

# LCRA Transmission Services Corporation

## Board Agenda

Wednesday, Aug. 19, 2020

Earliest start time: 12:30 p.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/stream/>**

### Items From the Chair

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

### Items From the Chief Executive Officer

Chief Executive Officer/Chief Operating Officer Update

### Items From the Chief Financial Officer

- 2. Financial Highlights ..... 4

### Consent Items

- \*3. Conveyance of Sanitary Sewer Line Easement in Guadalupe County ..... 5
- \*4. Conveyance of Easement in Travis County ..... 8
- 5. Minutes of Prior Meetings ..... 11

### Action Items

- 6. Capital Improvement Projects Approval ..... 20
- 7. Acquisition of Interests in Real Property – Use of Eminent Domain  
in Williamson County ..... 22
- 8. Acquisition of Interests in Real Property – Use of Eminent Domain  
in Burnet County ..... 36

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

### Executive Session

- 1. Acquisition of Land Rights in Burleson County

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

### Legal Notice

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

## OVERVIEW OF LCRA TRANSMISSION SERVICES CORPORATION

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

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

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

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

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

## **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/stream/> and make comments to the Board of Directors via telephone.

The Board will take all public comments at the beginning of the meeting. Members of the public who would like to address the Board must register by calling the number below between 11:00 and 11:20 a.m. on the day of the meeting.

Phone number: 800-776-5272 (After dialing the phone number, please tell the receptionist you would like to address the Board.)

**FOR DISCUSSION**

## **2. Financial Highlights**

**Summary**

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

**Presenter(s)**

Jim Travis

Treasurer and Chief Financial Officer

**LCRA Transmission Services Corporation**  
**Financial Highlights**  
**July 2020**

**LCRA Transmission Services Corporation**  
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**Key term:**

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

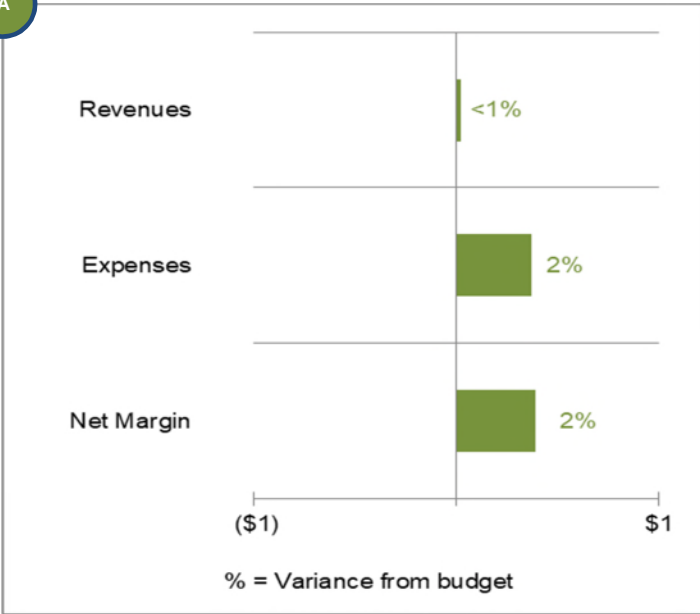
# LCRA Transmission Services Corporation

July 31, 2020

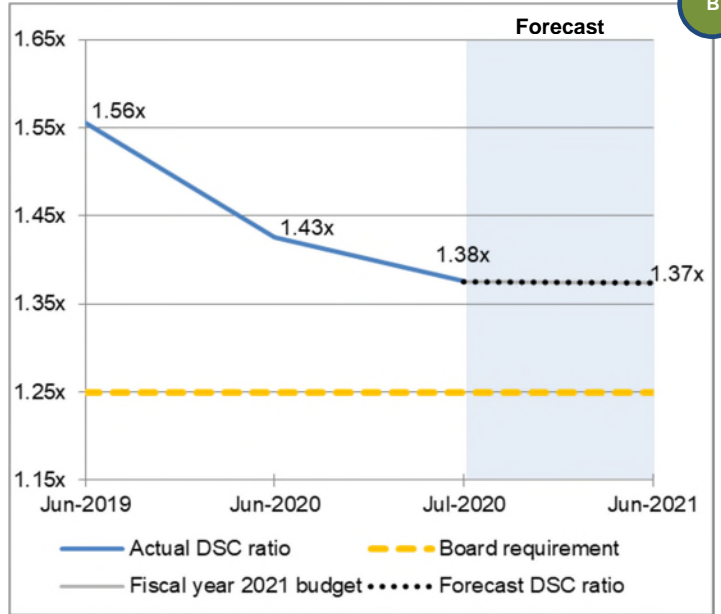
(Dollars in Millions)

## Budget-to-Actual Highlights

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



### Debt Service Coverage



#### Key takeaways:

- Lower-than-budgeted expenses primarily drove performance for the month of July.
- The debt service coverage ratio is forecast to be on target.

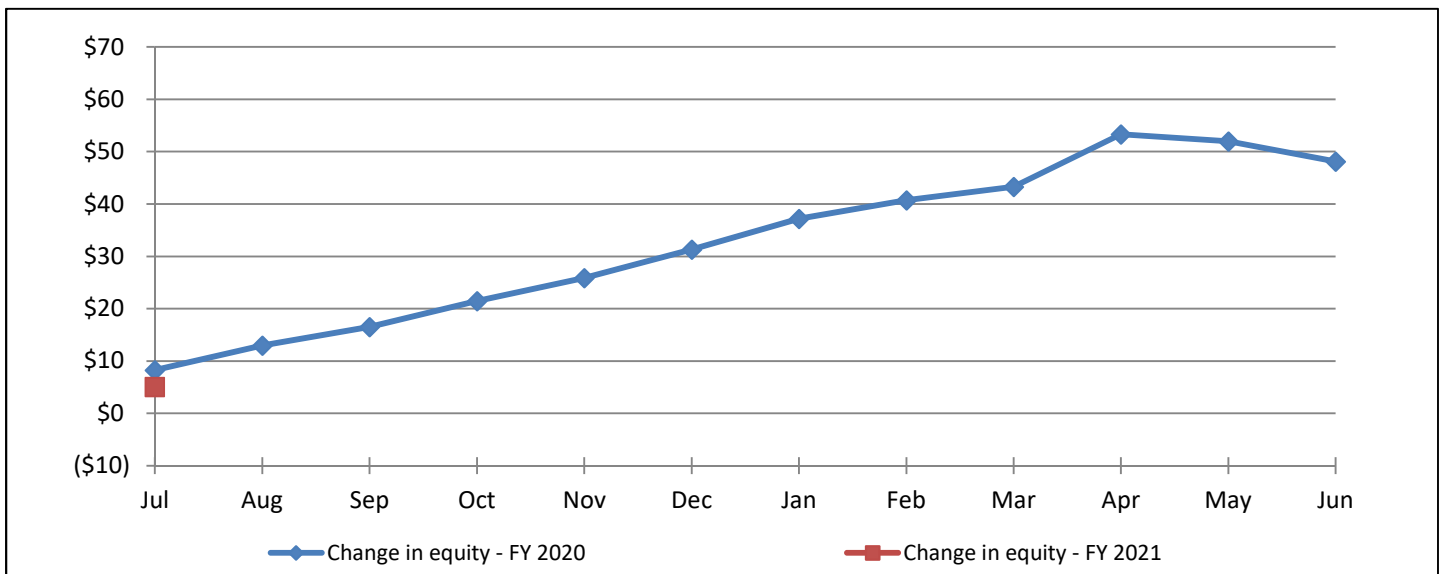
# LCRA Transmission Services Corporation

July 31, 2020  
(Dollars in Millions)

## Board Metrics

Board Metric	Description	Compliant
<b>Equity Ratio</b>	LCRA TSC will attempt to maintain a long-term average 30% equity ratio. At no time will the equity ratio fall below 20% without specific Board approval in the business plan.	✓
<b>Debt Service Reserves</b>	LCRA TSC will covenant debt service reserves in the amount of six months of maximum annual debt service requirements on outstanding debt.  Debt service reserves may be collected through rates or met with proceeds from additional debt or through the use of a surety to mitigate rate impacts.	✓
<b>Operating Reserves</b>	LCRA TSC will build and maintain appropriate target levels of operating reserves as follows: Six months of average debt service on all outstanding LCRA TSC debt and other obligations to LCRA, and two months of average operating and maintenance expenses, including those billed by LCRA.  If at any time the level of reserves are less than the target levels set forth in this policy, the Board will promptly implement a plan, to be recommended by staff, to increase rates, reduce costs, or otherwise cause there to be sufficient revenues to replenish the level of reserves to such target levels within 12 months.	✓

## Income Statement Trends Cumulative Fiscal Year to Date



### Key takeaway:

- July 2020 net income is lower than July 2019 net income due to a decrease in the deferral of debt funded depreciation and related debt issuance expenses.



# LCRA Transmission Services Corporation

July 31, 2020

(Dollars in Millions)

## Condensed Balance Sheets

	<u>July 31, 2020</u>	<u>July 31, 2019</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 177.4	\$ 149.8
Current assets	<u>170.9</u>	<u>169.2</u>
Total current assets	<u>348.3</u>	<u>319.0</u>
Capital assets	3,139.3	2,873.3
Long-term assets	<u>210.8</u>	<u>204.0</u>
Total long-term assets	<u>3,350.1</u>	<u>3,077.3</u>
Total Assets	\$ <u>3,698.4</u>	\$ <u>3,396.3</u>
<b>Liabilities</b>		
Bonds, notes and loans payable	\$ 292.4	\$ 280.5
Current liabilities	<u>84.6</u>	<u>82.6</u>
Total current liabilities	<u>377.0</u>	<u>363.1</u>
Bonds, notes and loans payable	2,482.1	2,233.9
Long-term liabilities	<u>49.9</u>	<u>52.7</u>
Total long-term liabilities	<u>2,532.0</u>	<u>2,286.6</u>
<b>Equity</b>		
Total equity	<u>789.4</u>	<u>746.6</u>
Total Liabilities and Equity	\$ <u>3,698.4</u>	\$ <u>3,396.3</u>

### Key takeaway:

- Assets and liabilities are trending higher compared with July 2019 due to construction activities related to the capital plan.

# LCRA Transmission Services Corporation

July 31, 2020

(Dollars in Millions)

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

	Fiscal Year to Date	
	2020	2019
<b>Operating Revenues</b>		
Transmission	\$ 38.0	\$ 36.0
Transformation	1.1	1.2
Other	0.2	0.1
Total Operating Revenues	<u>39.3</u>	<u>37.3</u>
<b>Operating Expenses</b>		
Operations	14.0	11.8
Maintenance	0.7	0.6
Depreciation and amortization	2.1	3.9
Total Operating Expenses	<u>16.8</u>	<u>16.3</u>
Operating Income	<u>22.5</u>	<u>21.0</u>
<b>Nonoperating Revenues (Expenses)</b>		
Interest on debt	(7.3)	(7.9)
Other expenses	(10.1)	(4.8)
Total Nonoperating Revenues (Expenses)	<u>(17.4)</u>	<u>(12.7)</u>
Change in Equity	5.1	8.3
<b>Equity - Beginning of Period</b>	<u>784.3</u>	<u>738.3</u>
<b>Equity - End of Period</b>	<u>\$ 789.4</u>	<u>\$ 746.6</u>

### **3. Conveyance of Sanitary Sewer Line Easement in Guadalupe County**

#### **Proposed Motion**

Authorize the president and chief executive officer or his designee to convey to the City of Seguin a 0.0585-acre permanent sanitary sewer line easement and a 0.1171-acre temporary construction easement across a portion of the LCRA Transmission Services Corporation Geronimo Tie property in Guadalupe County to install an underground sewer line.

#### **Board Consideration**

LCRA TSC Board Policy – T401 Land Resources requires the declaration, terms of conveyance and requests for easements across LCRA TSC land be approved by a three-fourths vote of the membership of the LCRA TSC Board of Directors.

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

The fiscal year 2021 business plan contains the administrative costs associated with the conveyance of these easements.

#### **Summary**

LCRA TSC's 0.5-acre Geronimo Tie property currently contains transmission structures associated with two LCRA TSC transmission lines and one Guadalupe Valley Electric Cooperative transmission line.

