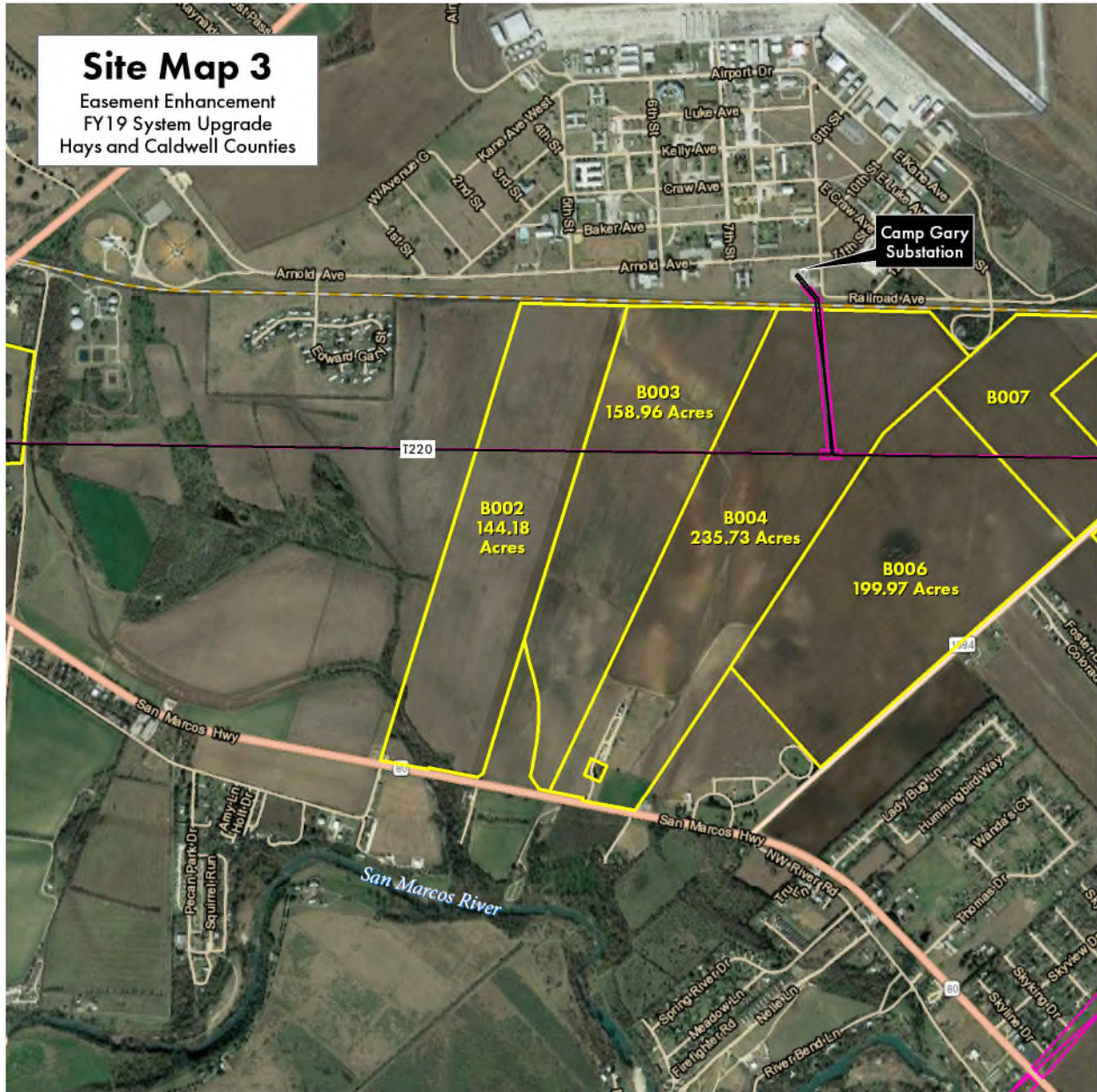
**EXHIBIT B**  
Page 2 of 15



0 500 feet

— LCRA TSC Transmission Line  
— Transmission Easements

See Exhibit C Landowner List  
for owner names and acreages.

