



# Board Agenda

Wednesday, Nov. 17, 2021  
LCRA General Office Complex  
Board Room – Hancock Building  
3700 Lake Austin Blvd.  
Austin, TX 78703  
Earliest start time: 9:05 a.m.

### Items From the Chair

- 1. Comments From the Public ..... 3
- 2. Appointment of Land and Community Resources Committee Chair  
and Committee Member ..... 5
- 3. Appointment of Director to LCRA Retirement Benefits Board of Trustees..... 6

### Consent Items

- \*4. Granting of Access Easement in Matagorda County ..... 7
- \*5. Granting of Access Easement in Colorado County..... 10
- \*6. Conveyance of Utility Easement in Burnet County ..... 13
- \*7. Sale of Land in Bastrop County ..... 16
- 8. Amendments to Audit and Risk Committee and Auditing Services Charters  
and Conforming Changes to Board Policy 221 – Auditors..... 20
- \*\*9. Amendments to LCRA Bylaws..... 30
- 10. Minutes of Prior Meeting..... 44

### Action Items

- 11. Replacement Firm Water Contract for Industrial Use – Underground Services  
Markham, L.P. .... 49
- 12. LCRA Board Firm Water Reservation and Firm Water Contract  
for Municipal Use – West Travis County Public Utility Agency ..... 51
- 13. Consideration of Highland Lakes Dredge and Fill Ordinance, Conforming  
Changes to Highland Lakes Watershed Ordinance and Fee Schedules,  
and Repeal of the Moratorium on Commercial Dredge and Fill Activities  
on the Highland Lakes ..... 54

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

\*\*This agenda item requires the approval of at least 10 Board members.

### Executive Session

- 1. Competitive Electric Matters
- 2. Litigation Report

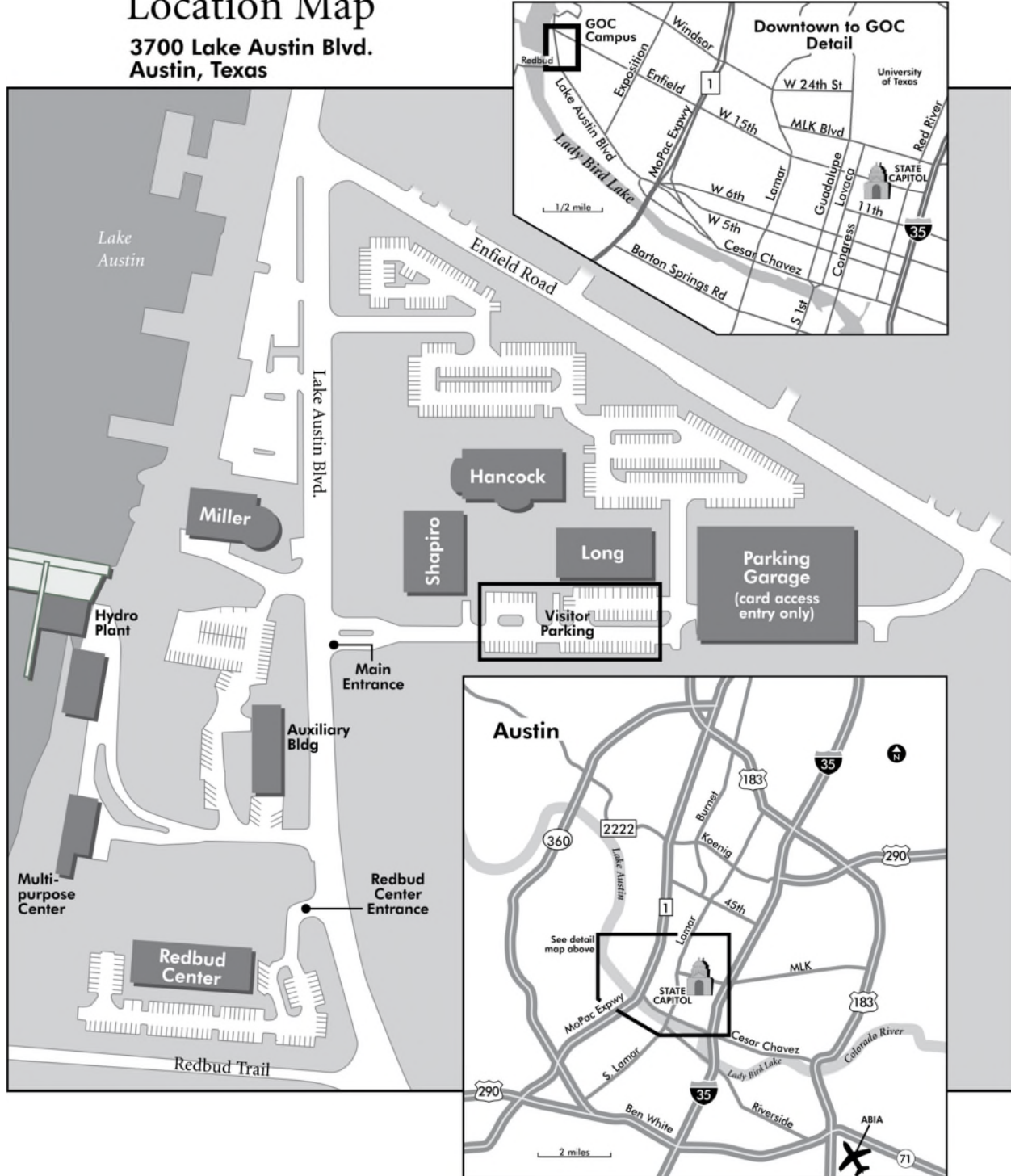
The Board also may go into executive session for advice from legal counsel on any item listed above, pursuant to Chapter 551 of the Texas Government Code.