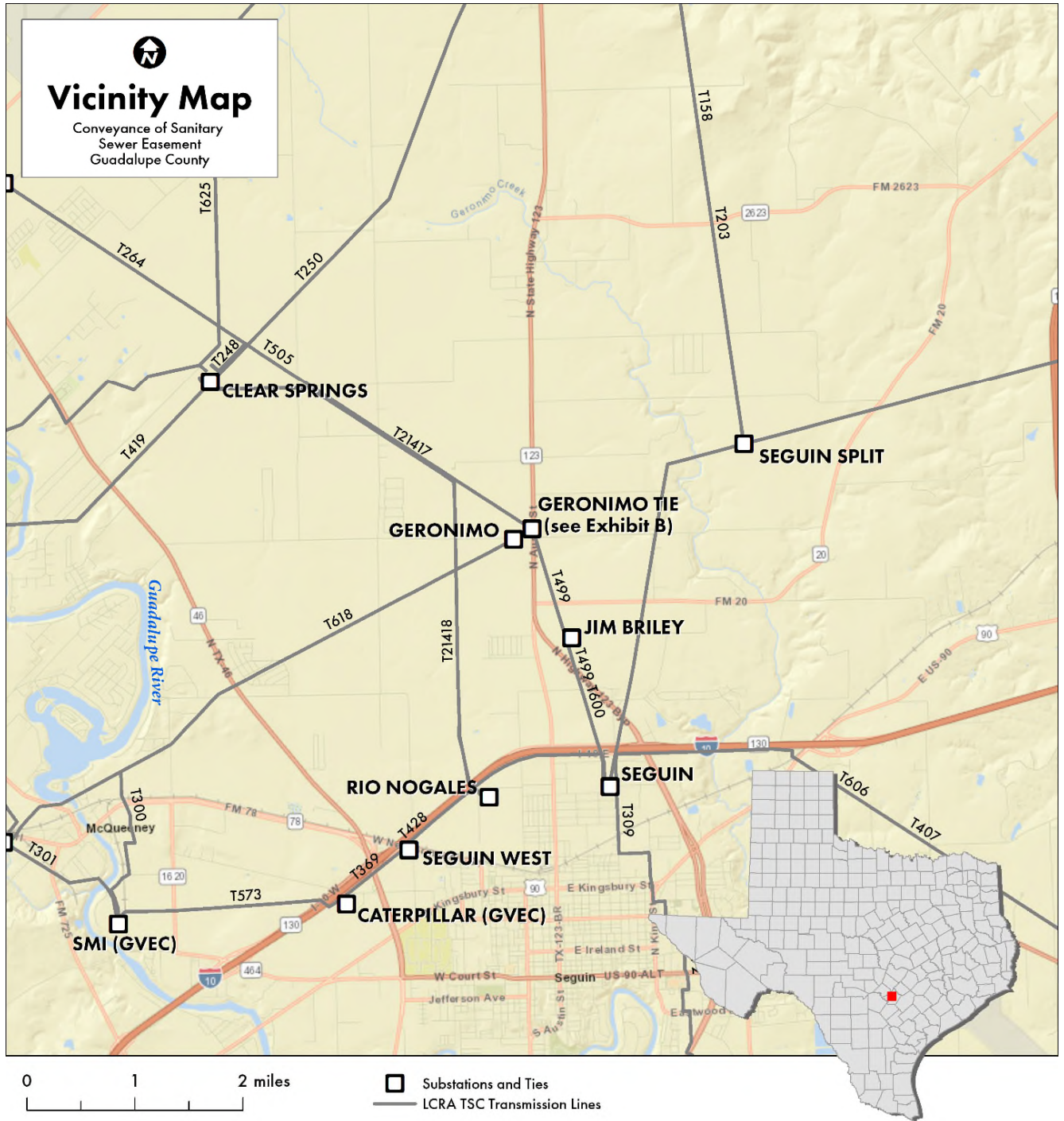
The City of Seguin requested the easements across LCRA TSC land to facilitate the replacement of an existing underground sewer line that currently crosses the property. The approximately 0.0585-acre permanent easement and 0.1171-acre temporary construction easement will be granted to Seguin for \$6,700. This compensation is based on an appraisal performed by Eckmann Groll Inc.

The appropriate departments within LCRA have reviewed the conveyance of these easements and determined the easements would have no adverse impact on LCRA TSC operations. LCRA staff will complete environmental and cultural resource due diligence in accordance with Board Policy 401.403 – Land Disposition before the conveyance of the easements.

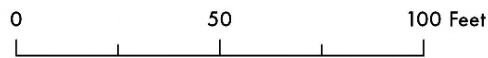
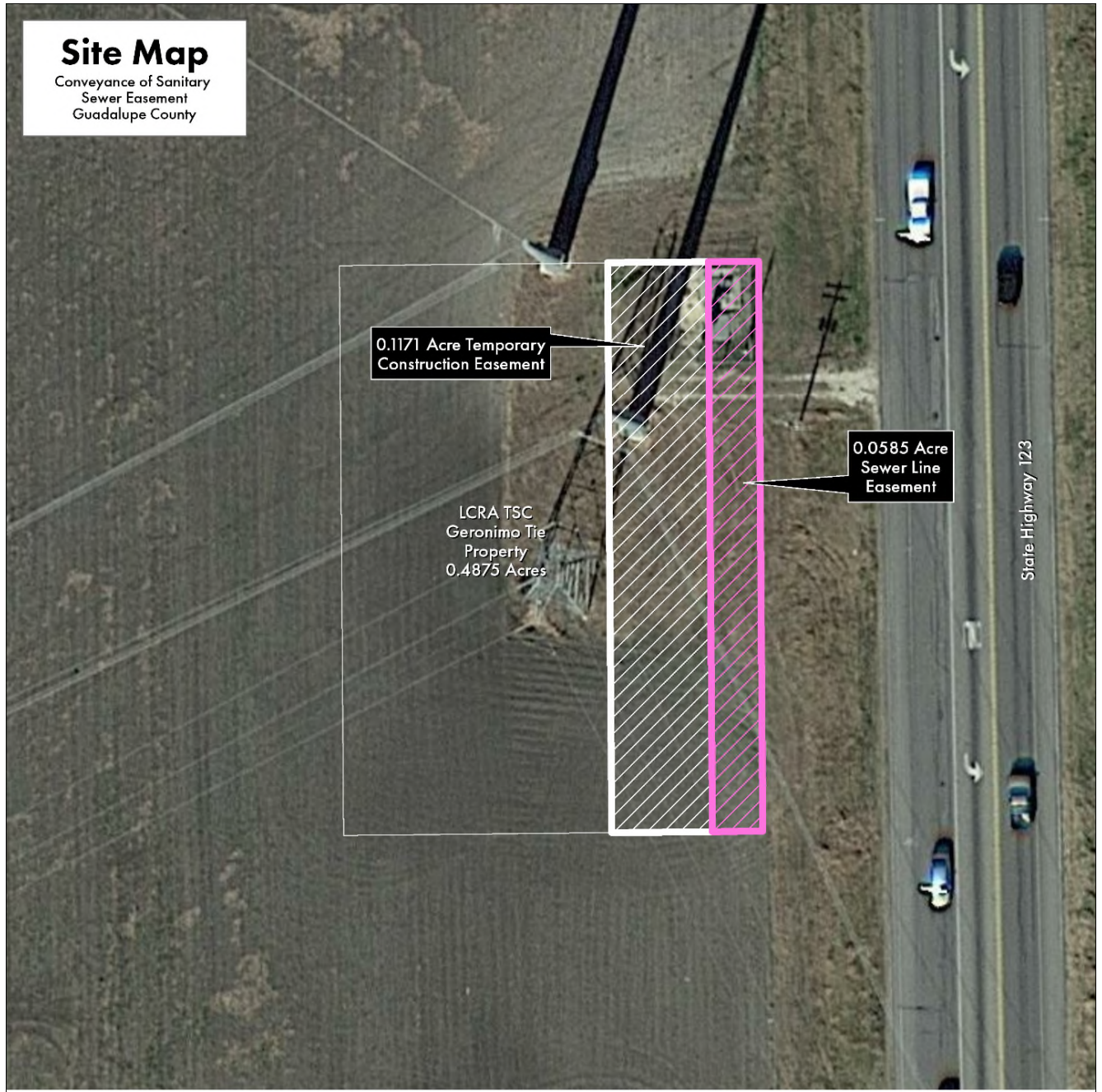
#### **Exhibit(s)**

- A – Vicinity Map
- B – Site Map

**EXHIBIT A**



**EXHIBIT B**



**Note:** All acreages are approximate.

**FOR ACTION (CONSENT)**

## **4. Conveyance of Easement in Travis County**

### **Proposed Motion**

Authorize the president and chief executive officer or his designee to convey to Travis County an easement containing approximately 1.83 acres across the Kimbro Substation property in Travis County.

### **Board Consideration**

LCRA TSC Board Policy – T401 Land Resources requires the declaration, terms of conveyance and requests for easements across LCRA TSC land be approved by a three-fourths vote of the membership of the LCRA TSC Board of Directors.

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

The administrative costs associated with the conveyance of this easement are included in the Kimbro Substation Addition project. This project is included in the Board-approved fiscal year 2018-2022 LCRA TSC capital plan.

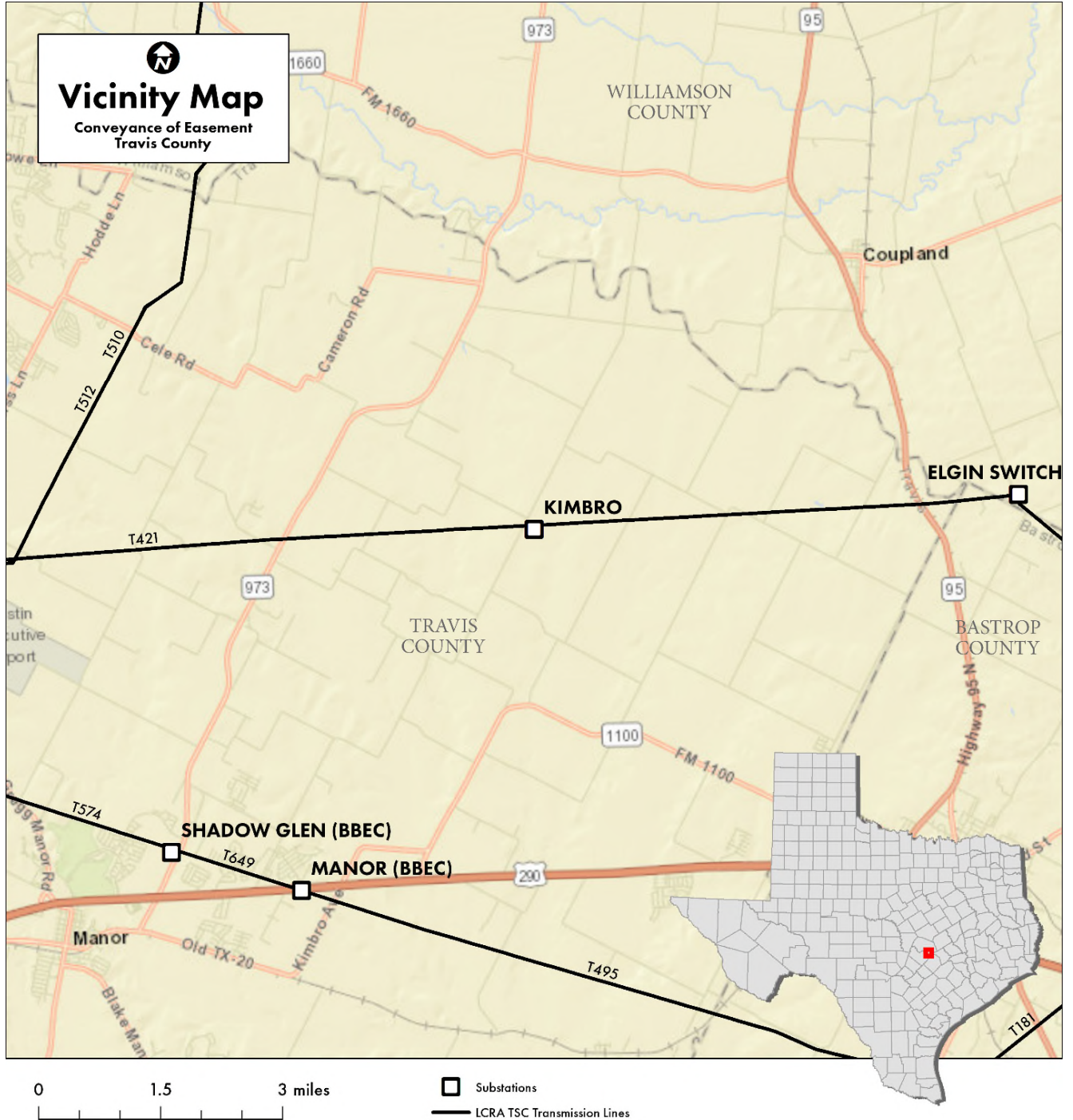
### **Summary**

Staff requests the Board authorize the conveyance of this easement to Travis County to allow the county to access, inspect and monitor the permanent water quality control facilities to be constructed by LCRA TSC at the planned Kimbro Substation. Travis County has requested that LCRA TSC grant the easement in order to meet the county's development requirements.