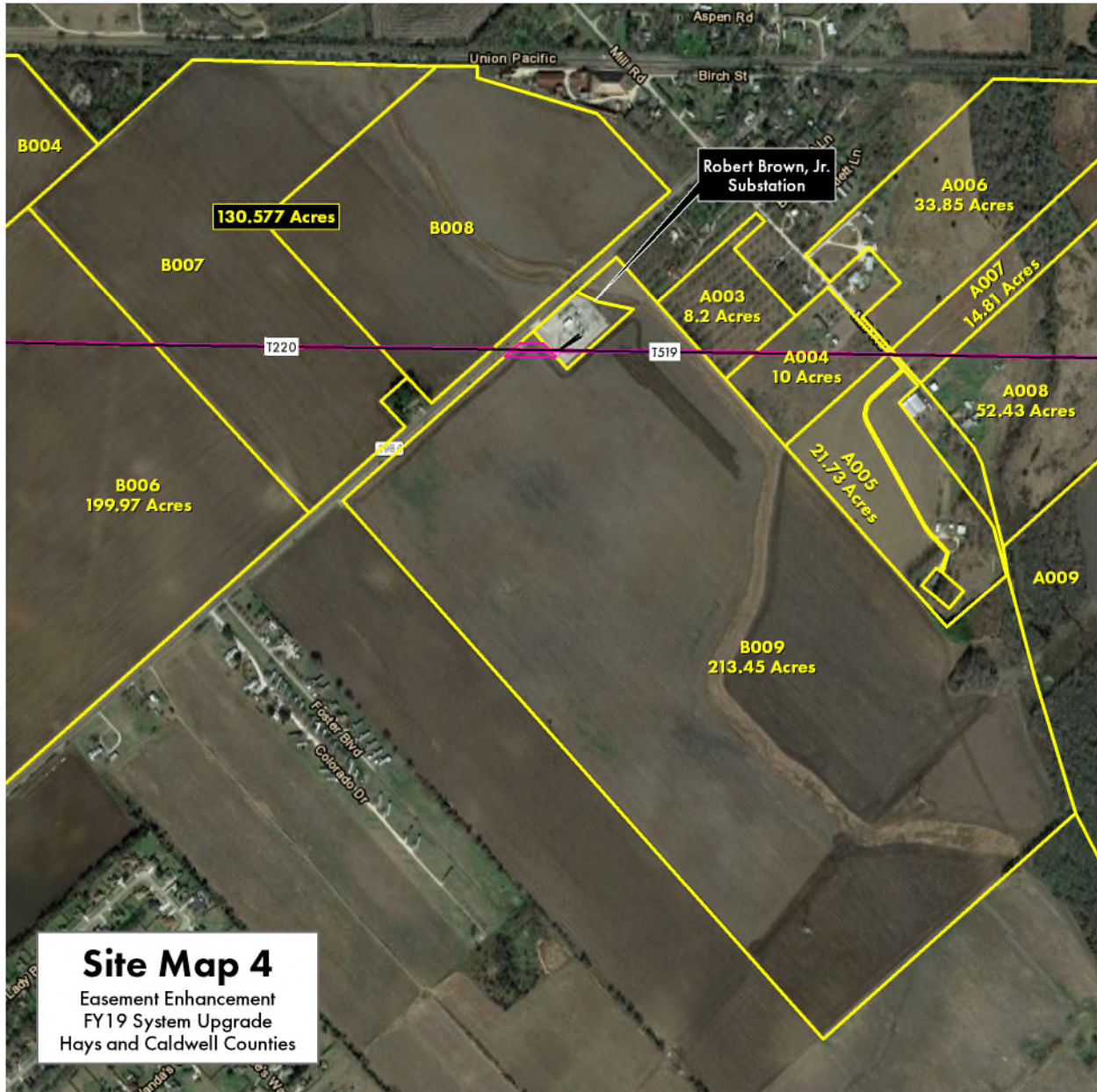


0 2,000 feet

— LCRA TSC Transmission Lines  
 Transmission Easements

See Exhibit C Landowner List for owner names and acreages.

**EXHIBIT B**  
Page 4 of 15



0 1,000 feet

— LCRA TSC Transmission Line  
 Transmission Easements

See Exhibit C Landowner List for owner names and acreages.

**EXHIBIT B**  
Page 5 of 15

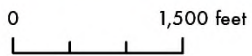
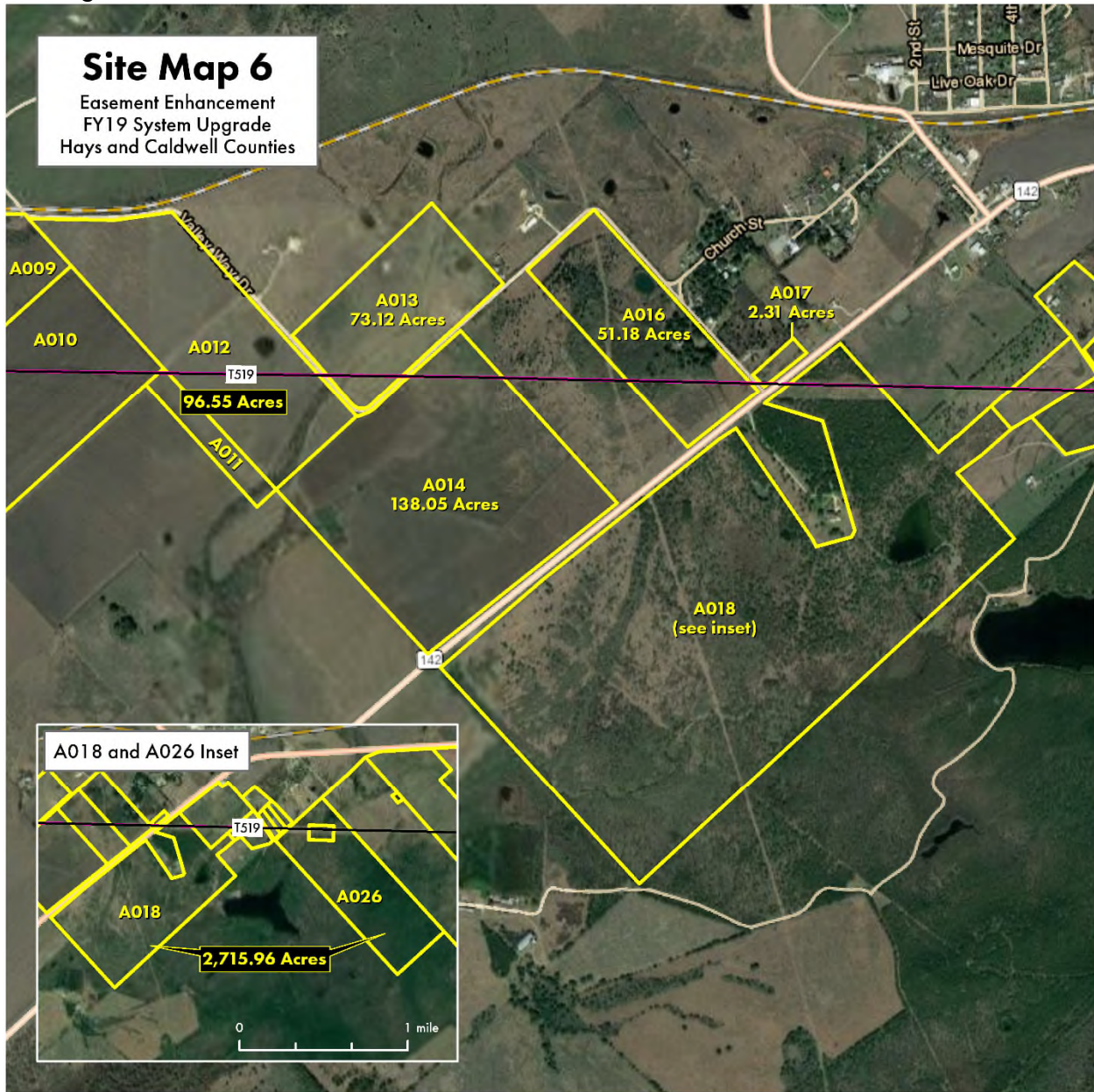


0 1,500 feet

— LCRA TSC Transmission Lines  
— Transmission Easements

See Exhibit C Landowner List  
for owner names and acreages.

