

# LCRA Department Expense Budget and Actuals

Operations and Maintenance and Capital Improvement Project/Future Capital Labor Fiscal Year Budget and Actuals (dollars in millions)

FY 2023 as of June 30, 2023

Department	Account Type	2023 Budget	2023 Actuals
<b>Auditing Services</b>	Labor	0.5	0.6
	Materials	0.0	0.0
	Outside Services	1.2	1.1
	Other	0.0	0.0
<b>Chief Administrative Officer</b>	Labor	0.6	0.2
	Materials	0.0	0.0
	Outside Services	0.3	0.1
	Other	0.1	0.1
<b>Chief Financial Officer</b>	Labor	1.9	1.8
	Materials	0.0	0.0
	Outside Services	0.2	0.1
	Other	0.1	0.0
<b>Chief Information Officer</b>	Labor	21.6	21.0
	Materials	0.1	0.1
	Outside Services	6.6	6.1
	Copy Machine Expense	0.5	0.3
	Soft/Hardware License and Maint	15.9	18.9
	Other	0.3	0.2
<b>Chief People Officer and Executive Vice President of External Affairs</b>	Labor	0.9	1.1
	Materials	0.0	0.0
	Outside Services	0.1	0.1
	Other	0.1	0.0
<b>Communications</b>	Labor	3.4	3.4
	Materials	0.1	0.1
	Outside Services	0.4	0.3
	Other	0.3	0.2
<b>Community Resources</b>	Labor	5.6	5.3
	Materials	0.6	0.8
	Outside Services	3.2	2.8
	Utilities	0.8	0.8
	Other	0.2	0.7
<b>Controller</b>	Labor	5.9	5.8
	Materials	0.0	0.0
	Outside Services	0.6	0.6
	Other	(0.2)	(0.4)
<b>Corporate Strategy</b>	Labor	2.4	2.1
	Materials	0.0	0.0
	Outside Services	0.6	0.5
	Other	0.2	0.3

# LCRA Department Expense Budget and Actuals

Operations and Maintenance and Capital Improvement Project/Future Capital Labor Fiscal Year Budget and Actuals (dollars in millions)

FY 2023 as of June 30, 2023

Department	Account Type	2023 Budget	2023 Actuals
<b>Cybersecurity and Resilience</b>	Labor	18.7	18.2
	Materials	0.6	0.6
	Outside Services	1.5	0.8
	Benefits, Insurance and Damages	8.0	7.4
	Employee Expense	0.4	0.3
	Soft/Hardware License and Maint	2.0	1.8
	Other	0.1	0.1
<b>Enterprise Operations</b>	Labor	27.6	22.9
	Materials	3.3	4.2
	Outside Services	5.7	6.1
	Employee Expense	0.3	0.2
	Utilities	1.0	1.0
	Permits/Application Fees	0.1	0.2
	Other	0.4	0.4
<b>Environmental Services</b>	Labor	2.5	2.4
	Materials	0.0	0.0
	Outside Services	0.2	0.1
	Other	0.1	0.0
<b>Finance</b>	Labor	6.7	6.4
	Materials	0.0	0.0
	Outside Services	1.3	0.9
	Other	0.2	0.1
<b>General Manager's Office</b>	Labor	1.8	2.1
	Materials	0.0	0.0
	Outside Services	0.1	0.1
	Board Expenses	0.2	0.2
	Other	0.1	0.1
<b>Governmental and Regional Affairs</b>	Labor	1.2	1.2
	Materials	0.0	0.0
	Outside Services	0.9	0.5
	Community Economic Dev/Assist	0.5	0.3
	Other	0.1	0.2
<b>Human Resources</b>	Labor	4.1	4.1
	Materials	0.0	0.0
	Outside Services	1.1	0.9
	Other	0.4	0.3
<b>Legal Services</b>	Labor	5.4	5.2
	Materials	0.0	0.0
	Outside Services	4.5	4.8
	Other	0.1	0.1
<b>NERC Compliance</b>	Labor	1.8	1.7
	Materials	0.0	0.0
	Outside Services	0.1	0.0
	Other	0.0	0.0

# LCRA Department Expense Budget and Actuals

Operations and Maintenance and Capital Improvement Project/Future Capital Labor Fiscal Year Budget and Actuals (dollars in millions)

