



# Board Agenda

Wednesday, May 20, 2020

Earliest start time: 10 a.m.

**MEMBERS OF THE PUBLIC WILL NOT BE PERMITTED TO ATTEND IN PERSON.  
THE MEETING WILL BE LIVESTREAMED AT**

<https://www.lcra.org/about/leadership/Pages/stream.aspx>

### Items From the Chair

- 1. Comments From the Public ..... 3

### Items From the General Manager

- General Manager's Update
- Fiscal Year 2021 Business and Capital Plan Work Session
  - Wholesale Electric Customer Communication

### Items From the Chief Financial Officer

- 2. Financial Highlights ..... 4

### Consent Items

- 3. Authorize Lake Fayette Parks Operations Agreement – Recreation Resource Management..... 5
- \*4. Sale of Land in Llano County (Parcel BW-38) ..... 9
- 5. Directors' Fees, Expenses..... 12
- 6. Minutes of Prior Meetings ..... 13

### Action Items

- \*7. Conveyance of Conservation Easement in Matagorda County (Parcel A-CR14(1))..... 24
- 8. LCRA Board Policy 404 – Grants and Economic Development ..... 27
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- 10. Capital Improvement Project Approval – Llano Fiber Telecommunications Upgrade..... 35
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- \*14. Approve the LCRA Transmission Contract Revenue Notes Series E Note Purchase Agreement and Authorize Related Agreements ..... 54
- \*15. Approve the LCRA Transmission Contract Revenue Notes Series F Note Purchase Agreement and Authorize Related Agreements ..... 56
- 16. Contracts and Contract Changes ..... 58

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

**Executive Session**

1. Competitive Electric Matters
2. Litigation Report

The Board also may go into executive session for advice from legal counsel on any items listed above and discuss the value, purchase and sale regarding any real estate-related item listed above, pursuant to Chapter 551 of the Texas Government Code.

**Legal Notice**

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

## **FOR DISCUSSION**

# **1. Comments From the Public**

### **Summary**

Consistent with Gov. Abbott's March 16, 2020, temporary suspension of various provisions of the Open Meetings Act, the public will not be able to attend the meeting in person but may view the open session portions of the meeting via livestream at: <https://www.lcra.org/about/leadership/Pages/stream.aspx> and make comments to the Board of Directors via telephone.

The Board will take all public comments at the beginning of the meeting, including those related to specific Board agenda items. Members of the public who would like to address the Board on topics under the jurisdiction of this Board or related to an item on the Board agenda may call either of the numbers below prior to the earliest start time listed on Page 1.

Phone numbers: 877-820-7831 (toll free) or  
720-279-0026

Passcode: 885538

**FOR DISCUSSION**

## **2. Financial Highlights**

**Summary**

Staff will present financial highlights for LCRA covering the month and fiscal year to date.

**Presenter(s)**

Jim Travis  
Chief Financial Officer

**FOR CONSENT**

### **3. Authorize Lake Fayette Parks Operations Agreement – Recreation Resource Management**

**Proposed Motion**

Authorize the general manager or his designee to negotiate and execute an agreement with Recreation Resource Management for the development and operation of Lake Fayette Oak Thicket Park and Lake Fayette Park Prairie Park.

**Board Consideration**

LCRA Board Policy 401 – Land Resources requires Board of Directors approval for a development agreement of LCRA non-utility land for a term greater than 15 years.

**Budget Status and Fiscal Impact**

The proposed agreement will include monthly payments from RRM to the FPP partnership of a total of 13% of gross revenues derived from the operation of the parks. LCRA and the City of Austin each would receive half of the 13% total or 6.5%. Staff estimates LCRA could receive about \$3 million in revenue over the 50-year term of the agreement, or about \$60,000 per year.

**Summary**

RRM is a private firm specializing in park and recreation management. The firm currently operate in nine states and has extensive experience operating under long-term agreements with various public agencies.

Under the agreement, RRM would operate the Lake Fayette parks for a term of 50 years and invest about \$2 million into the properties within the first three years of the term of the agreement. The proposed agreement will include monthly payments from RRM to the FPP participants of a total of 13% of gross revenues derived from the operation of the parks. Due to co-ownership of the Fayette Power Project property, the amount paid will be shared 50-50 with the City of Austin, which means LCRA and the City of Austin each would receive half of the 13% total or 6.5%. Neither LCRA nor the City of Austin will be responsible for operational or capital expenses for the parks during the term of the agreement. The operations agreement would include provisions for early termination, subject in certain circumstances to the reimbursement of RRM's capital expenditures based on a depreciation schedule.

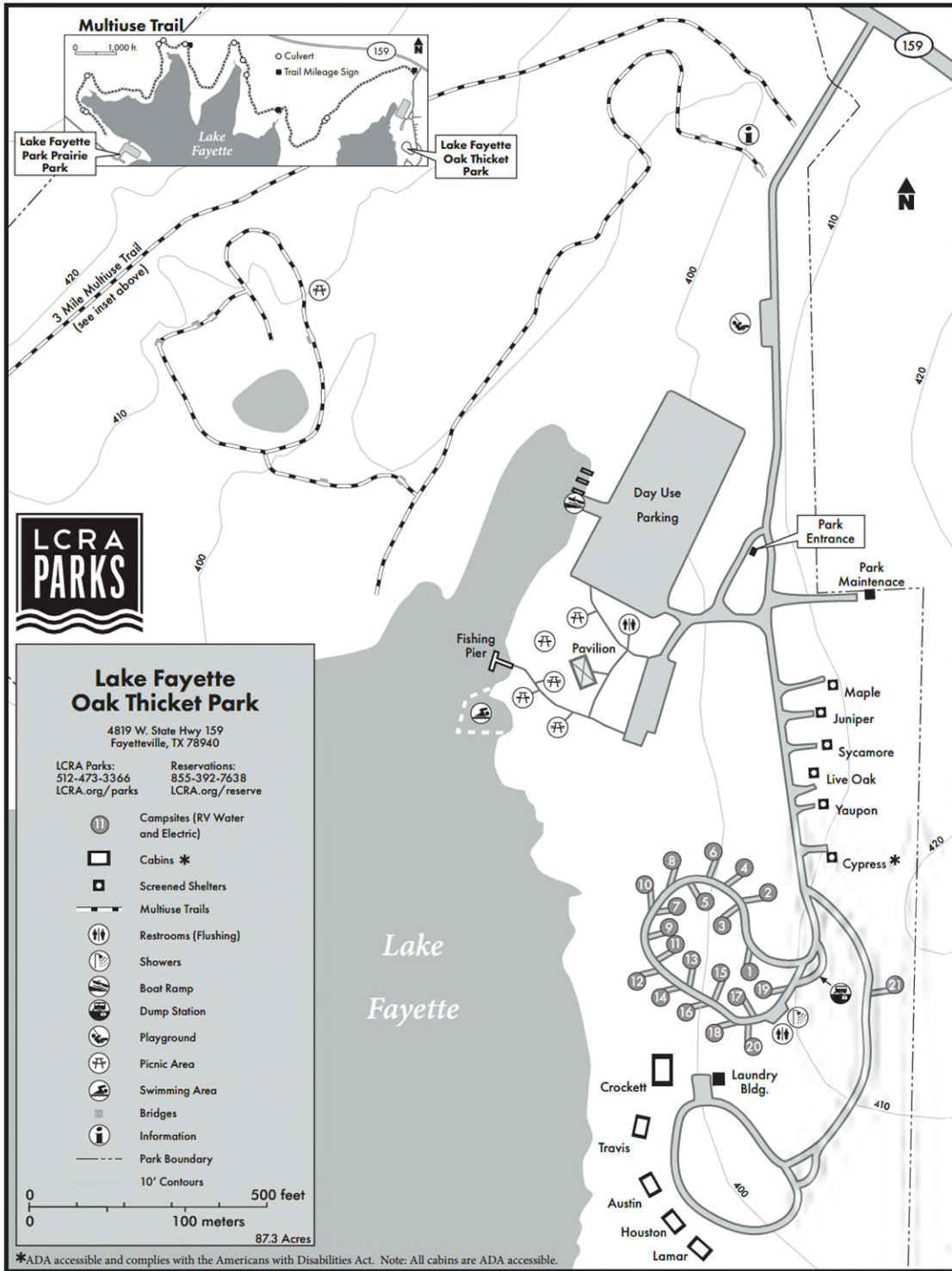
RRM plans to complete a substantial renovation of all existing facilities at the parks and add new amenities, including new cabins, additional RV campsites and boat docks. LCRA staff will review and approve all construction and operation plans for the park improvements. LCRA staff will complete and document environmental and cultural due diligence assessments in accordance with LCRA Board Policy 401.

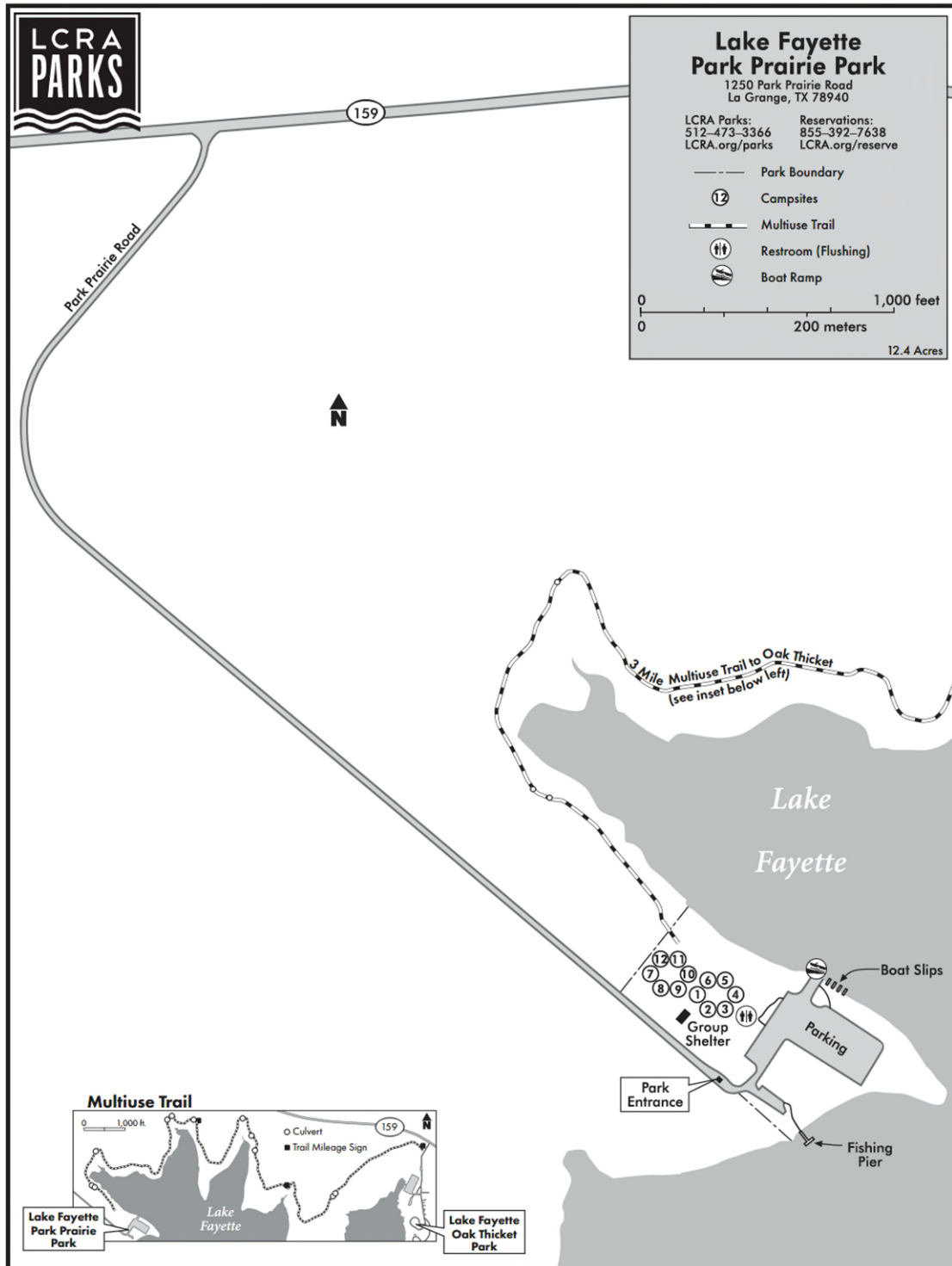
LCRA and a third-party advisory firm completed a thorough evaluation of the proposal's viability, including a detailed market and financial analysis. After receiving a briefing from LCRA staff on the terms of the proposed agreement, the FPP Management Committee voted to approve the proposed agreement. The existing operator has been notified of LCRA's plan to award a new contract, and the current agreement will be mutually terminated upon approval of the new contract with RRM.