### **Exhibit(s)**

- A – Vicinity map
- B – Site map

**EXHIBIT A**



**EXHIBIT B**





**FOR ACTION (CONSENT)**

## **5. Minutes of Prior Meetings**

**Proposed Motion**

Approve the minutes of the May 20, 2020, and June 17, 2020, meetings.

**Board Consideration**

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

**Budget Status and Fiscal Impact**

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

**Summary**

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

**Exhibit(s)**

- A – Minutes of May 20, 2020, meeting
- B – Minutes of June 17, 2020, meeting

## **EXHIBIT A**

Minutes Digest  
May 20, 2020

- 20-09 Approval of the minutes of the Jan. 22, 2020, and Feb. 19, 2020, meetings.
- 20-10 Approval and ratification of the Capital Improvement Project Authorization Request for the Transmission Connector Shunt West – Fiscal Year 2020 System Upgrade project.
- 20-11 Approval and ratification of the Capital Improvement Project Authorization Request for the Fayette Power Project Yard No. 2 to Lytton Springs Transmission Line Upgrade project.
- 20-12 Approval of the Capital Improvement Project Authorization Request for the following projects and associated lifetime budgets: Fayetteville Substation Upgrade, System Operations Control Center Outage Coordination Tool System Upgrade, and Transmission Services Corporation – FY 2021 General Additions.
- 20-13 Adoption of a resolution authorizing the use of the power of eminent domain in Burleson County to acquire rights in the property described in Exhibit 1 to the resolution for the acquisition of an electric substation site for the Cooks Point Substation and Transmission Line Addition project.
- 20-14 Authorization of the payment of an Extraordinary LCRA Optional Purchase Price Payment to LCRA of \$6.7 million for fiscal year 2020, contingent on the determination by the LCRA Board of Directors of such payment being due and payable pursuant to the Electric Transmission Facilities Contract between LCRA and LCRA Transmission Services Corporation dated as of Oct. 1, 2001.
- 20-15 Adoption of a resolution approving the LCRA Transmission Services Corporation Fiscal Year 2021 Business and Capital Plans.
- 20-16 Request and approval of the adoption by LCRA of the Thirty-first Supplemental Resolution to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program to authorize a new note purchase agreement among LCRA, LCRA Transmission Services Corporation and U.S. Bank, N.A., for the LCRA Transmission Contract Revenue Notes, Series E and Taxable Series E (Series E Notes), and authorization for the president and chief executive officer 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.

20-17

Request and approval of the adoption by LCRA of the Thirty-second Supplemental Resolution to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program to authorize a new note purchase agreement among LCRA, LCRA Transmission Services Corporation and Bank of America, N.A., for the LCRA Transmission Contract Revenue Notes, Series F and Taxable Series F (Series F Notes), and authorization for the president and chief executive officer 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.

MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF  
LCRA TRANSMISSION SERVICES CORPORATION  
Austin, Texas  
May 20, 2020

Pursuant to notice posted in accordance with the Texas Open Meetings Act, the Board of Directors (Board) of LCRA Transmission Services Corporation (LCRA TSC) convened in a regular meeting at 1:32 p.m. Wednesday, May 20, 2020, in the Board Room of the Hancock Building, at the principal office of the Lower Colorado River Authority, 3700 Lake Austin Blvd., Austin, Travis County, Texas. The following directors were present, constituting a quorum:

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

Absent: Charles B. "Bart" Johnson  
Thomas L. "Tom" Kelley

Due to health and safety concerns related to the COVID-19 pandemic, and in accordance with the governor's disaster declaration and subsequent temporary suspension of certain provisions of the Texas Open Meetings Act, the public was not allowed to attend this meeting in person but had access to the open session portions of this meeting via livestream and via telephone for comment.

Chair Timmerman convened the meeting at 1:32 p.m.

There were no public comments during the meeting [Agenda Item 1].

Chair Timmerman recessed the meeting at 1:33 p.m. and then reconvened the meeting at 1:35 p.m.

Treasurer and Chief Financial Officer Jim Travis presented financial highlights covering April 2020 and fiscal year to date [Agenda Item 2].

The Board next took action on the consent agenda.

20-09 Upon motion by Director Whitten, seconded by Director Berger, the Board unanimously approved the minutes of the Jan. 22, 2020, and Feb. 19, 2020, meetings [Consent Item 3] by a vote of 13 to 0.

20-10 Vice President of Transmission Asset Optimization Kristian M. Koellner presented for consideration a staff recommendation, described in Agenda Item 4 [attached hereto as Exhibit A], that the Board approve and ratify the Capital Improvement Project Authorization Request for the Transmission Connector Shunt West – Fiscal Year 2020 System Upgrade project. Upon motion by Director Russell, seconded by Director Figueroa, the recommendation was unanimously approved by a vote of 13 to 0.

20-11 Vice President of Transmission Asset Optimization Kristian M. Koellner presented for consideration a staff recommendation, described in Agenda Item 5 [attached hereto as Exhibit B], that the Board approve and ratify the Capital Improvement Project Authorization Request for the Fayette Power Project Yard No. 2 to Lytton Springs Transmission Line Upgrade project. Upon motion by Director Berger, seconded by Director Yearly, the recommendation was unanimously approved by a vote of 13 to 0.

20-12 Vice President of Transmission Asset Optimization Kristian M. Koellner presented for consideration a staff recommendation, described in Agenda Item 6 [attached hereto as Exhibit C], that the Board approve the Capital Improvement Project Authorization Request for the following projects and associated lifetime budgets as described in Exhibit A of Agenda Item 6: Fayetteville Substation Upgrade, System Operations Control Center Outage Coordination Tool System Upgrade, and Transmission Services Corporation – FY 2021 General Additions. Upon motion by Director Whitten, seconded by Director Figueroa, the recommendation was unanimously approved by a vote of 13 to 0.

20-13 Chief Administrative Officer John Miri presented for consideration a staff recommendation, described in Agenda Item 7 – Acquisition of Interests in Real Property – Use of Eminent Domain in Burlison County [attached hereto as Exhibit D]. Director Martine moved, seconded by Director Berger, that the Board adopt a resolution authorizing the use of the power of eminent domain to acquire rights in the property described in Exhibit 1 to the resolution for the acquisition of an electric substation site for the Cooks Point Substation and Transmission Line Addition project to provide for the reliable transmission of electric energy on the Cooks Point (T680) transmission line, and that the first record vote applies to all units of property to be condemned. The Board unanimously approved the motion by a record vote of 13 to 0.

20-14 Treasurer and Chief Financial Officer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 8 [attached hereto as Exhibit E], that the Board authorize the payment of an Extraordinary LCRA Optional Purchase Price Payment to LCRA of \$6.7 million for fiscal year 2020, contingent on the determination by the LCRA Board of Directors of such payment being due and payable pursuant to the Electric Transmission Facilities Contract between LCRA and LCRA Transmission Services Corporation dated as of Oct. 1, 2001. Upon motion by Director

Allen, seconded by Director Russell, the recommendation was unanimously approved by a vote of 13 to 0.

20-15 Treasurer and Chief Financial Officer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 9 [attached hereto as Exhibit F], that the Board adopt a resolution approving the LCRA Transmission Services Corporation Fiscal Year 2021 Business and Capital Plans. The Board reviewed and discussed the plans during a work session earlier today. Upon motion by Director Lewis, seconded by Director Yeary, the recommendation was unanimously approved by a vote of 13 to 0.

20-16 Treasurer and Chief Financial Officer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 10 [attached hereto as Exhibit G], that the Board request and approve the adoption by LCRA of the Thirty-first Supplemental Resolution to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program to authorize a new note purchase agreement among LCRA, LCRA Transmission Services Corporation and U.S. Bank, N.A., for the LCRA Transmission Contract Revenue Notes, Series E and Taxable Series E (Series E Notes), and authorize the president and chief executive officer 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. Upon motion by Director Figueroa, seconded by Director Whitten, the recommendation was unanimously approved by a vote of 13 to 0.

20-17 Treasurer and Chief Financial Officer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 11 [attached hereto as Exhibit H], that the Board request and approve the adoption by LCRA of the Thirty-second Supplemental Resolution to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program to authorize a new note purchase agreement among LCRA, LCRA Transmission Services Corporation and Bank of America, N.A., for the LCRA Transmission Contract Revenue Notes, Series F and Taxable Series F (Series F Notes), and authorize the president and chief executive officer 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. Upon motion by Director Gill, seconded by Director Berger, the recommendation was unanimously approved by a vote of 13 to 0.

There being no further business to come before the Board, the meeting was adjourned at 1:55 p.m.

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Thomas E. Oney  
Secretary  
LCRA Transmission Services Corporation  
Approved: Aug. 19, 2020

## **EXHIBIT B**

Minutes Digest  
June 17, 2020

- 20-18 Approval of the Capital Improvement Project Authorization Request for the Hornsby Substation Addition project.
  
- 20-19 Adoption of a resolution authorizing the use of the power of eminent domain in Colorado County to acquire rights in the property described in Exhibit 1 to the resolution for the acquisition of an electric substation site for the Frelsburg Circuit Breaker Addition project.
  
- 20-20 Adoption of a resolution authorizing the use of the power of eminent domain in Burleson County to acquire rights in the properties described in Exhibit 1 to the resolution for the acquisition of easements for the Cooks Point Substation and Transmission Line Addition project.

MINUTES OF THE MEETING OF THE  
BOARD OF DIRECTORS OF  
LCRA TRANSMISSION SERVICES CORPORATION  
Austin, Texas  
June 17, 2020

Pursuant to notice posted in accordance with the Texas Open Meetings Act, the Board of Directors (Board) of LCRA Transmission Services Corporation (LCRA TSC) convened in a meeting at 10:14 a.m. Wednesday, June 17, 2020, by videoconference. The following directors were present, constituting a quorum:

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

Absent: Laura D. Figueroa

Due to health and safety concerns related to the COVID-19 pandemic, and in accordance with the governor's disaster declaration and subsequent temporary suspension of certain provisions of the Texas Open Meetings Act, the public was not allowed to attend this meeting in person but had access to the open session portions of this meeting via livestream and via telephone for comment.

Chair Timmerman convened the meeting at 10:14 a.m.

There were no public comments during the meeting [Agenda Item 1].

20-18 Vice President of Transmission Asset Optimization Kristian M. Koellner presented for consideration a staff recommendation, described in Agenda Item 2 [attached hereto as Exhibit A], that the Board approve the Capital Improvement Project Authorization Request for the Hornsby Substation Addition project. Upon motion by Director Gill, seconded by Director Russell, the recommendation was unanimously approved by a record vote of 14 to 0.



20-19 Director of Real Estate Services Mark Sumrall presented for consideration a staff recommendation, described in Agenda Item 3 – Acquisition of Interests in Real Property – Use of Eminent Domain in Colorado County [attached hereto as Exhibit B]. Director Crane moved, seconded by Director Lewis, that the Board adopt a resolution authorizing the use of the power of eminent domain to acquire rights in the property described in Exhibit 1 to the resolution for the acquisition of an electric substation site for the Frelsburg Circuit Breaker Addition project to provide for the reliable transmission of electric energy on the Fayetteville to Glidden (T176) transmission line, and that the first record vote applies to all units of property to be condemned. The Board unanimously approved the motion by a record vote of 14 to 0.

20-20 Director of Real Estate Services Mark Sumrall presented for consideration a staff recommendation, described in Agenda Item 4 – Acquisition of Interests in Real Property – Use of Eminent Domain in Burleson County [attached hereto as Exhibit C]. Director Berger moved, seconded by Director Martine, that the Board adopt a resolution authorizing the use of the power of eminent domain to acquire rights in the properties described in Exhibit 1 to the resolution for the acquisition of easements for the Cooks Point Substation and Transmission Line Addition project to provide for the reliable transmission of electric energy on the Cooks Point (T680) transmission line, and that the first record vote applies to all units of property to be condemned. The Board unanimously approved the motion by a record vote of 14 to 0.

There being no further business to come before the Board, the meeting was adjourned at 10:24 a.m.

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Thomas E. Oney  
Secretary  
LCRA Transmission Services Corporation

Approved: Aug. 19, 2020

## FOR ACTION

# 6. Capital Improvement Projects Approval

### Proposed Motion

Approve the Capital Improvement Project Authorization Request for the projects and associated lifetime budgets as described in Exhibit A.

### Board Consideration

LCRA Transmission Services Corporation Board Policy T301 – Finance requires Board of Directors approval for any project exceeding \$1.5 million or any previously approved project expected to exceed its lifetime budget by 10% and \$300,000.