### Legal Notice

Legal notices are available on the Texas secretary of state website 72 hours prior to the meeting at the following link: <https://www.sos.texas.gov/open/index.shtml>

# LCRA General Office Complex Location Map

3700 Lake Austin Blvd.  
Austin, Texas



## **FOR DISCUSSION**

# **1. Comments From the Public**

### **Summary**

This part of the meeting is intended for comments from the public on topics under LCRA's jurisdiction but not related to an item on the Board of Directors agenda. No responses or action may be taken by the Board during public comments.

In order to address the Board, a member of the public is required to sign and complete the registration form at the entrance to the meeting room. Please see the Protocols for Public Communication at Board and Committee Meetings as shown in Exhibit A for details.

Any member of the public wishing to comment on an item listed on this agenda will be called to make comments at the appropriate time.

### **Exhibit(s)**

A – Protocols for Public Communication at Board and Committee Meetings

## EXHIBIT A

### **PROTOCOLS FOR PUBLIC COMMUNICATION AT BOARD AND COMMITTEE MEETINGS**

**Approved by the LCRA Board of Directors on Dec. 11, 2018**

- 1. Oral Presentations on Issues Under LCRA's Jurisdiction.** Any person wishing to make an oral presentation at a Board meeting on any matter under LCRA's jurisdiction must complete a registration form that indicates the agenda item or other topic on which they wish to comment, along with the speaker's name, address and other relevant information. Any person making an oral presentation to the Board may distribute related materials to the Board at the meeting.
- 2. Time Allocation.** The presiding officer may limit the length of time for each speaker. Speakers may not trade or donate time to other speakers without permission from the presiding officer, and repetitive testimony shall be minimized.
- 3. Rules of Decorum.** Speakers and members of the audience must avoid disruptive behavior that interferes with the orderly conduct of a public meeting. Placards, banners, and hand-held signs are not allowed in Board or committee meetings, and speakers and members of the audience must avoid personal affronts, profanity, booing, excessive noise, and other disruptive conduct. The presiding officer may direct that anyone who disrupts a meeting be removed from the room.
- 4. Recording.** Any person making an audio or video recording of all or any part of a Board meeting must do so in a manner that is not disruptive to the meeting. During a meeting, members of the public must remain in or behind the public seating area and are not permitted to record from any other area of the meeting room.
- 5. Committee Meetings.** The protocols outlined in 1-4 above also apply to members of the public wishing to address any LCRA Board committee whose membership comprises the entirety of the LCRA Board on matters within the scope of each of those committees.