**EXHIBIT B**



— LCRA TSC Transmission Lines  
□ Transmission Easements

See Exhibit C Landowner List for owner names and acreages.

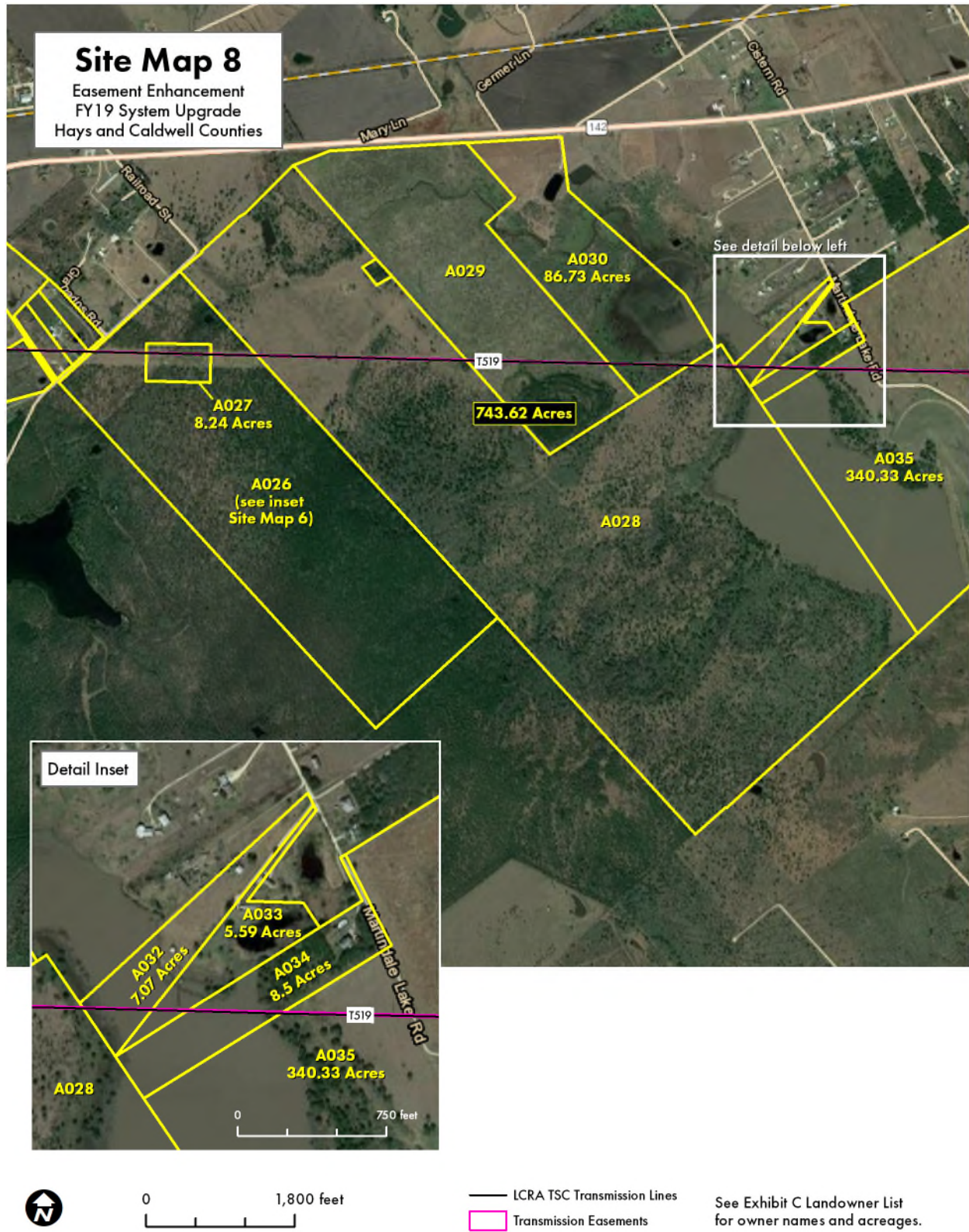


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