### Budget Status and Fiscal Impact

- All projects recommended for Board approval are within the total annual budget approved for the fiscal year 2021 capital plan.
- Staff will monitor the FY 2021 forecast and will request a fiscal year budget increase if needed. The treasurer and chief financial officer will release funds as needed.
- Project costs will be funded through LCRA TSC regulated rates, subject to approval by the Public Utility Commission of Texas.

### Summary

Staff recommends approval of the capital projects described in Table 1 and Exhibit A. These projects meet legal requirements in the Public Utility Regulatory Act and PUC rules.

Project funds will pay for activities, including but not limited to project management, engineering, materials acquisition, construction and acquisition of necessary land rights. LCRA TSC representatives will also perform all necessary regulatory, real estate, environmental and cultural due diligence activities.

**Table 1**

*Dollars in millions*

Project Name	Previous Fiscal Years	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Lifetime
Facility Acquisition Projects							
Georgetown Power Transformer Additions	.	9.663	.	.	.	.	9.663
System Capacity Projects							
Kent Street Capacitor Bank Addition	.165	1.832	.	.	.	.	1.997
<b>Requested Total</b>	<b>\$ .165</b>	<b>\$ 11.495</b>	<b>\$ .</b>	<b>\$ .</b>	<b>\$ .</b>	<b>\$ .</b>	<b>\$ 11.66</b>

### Presenter(s)

Kristian M. Koellner  
Vice President, Transmission Asset Optimization

### Exhibit(s)

A – Project Details

## **EXHIBIT A**

### **Project Approvals Sought**

**Project Name:** Georgetown Power Transformer Additions

**Project Number:** 1024505

**Lifetime Budget:** \$9.663 million

**Description:** The project will acquire transformation assets at net book value from the City of Georgetown at seven substations in Williamson County. The acquisition of assets will facilitate reliable transformation services to Georgetown customers and ensure continued safe and long-term system reliability. The recommended project completion date is Sept. 30, 2020.

**Project Name:** Kent Street Capacitor Bank Addition

**Project Number:** 1023194

**Lifetime Budget:** \$1.997 million

**Description:** The project will facilitate Pedernales Electric Cooperative load-serving needs by removing the nonstandard 138-kilovolt capacitor bank and associated terminal equipment in the PEC-owned Buttercup Substation in Williamson County to accommodate the addition of a new power transformer. LCRA TSC will meet reliability standard obligations by installing a new 138-kV capacitor bank and associated terminal equipment in the PEC-owned Kent Street Substation in Williamson County. The recommended project completion date is May 15, 2021.

## **FOR ACTION**

# **7. Acquisition of Interests in Real Property – Use of Eminent Domain in Williamson County**

### **Proposed Motion**

I move that the Board of LCRA Transmission Services Corporation adopt the attached resolution; that the Board authorize by record vote the use of the power of eminent domain to acquire rights in the properties described in Exhibit 1 to the resolution for the acquisition of easement amendments for the Gabriel to Rivery Transmission Line Storm Hardening project to ensure the continued reliable transmission of electric energy on the Gabriel to Rivery (T457) transmission line; and that the first record vote applies to all units of property to be condemned.

### **Board Consideration**

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

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

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

The acquisition costs were included in the Board-approved budget for the Gabriel to Rivery Transmission Line Storm Hardening project.

### **Summary**

LCRA TSC proposes to acquire transmission line easement amendments in Williamson County for the Gabriel to Rivery Transmission Line Storm Hardening project. Kokel-Oberrender-Wood Appraisal Ltd. performed independent appraisals of the interests in real property to be acquired to determine just compensation to the landowners.

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

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

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

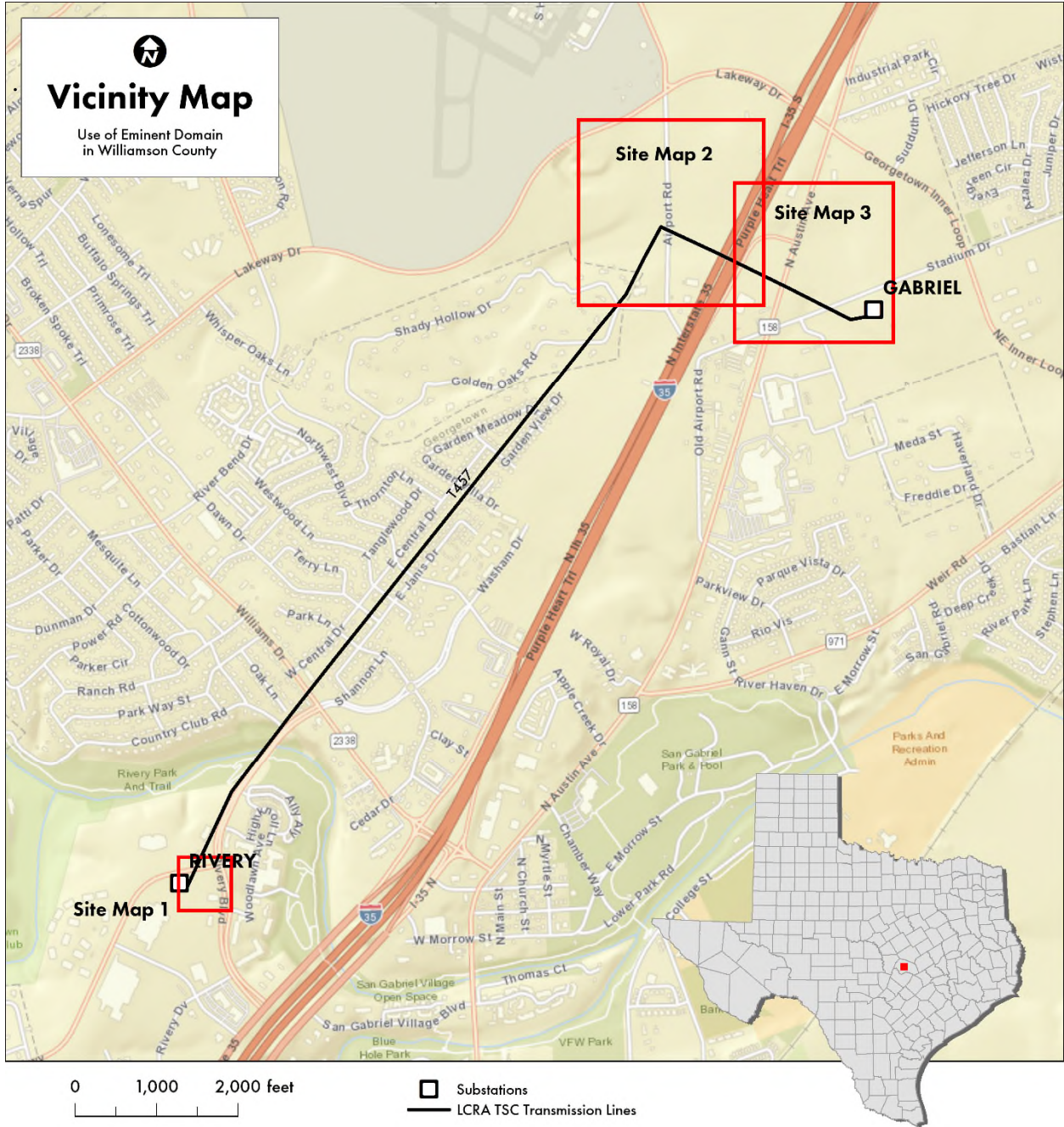
**Presenter(s)**

Mark Sumrall  
Director, Real Estate Services

**Exhibit(s)**

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

**EXHIBIT A**



**EXHIBIT B**  
Page 1 of 3









**EXHIBIT C**

<b>Parcel ID</b>	<b>Landowners</b>	<b>Approximate Parent Tract Acreage</b>	<b>Land Rights</b>	<b>Approximate Acquisition Acreage</b>	<b>County</b>	<b>Diminution in Value of Remainder</b>	<b>Value of Proposed Easement</b>	<b>Total Approximate Value</b>
A002	Lalani Hospitality Group I WFTX LP	2.11 acres	Easement Amendment	0.02 acre	Williamson	\$0	\$8,500	\$8,500
A092	Motion Investment Properties LLC	52.4 acres	Easement Amendment	0.03 acre	Williamson	\$0	\$1,000	\$1,000
A093	The Peggy Busch Heritage Trust; The Susan Goethe Stanfield Heritage Trust; and The Gary Goethe Heritage Trust; all care of Dennis Busch, trustee	19.006 acres	Easement Amendment	0.4 acre	Williamson	\$0	\$17,000	\$17,000
A095	Georgetown Griffin Family LP	5.031 acres	Easement Amendment	0.24 acre	Williamson	\$0	\$10,000	\$10,000
A096	The Peggy Busch Heritage Trust; The Susan Goethe Stanfield Heritage Trust; and The Gary Goethe Heritage Trust; all care of Dennis Busch, trustee; and Georgetown Griffin Family LP	24.74 acres	Easement Amendment	0.33 acre	Williamson	\$0	\$15,000	\$15,000

**EXHIBIT D**

Page 1 of 2

**PROPOSED MOTION**

**I MOVE THAT THE BOARD OF LCRA TRANSMISSION SERVICES CORPORATION ADOPT THE ATTACHED RESOLUTION; THAT THE BOARD AUTHORIZE BY RECORD VOTE THE USE OF THE POWER OF EMINENT DOMAIN TO ACQUIRE RIGHTS IN THE PROPERTIES DESCRIBED IN EXHIBIT 1 TO THE RESOLUTION FOR THE ACQUISITION OF EASEMENT AMENDMENTS FOR THE GABRIEL TO RIVERY TRANSMISSION LINE STORM HARDENING PROJECT TO ENSURE THE CONTINUED RELIABLE TRANSMISSION OF ELECTRIC ENERGY ON THE GABRIEL TO RIVERY (T457) TRANSMISSION LINE; AND THAT THE FIRST RECORD VOTE APPLIES TO ALL UNITS OF PROPERTY TO BE CONDEMNED.**