## **FOR ACTION**

# **2. Appointment of Land and Community Resources Committee Chair and Committee Member**

### **Proposed Motion**

Approve the appointment of Nancy Eckert Yeary to serve as chair and Matthew Arthur to serve as a member of the Land and Community Resources Committee.

### **Board Consideration**

Article 2, Section 2.09, of the LCRA bylaws requires the chair of the LCRA Board of Directors to appoint the chairs of all standing committees other than the Planning and Public Policy Committee and the Executive Committee, all subject to the approval of the Board.

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

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

### **Summary**

The chair of the Land and Community Resources Committee has been vacated with the departure of Lori Berger from the LCRA Board. LCRA Board Chair Timothy Timmerman has named LCRA Director Nancy Eckert Yeary to serve as chair of the Land and Community Resources Committee effective immediately for a term ending June 30, 2023, and continuing until such time as the Board chair appoints a successor. Director Yeary currently serves as a member of the committee. The appointment of LCRA Director Matthew Arthur will fill the vacant seat on the Land and Community Resources Committee.

### **Presenter(s)**

Timothy Timmerman  
LCRA Board Chair

## **FOR ACTION**

### **3. Appointment of Director to LCRA Retirement Benefits Board of Trustees**

#### **Proposed Motion**

Appoint Stephen F. Cooper to serve on the LCRA Retirement Benefits Board of Trustees to complete an unexpired term ending Dec. 31, 2023.

#### **Board Consideration**

The plan document governing LCRA's retirement plans provides that a seven-member board of trustees will administer the plans. The LCRA Board of Directors shall appoint two LCRA Board members to serve three-year terms on the board of trustees for LCRA's retirement plans.

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

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

#### **Summary**

In January 2021, the LCRA Board reappointed Raymond A. "Ray" Gill Jr. and appointed Michael L. "Mike" Allen to serve on the LCRA Retirement Benefits Board of Trustees for three-year terms that expire Dec. 31, 2023. They both continue to serve until appointments or reappointments are made or upon a decision to resign from the position. Due to a vacancy of the seat held by Director Gill, the LCRA Board needs to fill the vacancy on the board of trustees for a term that is effective immediately and expires Dec. 31, 2023.

#### **Presenter(s)**

Timothy Timmerman  
LCRA Board Chair

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

**FOR ACTION (CONSENT)**

## **4. Granting of Access Easement in Matagorda County**

### **Proposed Motion**

Authorize the general manager or his designee to grant a 5,029-square-foot access easement to the adjoining owner of the property across an LCRA-owned irrigation canal in the Gulf Coast Agricultural Division in Matagorda County.

### **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 the approval of the LCRA Board to convey easements across LCRA land.

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

The fiscal year 2022 business plan contains the administrative costs associated with the conveyance of this easement. The proceeds of \$25,000 shall be directed to the LCRA Strategic Reserve Fund.

### **Summary**

Landowner Lodestar Energy Group, LLC, owns property on both sides of an LCRA-owned canal in Matagorda County. The landowner asked LCRA to convey an easement allowing up to five railroad crossings to build the company's planned railyard. The canal is part of the Gulf Coast Agricultural Division's canal system.