**Exhibit(s)**

A – Park Maps

**EXHIBIT A**  
Page 1 of 2







**FOR ACTION (CONSENT)**

## **4. Sale of Land in Llano County (Parcel BW-38)**

### **Proposed Motion**

Declare an approximately 0.174-acre tract of land, being a portion of LCRA Parcel BW-38 in Llano County, nonessential and authorize the general manager or his designee to sell the property to the adjoining landowner.

### **Board Consideration**

Section 8503.020(b) of the Texas Special District Local Laws Code requires the approval of at least 12 members of the LCRA Board of Directors to convey any interest in real property. LCRA Board Policy 401 – Land Resources requires at least 12 members of the LCRA Board to declare the land no longer necessary or of beneficial use to the business of LCRA before conveyance. Additionally, Section 8503.020 of the Texas Special District Local Laws Code and LCRA Board Policy 401 require Board approval of the terms of all land sales before conveyance.

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

The fiscal year 2020 business plan contains the administrative costs associated with the sale of this land. The proceeds of \$11,072 will be credited to the Public Recreation and Conservation Land Acquisition Fund.

### **Summary**

Elizabeth R. and John E. Drawe, adjacent landowners, have agreed to purchase a 0.174-acre fill encroachment, which will permanently resolve the encroachment. The 0.174-acre tract is priced at \$11,072. Staff determined the price based on the Llano County Appraisal District's assessed values of Drawe's adjacent lot and other nearby waterfront lots.

LCRA staff will complete environmental and cultural resource due diligence assessments in accordance with Board Policy 401.403 – Land Disposition before the sale of the property.

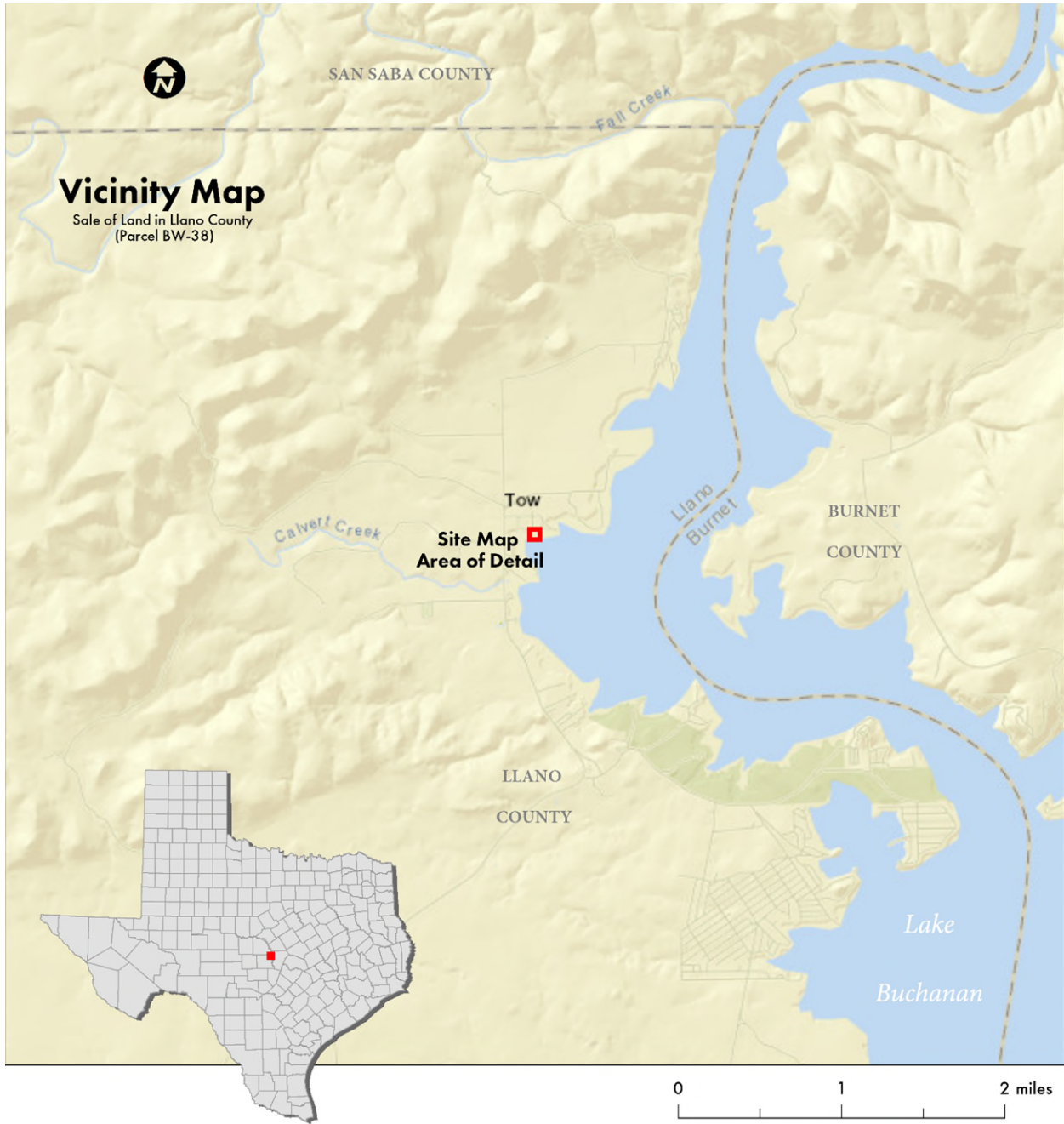
The property will be sold subject to the following reservations and restrictions:

- 1) LCRA will reserve all presently held oil, gas and other mineral rights of every kind or character in, on and under the property, provided that LCRA shall not be permitted to drill or excavate for minerals on the surface of the property.
- 2) LCRA will retain a 20-foot-wide recreation easement abutting the high-water line of Lake Buchanan for use by the public as required by Section 8503.023(d) of the Texas Special District Local Laws Code.
- 3) LCRA will retain the right to inundate with water all or any part of the property from time to time without any compensation.

### **Exhibit(s)**

- A – Vicinity Map
- B – Site Map

**EXHIBIT A**



**EXHIBIT B**



**FOR ACTION (CONSENT)**

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

**Proposed Motion**

Approve directors' fees and expense reports.

**Board Consideration**

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

**Budget Status and Fiscal Impact**

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

**Summary**

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

**FOR ACTION (CONSENT)**

## **6. Minutes of Prior Meetings**

**Proposed Motion**

Approve the minutes of the Jan. 22, 2020, and Feb. 19, 2020, meetings.

**Board Consideration**

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

**Budget Status and Fiscal Impact**

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

**Summary**

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

**Exhibit(s)**

- A – Minutes of Jan. 22, 2020, meeting
- B – Minutes of Feb. 19, 2020, meeting

## **EXHIBIT A**

Minutes Digest  
Jan. 22, 2020

- 20-01 Approval of a resolution honoring Helen Miles and her family for participation in LCRA's Creekside Conservation Program.
- 20-02 Authorization for the general manager or his designee to grant a permanent subsurface easement to Kinder Morgan Tejas Pipeline LLC for approximately 0.11 acre and a temporary construction easement for approximately 0.17 acre, for a pipeline that will cross under an LCRA canal in the Garwood Irrigation District in Colorado County.
- 20-03 Authorization for the general manager or his designee to grant an approximately 0.3455-acre transmission line easement to CenterPoint Energy Houston Electric LLC that will cross an LCRA canal in the Gulf Coast Irrigation District in Matagorda County.
- 20-04 Authorization for the general manager or his designee to grant two permanent subsurface easements to Phillips 66, one being approximately 0.14 acre and one being approximately 0.17 acre, for a pipeline that will cross under two LCRA canals in the Gulf Coast Irrigation District in Matagorda County.
- 20-05 Approval of proposed changes to LCRA Board Policy 303 – Banking and Investments.
- 20-06 Approval of directors' fees and expense reimbursements reported in December 2019 and January 2020.
- 20-07 Approval of the minutes of the Dec. 10, 2019, meeting.
- 20-08 Approval of an updated interruptible agricultural Drought Contingency Plan for customers in the Garwood, Gulf Coast and Lakeside agricultural divisions and Pierce Ranch.
- 20-09 Approval of updated interruptible agricultural water contract rules and rates for the Garwood, Gulf Coast and Lakeside agricultural divisions.
- 20-10 Ratification of the increase to the lifetime budget for the Inks Dam Spillway Delamination project.
- 20-11 Approval of 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.

- 20-12 Approval of a resolution amending and extending the note purchase agreement with JPMorgan Chase Bank, N.A. related to LCRA Commercial Paper Notes, Series D and Taxable Series D, and authorization for the general manager, chief financial officer or treasurer to negotiate and execute such amendment. Also authorization for the general manager or his designee to negotiate and execute related documents.
- 20-13 Authorization for the general manager or his designee to negotiate and execute the following contracts and contract changes: Contract No. 5463 (WLE LLC); contract numbers 5466, 5467, 5468, 5469 and 5470 (The Babcock & Wilcox Company, Leeco Energy Services, GE Steam Power Inc., Riley Power, and P.A.R. Alloy Inc.); and Contract No. 4100 (Texas Water Conservation Risk Management Fund).



MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF THE  
LOWER COLORADO RIVER AUTHORITY  
Austin, Texas  
Jan. 22, 2020

Pursuant to notice posted in accordance with the Texas Open Meetings Act, the Board of Directors (Board) of the Lower Colorado River Authority (LCRA) convened in a regular meeting at 9:24 a.m. Wednesday, Jan. 22, 2020, in the Board Room of the Hancock Building, at the principal office of LCRA, 3700 Lake Austin Blvd., Austin, Travis County, Texas. The meeting was open to the public, and the following directors were present, constituting a quorum:

Timothy Timmerman, Chair  
Stephen F. Cooper, Vice Chair  
Joseph M. "Joe" Crane, Secretary  
Michael L. "Mike" Allen  
Lori A. Berger  
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

Absent: Laura D. Figueroa  
Nancy Eckert Yeary

Chair Timmerman convened the meeting at 9:24 a.m.

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

General Manager Phil Wilson gave the Board an update on safety, including a recap of LCRA's safety results for calendar year 2019. He asked Director Berger to provide an update on Community Development Partnership Program grants. He shared an example of a group of employees whose work to solve some issues at the Fayette Power Project demonstrated the Colorado Commitment: I will make every LCRA endeavor outstanding. Wilson welcomed some special visitors, family members of Helen Miles, who were present to help celebrate the 30th anniversary of LCRA's Creekside Conservation Program. Wilson shared a video of the story of how Ms. Miles has been involved with the program from its beginning.

20-01 General Manager Phil Wilson presented for consideration a staff recommendation that the Board approve a resolution, described in Agenda Item 2



[attached hereto as Exhibit A], honoring Helen Miles and her family for participation in LCRA's Creekside Conservation Program. Upon motion by Director Gill, seconded by Director Berger, the recommendation was unanimously approved by a vote of 13 to 0.

Controller Julie Rogers presented the financial report for December 2019 [Agenda Item 3].

The Board next took action on the consent agenda. Upon motion by Director Russell, seconded by Director Crane, the Board unanimously approved consent items 4, 5, 6, 7, 8 and 9 included on the Jan. 22, 2020, consent agenda by a vote of 13 to 0 as follows:

20-02 Authorization for the general manager or his designee to grant a permanent subsurface easement to Kinder Morgan Tejas Pipeline LLC for approximately 0.11 acre and a temporary construction easement for approximately 0.17 acre, for a pipeline that will cross under an LCRA canal in the Garwood Irrigation District in Colorado County, as recommended by staff in Consent Item 4 [attached hereto as Exhibit B].

20-03 Authorization for the general manager or his designee to grant an approximately 0.3455-acre transmission line easement to CenterPoint Energy Houston Electric LLC that will cross an LCRA canal in the Gulf Coast Irrigation District in Matagorda County, as recommended by staff in Consent Item 5 [attached hereto as Exhibit C].

20-04 Authorization for the general manager or his designee to grant two permanent subsurface easements to Phillips 66, one being approximately 0.14 acre and one being approximately 0.17 acre, for a pipeline that will cross under two LCRA canals in the Gulf Coast Irrigation District in Matagorda County, as recommended by staff in Consent Item 6 [attached hereto as Exhibit D].

20-05 Approval of proposed changes to LCRA Board Policy 303 – Banking and Investments, as recommended by staff in Consent Item 7 [attached hereto as Exhibit E].

20-06 Approval of directors' fees and expense reimbursements reported in December 2019 and January 2020, as recommended in Consent Item 8 [attached hereto as Exhibit F].

20-07 Approval of the minutes of the Dec. 10, 2019, meeting [Consent Item 9].

20-08 Executive Vice President of Water John Hofmann presented for consideration a staff recommendation, described in Agenda Item 10 [attached hereto as Exhibit G], that the Board approve an updated interruptible agricultural Drought Contingency Plan for customers in the Garwood, Gulf Coast and Lakeside agricultural divisions and Pierce Ranch. Staff gave an overview of this item at the Water Operations

Committee meeting on Jan. 21. Upon motion by Director Crane, seconded by Director Martine, the recommendation was unanimously approved by a vote of 13 to 0.