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

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

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

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

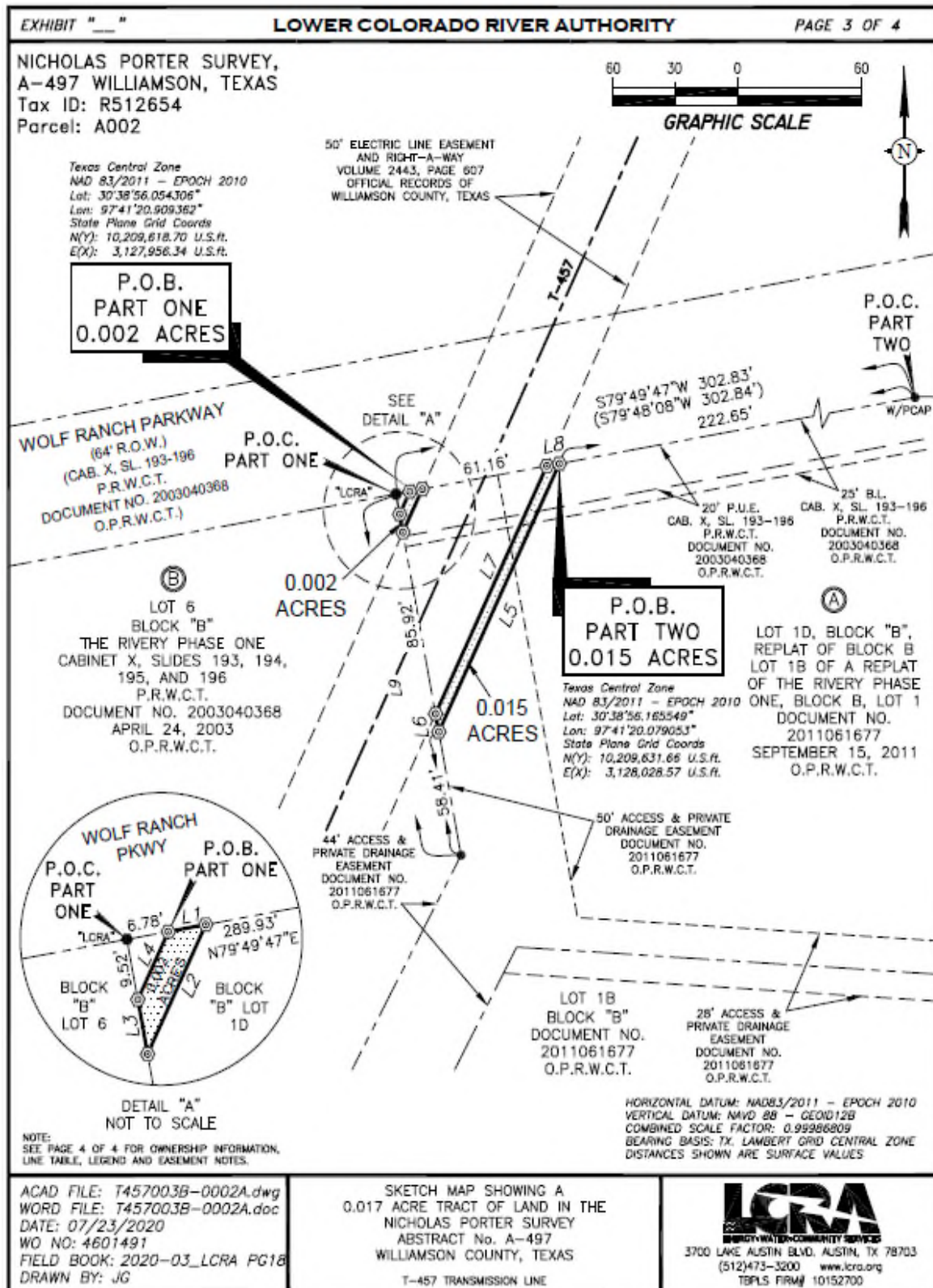
**EXHIBIT D**

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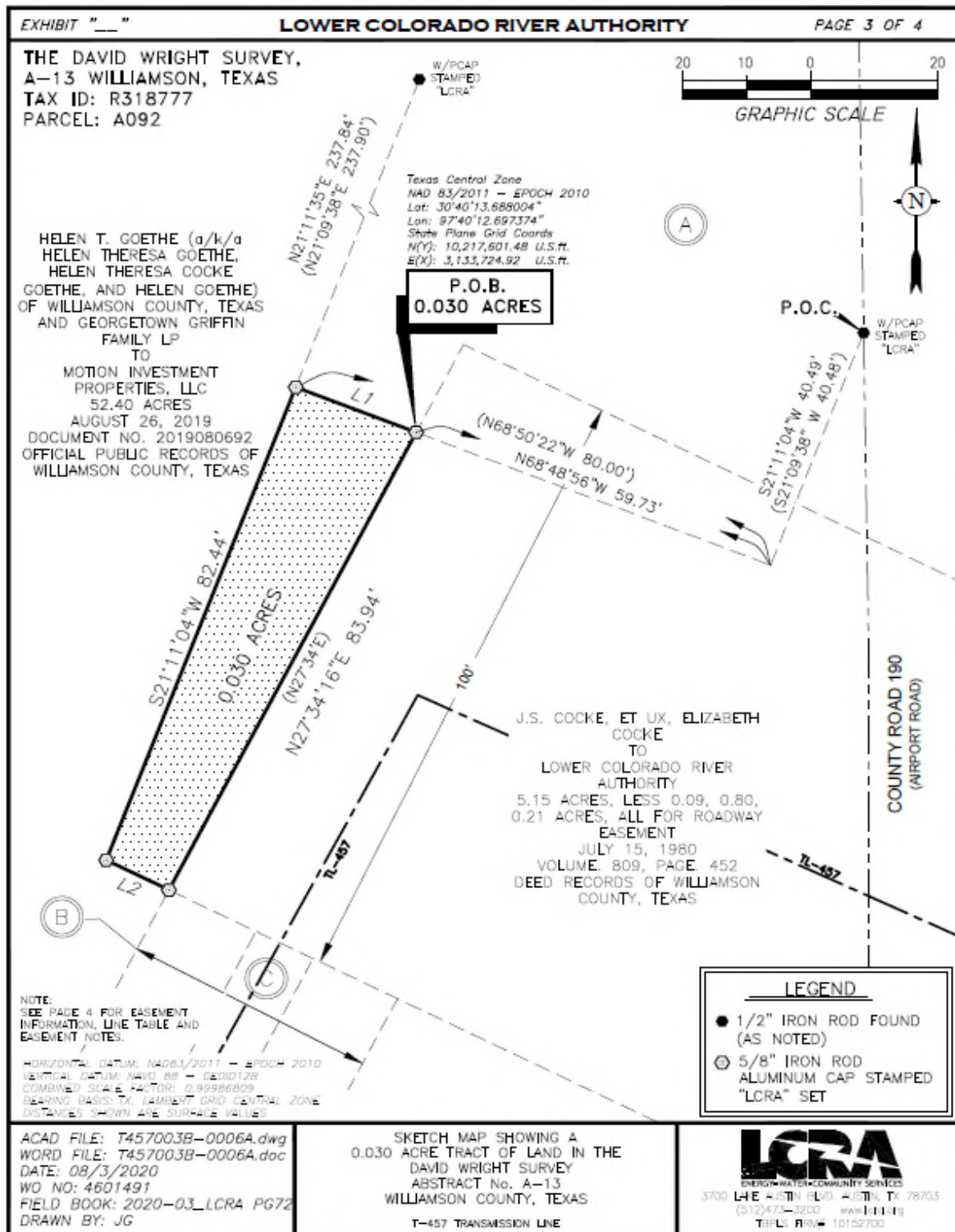
initiate condemnation proceedings against the owners of the properties, and against all other owners, lien holders, and other holders of an interest in the properties, in order to acquire the necessary interests in real property; and that this resolution take effect immediately from and after its passage;

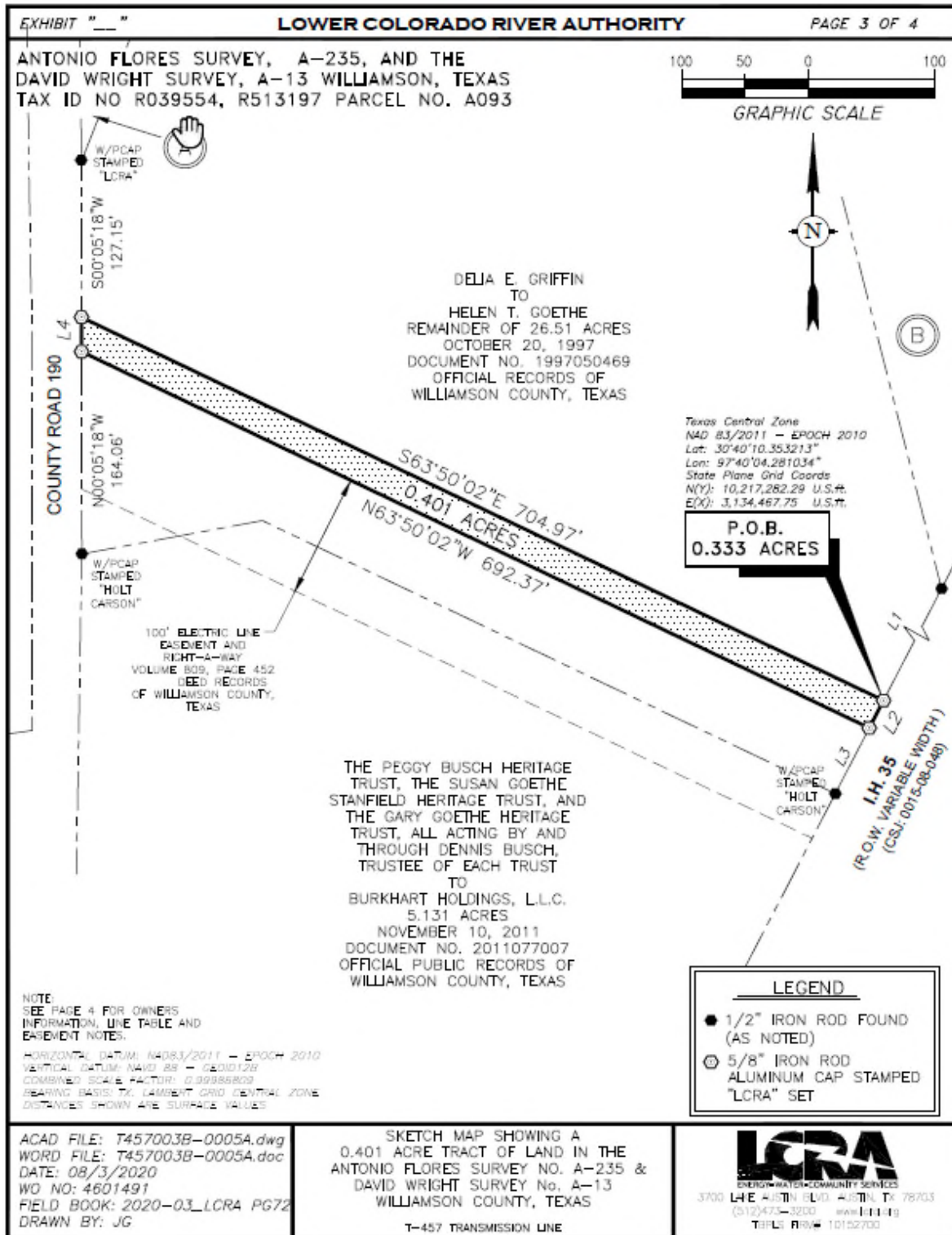
**BE IT FURTHER RESOLVED** that the president and chief executive officer or his designee is hereby authorized to do all things necessary and proper to carry out the intent and purpose of this resolution, including determination and negotiation of the interests in real property that are proper and convenient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

**EXHIBIT 1**  
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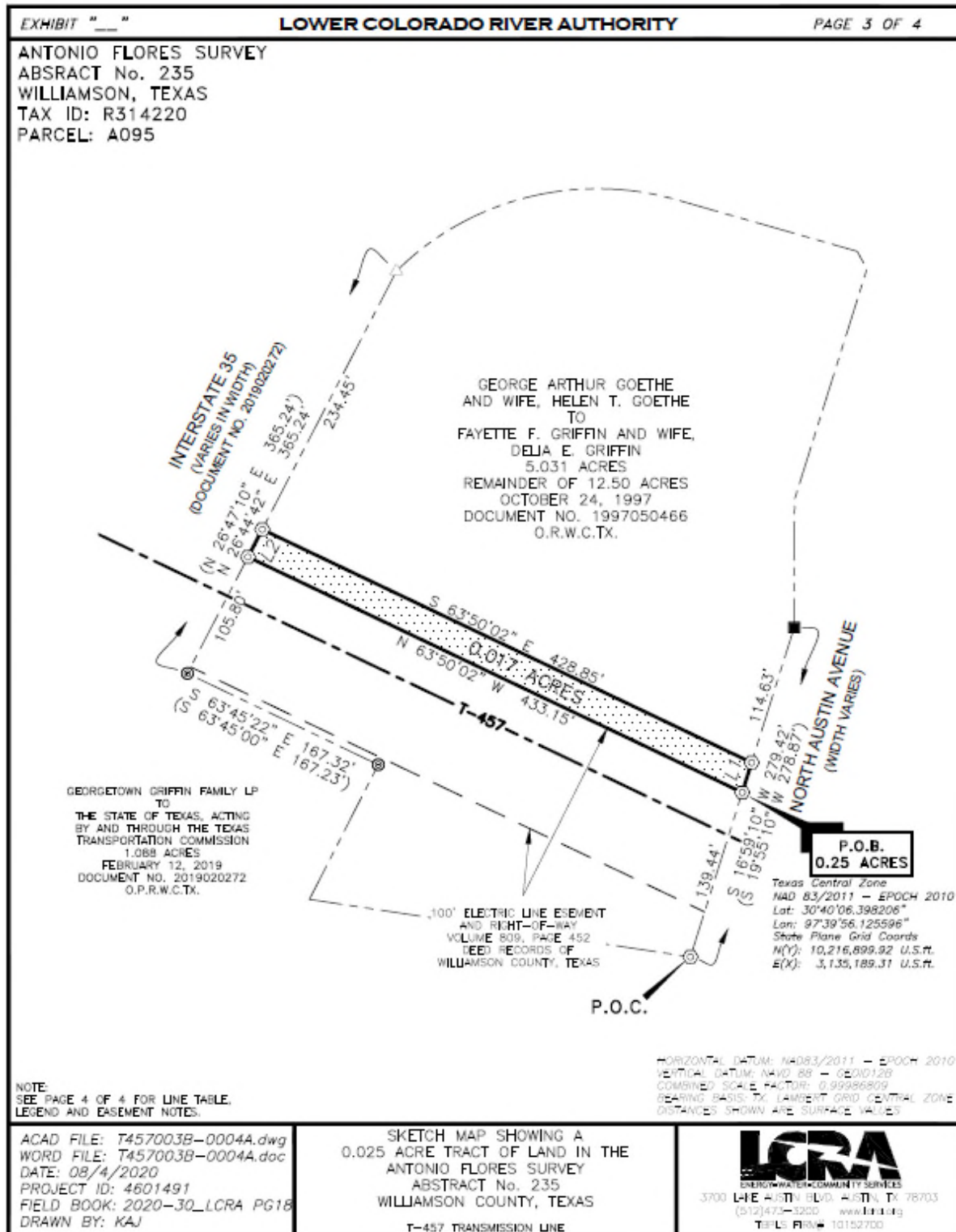
**EXHIBIT 1**  
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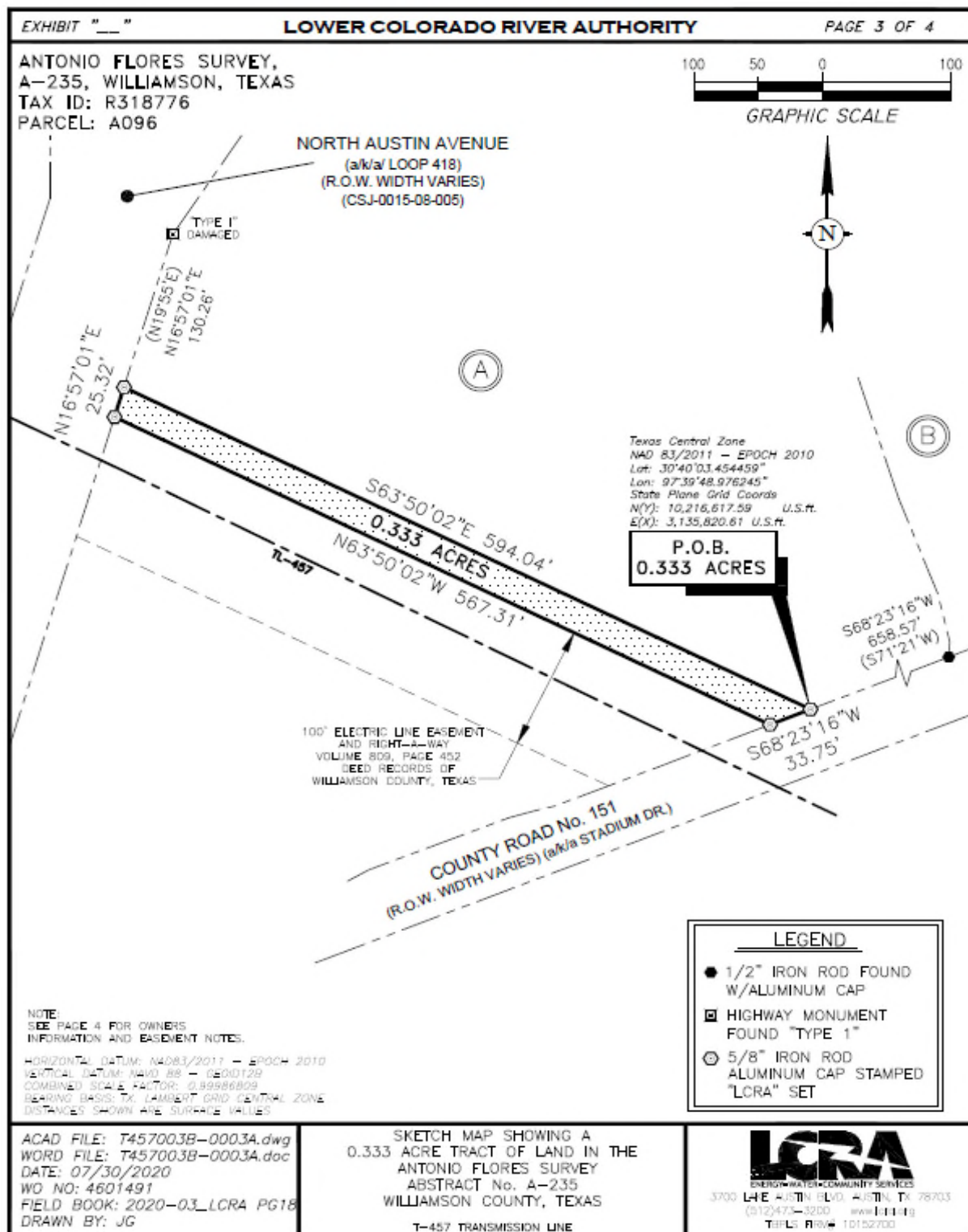
**EXHIBIT 1**