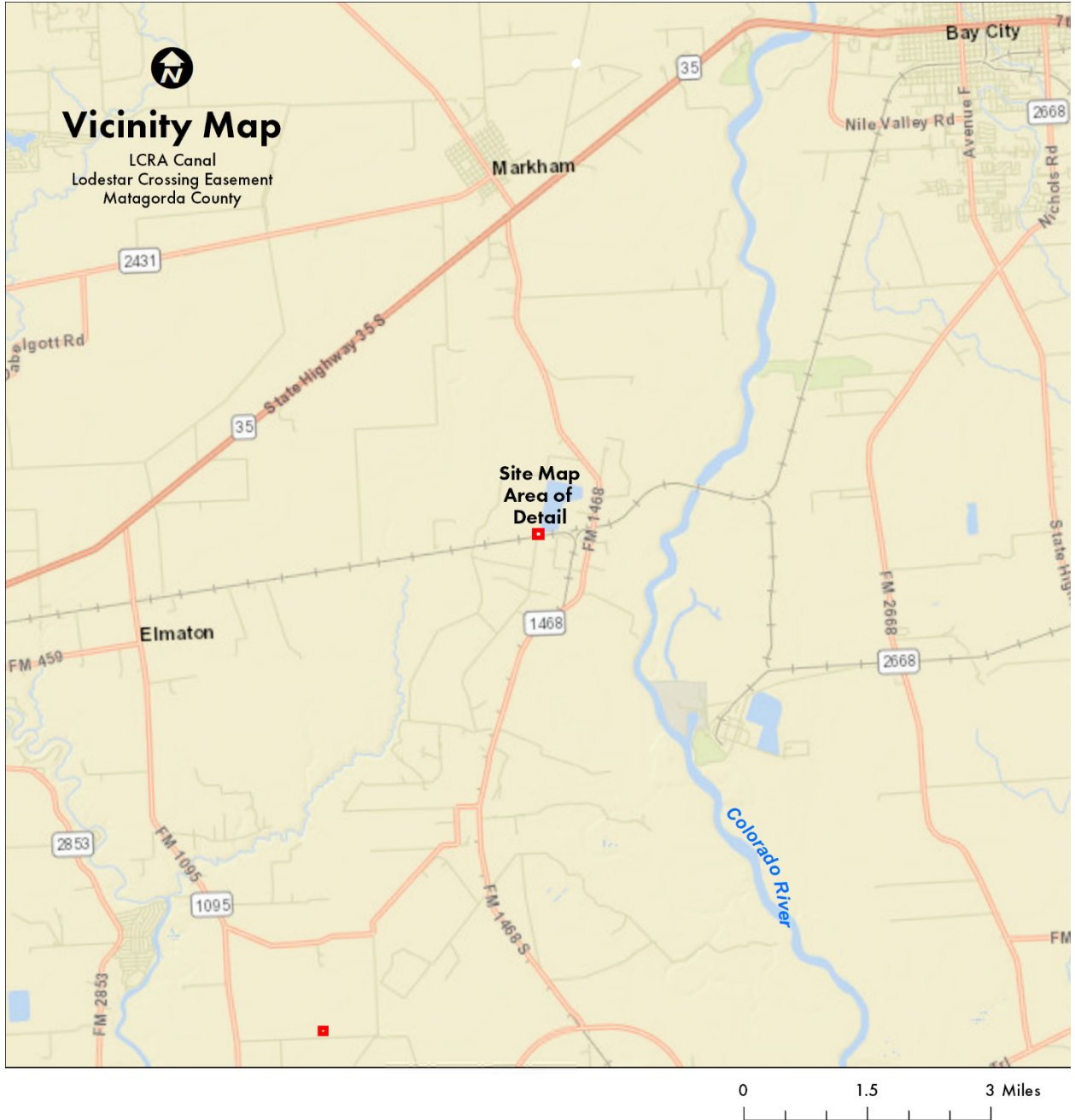
LCRA staff reviewed the available market data and determined that \$25,000 is at or above the market value of the easement to be conveyed. Lodestar is working with LCRA to approve construction plans, which require the replacement and extension of an existing culvert in the canal.