20-09 Executive Vice President of Water John Hofmann presented for consideration a staff recommendation, described in Agenda Item 11 [attached hereto as Exhibit H], that the Board approve updated interruptible agricultural water contract rules and rates for the Garwood, Gulf Coast and Lakeside agricultural divisions. Staff gave an overview of this item at the Water Operations Committee meeting on Jan. 21. Upon motion by Director Martine, seconded by Director Berger, the recommendation was unanimously approved by a vote of 13 to 0.

[The Central Texas Water Coalition submitted written comments on agenda items 10 and 11.]

20-10 Vice President of Water Operations Kelly Payne presented for consideration a staff recommendation, described in Agenda Item 12 [attached hereto as Exhibit I], that the Board ratify the increase to the lifetime budget for the Inks Dam Spillway Delamination project. Upon motion by Director Berger, seconded by Director Voelter, the recommendation was unanimously approved by a vote of 13 to 0.

20-11 Executive Vice President of Transmission Kristen Senechal presented for consideration a staff recommendation, described in Agenda Item 13 [attached hereto as Exhibit J], that the Board 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. Upon motion by Director Whitten, seconded by Director Lewis, the recommendation was unanimously approved by a vote of 13 to 0.

20-12 Chief Financial Officer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 14 [attached hereto as Exhibit K], that the Board approve a resolution amending and extending the note purchase agreement with JPMorgan Chase Bank, N.A. related to LCRA Commercial Paper Notes, Series D and Taxable Series D, and authorize the general manager, chief financial officer or treasurer to negotiate and execute such amendment. Also authorize the general manager or his designee to negotiate and execute related documents. Upon motion by Director Berger, seconded by Director Allen, the recommendation was unanimously approved by a vote of 13 to 0.

20-13 Vice President of Supply Chain Michael McGann presented for consideration a staff recommendation, described in Agenda Item 15 [attached hereto as Exhibit L], that the Board authorize the general manager or his designee to negotiate and execute the following contracts and contract changes: Contract No. 5463 (WLE LLC); contract numbers 5466, 5467, 5468, 5469 and 5470 (The Babcock & Wilcox Company, Leeco Energy Services, GE Steam Power Inc., Riley Power, and P.A.R. Alloy Inc.); and Contract No. 4100 (Texas Water Conservation Risk Management Fund).

Upon motion by Director Johnson, seconded by Director Crane, the recommendation was unanimously approved by a vote of 13 to 0.

Chair Timmerman declared the meeting to be in executive session at 10:05 a.m., pursuant to sections 551.071, 551.074 and 551.086 of the Texas Government Code (Open Meetings Act). Executive session ended, and Chair Timmerman declared the meeting to be in public session at 11:10 a.m., with all directors present except Directors Figueroa and Yeary.

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

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Joseph M. Crane  
Secretary  
LCRA Board of Directors

Approved: May 20, 2020

## **EXHIBIT B**

Minutes Digest  
Feb. 19, 2020

- 20-14 Approval of the conveyance of metering assets from LCRA Transmission Services Corporation to Guadalupe Valley Electric Cooperative and authorization for the general manager or his designee to take such action as is necessary to release LCRA's lien on those assets.
- 20-15 Approval of the Capital Improvement Project Authorization Request for the Operational Support System Telecommunications Upgrade project.
- 20-16 Adoption and approval of a 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 a debt service reserve fund for the Bonds; and (iv) paying for issuance costs.
- 20-17 Authorization for the general manager or his designee to negotiate and execute the following contracts: Contract numbers 5476, 5477 and 5478 (McCoy Tree Surgery Company, Inc.; Trees, Inc.; and The Arbor Experts, LLC); contract numbers 5493, 5494, 5495, 5496, 5497, 5498, 5499, 5500 and 5501 (Electrical Consultants, Inc.; Stanley Consultants, Inc.; Ulteig Engineers, Inc.; Pickett and Associates, Inc.; HDR Engineering, Inc.; Burns & McDonnell Engineering, Inc.; Power Engineers, Inc.; Mott and MacDonald USA, LLC; and Dashiell Corporation); and Contract No. 3672 (CH2M Hill Engineers, Inc.).

MINUTES OF THE SPECIAL MEETING OF THE  
BOARD OF DIRECTORS OF THE  
LOWER COLORADO RIVER AUTHORITY  
Austin, Texas  
Feb. 19, 2020

Pursuant to notice posted in accordance with the Texas Open Meetings Act, the Board of Directors (Board) of the Lower Colorado River Authority (LCRA) convened in a special meeting at 10:13 a.m. Wednesday, Feb. 19, 2020, in the Board Room of the Hancock Building, at the principal office of LCRA, 3700 Lake Austin Blvd., Austin, Travis County, Texas. The meeting was open to the public, and the following directors were present, constituting a quorum:

Timothy Timmerman, Chair  
Stephen F. Cooper, Vice Chair  
Joseph M. "Joe" Crane, Secretary  
Michael L. "Mike" Allen  
Lori A. Berger  
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

Absent: Nancy Eckert Yeary

Chair Timmerman convened the meeting at 10:13 a.m.

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

General Manager Phil Wilson made opening remarks about LCRA's 85th anniversary on Feb. 19, including a brief history of LCRA's work to serve the people of Texas.

The Board next took action on the consent agenda.

20-14 Upon motion by Director Berger, seconded by Director Russell, the Board unanimously approved the conveyance of metering assets from LCRA Transmission Services Corporation to Guadalupe Valley Electric Cooperative and authorized the general manager or his designee to take such action as is necessary to release LCRA's lien on those assets, as recommended by staff in Consent Item 2 [attached hereto as Exhibit A].

Chief Meteorologist Bob Rose presented a weather briefing, including an update on current drought conditions, a weather forecast for spring and summer 2020, and an outlook for 2020 [Discussion Item 3].

20-15 Vice President of Transmission Strategic Services Clint Harp presented for consideration a staff recommendation, described in Agenda Item 4 [attached hereto as Exhibit B], that the Board approve the Capital Improvement Project Authorization Request for the Operational Support System Telecommunications Upgrade project. Upon motion by Director Berger, seconded by Director Voelter, the recommendation was unanimously approved by a vote of 14 to 0.

20-16 Treasurer and Chief Financial Officer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 5 [attached hereto as Exhibit C], that the Board adopt and approve a 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 a debt service reserve fund for the Bonds; and (iv) paying for issuance costs.

The resolution also will:

1. Approve related documents, in substantially final form, including the escrow agreement, the paying agent/registrar agreement, the Preliminary Official Statement in substantially final form and the Transmission Contract Revenue Debt Installment Payment Agreement Supplement Related to the Bonds. Bond counsel has prepared or reviewed all documents.
2. Delegate authority to the general manager, chief financial officer and/or treasurer 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.

Upon motion by Director Johnson, seconded by Director Russell, the recommendation was unanimously approved by a vote of 14 to 0.

20-17 Vice President of Supply Chain Michael McGann presented for consideration a staff recommendation, described in Agenda Item 6 [attached hereto as Exhibit D], that the Board authorize the general manager or his designee to negotiate and execute the following contracts: Contract numbers 5476, 5477 and 5478 (McCoy Tree Surgery Company, Inc.; Trees, Inc.; and The Arbor Experts, LLC); contract numbers 5493, 5494, 5495, 5496, 5497, 5498, 5499, 5500 and 5501 (Electrical Consultants, Inc.; Stanley Consultants, Inc.; Ulteig Engineers, Inc.; Pickett and Associates, Inc.; HDR Engineering, Inc.; Burns & McDonnell Engineering, Inc.; Power Engineers, Inc.; Mott and MacDonald USA, LLC; and Dashiell Corporation); and Contract No. 3672 (CH2M Hill Engineers, Inc.). Upon motion by Director Berger, seconded by Director Russell, the recommendation was unanimously approved by a vote of 14 to 0.

Chair Timmerman declared the meeting to be in executive session at 10:35 a.m., pursuant to sections 551.071 and 551.086 of the Texas Government Code (Open Meetings Act). Executive session ended, and Chair Timmerman declared the meeting to be in public session at 10:54 a.m., with all directors present except Director Yearly.

There being no further business to come before the Board, Chair Timmerman adjourned the meeting at 10:55 a.m.

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Joseph M. Crane  
Secretary  
LCRA Board of Directors  
Approved: May 20, 2020

**FOR ACTION**

## **7. Conveyance of Conservation Easement in Matagorda County (Parcel A-CR14(1))**

### **Proposed Motion**

Authorize the general manager or his designee to convey to the Colorado River Land Trust an approximately 934.09-acre conservation easement, being a portion of LCRA Parcel A-CR14(1) in Matagorda County, and find that the grant of the conservation easement will accomplish the purposes of LCRA's statutory mission of soil, water and wildlife conservation in the lower Colorado River watershed.

### **Board Consideration**

Section 8503.020(b) of the Texas Special District Local Laws Code requires the approval of at least 12 members of the LCRA Board of Directors to convey any interest in real property.

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

The fiscal year 2020 business plan contains the administrative costs associated with the conveyance of this easement.

### **Summary**

LCRA acquired a 1,534-acre tract of land at the mouth of the Colorado River in 2001 and subsequently developed the Matagorda Bay Nature Park on a portion of the property. Most of the remainder of the tract is undevelopable wetlands. The easement area is within the migratory path of the endangered whooping crane species as well as habitat for the potentially endangered piper plover.

The CRLT was created in 2012 to preserve open space and protect public water supplies. LCRA is interested in conveying a conservation easement on the approximately 934.09-acre portion of the LCRA land. The proposed easement would ensure the preservation of the easement tract in its natural state in perpetuity. The easement will allow LCRA's continued use of the property for public recreation and educational purposes. The easement will not allow for subdivision or commercial development. LCRA will continue to manage the easement property consistent with current practices.

LCRA's Community Resources department approves of the proposed easement. LCRA staff will complete environmental and cultural resource due diligence in accordance with Board Policy 401.403 – Land Disposition before the conveyance of this easement.

### **Presenter(s)**

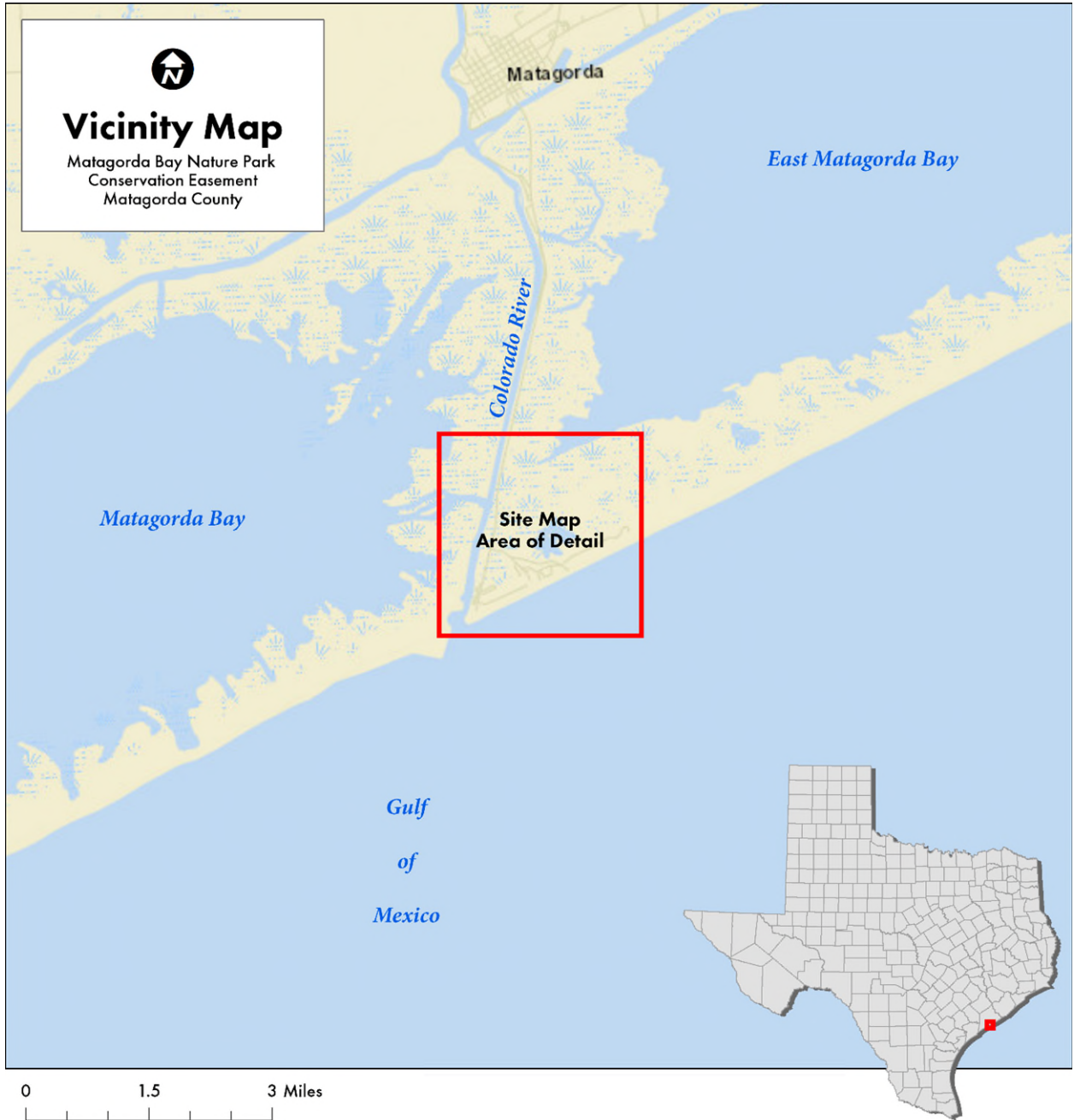
John Miri  
Chief Administrative Officer

### **Exhibit(s)**

A – Vicinity Map  
B – Site Map



**EXHIBIT A**



**EXHIBIT B**



## **FOR ACTION**

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

### **Proposed Motion**

Approve revisions to LCRA Board Policy 404 – Grants and Economic Development as shown in Exhibit A.