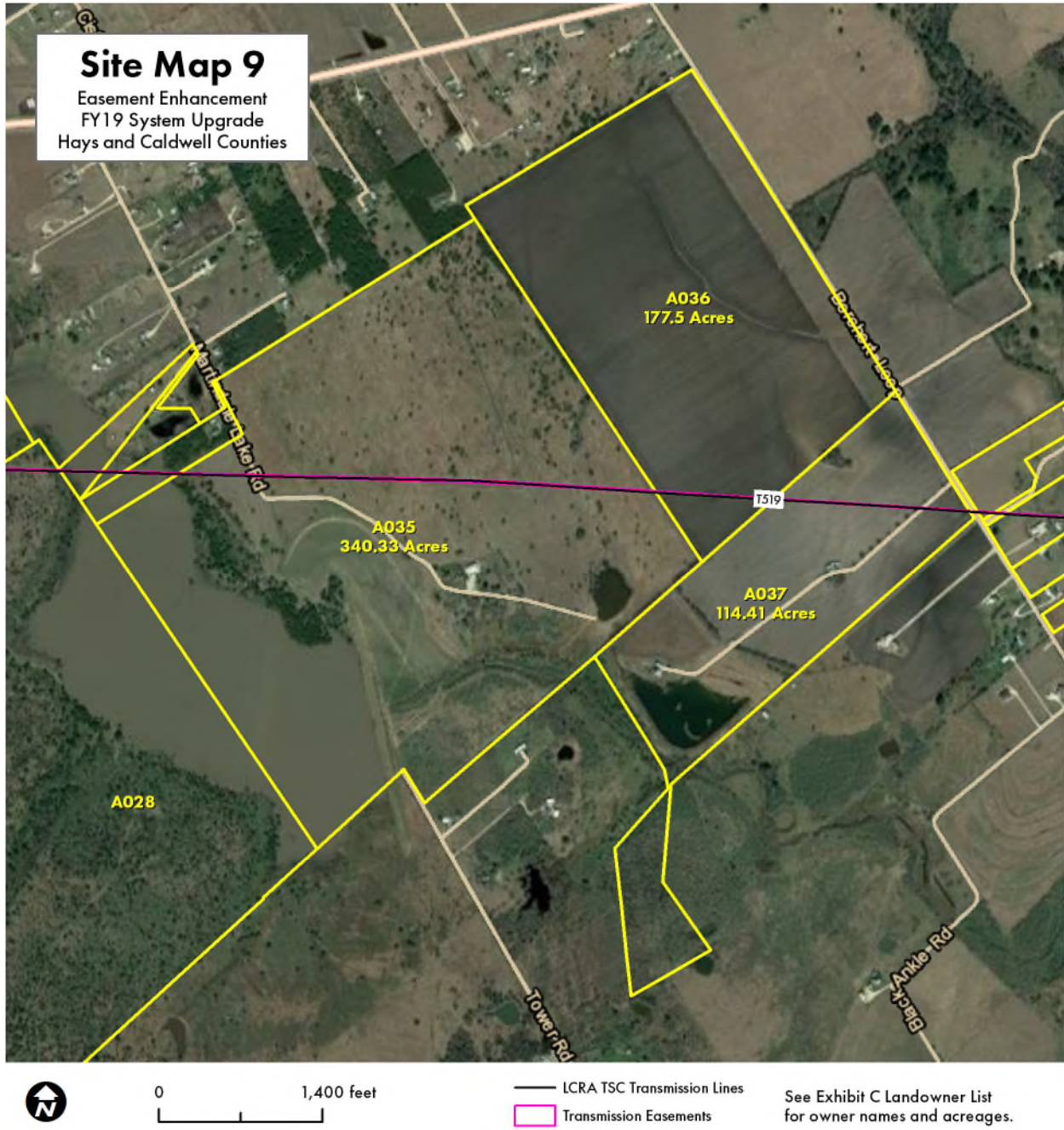
— LCRA TSC Transmission Lines  
— Transmission Easements

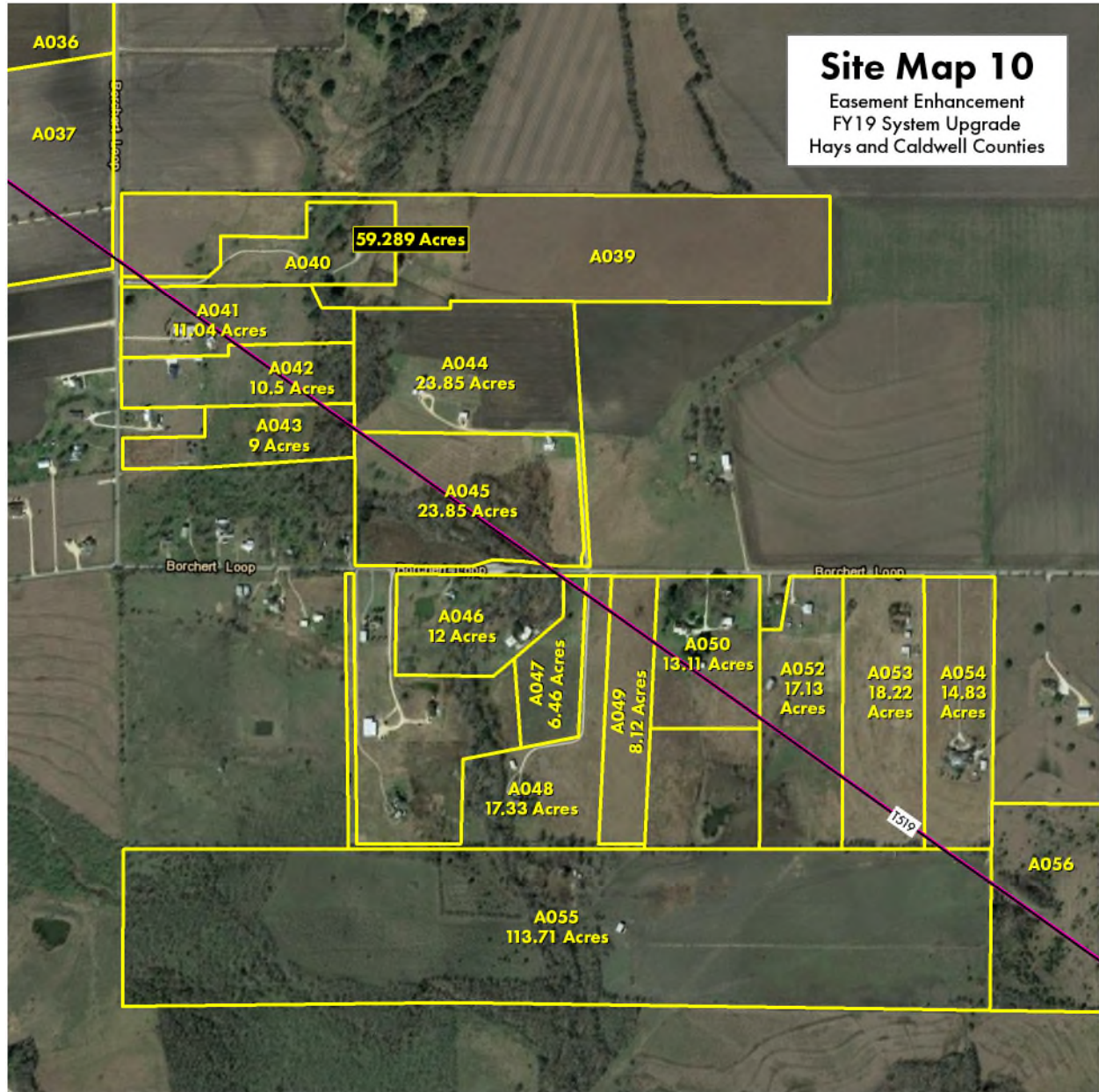
See Exhibit C Landowner List for owner names and acreages.