FY 2023 as of June 30, 2023

Department	Account Type	2023 Budget	2023 Actuals
<b>Regulatory Affairs</b>	Labor	1.6	1.5
	Materials	0.0	0.0
	Outside Services	0.0	0.1
	Other	0.0	0.0
<b>Supply Chain</b>	Labor	10.2	10.5
	Materials	(0.4)	(0.4)
	Outside Services	0.1	0.2
	Inventory Adjustments	0.0	0.3
	Other	0.1	0.2
<b>Telecommunications</b>	Labor	18.3	17.9
	Materials	7.9	17.9
	Outside Services	1.0	2.4
	Lease and Rental Expense	8.7	9.6
	Soft/Hardware License and Maint	2.1	1.9
	Transportation	0.3	0.0
	Utilities	1.5	1.1
	Other	0.3	0.3
<b>Trans Asset Optimization</b>	Labor	12.0	11.7
	Materials	0.1	0.0
	Outside Services	1.0	1.3
	Other	0.4	0.4
<b>Trans Design and Protection</b>	Labor	20.8	21.0
	Materials	0.2	0.1
	Outside Services	1.5	0.9
	Employee Expense	0.5	0.2
	Other	0.2	0.1
<b>Transmission Field Services</b>	Labor	45.0	45.0
	Materials	4.1	3.2
	Outside Services	7.1	6.5
	Employee Expense	0.9	0.8
	Soft/Hardware License and Maint	0.2	0.2
	Transportation	1.1	0.6
	Utilities	0.3	0.2
	Miscellaneous Expenses	1.9	0.3
	Other	0.4	0.2
<b>Transmission Management</b>	Labor	4.6	8.5
	Materials	0.0	0.1
	Outside Services	0.2	0.4
	Lease and Rental Expense	9.7	10.0
	Membership Dues	0.6	0.5
	Property Tax	29.5	26.0
	Transmission Capital Charge	14.6	14.0
	Miscellaneous Expenses	0.5	1.1
	Other	0.2	0.5

## LCRA Department Expense Budget and Actuals

Operations and Maintenance and Capital Improvement Project/Future Capital Labor Fiscal Year Budget and Actuals (dollars in millions)

FY 2023 as of June 30, 2023

Department	Account Type	2023 Budget	2023 Actuals
<b>Transmission Operations</b>	Labor	19.8	20.3
	Materials	0.3	0.6
	Outside Services	0.5	0.6
	Soft/Hardware License and Maint	1.3	1.7
	Utilities	0.8	0.9
	Other	0.3	0.3
<b>Water Management</b>	Labor	1.1	0.8
	Materials	0.0	0.0
	Outside Services	0.0	0.0
	Other	0.0	0.0
<b>Water Operations</b>	Labor	14.1	13.0
	Materials	1.1	1.0
	Outside Services	2.0	2.0
	Utilities	5.0	4.3
	Other	0.4	0.2
<b>Water Resources</b>	Labor	10.3	9.1
	Materials	0.8	0.9
	Outside Services	2.6	1.3
	Chargebacks	(0.1)	(0.2)
	Permits/Application Fees	0.5	0.3
	Soft/Hardware License and Maint	0.3	0.3
	Other	0.2	0.3
<b>Wholesale Power and Nonprofit Corporations</b>	All Expense	340.2	568.5
<b>Grand Total</b>		<b>\$ 789.4</b>	<b>\$ 1,014.6</b>

### Footnotes:

This report describes certain budget-to-actual financial information that is prepared for ratemaking and cost of service evaluations. The report does not include all of the revenue and expense transactions from LCRA's audited consolidated financial statements, and the numbers may differ.

Other expenses can include employee expenses, computer equipment leases and licenses, transportation, utilities, taxes, property leases, and insurance. In certain circumstances, Other Expenses may have been broken out due to materiality.

Chargebacks represent intercompany transfers for specific services performed for another LCRA department. The transfers represent costs incurred to provide those services. See report titled "Material Money Transfers Between Business Units, Departments and Funds" for more detail.