### **Board Consideration**

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

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

Grant funding and administrative costs associated with the Community Development Partnership Program each year will be consistent with the business plan approved by the Board for each fiscal year.

### **Summary**

Staff recommends approval of the proposed changes, which include substantive changes and some minor editorial changes, to Board Policy 404 as shown in Exhibit A. CDPP currently provides grants only in those counties in which LCRA provides water or wholesale power services. The proposed changes will expand CDPP into those counties in which LCRA Transmission Services Corporation provides transmission services.

The proposed policy changes also include adding the chair of the LCRA Transmission Committee to the CDPP Review Committee. The changes also increase the general manager's authority to award discretionary grants or services to \$100,000 per program year and increase the limit of each of the awards from the general manager to \$5,000 in value.

### **Present**

Bill Lauderback  
Executive Vice President, Public Affairs

### **Exhibit(s)**

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

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## LCRA BOARD POLICY

### 404 – GRANTS AND ECONOMIC DEVELOPMENT

~~Aug. 21, 2019~~ May 20, 2020

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#### 404.10 PURPOSE

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

#### 404.20 POLICY

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

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

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

#### 404.30 APPLICABILITY AND LIMITS OF THIS SECTION

This policy applies to those LCRA economic development activities that are authorized solely under Chapter 152, including routine economic development programs, extraordinary economic development programs and the Community Development Partnership Program, as further defined and explained in separate sections below. The economic development policy is not intended to address or limit in any way any LCRA activity for which LCRA has authority independent of Chapter 152, such as developing

parks and recreation facilities within LCRA's statutory district and providing water and electric services, regardless of the fact that such activities may produce incidental economic benefits.

#### **404.40 ROUTINE PROGRAMS**

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

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

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

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

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

#### **404.50 EXTRAORDINARY PROGRAMS**

Grants or loans of money, services or property by LCRA for economic development purposes that are not routine economic development programs are considered to be extraordinary economic development programs. No extraordinary economic development program will be undertaken by LCRA without the specific approval of the LCRA Board of Directors.



## 404.60 COMMUNITY DEVELOPMENT PARTNERSHIP PROGRAM

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

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

**404.601 CDPP Review Committee.** The LCRA Board will create an 1112-member review committee to review, score and award all CDPP grants and services valued at more than \$1,000, except for grants awarded pursuant to the GM/CEO's discretionary authority as described below. The 1112-member CDPP Review Committee will be made up of the GM/CEO and the chair of the Transmission Committee, who will both serve continuously; three additional LCRA Board members appointed by the LCRA Board chair for one calendar year term; six electric customer representatives for two-year rotating terms; and one water customer for a two-year term. All committee members will continue to serve until their successors are selected. Any member unable to attend a committee meeting may appoint a proxy representing the member's interest group on the committee.

**404.602 Grant ~~a~~Application ~~p~~rocess.** The CDPP Review Committee will develop and implement the grant application, review and selection process. The ~~LCRA~~GM/CEO will have the discretion to award grants or services up to \$2,5005,000 in value without the LCRA Board or CDPP Review Committee approval, not to exceed a total of \$50,000100,000 per program year. This policy is intended to allow LCRA to respond more quickly to smaller requests and to free the CDPP Review Committee to focus on larger grant requests.

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

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

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

CDPP Review Committee may use rules adopted by the Texas Commission on Fire Protection as general guidelines in determining eligibility for and types of assistance to public firefighting organizations.

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

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

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

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

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

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

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

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

##### **A. Restrictions on Participants.**

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

##### **B. Restrictions on Program.**

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

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

C. Procedures.

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

D. Budget Limits. The Board will establish an annual budget for the Project Connect program each year in the LCRA ~~B~~business ~~P~~plan.

#### **404.80 AUTHORITY**

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

**EFFECTIVE:** Sept. 21, 2016 (moved from Board Policy 403 – Community Services).  
Amended Dec. 11, 2018; ~~and~~ Aug. 21, 2019; and May 20, 2020.



## **FOR ACTION**

# **9. Release of Agricultural Water Conservation Funds**

### **Proposed Motion**

Approve the expenditure of up to \$1.175 million from the Agricultural Water Conservation Fund.

### **Board Consideration**

Texas Special District Local Laws Code Section 8503.029 and Board Policy 301 – Finance require approval by the LCRA Board of Directors before making expenditures from the Agricultural Water Conservation Fund.

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

- Staff seeks approval for the expenditure of up to \$1.175 million from the Agricultural Water Conservation Fund, including up to \$1.1 million for capital improvements for the Garwood Automated Gates project and an estimated \$25,000 per year for administration of the House Bill 1437 program and continued water savings verification studies from fiscal year 2021 to FY 2023.
- The Agricultural Water Conservation Fund has a current balance of about \$3 million.
- The Garwood Automated Gates project is included in the FY 2021 capital plan.
- The executive vice president of Water will release funds as needed.

### **Summary**

Staff requests the Board approve the expenditure of up to \$1.175 million from the Agricultural Water Conservation Fund, including up to \$1.1 million for the Garwood Automated Gates project and an estimated \$75,000 for ongoing costs related to the HB 1437 program over the lifetime of this capital improvement project. The estimated ongoing costs include \$10,000 per year for administration of the program and \$15,000 per year for continued water savings verification studies from FY 2021 to FY 2023.

HB 1437, passed by the Texas Legislature in 1999, authorized the transfer of up to 25,000 acre-feet of water per year outside the lower Colorado River basin for use in Williamson County. It stipulated that there could be “no net loss” of water from the Colorado River basin and established the Agricultural Water Conservation Fund to mitigate any adverse effects resulting from the water transfer.

The Garwood Automated Gates project is expected to conserve 2,700 a-f of water per year. Staff submitted a grant proposal to the Texas Water Development Board for \$244,744. If TWDB awards the grant, spending from the Agricultural Water Conservation Fund would be offset by the final grant amount awarded. Staff is making the request for the \$1.1 million from the Agricultural Water Conservation Fund at this time to comply with TWDB contract rules requiring proof of authorization for matching funds. This project is consistent with LCRA’s 2019 Water Conservation Plan approved by the Board in May 2019.

About \$5.2 million has been spent under the Agricultural Water Conservation Fund as of January 2020. Previously authorized expenditures from the fund are outlined in annual reports. The most recent report was issued in April 2020.

**Presenter(s)**

John Hofmann  
Executive Vice President, Water

## **FOR ACTION**

# **10. Capital Improvement Project Approval – Llano Fiber Telecommunications Upgrade**

### **Proposed Motion**

Approve the Capital Improvement Project Authorization Request for the Llano Fiber Telecommunications Upgrade project.

### **Board Consideration**

LCRA Board Policy 301 – Finance requires Board of Directors approval of any previously approved project expected to exceed its lifetime budget by 10% and \$300,000.

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

- Staff seeks approval to increase the lifetime budget from \$745,000 to \$1.186 million, an increase of \$441,000.
- LCRA will spend the additional funds in fiscal year 2020 and 2021.
- Staff members believe they can manage this additional spending within the existing FY 2020 capital budget and do not request additional fiscal year capital budget authorization.
- Project costs will have no impact on current LCRA rates.

### **Summary**

The project was approved as an addendum to the FY 2019 capital plan with a budget of \$745,000 and an in-service date of June 30, 2020. The project will provide broadband infrastructure necessary to expand broadband connectivity to Llano Independent School District campuses and administration buildings. Additionally, LCRA will install and own a new 18-mile aerial segment of fiber between LCRA's Pittsburg and Central Texas Electric Cooperative's Buchanan substations to improve LCRA telecommunications system performance and support potential future growth. Llano ISD will reimburse a portion of project costs through a combination of a grant from the Universal Service Schools and Libraries Program, also known as E-rate, and Texas State Match funds.

Following the start of project execution, additional scope was added for surveying, cultural assessment, engineering, design and project management. During construction, several poles on the fiber line were repositioned from their designed location to avoid underground fiber in the Texas Department of Transportation right of way. The poles will need to be relocated back to their engineered locations to comply with TxDOT's construction permit, which will add construction costs. LCRA continues to work with TxDOT to mitigate these cost impacts. The project in-service date is no later than June 2020.

**Project Recap**

Total Project Estimated Cost		<u>\$ 1,186,000</u>
Previous Project Lifetime Budget:		\$ 745,000
Additional Lifetime Budget Approval Sought:		\$ 441,000
FY 2019	\$ 98,000	
FY 2020	\$ 1,045,000	
FY 2021	\$ 43,000	
Total:		<u>\$ 1,186,000</u>

**Project Direction**

Project Manager: Bo Beauregard  
Project Sponsor: Saul Silva  
Project Number: 1019085

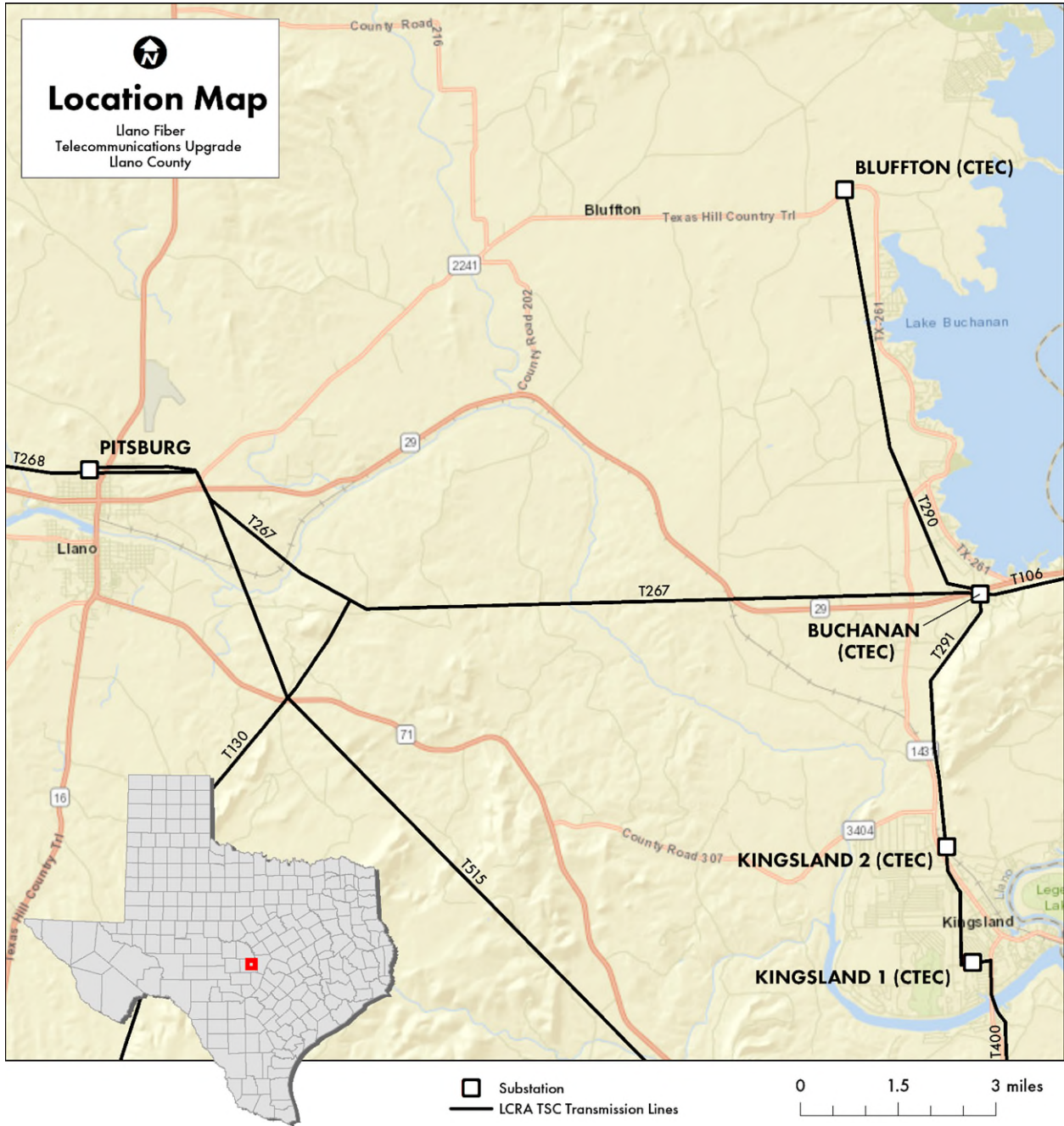
**Presenter(s)**

Kristian M. Koellner  
Vice President, Transmission Asset Optimization

**Exhibit(s)**

A – Location Map

**EXHIBIT A**



## **FOR ACTION**

# **11. Release of Board-Restricted Funds**

### **Proposed Motion**

Approve the resolution attached as Exhibit A releasing Board-restricted funds previously reserved from the Liability Reduction Fund for the payment of outstanding long-term LCRA debt allocated to Wholesale Power and redesignate as management reserves.