**EXHIBIT B**  
Page 8 of 15









**Site Map 10**  
Easement Enhancement  
FY19 System Upgrade  
Hays and Caldwell Counties



0 1,000 feet

— LCRA TSC Transmission Lines  
 Transmission Easements

See Exhibit C Landowner List  
for owner names and acreages.



0 750 feet

— LCRA TSC Transmission Lines  
— Transmission Easements

See Exhibit C Landowner List  
for owner names and acreages.



**Site Map 12**  
Easement Enhancement  
FY19 System Upgrade  
Hays and Caldwell Counties

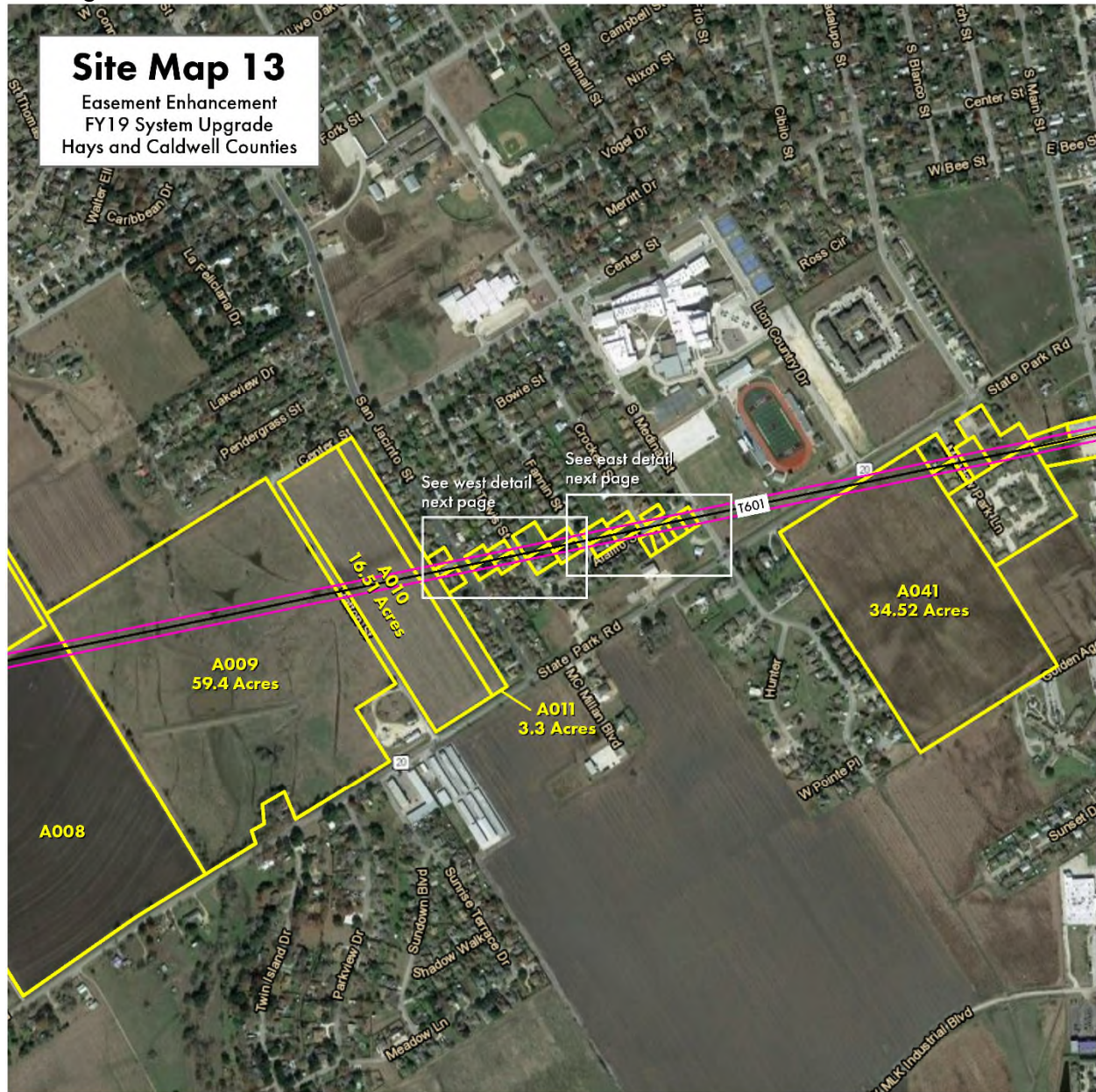


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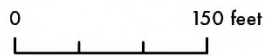
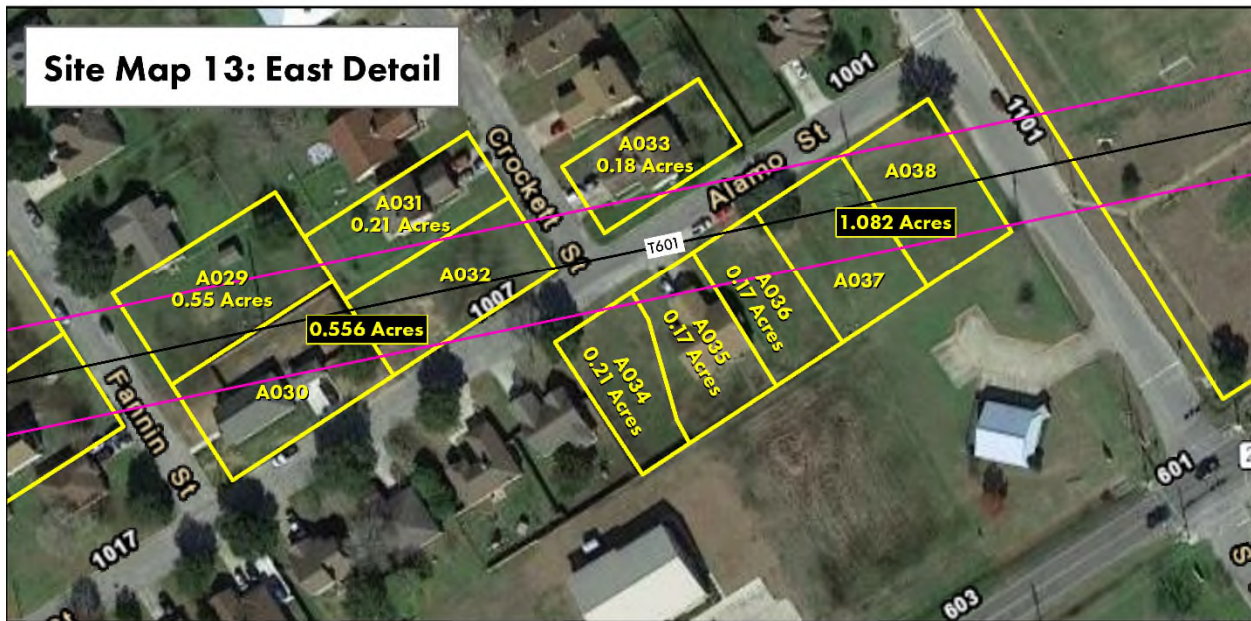
— LCRA TSC Transmission Lines  
 Transmission Easements

See Exhibit C Landowner List  
for owner names and acreages.

**EXHIBIT B**



**EXHIBIT B**



— LCRA TSC Transmission Lines  
— Transmission Easements

See Exhibit C Landowner List for owner names and acreages.



— LCRA TSC Transmission Lines  
 Transmission Easements

See Exhibit C Landowner List for owner names and acreages.

**EXHIBIT C**

<b>Track Number</b>	<b>Landowner</b>	<b>Approximate Parent Tract Acreage</b>	<b>Land Rights</b>	<b>Approximate Easement Acreage</b>	<b>County</b>	<b>Approximate Value</b>
A003	Hacienda MHP River Road	3.66 acres	Easement Amendment	0.37 acre	Hays	\$2,418
A005	Armando C. Garza	4.596 acres	Easement Amendment	0.27 acre	Hays	\$1,176
A006 A007	Alpha 80 Associates LLC	57.059 acres	Easement Amendment	3.67 acres	Hays	\$4,588
A008	CG4 Holdings LP	96.61 acres	Easement Amendment	1.69 acres	Hays	\$4,049
A010	Stanley F. and Diane H. Finch	65 acres	Easement Amendment	0.18 acre	Hays	\$392
