

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 2024 as of June 30, 2024

Department	Account Type	2024 Budget	2024 Actuals
Auditing Services	Labor	0.6	0.6
	Materials	0.0	0.0
	Outside Services	1.4	1.3
	Other	0.0	0.0
Chief Financial Officer	Labor	0.7	0.8
	Materials	0.0	0.0
	Outside Services	0.2	0.0
	Other	0.0	0.0
Chief Information Officer	Labor	23.2	22.6
	Materials	0.1	0.1
	Outside Services	9.9	6.9
	Copy Machine Expense	0.5	0.4
	Soft/Hardware License and Maint	20.9	22.1
	Other	0.5	0.2
Chief People Officer and Executive Vice President of External Affairs	Labor	1.1	1.3
	Materials	0.0	0.0
	Outside Services	0.1	0.1
	Other	0.1	0.0
Communications	Labor	3.5	3.5
	Materials	0.1	0.1
	Outside Services	0.4	0.3
	Other	0.3	0.3
Community Resources	Labor	5.9	5.6
	Materials	0.7	0.8
	Outside Services	3.8	3.5
	Utilities	0.8	0.9
	Other	0.3	0.3
Controller	Labor	6.3	6.2
	Materials	0.0	0.0
	Outside Services	0.6	1.0
	Other	(0.2)	(0.5)
Corporate Strategy	Labor	2.4	2.3
	Materials	0.0	0.0
	Outside Services	0.8	0.4
	Other	0.2	0.2
Cybersecurity and Resilience	Labor	20.2	19.4
	Materials	0.8	0.6
	Outside Services	1.8	1.0
	Benefits, Insurance and Damages	8.8	8.7
	Employee Expense	0.5	0.4
	Soft/Hardware License and Maint	3.5	4.0
	Other	0.1	0.1

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Enterprise Operations	Labor	22.4	20.8
	Materials	3.6	4.3
	Outside Services	6.4	6.4
	Employee Expense	0.3	0.3
	Utilities	1.0	1.2
	Permits/Application Fees	0.1	0.2
	Other	0.3	0.3
Environmental Services	Labor	2.7	2.5
	Materials	0.0	0.0
	Outside Services	0.2	0.2
	Other	0.1	0.0
Executive Vice President of Enterprise Resources	Labor	0.0	0.9
	Materials	0.0	0.0
	Outside Services	0.0	0.0
	Other	0.0	0.0
Executive Vice President of Resilience and Technology	Labor	0.0	1.0
	Materials	0.0	0.0
	Outside Services	0.0	0.0
	Other	0.0	0.0
Finance	Labor	8.4	8.1
	Materials	0.0	0.0
	Outside Services	1.3	0.7
	Other	0.2	0.1
General Manager's Office	Labor	2.0	2.2
	Materials	0.0	0.0
	Outside Services	0.1	0.1
	Board of Director's Fees	0.2	0.2
	Other	0.1	0.1
Governmental and Regional Affairs	Labor	1.2	1.3
	Materials	0.0	0.0
	Outside Services	0.9	0.6
	Community Economic Dev/Assist	0.5	0.3
	Other	0.1	0.1
Human Resources	Labor	4.5	4.3
	Materials	0.0	0.0
	Outside Services	1.5	1.0
	Other	0.5	0.4
Legal Services	Labor	6.4	5.9
	Materials	0.0	0.0
	Outside Services	6.0	4.3
	Other	0.1	0.1

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NERC Compliance	Labor	1.9	1.8
	Materials	0.0	0.0
	Outside Services	0.1	0.0
	Other	0.0	0.0
Regulatory Affairs	Labor	1.7	1.7
	Materials	0.0	0.0
	Outside Services	0.1	0.1
	Other	0.0	0.0
Supply Chain	Labor	11.3	11.3
	Materials	(0.4)	(0.0)
	Outside Services	0.1	0.2
	Inventory Adjustments	0.0	0.4
	Other	0.2	0.3
Telecommunications	Labor	19.3	18.6
	Materials	7.4	5.7
	Outside Services	0.5	1.7
	Lease and Rental Expense	8.0	7.6
	Soft/Hardware License and Maint	2.4	2.4
	Transportation	0.2	0.0
	Utilities	1.3	1.3
	Other	0.2	0.5
Trans Asset Optimization	Labor	13.0	12.2
	Materials	0.1	0.1
	Outside Services	1.5	1.3
	Other	0.5	0.5
Trans Design and Protection	Labor	23.5	22.1
	Materials	0.1	0.1
	Outside Services	1.0	0.5
	Employee Expense	0.5	0.3
	Other	0.2	0.2
Transmission Field Services	Labor	50.9	49.0
	Materials	4.3	5.9
	Outside Services	8.7	6.8
	Employee Expense	1.0	0.9
	Soft/Hardware License and Maint	0.2	0.1
	Transportation	1.0	0.7
	Utilities	0.3	0.2
	Miscellaneous Expenses	0.6	0.2
	Other	0.3	0.1

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Transmission Management	Labor	12.1	11.9
	Materials	0.0	5.1
	Outside Services	0.2	0.9
	Lease and Rental Expense	10.0	9.9
	Membership Dues	0.6	1.0
	Property Tax	31.3	23.5
	Transmission Capital Charge	16.5	16.0
	Miscellaneous Expenses	0.5	1.6
	Other	0.3	(1.3)
Transmission Operations	Labor	21.3	21.2
	Materials	0.3	0.2
	Outside Services	0.4	0.6
	Soft/Hardware License and Maint	0.7	2.9
	Utilities	0.8	1.1
	Other	0.4	0.3
Water Management	Labor	1.1	1.0
	Materials	0.0	0.0
	Outside Services	0.0	0.0
	Other	0.0	0.0
Water Operations	Labor	15.2	13.4
	Materials	1.1	0.9
	Outside Services	1.3	1.4
	Utilities	4.9	4.8
	Other	0.4	0.2
Water Resources	Labor	11.0	9.8
	Materials	0.9	1.3
	Outside Services	2.6	2.1
	Chargebacks	(0.1)	(0.2)
	Permits/Application Fees	0.3	0.3
	Soft/Hardware License and Maint	0.3	0.4
	Other	0.2	0.3
Wholesale Power and Nonprofit Corporations	All Expense	544.5	575.4
Grand Total		1,033.5	1,044.3