### **Board Consideration**

LCRA Board Policy 301 – Finance requires Board of Directors approval of any disbursements from the Liability Reduction Fund.

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

Approval of this item will have no impact on the fiscal year 2020 budget, as the funds will be released to management reserves.

### **Summary**

In April 2018, the Board established the Liability Reduction Fund in Board Policy 301 – Finance to provide funds for liability reduction that reduces LCRA's long-term costs while improving LCRA's flexibility and its ability to meet its customers' future needs.

In August 2018, the Board approved funding of the Liability Reduction Fund to reserve \$200 million from management reserves for the payment of outstanding long-term debt allocated to Wholesale Power. The Board delegated authority to the general manager or his designee to determine the timing and amounts of the payments.

Staff recommends releasing the remaining funds in the Liability Reduction Fund to management reserves after payments to reduce outstanding debt associated with Wholesale Power are made.

### **Presenter(s)**

Jim Travis  
Chief Financial Officer

### **Exhibit(s)**

A – Resolution Releasing Board-Restricted Funds From the Liability Reduction Fund to Management Reserves

## **EXHIBIT A**

### **RESOLUTION RELEASING BOARD-RESTRICTED FUNDS FROM THE LIABILITY REDUCTION FUND TO MANAGEMENT RESERVES**

WHEREAS, on April 18, 2018, the LCRA Board of Directors approved revisions to LCRA Board Policy 301 – Finance to establish the Liability Reduction Fund to provide funds for liability reduction that reduces LCRA’s long-term costs while improving LCRA’s flexibility and its ability to meet its customers’ future needs; and

WHEREAS, on Aug. 22, 2018, the Board approved funding of the Liability Reduction Fund to reserve \$200 million for the payment of outstanding long-term debt allocated to Wholesale Power, delegating to the general manager or his designee authority to determine the timing and amounts of disbursements; and

WHEREAS, the Board now wishes to release a portion of the Board-restricted funds previously reserved from the Liability Reduction Fund to management reserves;

NOW, THEREFORE, BE IT RESOLVED that the LCRA Board of Directors authorizes disbursement of any remaining funds in the Liability Reduction Fund to management reserves after the payments to reduce outstanding debt associated with Wholesale Power are made.

**FOR ACTION**

## **12. Authorize the Fiscal Year 2020 Extraordinary LCRA Optional Purchase Price Payment From LCRA Transmission Services Corporation**

### **Proposed Motion**

Adopt the attached resolution making determinations regarding the payment from LCRA Transmission Services Corporation of an Extraordinary LCRA Optional Purchase Price Payment for fiscal year 2020 and, when such payment is made, reserve those funds in the LCRA Strategic Reserve.

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

The transfer to LCRA was contemplated in the FY 2020 business plan. The initiation of this transfer is being made after ensuring LCRA TSC will meet all financial commitments, including annual expenses for operations and maintenance, debt service and any other payments required under its financial policies.

### **Summary**

As part of the formation of LCRA TSC and the transfer of LCRA's transmission assets to LCRA TSC, LCRA and LCRA TSC executed the Electric Transmission Facilities Contract (the Contractual Commitment) between LCRA and LCRA TSC dated as of Oct. 1, 2001, to govern that transfer and to obligate LCRA TSC to pay a purchase price for those assets. As required by the Contractual Commitment, LCRA TSC has made, each year since its inception, purchase price payments equal to the LCRA debt service obligation associated with the assets transferred to LCRA TSC. Under Section 4.02 of the Contractual Commitment, the LCRA Board has sole discretion to determine each fiscal year if an annual ELOPPP will be made to LCRA. This determination must be made at least 30 days prior to the LCRA Board's approval of LCRA TSC's annual budget for the following year. The amount of any ELOPPP is capped at 25 percent of the amount of LCRA TSC's Contractual Commitment purchase price payments and guarantee reimbursement payments, and is only payable if all other financial commitments of LCRA TSC have been met, including debt, debt service, operations and maintenance, and coverage ratios and reserve funds required by LCRA TSC's financial policies.

Staff determined LCRA TSC has to date met, and is expected to meet, all financial obligations required by any agreement or the financial policies of LCRA TSC for FY 2020.

The amount to be transferred to LCRA will be reserved in the LCRA Strategic Reserve for use in accordance with Board Policy 301 – Finance.

### **Presenter(s)**

Jim Travis  
Chief Financial Officer



**Exhibit(s)**

A – Board Resolution: Extraordinary LCRA Optional Purchase Price Payment

## **EXHIBIT A**

### **RESOLUTION**

WHEREAS, the Lower Colorado River Authority (LCRA) and LCRA Transmission Services Corporation (LCRA TSC) entered into the certain Electric Transmission Facilities Contract (the Contractual Commitment) as of Oct. 1, 2001, as amended; and

WHEREAS, in the Contractual Commitment, LCRA TSC agreed, under certain circumstances, to make an annual payment to LCRA, which is referred to as the Extraordinary LCRA Optional Purchase Price Payment (ELOPPP); and

WHEREAS, the Contractual Commitment provides that the LCRA Board of Directors shall determine if an ELOPPP payment is due and payable for any fiscal year and the amount of such payment; and

WHEREAS, such ELOPPP payment is permitted under the Final Order issued by the Public Utility Commission of Texas in Docket No. 25829 and the stipulation incorporated therein;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby determines that pursuant to Section 4.02 of the Contractual Commitment, an ELOPPP payment is due from LCRA TSC for FY 2020, and the amount of the ELOPPP payment due and payable by LCRA TSC in FY 2020 is \$6.7 million.

## **FOR ACTION**

# **13. Fiscal Year 2021 Business and Capital Plans**

### **Proposed Motion**

Adopt resolutions (exhibits A, B, C, D and E) approving the fiscal year 2021 business and capital plans for LCRA and each of its affiliated nonprofit corporations.

### **Board Consideration**

LCRA Board Policy 301 – Finance requires approval of a business plan before the start of each fiscal year. Texas Water Code Chapter 152 requires the Board of Directors to approve each of the affiliated corporations' budgets and capital plans.

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

The proposed business and capital plans and the budgets included therein provide targets for revenue, operating and maintenance expenses, and capital spending for FY 2021.

### **Summary**

Staff provided to the Board under separate cover the FY 2021 business and capital plan documents. Summaries of FY 2021 financial plans and capital plans are included in Exhibits F – I. The work session held earlier included a discussion on the compensation plan, pension plan and assumptions for FY 2021.

The business and capital plans are LCRA's comprehensive operations and capital plans and budgets. Approval of the FY 2021 business and capital plans provides authorization for all expenditures and plans of LCRA, including LCRA's affiliated nonprofit corporations: LCRA Transmission Services Corporation; GenTex Power Corporation; LCRA Wholesale Energy Services Corporation, known as LCRA WSC Energy; and WSC Energy II.

Each entity's Board must approve its own business plan and capital plan. The LCRA TSC Board is expected to take action on its FY 2021 business and capital plans today at the LCRA TSC Board meeting. The GenTex Board is expected to take action on its FY 2021 business and capital plans today at the GenTex Board meeting. The LCRA WSC Energy Board and WSC Energy II Board are expected to take action on their FY 2021 business plans at their respective Board meetings today.

### **Presenter(s)**

Jim Travis  
Chief Financial Officer

**Exhibit(s)**

- A – LCRA Board Resolution: Lower Colorado River Authority FY 2021 Business and Capital Plans
- B – LCRA Board Resolution: LCRA Transmission Services Corporation FY 2021 Business and Capital Plans
- C – LCRA Board Resolution: GenTex Power Corporation FY 2021 Business and Capital Plans
- D – LCRA Board Resolution: LCRA Wholesale Energy Services Corporation FY 2021 Business Plan
- E – LCRA Board Resolution: WSC Energy II FY 2021 Business Plan
- F – LCRA, Affiliated Corporations and Nonprofit Corporations Financial Summary
- G – LCRA Transmission Services Corporation Financial Summary
- H – LCRA Capital Plan Summary of FY 2021 Recommended Projects
- I – LCRA Capital Plan Summary of FY 2021 Spending Budget

## **EXHIBIT A**

### **LCRA BOARD RESOLUTION LOWER COLORADO RIVER AUTHORITY FISCAL YEAR 2021 BUSINESS AND CAPITAL PLANS**

BE IT RESOLVED that the LCRA Board of Directors hereby adopts and approves the Lower Colorado River Authority Fiscal Year 2021 Business and Capital Plans, including the operations budget, capital spending and initiation of recommended capital projects, funding levels for wages and benefits, and the comprehensive operations plan, as presented by management and staff. The general manager is instructed to proceed with implementation of the FY 2021 business and capital plans within the budget amounts shown therein consistent with Board policies and bylaws. The FY 2021 operating expense and capital amounts are \$390.4 million and \$594.6 million, respectively.

Within these budget amounts, the general manager and chief executive officer has the authority to reallocate funds between the various programs and projects in order to make the best use of budgeted funds. The Board recognizes that through its normal agenda process it will approve capital projects and other major expenditures not included in the business and capital plans, and the general manager and chief executive officer is instructed to inform the Board when a capital project or other major expenditure is proposed on the agenda that significantly changes or varies from the approved budget, in accordance with LCRA Board Policy 301 – Finance. Furthermore, the general manager and chief executive officer shall keep the LCRA Board apprised of the progress toward the accomplishment of LCRA’s goals within the budgeted amounts approved by the Board.

Adoption of the Lower Colorado River Authority FY 2021 Business and Capital Plans provides authorization for all expenditures and plans in the business and capital plans and approves budgets for each of LCRA’s product lines as required by LCRA Board policies 102 – Authority and Responsibilities and 301 – Finance. Individual purchases and contracts to implement the plans fall under various state laws and LCRA Board policies and may require additional approval.

**EXHIBIT B**

**LCRA BOARD RESOLUTION  
LCRA TRANSMISSION SERVICES CORPORATION  
FISCAL YEAR 2021 BUSINESS AND CAPITAL PLANS**

WHEREAS, the LCRA Board of Directors must approve the budgets of nonprofit corporations created by the river authority pursuant to Chapter 152 of the Texas Water Code;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby adopts and approves the LCRA Transmission Services Corporation Fiscal Year 2021 Business and Capital Plans.

LCRA Transmission Services Corporation has budgeted FY 2021 operating and capital amounts at \$131.2 million and \$497.7 million, respectively. Staff will bring future projects individually to the Board for approval after scope and cost estimates have been further refined.

The Board recognizes that the LCRA Transmission Services Corporation Board of Directors will approve capital projects and other major expenditures not included in the business and capital plans in its normal agenda process. Furthermore, the president and chief executive officer shall keep the LCRA Board apprised of the progress toward the accomplishment of LCRA Transmission Services Corporation's goals within the budgeted amounts approved by the Board.

Adoption of the LCRA Transmission Services Corporation FY 2021 Business and Capital Plans provides authorization for all expenditures and plans in the business and capital plans and approves the budget for LCRA Transmission Services Corporation, as required by state law. Individual purchases and contracts to implement the business and capital plans fall under various state laws and Board policies and may require additional approval.

## **EXHIBIT C**

### **LCRA BOARD RESOLUTION GENTEX POWER CORPORATION FISCAL YEAR 2021 BUSINESS AND CAPITAL PLANS**

WHEREAS, the LCRA Board of Directors must approve the budget of GenTex Power Corporation;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby adopts and approves the GenTex Power Corporation Fiscal Year 2021 Business and Capital Plans, as submitted to the Board by the GenTex Power Corporation Board of Directors.