A012	New Hope Baptist Church of San Marcos, Texas	10.03 acres	Easement Amendment	0.96 acre	Hays	\$4,705
A015	Dudley Gene Harper and Ray Stewart Harper	58 acres	Easement Amendment	2.92 acres	Hays	\$6,360
B002	Curby Ohnheiser	144.18 acres	Easement Amendment	0.06 acre	Caldwell	\$26
B003	Curby Ohnheiser and Diane M. Deringer and Carolyn J. Scurloack	158.96 acres	Easement Amendment	0.79 acre	Caldwell	\$356
B004	Ohnheiser Properties LP	235.73 acres	Easement Amendment	3.56 acres	Caldwell	\$1,513
B006	A.A. Harper Jr.	199.97 acres	Easement Amendment	2.82 acres	Caldwell	\$1,199



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B007 B008	Curby Ohnheiser	130.577 acres	Easement Amendment	3.61 acres	Caldwell	\$1,625
B009 aka A002	Curby Ohnheiser	213.45 acres	Easement Amendment	1.24 acres	Caldwell	\$527
A003	Robert Landry and Elizabeth Young	8.20 acres	Easement Amendment	0.578 acre	Caldwell	\$463
A004	Aurora and Valerie Salas	10 acres	Easement Amendment	1.42 acres	Caldwell	\$1,065
A005	David and Kari Cooper	21.73 acres	Easement Amendment	0.053 acre	Caldwell	\$35
A006	Christopher B. Shaw and Kelly R. Shaw	33.85 acres	Easement Amendment	0.002 acre	Caldwell	\$1
A007	James Paul Moses	14.81 acres	Easement Amendment	0.584 acre	Caldwell	\$365
A008	James Paul Moses, Rocco Moses and Richard Lawrence	52.43 acres	Easement Amendment	2.83 acres	Caldwell	\$1,203
A009 A010	Walton Texas Land Acquisition LP	564.14 acres	Easement Amendment	10.16 acres	Caldwell	\$3,556
A011 A012	RUC Holdings LLC Walton Texas LP	96.55 acres	Easement Amendment	2.97 acres	Caldwell	\$1,337
A013	Barbara and Dean Allan Colley	73.12 acres	Easement Amendment	1.43 acres	Caldwell	\$608