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**EXHIBIT 1**  
Page 5 of 5



## **FOR ACTION**

# **8. Acquisition of Interests in Real Property – Use of Eminent Domain in Burnet County**

### **Proposed Motion**

I move that the Board of LCRA Transmission Services Corporation adopt the attached resolution; that the Board authorize by record vote the use of the power of eminent domain to acquire rights in the properties described in Exhibit 1 to the resolution for the acquisition of easement amendments for the Burnet to Lampasas Transmission Line Overhaul project to ensure the continued reliable transmission of electric energy on the Burnet to Lampasas (T219) transmission line; and that the first record vote applies to all units of property to be condemned.

### **Board Consideration**

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

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

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

The acquisition costs were included in the Board-approved budget for the Burnet to Lampasas Transmission Line Overhaul project.

### **Summary**

LCRA TSC proposes to acquire transmission line easement amendments in Burnet County for the Burnet to Lampasas Transmission Line Overhaul project. Paul Hornsby & Company performed independent appraisals of the interests in real property to be acquired to determine just compensation to the landowners.

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

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

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

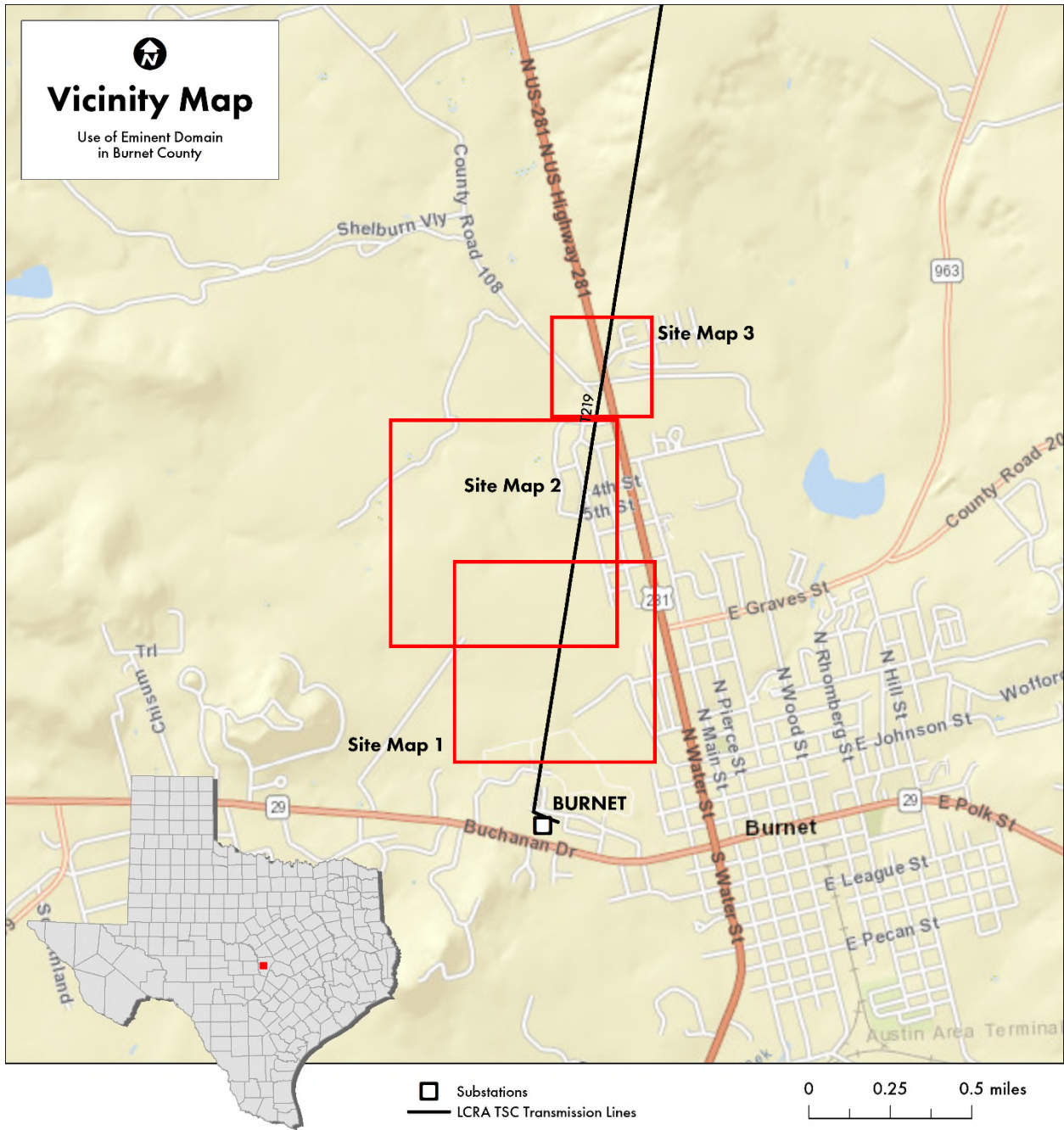
**Presenter(s)**

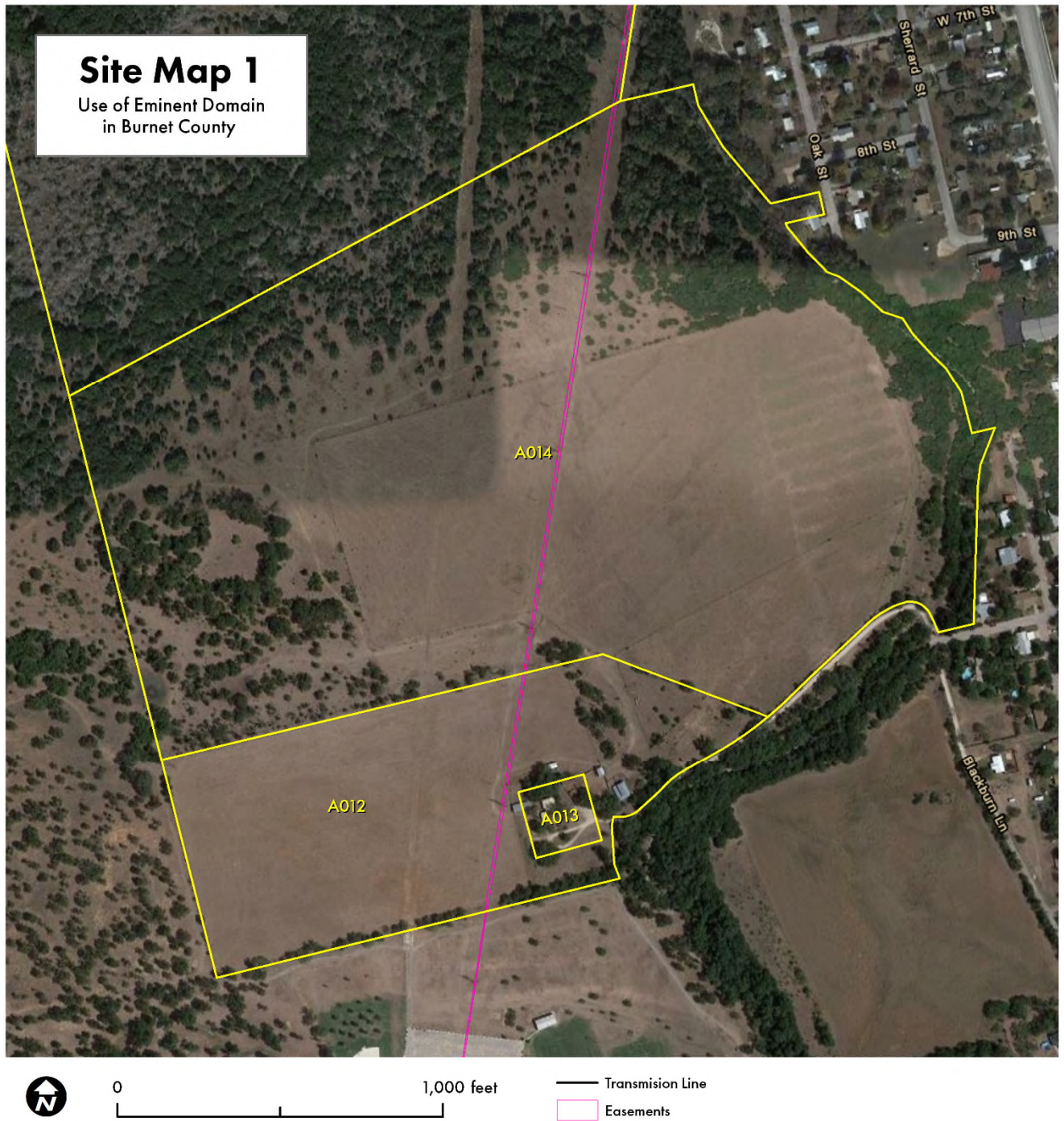
Mark Sumrall  
Director, Real Estate Services