The GenTex Power Corporation FY 2021 operating and capital budget is presented to the Board under separate cover as a confidential competitive electric matter.

The Board recognizes that the GenTex Power Corporation Board of Directors may approve capital projects and other major expenditures not included in the business and capital plans in its normal agenda process. Furthermore, the president and chief executive officer shall keep the LCRA Board apprised of the progress toward the accomplishment of GenTex Power Corporation's goals within the budgeted amounts approved by the Board.

Adoption of the GenTex Power Corporation FY 2021 Business and Capital Plans provides authorization for all expenditures and plans in the business and capital plans and approves the budget for GenTex, as required by state law. Individual purchases and contracts to implement the business and capital plans fall under various state laws and Board policies and may require additional approval.

**EXHIBIT D**

**LCRA BOARD RESOLUTION  
LCRA WHOLESALE ENERGY SERVICES CORPORATION  
FISCAL YEAR 2021 BUSINESS PLAN**

WHEREAS, the LCRA Board of Directors must approve the budgets of nonprofit corporations created by the river authority pursuant to Chapter 152 of the Texas Water Code;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby adopts and approves the LCRA Wholesale Energy Services Corporation Fiscal Year 2021 Business Plan.

The LCRA Wholesale Energy Services Corporation FY 2021 operating and capital budget is presented to the Board under separate cover as a confidential competitive electric matter.

The Board recognizes that the LCRA Wholesale Energy Services Corporation Board of Directors will approve capital projects and other major expenditures not included in the business plan in its normal agenda process. Furthermore, the president and chief executive officer shall keep the LCRA Board apprised of the progress toward the accomplishment of LCRA Wholesale Energy Services Corporation's goals within the budgeted amounts approved by the Board.

Adoption of the LCRA Wholesale Energy Services Corporation FY 2021 Business Plan provides authorization for all expenditures and plans in the business plan and approves the budget for LCRA Wholesale Energy Services Corporation, as required by state law. Individual purchases and contracts to implement the business plan fall under various state laws and Board policies and may require additional approval.



**EXHIBIT E**

**LCRA BOARD RESOLUTION  
WSC ENERGY II  
FISCAL YEAR 2021 BUSINESS PLAN**

WHEREAS, the LCRA Board of Directors must approve the budgets of nonprofit corporations created by the river authority pursuant to Chapter 152 of the Texas Water Code;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby adopts and approves the WSC Energy II Fiscal Year 2021 Business Plan.

The WSC Energy II FY 2021 Business Plan is presented to the Board under separate cover as a confidential competitive electric matter.

The Board recognizes that the WSC Energy II Board of Directors will approve capital projects and other major expenditures not included in the business plan in its normal agenda process. Furthermore, the president and chief executive officer shall keep the LCRA Board apprised of the progress toward the accomplishment of WSC Energy II's goals within the budgeted amounts approved by the Board.

Adoption of the WSC Energy II FY 2021 Business Plan provides authorization for all expenditures and plans in the business plan and approves the budget for WSC Energy II, as required by state law. Individual purchases and contracts to implement the business plan fall under various state laws and Board policies and may require additional approval.

## EXHIBIT F

### LCRA, Affiliated Corporations and Nonprofit Corporations Financial Summary

	Budgeted		Proposed		Forecast	
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
(Dollars in millions)						
<b>Revenues</b>						
<b>Total Net Revenue<sup>1</sup></b>	\$ 1,025.0	982.3	1,049.3	1,086.6	1,124.2	1,236.3
<b>Expenses</b>						
<b>Total Net Expense<sup>1</sup></b>	573.6	528.4	565.2	586.9	590.9	614.2
<b>Net Operating Margin</b>	451.4	453.8	484.1	499.7	533.2	622.1
Less: GenTex Funds <sup>2</sup>	(7.2)	(0.5)	(0.3)	(1.8)	(0.3)	(2.0)
<b>Net Margin for Debt Service, Adjusted</b>	444.3	453.3	483.8	498.0	532.9	620.2
<b>Debt Service</b>	\$ 319.2	304.6	329.7	343.5	373.2	404.1
<b>Debt Service Coverage, Adjusted</b>	1.39x	1.49x	1.47x	1.45x	1.43x	1.53x
<b>Net Margin After Debt Service<sup>3</sup></b>	\$ 132.2	149.3	154.4	156.2	160.1	218.0
Less:						
Operating Reserves	10.0	12.7	11.3	17.1	13.7	13.5
Revenue-Funded Capital	101.7	110.7	122.1	124.5	130.7	185.8
Noncash Revenue	2.6	2.6	2.6	2.6	2.6	2.6
Restricted for Reserves	12.6	15.0	15.1	5.9	7.6	11.6
Restricted for Capital/Debt Retirement	3.8	5.6	0.7	3.6	3.0	2.0
Grants	1.6	2.6	2.6	2.6	2.6	2.6
<b>Net Cash Flow</b>	\$ 0.0	0.0	0.0	0.0	0.0	0.0

<sup>1</sup> Total net revenues and total net expenses are net of intracompany transfers. Total revenues include interest income. Operations and maintenance expense excludes the LCRA TSC capital charge, which is a capital expense for LCRA consolidated.

<sup>2</sup> Includes adjustments related to GenTex capital funding and reserve funding.

<sup>3</sup> Net margin after debt service includes funds dedicated to GenTex.

## EXHIBIT G

### LCRA Transmission Services Corporation Financial Summary

(Dollars in millions)

	Budgeted	Proposed	Forecast			
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Revenues	\$ 457.5	494.0	534.3	562.8	607.5	709.3
Operations and Maintenance	117.9	131.2	138.0	141.3	148.5	149.5
<b>Net Operating Margin</b>	<b>339.5</b>	<b>362.8</b>	<b>396.3</b>	<b>421.4</b>	<b>459.0</b>	<b>559.8</b>
Plus: Interest Income	5.6	4.1	4.2	5.0	5.4	4.4
Less: Assigned Enterprise Expense	51.1	53.9	56.2	60.8	64.9	74.2
Public Service Fund	13.7	14.8	16.0	16.9	18.2	21.3
Resource Development Fund	9.1	9.9	10.7	11.3	12.2	14.2
<b>Net Margin Available for Debt Service</b>	<b>271.2</b>	<b>288.3</b>	<b>317.5</b>	<b>337.5</b>	<b>369.2</b>	<b>454.6</b>
<b>Debt Service</b>	<b>\$ 199.1</b>	<b>210.6</b>	<b>235.7</b>	<b>249.0</b>	<b>276.9</b>	<b>307.7</b>
<b>Debt Service Coverage</b>	<b>1.36x</b>	<b>1.37x</b>	<b>1.35x</b>	<b>1.36x</b>	<b>1.33x</b>	<b>1.48x</b>
<b>Net Margin After Debt Service</b>	<b>\$ 72.1</b>	<b>77.7</b>	<b>81.9</b>	<b>88.5</b>	<b>92.3</b>	<b>146.9</b>
Less:						
Operating Reserves	5.7	7.9	6.0	7.6	8.8	8.6
Assigned Enterprise Capital	12.2	17.3	13.6	16.1	14.4	15.6
Assigned Transmission Minor Capital	0.0	7.3	3.9	3.9	3.9	3.9
Revenue-Funded Capital	52.4	55.6	70.1	75.2	80.9	135.9
Transfer to LCRA <sup>1</sup>	6.7	1.1	1.1	0.0	0.0	0.0
Plus:						
Amortization of Enterprise/Minor Capital <sup>2</sup>	4.9	11.4	12.8	14.3	15.8	17.2
<b>Net Cash Flow</b>	<b>\$ 0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<sup>1</sup> An initial transfer from LCRA TSC to LCRA was authorized by the LCRA and LCRA TSC boards of directors in April 2014. Under the initial contractual commitment, the LCRA and LCRA TSC boards must make an annual determination to authorize each year's transfer. Such annual transfers are payable only if all other financial commitments have been met as required by LCRA TSC's financial policies.

<sup>2</sup> In FY 2012, LCRA TSC began funding minor capital and its share of enterprise capital with current year revenues. It will include an amortization of the amount in each year to recover in rates.

## **EXHIBIT H**

### **LCRA Capital Plan Summary of Fiscal Year 2021 Recommended Projects**

Approval of this capital plan authorizes the initiation of recommended projects at their stated lifetime budgets totaling \$41.1 million.

#### **FY 2021 LCRA Capital Plan**

(Dollars in millions)

<b>Recommended Projects</b>	<b>Lifetime Budgets</b>	
Wholesale Power <sup>1</sup>	\$	12.6
Water		2.9
Public Services		0.5
Strategic Services		1.3
Enterprise Support		23.8
Total Lifetime Recommended Projects	\$	41.1

<sup>1</sup>Includes Austin Energy's and San Marcos' shares.

**EXHIBIT I**

**LCRA Capital Plan Summary of Fiscal Year 2021 Spending Budget**

In addition, approval of this capital plan authorizes LCRA to spend the following in fiscal year 2021:

**Fiscal Year 2021 LCRA Capital Plan**

(Dollars in millions)

<b>FY 2021 Spending Summary</b>	<b>FY 2021</b>
Recommended Projects <sup>1</sup>	\$41.1
Approved Projects <sup>1</sup>	\$423.3
Future Projects <sup>2</sup>	\$130.2
<b>Total FY 2021 Spending<sup>3</sup></b>	<b>\$594.6</b>

<sup>1</sup>Includes Austin Energy's and San Marcos' shares.

<sup>2</sup>Includes future transmission projects that staff will bring individually to the Board for approval after scope and cost estimates have been further refined.

<sup>3</sup>LCRA total FY 2021 capital spending includes \$14.3 million for Wholesale Power, \$497.7 million for Transmission, \$44.9 million for Water, \$4.9 million for Public Services, \$1.3 million for Strategic Services and \$31.4 million for Enterprise Support.

**FOR ACTION**

## **14. Approve the LCRA Transmission Contract Revenue Notes Series E Note Purchase Agreement and Authorize Related Agreements**

### **Proposed Motion**

Adopt the Thirty-first Supplemental Resolution to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program (Controlling Resolution) to authorize a new note purchase agreement among LCRA, LCRA Transmission Services Corporation (LCRA TSC) and U.S. Bank, N.A. (Series E NP Agreement) for the LCRA Transmission Contract Revenue Notes, Series E and Taxable Series E (Series E Notes), and authorize the general manager or his designee to negotiate and execute all related documents setting forth the terms and conditions governing the issuance of the debt directly to U.S. Bank in an amount up to \$100 million for the Series E Notes.

### **Board Consideration**

A supplemental resolution to the existing Controlling Resolution requires Board approval. The Series E NP Agreement complies with the covenants of the LCRA Controlling Resolution, the Thirty-first Supplement to the Controlling Resolution that authorized up to \$100 million for the Series E Notes, and with LCRA Board Policy 301 – Finance. Section 8503.004(p) of the Texas Special District Local Laws Code (LCRA Act) authorizes the Board to issue debt under certain conditions, including the requirement that 12 Board members must approve this action.

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

Staff anticipates the new \$100 million credit facility will replace a portion of the \$150 million Series D facility with RBC expiring in June 2020. This will allow LCRA to issue private bank debt on behalf of LCRA TSC to finance the construction of facilities and delay the issuance of long-term bonds, which have higher interest rates in the current market. This credit facility provides financing flexibility and competitive costs under current market conditions. Staff anticipates LCRA TSC will experience lower debt service costs until long-term bonds are issued.

### **Summary**

Staff recommends the Board approve the adoption of the Thirty-first Supplemental Resolution authorizing the general manager or his designee to negotiate and execute the Series E NP Agreement and other related documents.

LCRA, as the conduit issuer for LCRA TSC, through amendments to the debt programs and bank credit facilities, currently has authorized LCRA TSC to enter into a \$150 million tax-exempt commercial paper program with JPMorgan and State Street Bank, a \$150 million Series C Notes with Bank of America, and a \$150 million

tax-exempt flexible drawdown notes Series D Notes with RBC Capital Markets, LLC. Series D expires in June 2020 and will not be extended.

Staff now seeks to execute and replace the expiring \$150 million tax-exempt flexible drawdown notes Series D with a new \$100 million Series E Notes program with U.S. Bank for three years and an additional \$50 million Series F Notes program with Bank of America for one year. The Series F program will have a one-year maturity in anticipation of improved market conditions and potential consolidation with the existing Series C with Bank of America maturing in 2021.

The note purchases by U.S. Bank allow LCRA TSC to fund project costs in a similar manner to the existing commercial paper programs. However, the direct purchase facilities with the bank provide an alternative structure that eliminates marketing and remarketing risk that can occur with a public commercial paper program. The private debt facilities do not require public credit ratings to be issued and maintained. The credit facilities allow LCRA TSC to choose the variable interest rate and period to effectively manage the debt. Credit terms and fees are higher than existing commercial paper credit facilities due to current market conditions.