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A014	David Matthew Best	138.05 acres	Easement Amendment	1.74 acres	Caldwell	\$696
A016	Ronnie Duesterheft and Adeline Duesterheft	51.18 acres	Easement Amendment	2.29 acres	Caldwell	\$1,145
A017	Santa Maria Cemetery	2.31 acres	Easement Amendment	0.154 acre	Caldwell	\$293
A018 A026	JDB Turner Crest LLC	2,715.96 acres	Easement Amendment	3.92 acres	Caldwell	\$1,274
A020	Jose De La Paz Hernandez	10.01 acres	Easement Amendment	1.248 acres	Caldwell	\$0
A021	J. Santos Avila Sanchez and Ana Bertha Avila	10.01 acres	Easement Amendment	0.54 acre	Caldwell	\$405
A022	Nadine Pool Hodges and Michael F. Taylor	10.01 acres	Easement Amendment	0.068 acre	Caldwell	\$48
A023	Ernest Resendez Juarez	5 acres	Easement Amendment	0.552 acre	Caldwell	\$552
A024	Martin Obilio Moreno	5 acres	Easement Amendment	0.541 acre	Caldwell	\$541
A025	Fernando and Eliud Gutierrez	5 acres	Easement Amendment	0.022 acre	Caldwell	\$418
A027	JDB Turner Crest Wastewater LLC	8.24 acres	Easement Amendment	1.43 acres	Caldwell	\$465

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A028 A029	Maxwell Developments LLC	743.62 acres	Easement Amendment	8.87 acres	Caldwell	\$2,883
A030	Straight Down LLC	86.73 acres	Easement Amendment	1.76 acres	Caldwell	\$660
A032	Richard W. Castillon	7.07 acres	Easement Amendment	0.628 acre	Caldwell	\$377
A033	Clyde Arms and Tina McFerrin	5.59 acres	Easement Amendment	0.344 acre	Caldwell	\$258
A034	Sabine Hinkle	8.5 acres	Easement Amendment	0.842 acre	Caldwell	\$505
A035	Nami Ranch LLC	340.33 acres	Easement Amendment	7.53 acres	Caldwell	\$2,259
A036	J & P Lockhart Builder LP	177.5 acres	Easement Amendment	1.86 acres	Caldwell	\$744
A037	Edgar and Dorothy June Vogel	114.41 acres	Easement Amendment	3.11 acres	Caldwell	\$1,322
A039 A040	Jay and Brenda Cheek	59.289 acres	Easement Amendment	0.439 acre	Caldwell	\$220
A041	John and Sylvia Lucio	11.04 acres	Easement Amendment	1.09 acres	Caldwell	\$872
A042	Valentin Panayotov	10.5 acres	Easement Amendment	1.12 acres	Caldwell	\$896
A043	Hollie Holm and Laura Baker	9 acres	Easement Amendment	0.479 acre	Caldwell	\$336

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A044	Kevin Dwane Schnautz	23.85 acres	Easement Amendment	0.007 acre	Caldwell	\$4
A045	Douglas L. Schnautz and Sarah Louise (Till) Schnautz	23.85 acres	Easement Amendment	2.45 acres	Caldwell	\$1,470
A046	Dana K. Garrett	12.00 acres	Easement Amendment	0.061 acre	Caldwell	\$46
A047	Dana and Terri Garrett	6.46 acres	Easement Amendment	0.269 acre	Caldwell	\$256
A048	Debra French	17.33 acres	Easement Amendment	0.327 acre	Caldwell	\$213
A049	Kenneth Ray Schawe	8.12 acres	Easement Amendment	0.598 acre	Caldwell	\$509
A050	Leeb/Marshall Family Trust	13.11 acres	Easement Amendment	1.41 acres	Caldwell	\$1,058
A052	Christy and Lonnie Winton	17.13 acres	Easement Amendment	1.11 acres	Caldwell	\$777
A053	Hopkins H. Haden IV and Linda Marie Haden	18.22 acres	Easement Amendment	1.10 acres	Caldwell	\$770
A054	Arthur and Deborah Pfefferkorn	14.83 acres	Easement Amendment	0.268 acre	Caldwell	\$201
A055	Dau Cattle Co. LLC	113.71 acres	Easement Amendment	0.631 acre	Caldwell	\$221

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A056 A057	Kathleen P. Auer	164.65 acres	Easement Amendment	5.55 acres	Caldwell	\$2,220
A058 A059	8330 Jones Road LLC	42.14 acres	Easement Amendment	1.43 acres	Caldwell	\$1,477
A003	Manumit Investment Group LLC	56.69 acres	Easement Amendment	2.943 acres	Caldwell	\$6,340
A004 A005	Linda Fay Armstrong, Pamela Zell Armstrong and Pamela Sue Armstrong	70.83 acres	Easement Amendment	4.325 acres	Caldwell	\$2,812
A006	Grobeco Inc., as Administrator for Grobeco, Inc. Defined Benefit Pension Plan	10.79 acres	Easement Amendment	0.5426 acre	Caldwell	\$679
A007 A008	Johnny H. Siemering	79.78 acres	Easement Amendment	1.5607 acres	Caldwell	\$1,015
A009	David W. McElroy	59.4 acres	Easement Amendment	2.946 acres	Caldwell	\$928
A010	Gabriel Zavala and Rose Marie Zavala, and Roy A. Perez	16.51 acres	Easement Amendment	0.8038 acre	Caldwell	\$925
A011	Roy G. Perez and Minnie Perez	3.3 acres	Easement Amendment	0.1622 acre	Caldwell	\$187
A012	Gayle Evans Farnel	0.25 acre	Easement Amendment	0.0543 acre	Caldwell	\$473
A013	Tamara Adcock, as Independent Executor of the Will and Estate	0.31 acre	Easement Amendment	0.0488 acre	Caldwell	\$415