**Exhibit(s)**

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

**EXHIBIT A**









**EXHIBIT C**

<b>Parcel ID</b>	<b>Landowners</b>	<b>Approximate Parent Tract Acreage</b>	<b>Land Rights</b>	<b>Approximate Acquisition Acreage</b>	<b>County</b>	<b>Diminution in Value of Remainder</b>	<b>Value of Proposed Easement</b>	<b>Total Approximate Value</b>
A012 A013 A014	Susan L. Miller and David W. Pogue	111.00 acres	Easement Amendment	4.49 acres	Burnet	\$48,450	\$17,960	\$66,410
A015	Cody Orman	200.0 acres	Easement Amendment	1.2 acres	Burnet	\$9,165	\$4,680	\$13,845
A034	B-M-R Company	0.276 acre	Easement Amendment	0.146 acre	Burnet	\$0	\$477	\$477
A049	Hailey Wooten and Macey Siegert	0.345 acre	Easement Amendment	0.117 acre	Burnet	\$19,153	\$2,803	\$21,956
A057	Brasser/Barho Investments LP	3.03 acres	Easement Amendment	1.195 acres	Burnet	\$16,956	\$26,027	\$42,983



**EXHIBIT D**

Page 1 of 2

**PROPOSED MOTION**

**I MOVE THAT THE BOARD OF LCRA TRANSMISSION SERVICES CORPORATION ADOPT THE ATTACHED RESOLUTION; THAT THE BOARD AUTHORIZE BY RECORD VOTE THE USE OF THE POWER OF EMINENT DOMAIN TO ACQUIRE RIGHTS IN THE PROPERTIES DESCRIBED IN EXHIBIT 1 TO THE RESOLUTION FOR THE ACQUISITION OF EASEMENT AMENDMENTS FOR THE BURNET TO LAMPASAS TRANSMISSION LINE OVERHAUL PROJECT TO ENSURE THE CONTINUED RELIABLE TRANSMISSION OF ELECTRIC ENERGY ON THE BURNET TO LAMPASAS (T219) TRANSMISSION LINE; AND THAT THE FIRST RECORD VOTE APPLIES TO ALL UNITS OF PROPERTY TO BE CONDEMNED.**

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

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

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

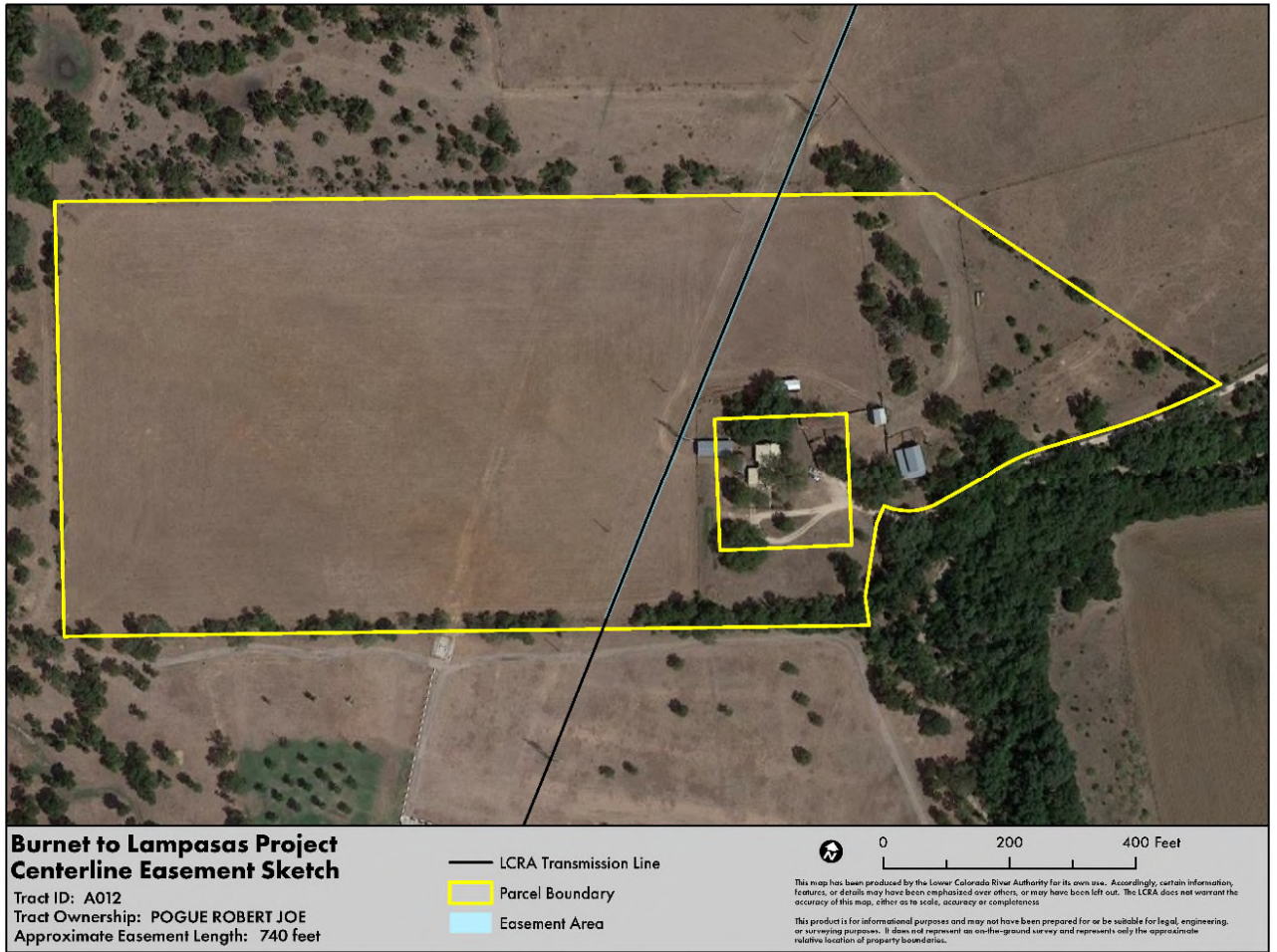
**NOW, THEREFORE, BE IT RESOLVED** that the president and chief executive officer or his designee is authorized to purchase the interests in real property from the landowner(s) listed in the attached Exhibit C for the Burnet to Lampasas Transmission Line Overhaul project, with the description of the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

**EXHIBIT D**

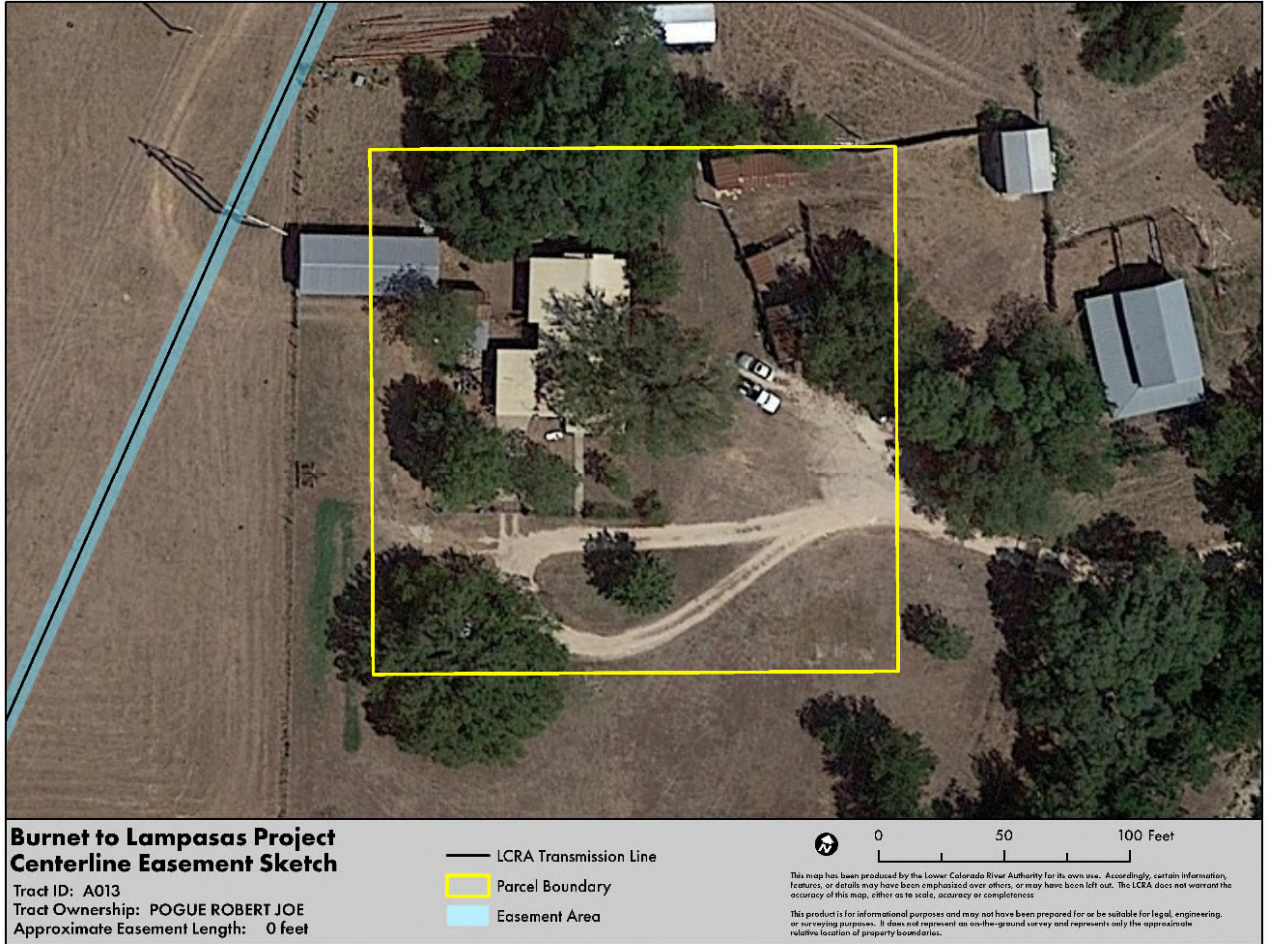
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president and chief executive officer or his designee is authorized and directed to initiate condemnation proceedings against the owners of the properties, and against all other owners, lien holders and other holders of an interest in the properties,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