The Series E Notes are issued on parity with LCRA TSC contract revenue bonds and notes pursuant to the LCRA Controlling Resolution and in compliance with the variable debt limitations in LCRA TSC Board Policy T301 – Finance (25% of the total long-term debt and total equity of LCRA TSC).

Supplements to the restated Transmission Contract Revenue Debt Installment Payment Agreement between LCRA and LCRA TSC, dated March 1, 2003, secure the Series E Notes by obligating LCRA TSC to make all payments related to the notes. The notes may be refunded into long-term debt when the conditions are advantageous to LCRA TSC.

**Presenter(s)**

Jim Travis  
Chief Financial Officer

**FOR ACTION**

## **15. Approve the LCRA Transmission Contract Revenue Notes Series F Note Purchase Agreement and Authorize Related Agreements**

### **Proposed Motion**

Adopt the Thirty-second Supplemental Resolution to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program (Controlling Resolution) to authorize a new note purchase agreement among LCRA, LCRA Transmission Services Corporation (LCRA TSC) and Bank of America, N.A. (Series F NP Agreement) for the LCRA Transmission Contract Revenue Notes, Series F and Taxable Series F (Series F Notes), and authorize the general manager or his designee to negotiate and execute all related documents setting forth the terms and conditions governing the issuance of the debt directly to Bank of America in an amount up to \$50 million for the Series F Notes.

### **Board Consideration**

A supplemental resolution to the existing Controlling Resolution requires Board approval. The Series F NP Agreement complies with the covenants of the LCRA Controlling Resolution, the Thirty-second Supplement to the Controlling Resolution that authorized up to \$50 million for the Series F Notes, and with LCRA Board Policy 301 – Finance. Section 8503.004(p) of the Texas Special District Local Laws Code (LCRA Act) authorizes the Board to issue debt under certain conditions, including the requirement that 12 Board members must approve this action.

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

Staff anticipates the new \$50 million credit facility will replace a portion of the \$150 million Series D facility with RBC expiring in June 2020. This will allow LCRA to issue private bank debt on behalf of LCRA TSC to finance the construction of facilities and delay the issuance of long-term bonds, which have higher interest rates in the current market. This credit facility provides financing flexibility and competitive costs under current conditions. Staff anticipates LCRA TSC will experience lower debt service costs until long-term bonds are issued.

### **Summary**

Staff recommends the Board approve the adoption of the Thirty-second Supplemental Resolution authorizing the general manager or his designee to negotiate and execute the Series F NP Agreement and other related documents.

LCRA, as the conduit issuer for LCRA TSC, through amendments to the debt programs and bank credit facilities, currently has authorized LCRA TSC to enter into a \$150 million tax-exempt commercial paper program with JPMorgan and State Street Bank, a \$150 million Series C Notes with Bank of America, and a \$150 million



tax-exempt flexible drawdown notes Series D Notes with RBC Capital Markets, LLC. Series D expires in June 2020 and will not be extended.

Staff now seeks to execute and replace the expiring \$150 million tax-exempt flexible drawdown notes Series D with a new \$100 million Series E Notes program with U.S. Bank for three years and an additional \$50 million Series F Notes program with Bank of America. The Series F program will have a one-year maturity in anticipation of improved market conditions and potential consolidation with the existing Series C with Bank of America maturing in 2021.

The note purchases by Bank of America allow LCRA TSC to fund project costs in a similar manner to the existing commercial paper programs. However, the direct purchase facilities with the bank provide an alternative structure that eliminates marketing and remarketing risk that can occur with a public commercial paper program. The private debt facilities do not require public credit ratings to be issued and maintained. The credit facilities allow LCRA TSC to choose the variable interest rate and period to effectively manage the debt. Credit terms and fees are higher than existing commercial paper credit facilities due to current market conditions.

The Series F Notes are issued on parity with LCRA TSC contract revenue bonds and notes pursuant to the LCRA Controlling Resolution and in compliance with the variable debt limitations in LCRA TSC Board Policy T301 – Finance (25% of the total long-term debt and total equity of LCRA TSC).

Supplements to the restated Transmission Contract Revenue Debt Installment Payment Agreement between LCRA and LCRA TSC, dated March 1, 2003, secure the Series F Notes by obligating LCRA TSC to make all payments related to the notes. The notes may be refunded into long-term debt when the conditions are advantageous to LCRA TSC.

**Presenter(s)**

Jim Travis

Chief Financial Officer

**FOR ACTION**

## **16. Contracts and Contract Changes**

### **Proposed Motion**

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

### **Board Consideration**

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

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

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

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

### **Summary**

<b>Supplier (Contract Number)</b>	<b>Spending</b>	<b>Supplying</b>
Bandera Conservation Corridor, LLC (5508)	\$3 million	Golden-cheeked Warbler (GCWA) mitigation credits
Texas Water Conservation Association Risk Management Fund (5536)	\$2.5 million	Workers' compensation third-party administration services
Aviat U.S. Inc. (5540) Nokia of America Corporation (5544)	\$10 million	Telecommunications microwave network equipment and maintenance
Oracle America (5542)	\$15 million	Oracle and PeopleSoft software and services

<b>Supplier (Contract Number)</b>	<b>Spending</b>	<b>Supplying</b>
United Rentals (North America), Inc. (5553); Texas First Rentals, LLC (5554); Nueces Power Equipment (5555); Texas Crane Service, Inc. (5556); and TNT Crane & Rigging, Inc. (5557)	\$40 million	General and heavy equipment rental services and crane rental services
Hyland OnBase (4116)	\$1.5 million	Enterprise electronic document management system
BlueCielo ECM Solutions, Inc. (4148)	\$1.5 million	Engineering electronic document management system
Power Control Systems Engineering, Inc. (5199)	\$5 million	Instrument controls technician and electrician services
Mentor Media (USA) Supply Chain Management Inc. (5564)	\$30 million	Personal protective equipment for the Texas Division of Emergency Management
Total	\$108.5 million	

**Presenter(s)**

Jim Travis  
Chief Financial Officer

**Exhibit(s)**

- A – New Contracts
- B – Contract Administration
- C – Policy Exceptions

## EXHIBIT A

### **New Contracts**

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

**Contract No.** 5508  
**Supplier:** Bandera Conservation Corridor, LLC  
**Contract Amount:** Not to exceed \$3 million  
**Contract Length:** Until project completed  
**Description:** This contract is for the provision of Golden-cheeked Warbler (GCWA) mitigation credits.

#### **Background:**

- LCRA TSC has estimated the need for approximately 750 GCWA mitigation credits for the T269 Camp Wood to Leakey Transmission Line project. This covers the estimated amount of potential GCWA habitat within the existing right-of-way and existing and proposed access roads (direct effect), and adjacent to the existing right-of-way and existing and proposed access roads (indirect effect).
- The LCRA TSC Habitat Conservation Plan identifies mitigation requirements according to whether the effect is direct or indirect and applies a corresponding mitigation ratio, which may vary from 0.5:1 for indirect effects, up to 3:1 for direct effects.
- The amount of mitigation credits (1 credit = 1 acre of habitat) required is based on the total acres of direct and indirect effects with the above ratios applied.

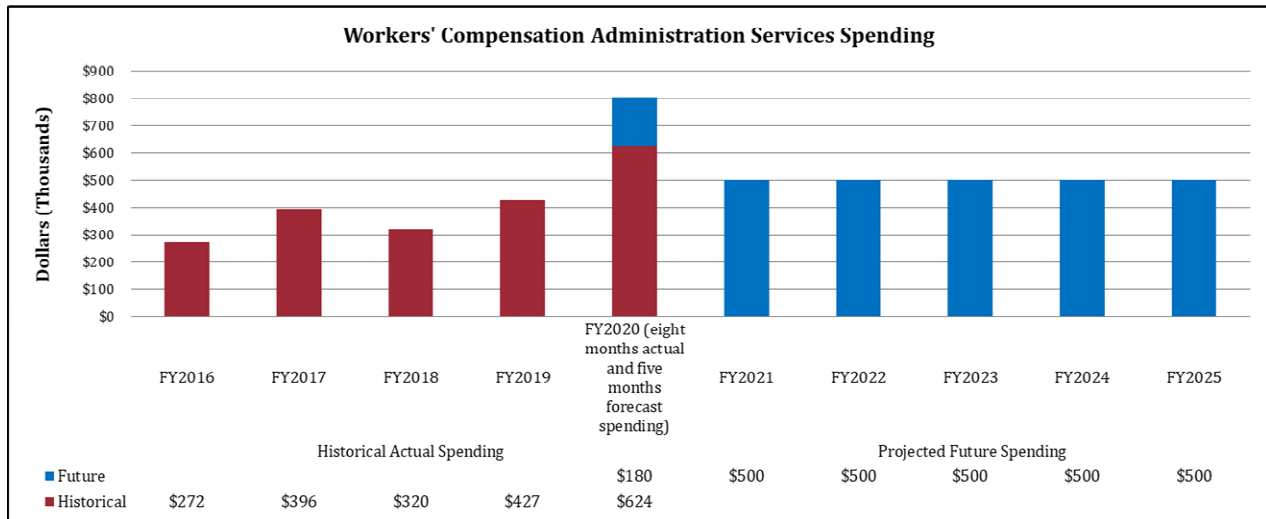
#### **Actions:**

- LCRA invited 4 suppliers to participate. LCRA received and evaluated 3 proposals.
- Ability to provide was the highest-weighted criterion for the evaluation.
- This contract award amount is not to exceed \$3 million.
- Based upon the evaluation and subsequent negotiations, LCRA recommends Bandera Conservation Corridor, LLC as the supplier for this category.

**Contract No.** 5536  
**Supplier:** Texas Water Conservation Association Risk Management Fund  
**Contract Amount:** Not to exceed \$2.5 million  
**Contract Length:** One year with four one-year options to extend  
**Description:** This master contract is for the provision of workers' compensation administration services.

**Background:**

LCRA contracts with a service provider to perform third-party administration services of LCRA’s self-funded workers’ compensation plan.



**Actions:**

- LCRA reviewed available options and determined the services through the Texas Water Conservation Association Risk Management Fund represented the best value to LCRA.
- This contract will use an interlocal agreement.
- Criteria reviewed included health care costs, utilization rates, satisfaction with care, access to care, return to work statistics and health outcomes.
- The contract award amount is not to exceed \$2.5 million.
- About \$45,000 of the contract spending is the annual administration fee with the remainder being self-insured claims expenses.
- Based on the evaluation and negotiations, LCRA recommends Texas Water Conservation Association Risk Management Fund as the supplier for this contract.

**Contract No.**

**5540, 5544**

**Supplier:**

Aviat U.S. Inc. and Nokia of America Corporation

**Contract Amount:**

Not to exceed \$10 million

**Contract Length:**

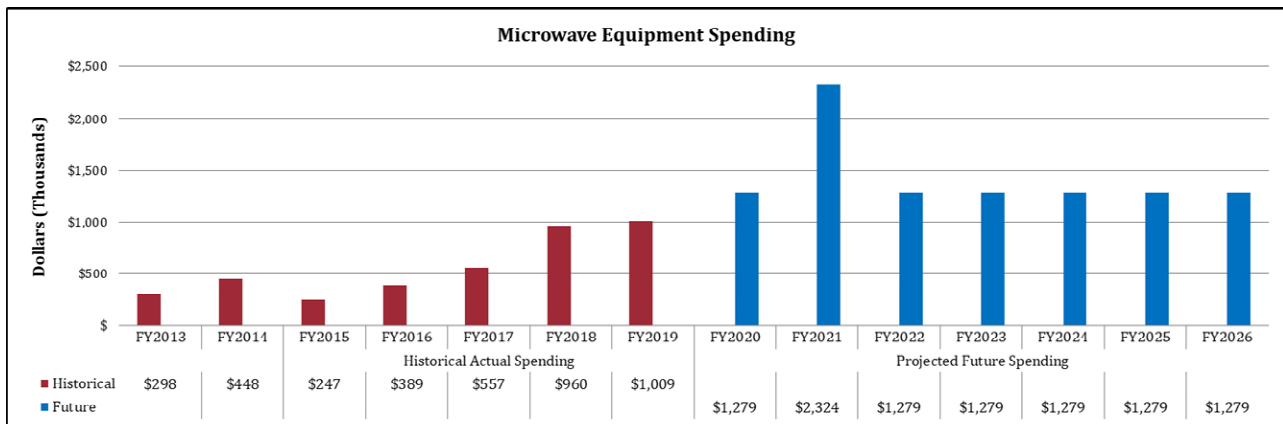
One year with six one-year options to extend

**Description:**

These master contracts are for the provision of telecommunications microwave network equipment and maintenance.

**Background:**

- Licensed microwave radios are used as a means of transporting LCRA mission critical data traffic in areas where fiber might not be feasible or is cost prohibitive.
- By deploying licensed microwave radios, LCRA is able to remain agile to the growing demands of increasing technology in remote locations in advance of major transmission line projects.