# LCRA Significant Revenue Stream Budget and Actuals

Fiscal Year 2023 as of June 30, 2023 (dollars in millions)

<b>Significant Revenue Stream</b>	<b>2023 Budget</b>	<b>2023 Actuals</b>
Wholesale Power and Nonprofit Corporations	\$ 506.8	\$ 746.8
Transmission Services Corporation	565.9	605.1
Firm Water	27.4	31.9
Interruptible Water	9.3	7.2
Public Services, excluding Parks	2.2	1.8
Parks	4.5	4.3
Strategic Services, excluding Environmental Lab	16.7	26.6
Environmental Lab	5.0	5.1
Grants	0.9	4.4
Corporate: Non-Allocated	0.7	0.4
<b>Grand Total</b>	<b>\$ 1,139.3</b>	<b>\$ 1,433.6</b>

Footnote:

This report describes certain budget-to-actual financial information that is prepared for ratemaking and cost of service evaluations. The report does not include all of the revenue and expense transactions from LCRA's audited consolidated financial statements, and the numbers may differ.

**Material Money Transfers Between Business Units, Departments and Funds**

Transfer	Transfer Description	Transfer Purpose	Fiscal Year 2023		Fiscal Year 2023	
			Transfer From	Actuals (dollars in millions)	Transfer to	Actuals (dollars in millions)
<b>Resource Development Fund (RDF)</b>	Transfer of funds from LCRA TSC, Water, Strategic Services and the Public Service Fund.	To support investment in and payment of debt service on borrowings that have been used to construct long-term capital assets that (i) provide for the development of water supply resources for the Colorado River basin, or (ii) otherwise support LCRA's mission activities.	LCRA TSC Water Strategic Services Public Service Fund Total	\$ 11.3 0.6 0.4 1.0 13.3	Resource Development Fund	\$ 13.3
<b>Public Service Fund (PSF)</b>	Transfer of funds from Wholesale Power and wholesale power related nonprofit corporations, LCRA TSC, Water Services, and Strategic Services.	The LCRA enabling legislation and other applicable state laws provide that LCRA has certain statutory duties in the area of community services. While these service activities produce some revenues, the level of their revenue potential is insufficient to provide LCRA the means of implementing effective service programs. LCRA maintains the PSF to support those activities.	Wholesale Power and nonprofit corporations Water LCRA TSC Strategic Services Total	\$ 9.7 1.1 17.0 0.6 28.5	Public Services Infrastructure Reserve Resource Development Fund LCRA Strategic Reserve Fund Total	\$ 20.7 3.0 1.0 3.7 28.5
<b>LCRA-LCRA TSC Services Agreement Payment</b>	Transfer from LCRA TSC to LCRA in payment for services provided by LCRA to LCRA TSC pursuant to a services agreement.	To compensate LCRA for performing certain activities and services on behalf of LCRA TSC.	LCRA TSC	\$ 230.5	LCRA	\$ 230.5
<b>Intracompany transfer – Wholesale Power water use</b>	Wholesale Power pays for water costs associated with the operation of LCRA power plant facilities.	The intracompany transfer represents the payment of the costs of water used and/or reserved by Wholesale Power for plant operations.	Wholesale Power	\$ 2.7	Water	\$ 2.7
<b>Intracompany transfer – Environmental Lab</b>	LCRA Wholesale Power operations and Water Quality activities require the use of environmental testing. These tests are performed by the Environmental Lab.	The intracompany transfer represents the payment of the costs of environmental testing done by the Lab for Wholesale Power and Water Quality.	Wholesale Power Water Quality Total	\$ 0.2 0.5 0.7	Environmental Lab Total	\$ 0.7 0.7

Note: Arbuckle Reservoir debt service payments totaling \$12.9 million were paid directly from RDF to the Texas Water Development Board

## Reserve Disclosure

(dollars in millions)

	June 30, 2023	
	Operational	Strategic
Debt Service Reserve Fund (LCRA)	\$ 24.2	\$ -
Debt Service Reserve Fund (LCRA TSC)	164.4	-
Construction funds from debt proceeds (LCRA)	0.0	-
Construction funds from debt proceeds (LCRA TSC)	0.5	-
Rate Stabilization Reserves	30.0	-
Contractual Reserves	25.7	-
Firm Water Reserve	0.9	-
Dam Repair Reserve	0.3	-
Self-Funded Medical Reserve	3.2	-
Generation Operational Reserve	19.7	-
Management Strategic Reserves	-	213.3
<b>Total</b>	<b>\$ 268.8</b>	<b>\$ 213.3</b>

### Debt Service Reserve Funds

LCRA reserves six months of average annual debt service requirements on outstanding debt. Debt service reserves may be collected through nonfuel rates or met with proceeds from additional debt or through the use of a surety to mitigate rate impacts.