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 2024 as of June 30, 2024 (dollars in millions)

Significant Revenue Stream	2024 Budget	2024 Actuals
Wholesale Power and Nonprofit Corporations	\$ 727.8	\$ 772.4
Transmission Services Corporation	629.5	677.8
Firm Water	30.1	35.6
Interruptible Water	10.9	5.1
Public Services, excluding Parks	2.5	1.8
Parks	4.2	3.7
Strategic Services, excluding Environmental Lab	15.0	19.1
Environmental Lab	5.4	6.7
Grants	0.2	1.4
Corporate: Non-Allocated	0.7	0.4
Grand Total	\$ 1,426.3	\$ 1,523.9

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 2024 Actuals		Fiscal Year 2024 Actuals	
			Transfer From	(dollars in millions)	Transfer to	(dollars in millions)
Resource Development Fund (RDF)	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	\$ 12.4	Resource Development Fund	\$ 14.4
			Water	\$ 0.6		
			Strategic Services	\$ 0.4		
			Public Service Fund	\$ 1.0		
			Total	\$ 14.4		
Public Service Fund (PSF)	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	\$ 10.1	Public Services	\$ 24.8
			Water	\$ 1.2	Infrastructure Reserve	\$ 3.0
			LCRA TSC	\$ 18.7	Resource Development Fund	\$ 1.0
			Strategic Services	\$ 0.6	LCRA Strategic Reserve Fund	\$ 1.8
			Total	\$ 30.6	Total	\$ 30.6
LCRA-LCRA TSC Services Agreement Payment	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	\$ 172.5	LCRA	\$ 172.5
Intracompany transfer – Wholesale Power water use	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
Intracompany transfer – Environmental Lab	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	\$ 0.2	Environmental Lab	\$ 0.8
Water Quality	\$ 0.6					
Total	\$ 0.8	Total	\$ 0.8			

Note: Arbuckle Reservoir debt service payments totaling \$13.0 million were paid directly from RDF to the Texas Water Development Board

Reserve Disclosure

(dollars in millions)

	June 30, 2024	
	Operational	Strategic
Debt Service Reserve Fund (LCRA)	\$ 35.8	\$ -
Debt Service Reserve Fund (LCRA TSC)	183.7	-
Construction funds from debt proceeds (LCRA)	12.2	-
Construction funds from debt proceeds (LCRA TSC)	0.8	-
Rate Stabilization Reserves	26.4	-
Contractual Reserves	47.4	-
Firm Water Reserve	0.9	-
Dam Repair Reserve	0.3	-
Self-Funded Medical Reserve	3.3	-
Generation Operational Reserve	27.7	-
Management Strategic Reserves	-	216.0
Total	\$ 338.6	\$ 216.0

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 of 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

Executive Position	Annual Salary as of June 30, 2024	Bonus Paid in FY 2024
General Manager/CEO	\$ 765,399	\$ 267,890
General Auditor	\$ 270,483	\$ 81,145
Executive Vice President, Water	\$ 311,933	\$ 53,988
General Counsel	\$ 340,000	\$ 64,272
Executive Vice President and Chief Operating Officer, Wholesale Power	\$ 420,000	\$ 91,250
Executive Vice President and Chief Operating Officer, Transmission	\$ 372,581	\$ 61,701
Executive Vice President, Strategic Initiatives and Transformation	\$ 311,933	\$ 38,992
Chief Financial Officer	\$ 348,400	\$ 67,000
Chief People Officer and Executive Vice President, External Affairs	\$ 370,000	\$ 85,000
Executive Vice President, Enterprise Resources	\$ 311,000	\$ 15,000
Executive Vice President, Resilience and Technology	\$ 311,000	\$ 16,000

General Manager's Discretionary Fund

Fiscal Year 2024 Total

Name	Fiscal Year 2024 Total
AFFECT CHANGE INC (CAREBOX PROGRAM)	\$ 2,500
AUSTIN CHAMBER OF COMMERCE	\$ 1,750
AUSTIN STEAM TRAIN ASSOCIATION	\$ 2,000
BEACON STATE FUND	\$ 500
BEN HUR SHRINERS	\$ 1,000
BOY SCOUTS OF AMERICA	\$ 2,500
CARRYING HOPE	\$ 2,000
COMMUNITY FOUNDATION OF SAN SABA	\$ 3,750
HILL COUNTRY BUYERS CLUB	\$ 2,500
HOSPICE AUSTIN	\$ 3,500
LEE COUNTY FAIR ASSOCIATION INC	\$ 1,000
OPPORTUNITY AUSTIN	\$ 5,000
STATE AGENCY COUNCIL TO THE GOVERNOR'S COMMISSION FOR WOMEN	\$ 2,500
TEXAS BOTANICAL GARDENS AND NATIVE AMERICAN INTERPRETIVE CENTER	\$ 2,500
THE ASSOCIATION OF FORMER STUDENTS OF TEXAS A&M UNIVERSITY (in memoriam of Jack Rains)	\$ 250
THE HONOR FOUNDATION	\$ 5,000
	\$ 38,250