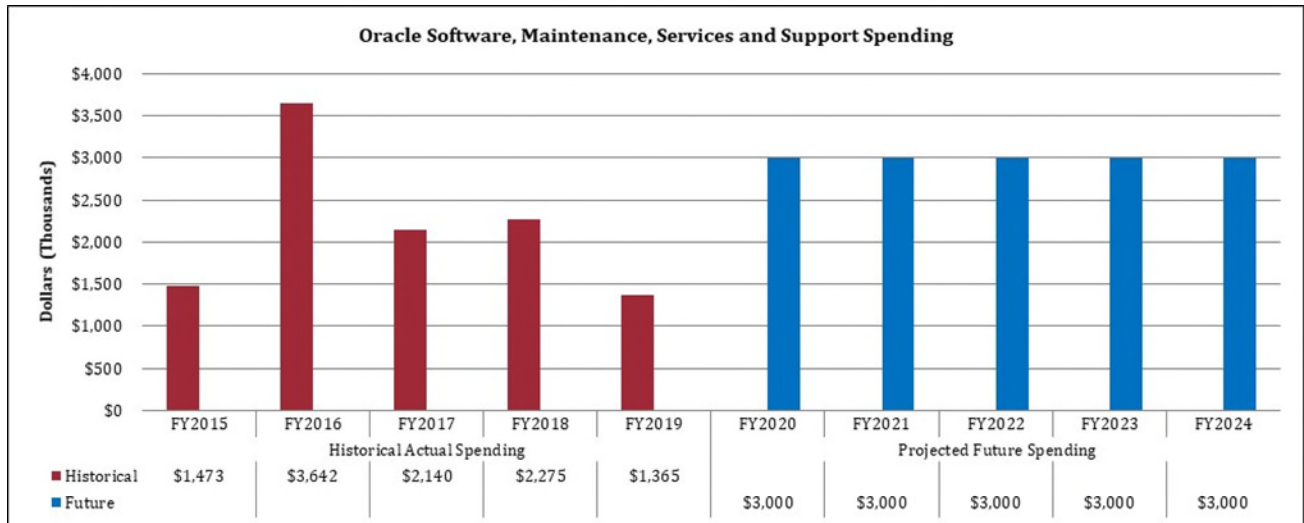
**Actions:**

- LCRA invited 10 suppliers to participate. LCRA received and evaluated four proposals.
- Services and cost were the highest-weighted criteria for the evaluation.
- The contract award amount is not to exceed \$10 million. This amount represents a shared sum from which the proposed contracts may draw.
- Based upon the evaluation and subsequent negotiations, LCRA recommends Aviat U.S. Inc. and Nokia of America as the suppliers for this category.

**Contract No.** 5542  
**Supplier:** Oracle America  
**Contract Amount:** Not to exceed \$15 million  
**Contract Length:** One year with six one-year options to extend  
**Description:** This contract is for the provision of software, maintenance, services and support for Oracle and PeopleSoft.

**Background:**

This contract is to provide maintenance, services, licenses and support for Oracle products.



**Actions:**

- LCRA reviewed available options and determined the maintenance, services, licenses and support through the Texas Department of Information Resources' Oracle agreement represented the best value to LCRA.
- This contract will use a cooperative arrangement.
- This contract award amount is not to exceed \$15 million.
- LCRA recommends Oracle America as the supplier for this category.

**Contract No.** 5553, 5554, 5555, 5556, 5557

**Supplier:** United Rentals (North America), Inc.; Texas First Rentals, LLC; Nueces Power Equipment; Texas Crane Service, Inc.; and TNT Crane & Rigging, Inc.

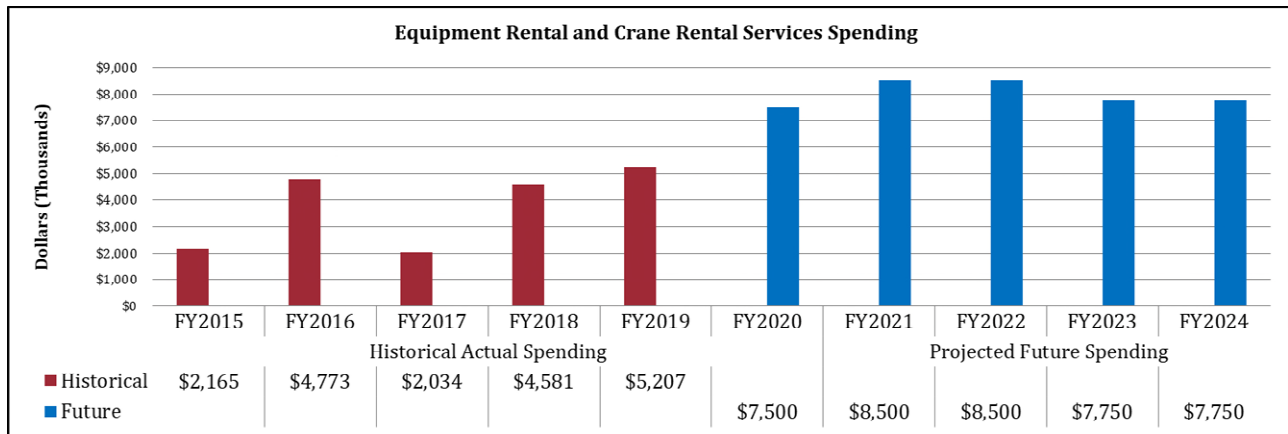
**Contract Amount:** Not to exceed \$40 million

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

**Description:** These master contracts are for the provision of general and heavy equipment rental services and crane rental services with an operator.

**Background:**

These contracts will be used for general equipment needs as well as major construction equipment necessary to support LCRA enterprisewide.



**Actions:**

- LCRA invited 21 suppliers to participate. LCRA received 10 proposals and evaluated nine.
- Equipment inventory, quality and condition was the highest-weighted criterion for the evaluation.
- The contract award amount is not to exceed \$40 million. This amount represents a shared sum from which the proposed contracts may draw.
- Based upon the evaluation and subsequent negotiations, LCRA recommends United Rentals (North America), Inc.; Texas First Rentals, LLC; Nueces Power Equipment; Texas Crane Service, Inc.; and TNT Crane & Rigging, Inc. as the suppliers for this category.



## **EXHIBIT B**

### **Contract Administration**

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

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

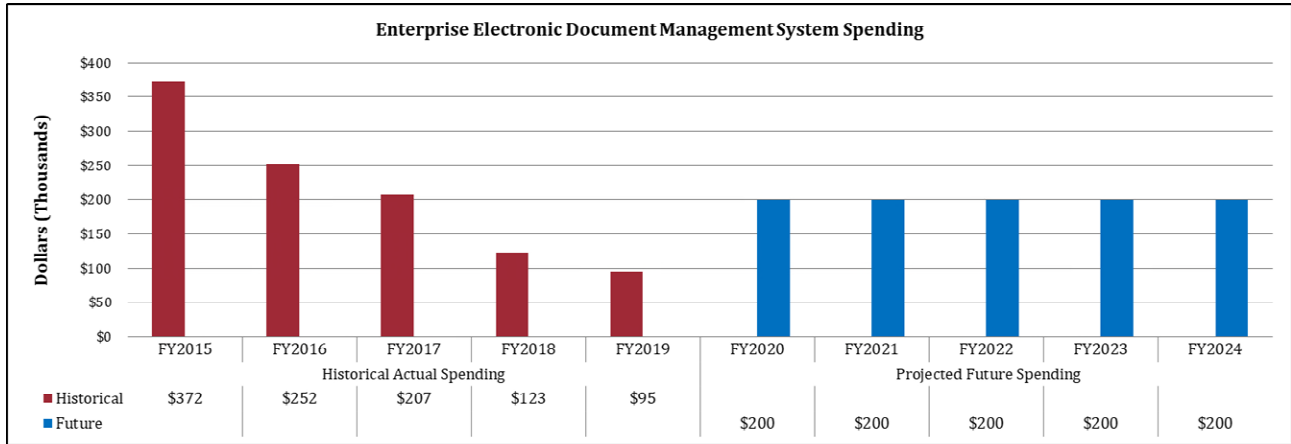
**Contract No.** 4116  
**Supplier:** Hyland OnBase  
**Contract Amount:** Not to exceed amount of \$3 million  
**Contract Length:** Five years beyond the original five-year term  
**Description:** This master contract is for the provision of software maintenance for the enterprise electronic document management system.

#### **Background:**

- LCRA entered into this contract in June 2015.
- This contract was the result of full competition. Based on the originally anticipated contract value of \$900,000, Board approval was not required.
- This extension is intended to meet LCRA's needs by providing a consistent platform for enterprise document management.

#### **Contract History:**

Original Contract (June 2015)	\$900,000
Increase in Estimate No. 1 (April 2016)	\$600,000
Proposed Increase in Estimate No. 2 (May 2020)	\$1,500,000
<u>Total</u>	<u>\$3,000,000</u>



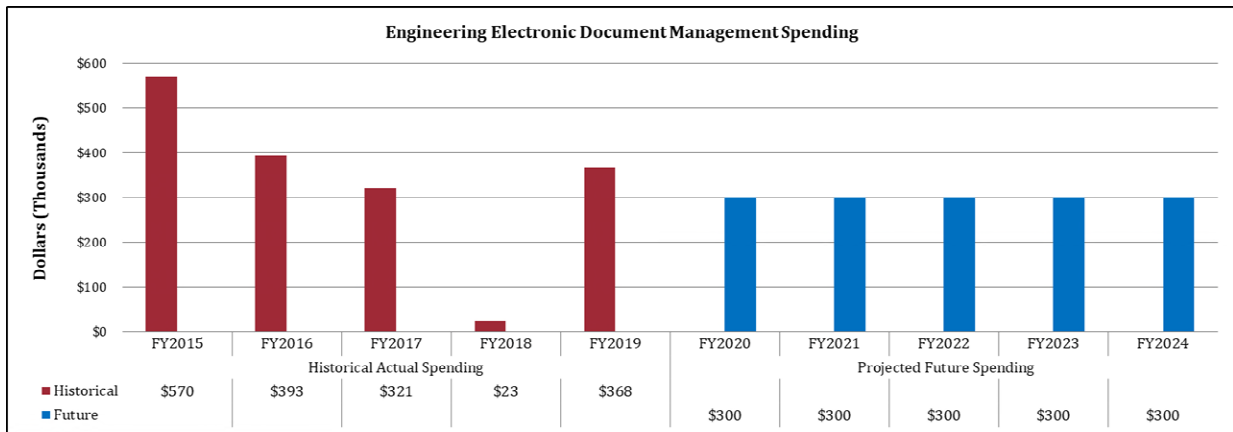
**Contract No. 4148**  
**Supplier:** BlueCielo ECM Solutions, Inc.  
**Contract Amount:** Not to exceed amount of \$3.4 million  
**Contract Length:** Five years beyond the original five-year term  
**Description:** This master contract is for the provision of software maintenance for the engineering electronic document management system.

**Background:**

- LCRA entered into this contract in May 2015.
- This contract was the result of full competition. Based on the originally anticipated contract value of \$1,310,000, Board approval was not required.
- This extension is intended to meet LCRA’s needs by providing a consistent platform for engineering document management.

**Contract History:**

Original Contract (May 2015)	\$1,310,000
Increase in Estimate No. 1 (September 2017)	\$590,000
Proposed Increase in Estimate No. 2 (May 2020)	\$1,500,000
<b>Total</b>	<b><u>\$3,400,000</u></b>



**Contract No.** 5199  
**Supplier:** Power Control Systems Engineering, Inc.  
**Contract Amount:** Not to exceed amount of \$5 million  
**Contract Length:** One year with four one-year options to extend  
**Description:** This master contract is for the provision of instrument control technician and electrician services for power plant support.

**Background:**

- LCRA entered into this contract in May 2019.
- This contract was the result of full competition. Based on the originally anticipated contract value of \$1,875,000, Board approval was not required.
- LCRA is requesting Board approval of this increased contract value to support the power plants, including summer-run activities.

**Contract History:**

Original Contract (May 2019)	\$1,875,000
Proposed Increase in Estimate No. 1 (May 2020)	\$3,125,000
<hr/> Total	<hr/> <u>\$5,000,000</u>

## **EXHIBIT C**

### **Exceptions**

Contracts and contract actions requiring Board approvals that require ratification.

**Policy Exception:** Ratification  
**Contract No.** 5564  
**Supplier:** Mentor Media (USA) Supply Chain Management Inc.  
**Contract Amount:** Not to exceed amount of \$30 million  
**Contract Length:** Through June 30, 2020  
**Description:** This one-time contract is for the provision of protective personal equipment for the Texas Division of Emergency Management.

LCRA entered into an agreement with Mentor Media (USA) Supply Chain Management Inc. on April 16 to assist the Texas Division of Emergency Management in meeting aggressive procurement and delivery timelines for personal protective equipment due to the COVID-19 emergency. Because this was a response to a request during an emergency, Board approval could not be obtained beforehand.