LCRA TSC maintains a debt service reserve fund equal to one-half maximum annual transmission contract debt service requirements.

### Construction Funds

LCRA and LCRA TSC each maintain a fund to reserve proceeds from debt issuances that have been designated for Board-approved capital projects.

### Rate Stabilization Reserves

LCRA maintains a fund that may be used to mitigate the effects of fluctuations in revenue. Revenue fluctuations may be caused by a number of factors such as weather or unanticipated changes in water or electric demand. Rate stabilization reserves assist in smoothing out revenue variability and mitigate the need for large rate increases.

LCRA maintains a fund specifically to be used for mitigating rate shock to agricultural customers. The monies for the Agriculture Reserve Fund may come from any source approved by the Board. The Board must approve all expenditures from the Agriculture Reserve Fund. The Agriculture Reserve Fund is part of the revenue fund and accounted for separately.

### Contractual Reserves

LCRA holds counterparty funds, such as customer deposits, owed under terms of a contract with the counterparty.

### Firm Water Reserve

LCRA maintains funds for new water supply projects and to benefit water customers.

### Dam Repair Reserve

LCRA reserves funds for future dam repairs.

### Self-Funded Medical Reserve

In addition to the purchase of commercial insurance to mitigate financial loss, LCRA has established a self-insurance program to finance risk of loss. In the normal course of business, LCRA is exposed to various financial risks related to torts; theft of, damage to and destruction of assets; errors and omissions; operational risks; injuries to employees; natural disasters; and employee medical costs.

### Generation Operational Reserve

LCRA maintains funds designated for the support and growth of LCRA's generation business, for example, for outages and other operations.

## Executive Management Salaries and Bonuses

<b>Executive Position</b>	<b>Annual Salary as of June 30, 2023</b>	<b>Bonus Paid in FY 2023</b>
General Manager/CEO	\$ 715,326	\$ 250,364
General Auditor	\$ 252,788	\$ 75,836
Executive Vice President, Water	\$ 299,936	\$ 38,173
General Counsel	\$ 321,361	\$ 20,149
Chief Commercial Officer	\$ 365,000	\$ 86,000
Executive Vice President and Chief Operating Officer, Transmission	\$ 342,784	\$ 77,420
Executive Vice President, Strategic Initiatives and Transformation	\$ 299,936	\$ 38,173
Chief Financial Officer	\$ 335,000	\$ 76,800
Chief People Officer and Executive Vice President, External Affairs	\$ 353,280	\$ 58,449
Chief Operating Officer	\$ 437,229	\$ 63,393



## General Manager's Discretionary Fund

Fiscal Year 2023 Total

Name	Fiscal Year 2023 Total
ALZHEIMER'S ASSOCIATION CAPITAL OF TEXAS CHAPTER	\$ 2,500
AUSTIN STEAM TRAIN ASSOCIATION	2,000
BEACON STATE FUND	500
BEN HUR SHRINERS	1,000
COMMUNITY FOUNDATION OF SAN SABA COUNTY	2,750
EL CAMPO MEDICAL FOUNDATION	2,500
GREAT SPRINGS PROJECT	2,500
HOSPICE AUSTIN	3,500
LEE COUNTY FAIR ASSOCIATION INC	1,000
LEUKEMIA & LYMPHOMA SOCIETY	5,000
MD ANDERSON CANCER CENTER	500
ROTARY CLUB OF SAN SABA	1,500
SUNRISE BEACH VOLUNTEER FIRE DEPARTMENT	1,000
TEXAS BOTANICAL GARDENS AND NATIVE AMERICAN INTERPRETIVE CENTER	2,500
THE CURE STARTS NOW	1,200
THE HONOR FOUNDATION	2,500
	\$ 32,450