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	of Stephen Miles Croy and Judith A. Dixon					
A015	Derck Koehn	0.23 acre	Easement Amendment	0.123 acre	Caldwell	\$1,072
A016	Lindner Properties LLC	0.23 acre	Easement Amendment	0.1223 acre	Caldwell	\$1,066
A019	Jesse Amaya and Yolanda Alonzo AKA Yolanda Amaya	0.23 acre	Easement Amendment	0.1192 acre	Caldwell	\$974
A020	Tom S. Schaefer	0.23 acre	Easement Amendment	0.1263 acre	Caldwell	\$1,032
A022	Oscar Rojas Jr. and Amy C. Kenney	0.53 acre	Easement Amendment	0.1511 acre	Caldwell	\$954
A023	Kathy L. Simon Withers	0.39 acre	Easement Amendment	0.1418 acre	Caldwell	\$927
A025	Joe Leonard Ruiz and Amalia Espinoza Ruiz	0.28 acre	Easement Amendment	0.1510 acre	Caldwell	\$1,316
A026	Crayton A. Hickey	0.296 acre	Easement Amendment	0.1331 acre	Caldwell	\$4,767
A029	Tracey Julian and Rick Julian	0.55 acre	Easement Amendment	0.1543 acre	Caldwell	\$975
A030 A032	David Wayne Girouard	0.556 acre	Easement Amendment	0.3307 acre	Caldwell	\$2,187

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A031	Roger H. Haug and Beverly Jean Haug	0.21 acre	Easement Amendment	0.0312 acre	Caldwell	\$300
A033	Nelson Macias	0.18 acre	Easement Amendment	0.0225 acre	Caldwell	\$4,198
A034	Pailo R. Barrios and Isabel C. Medrano	0.18 acre	Easement Amendment	0.0022 acre	Caldwell	\$410
A035	Stephen B. White and Floreta M. White	0.21 acre	Easement Amendment	0.0274 acre	Caldwell	\$4,991
A036	Jose J. Espinoza	0.17 acre	Easement Amendment	0.0586 acre	Caldwell	\$562
A037 A038	William A. Harrison II	1.082 acres	Easement Amendment	0.2693 acre	Caldwell	\$8,464
A041	W.H. Schroeder Jr., James E. Schroeder and David Schroeder	34.52 acres	Easement Amendment	0.852 acre	Caldwell	\$852
A042	Lucy Munoz Malaer	0.57 acre	Easement Amendment	0.173 acre	Caldwell	\$1,659
A043	Beverly Jean Haecker Haug	0.4 acre	Easement Amendment	0.0706 acre	Caldwell	\$615
A044 A045	Oakview Baptist Church, Lockhart, Texas	2.375 acres	Easement Amendment	0.5983 acre	Caldwell	\$3,258
A046	TG 305 Inc.	6.68 acres	Easement Amendment	0.1589 acre	Caldwell	\$519

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A047 A049	Linda J. Bennett AKA Linda Hinkle	0.879 acre	Easement Amendment	0.4296 acre	Caldwell	\$4,678
A050	Chisholm Trail Bar BBQ LLC	1.21 acres	Easement Amendment	0.3490 acre	Caldwell	\$3,801
A051	Jaadi Corporation	0.59 acre	Easement Amendment	0.1704 acre	Caldwell	\$67,002



**EXHIBIT D**

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**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 AMENDMENTS TO EXISTING EASEMENTS RIGHTS IN THE PROPERTIES DESCRIBED IN EXHIBIT 1 TO THE RESOLUTION FOR THE ACQUISITION OF THE EASEMENT ENHANCEMENT FISCAL YEAR 2019 SYSTEM UPGRADE PROJECT FOR THE CONTINUED RELIABLE TRANSMISSION OF ELECTRIC ENERGY ON THE SAN MARCOS TO ROBERT BROWN JR. (T220), ROBERT BROWN JR TO CLEAR FORK (T519), AND CLEAR FORK TO LOCKHART (T601) TRANSMISSION LINES; 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 HAYS AND CALDWELL COUNTIES FOR ELECTRIC TRANSMISSION LINE EASEMENT AMENDMENTS.**

**WHEREAS**, LCRA Transmission Services Corporation has determined the need to acquire the interests in real property necessary for the public uses of construction, operation and maintenance of electric transmission lines in Hays and Caldwell counties; and

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

**NOW, THEREFORE, BE IT RESOLVED** that the president and chief executive officer or his designee is authorized to purchase the interests in real property from the landowners listed in the attached Exhibit C for the construction of the Easement Enhancement FY 2019 System Upgrade project for the continued reliable transmission of electric energy on the San Marcos to Robert Brown Jr. (T220), Robert Brown Jr. to Clear Fork (T519), and Clear Fork to Lockhart (T601) transmission lines, with the description of the location of and interest in the properties LCRA Transmission Services Corporation seeks to acquire being more particularly described in maps provided to the Board and attached to this Resolution as Exhibit 1; that the public convenience and necessity requires the acquisition of said interests in real property; that the public necessity requires the condemnation of the interests in real property in order to acquire them for such uses; that LCRA Transmission Services Corporation does not intend to acquire rights to groundwater or surface water in the land; that LCRA Transmission Services Corporation will make a bona fide offer to acquire the interests in real property

**EXHIBIT D**

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from the landowner(s) voluntarily as required by Sec. 21.0113 of the Texas Property Code; and that at such time as LCRA Transmission Services Corporation has determined that the landowner(s) and LCRA Transmission Services Corporation will be unable to reach an agreement on the fair market value of the subject interests in real property and that it should appear that further negotiations for settlement with the landowner(s) would be futile, then the president and chief executive officer or his designee is authorized and directed to initiate condemnation proceedings against the owners 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 lines.