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

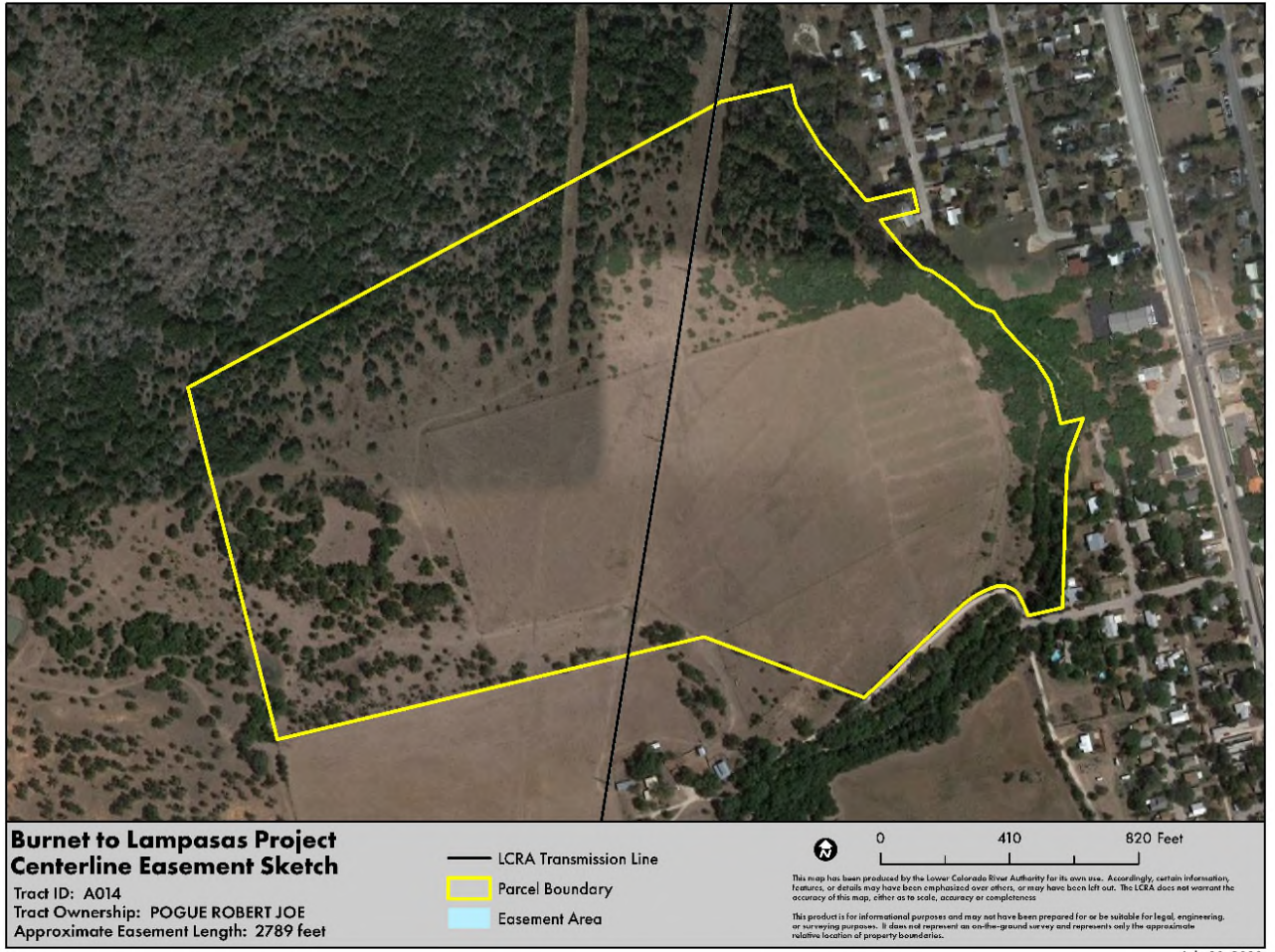


**EXHIBIT 1**  
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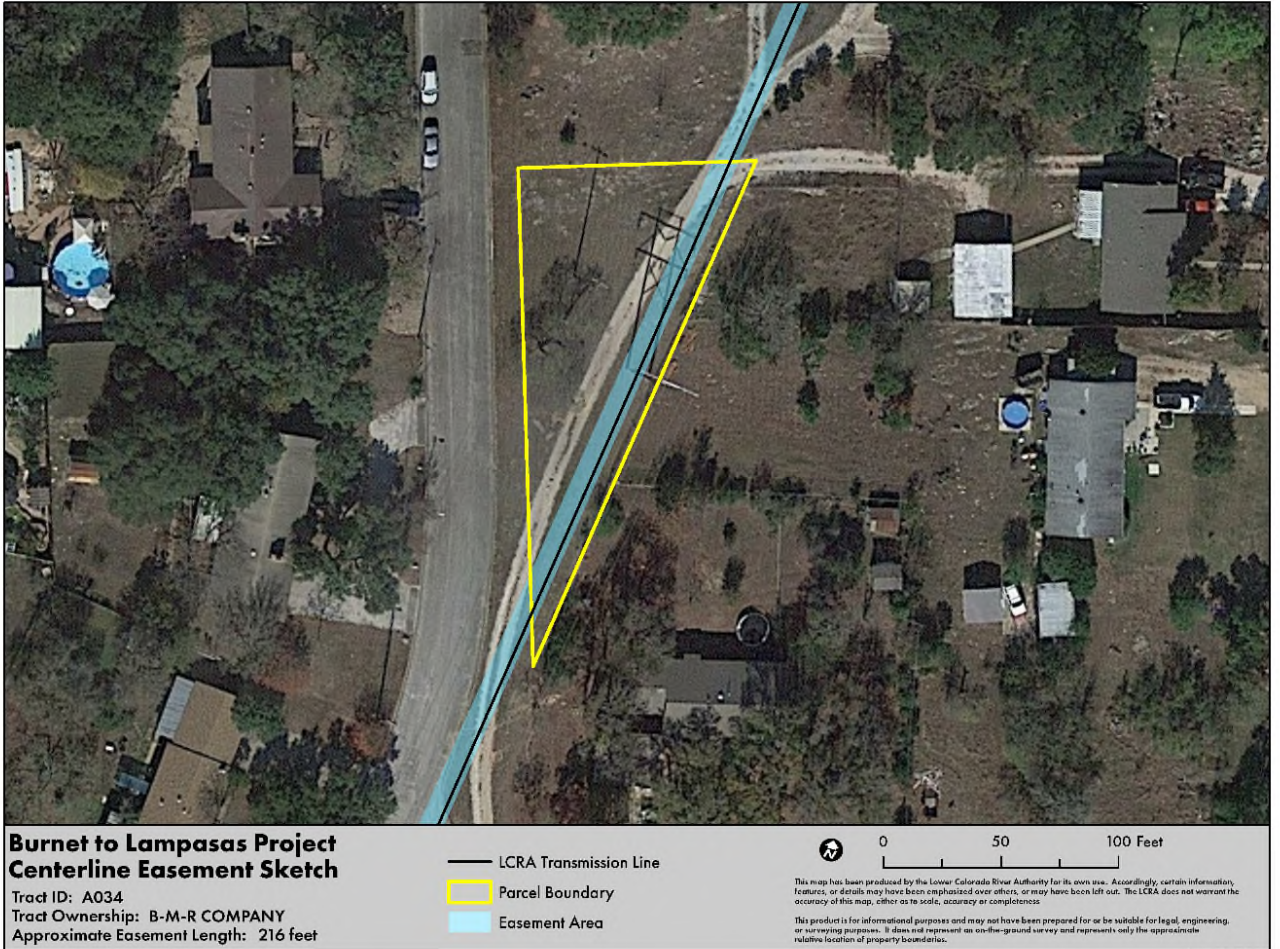


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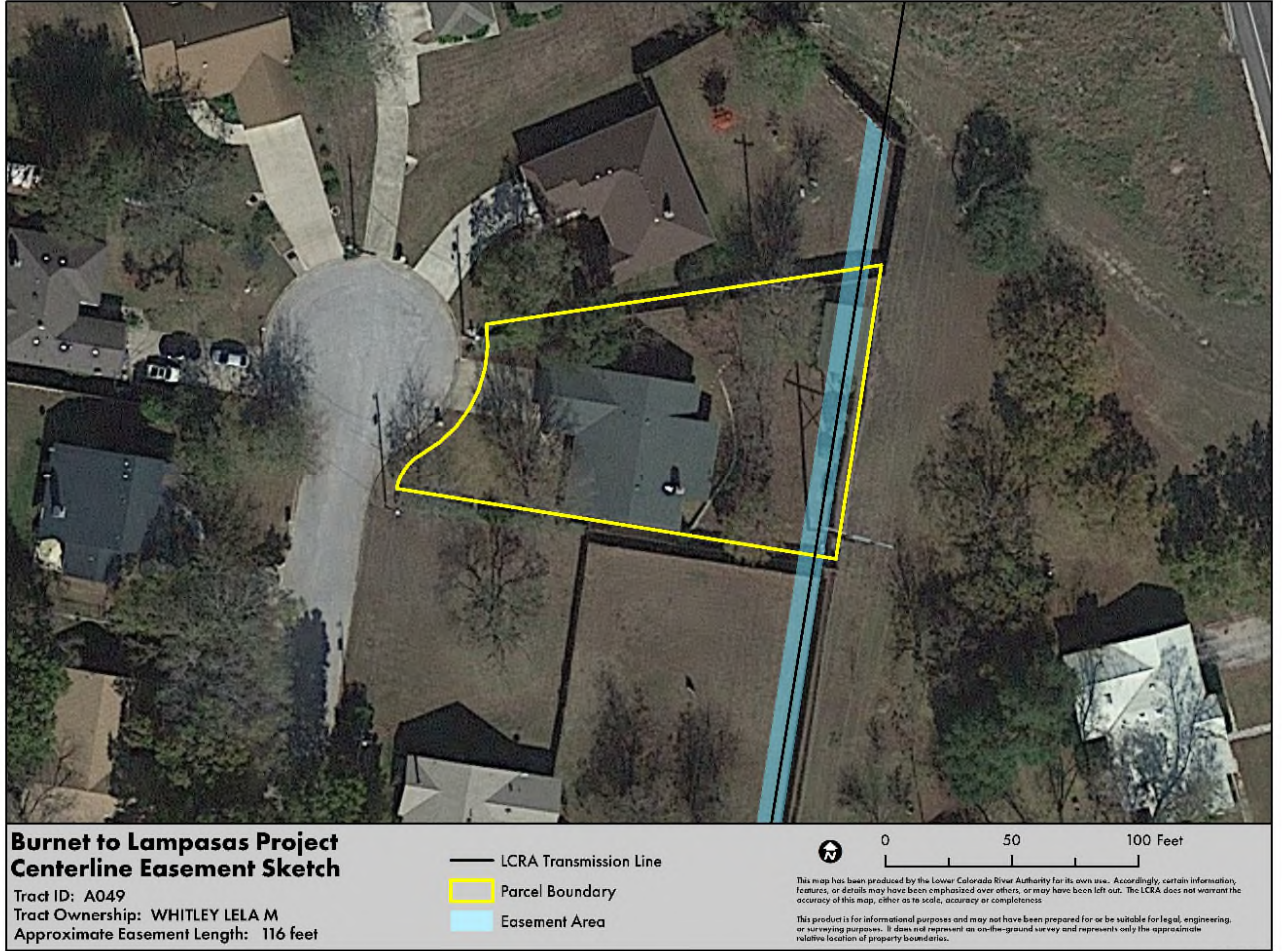
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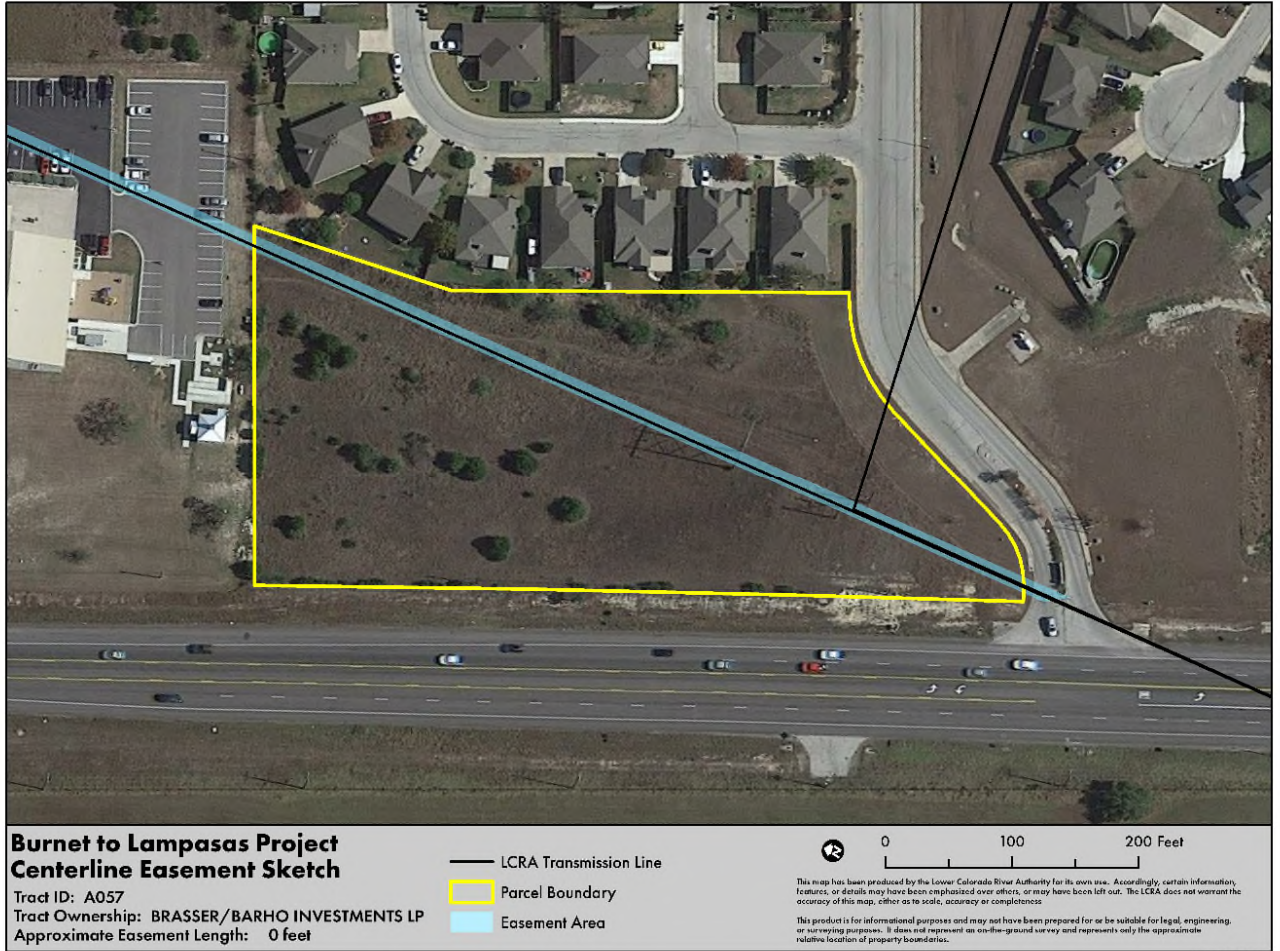
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July 20, 2020



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