LCRA staff will complete and document environmental and cultural due diligence in accordance with Board Policy 401.403 – Land Disposition before the conveyance of the easement.

### **Exhibit(s)**

- A – Vicinity Map
- B – Site Map

**EXHIBIT A**





**EXHIBIT B**



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

**FOR ACTION (CONSENT)**

## **5. Granting of Access Easement in Colorado County**

### **Proposed Motion**

Authorize the general manager or his designee to grant a 0.083-acre access easement to the owner of the adjacent property across an LCRA canal property in the Gulf Coast Agricultural Division in Colorado County.

### **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 the approval of the LCRA Board to convey easements across LCRA land.

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

The fiscal year 2022 business plan contains the administrative costs associated with the conveyance of this easement. The proceeds of \$375 shall be directed to the LCRA Strategic Reserve Fund.

### **Summary**

Landowner Mike Thompson accesses his property over and across an adjoining LCRA-owned canal in Colorado County. He asked LCRA to convey an easement to provide legal access to his property. The canal is part of the Gulf Coast Agricultural Division's canal system, and the crossing has been in place since the canal was constructed more than 100 years ago. Granting the crossing easement to the landowner will not require any construction.

LCRA staff reviewed available market data and determined that \$375 is at or above the market value of the easement to be conveyed. Mr. Thompson will grant LCRA perpetual access along the north side of his property to reach the existing LCRA canal.

LCRA staff will complete and document environmental and cultural due diligence in accordance with Board Policy 401.403 – Land Disposition before the conveyance of the easement.

### **Exhibit(s)**

- A – Vicinity Map
- B – Site Map

**EXHIBIT A**



**EXHIBIT B**



**FOR ACTION (CONSENT)**

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

## **6. Conveyance of Utility Easement in Burnet County**

### **Proposed Motion**

Authorize the general manager or his designee to convey to Pedernales Electric Cooperative a permanent transmission line easement, being an approximately 0.147-acre tract, across a portion of LCRA Parcel MW-01 in Burnet County.

### **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 the approval of the LCRA Board to convey easements across LCRA land.

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

The fiscal year 2022 business plan contains the administrative costs associated with the conveyance of this easement. The proceeds of \$8,778 shall be directed to the LCRA Strategic Reserve Fund.

### **Summary**

LCRA acquired Parcel MW-01 in 1949 for the purpose of creating Starcke Dam and Lake Marble Falls. This property has frontage on the south sides of both Lake Marble Falls and Lake Travis and is located adjacent to Starcke Dam.

In 2021, PEC requested a 0.147-acre easement across LCRA Parcel MW-01 to accommodate rerouting a PEC transmission line. The PEC line runs parallel to and crosses an LCRA transmission line. As this change will cause the PEC line to cross LCRA's line in a different location, LCRA Transmission Services Corporation engineers reviewed and approved the new route.

LCRA will charge PEC \$8,778 for the easement. This value was based on an appraisal by Hornsby & Company, an Austin-based real estate appraiser.

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

### **Exhibit(s)**

- A – Vicinity Map
- B – Site Map

**EXHIBIT A**



**EXHIBIT B**



**FOR ACTION (FOR CONSENT)**

## **7. Sale of Land in Bastrop County**

### **Proposed Motion**

Declare a 1.95-acre tract of land, being a portion of LCRA Parcel CR-08 in Bastrop County, nonessential, and authorize the general manager or his designee to do all things reasonably necessary to convey the property to Corix Utilities (Texas), Inc. and make the following findings:

1. There is no feasible and prudent alternative to the conveyance of the property nor change in use of the property; and
2. The conveyance and change in use of the land includes all reasonable planning to minimize harm to the land, as a public park, that may result from the land's conveyance and change in use.

### **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 beneficial 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. Chapter 26 of the Texas Parks and Wildlife Code requires that before a political subdivision approves a change in use of publicly owned park land, the governing body must make certain findings related to the change in use of the park land.

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

The fiscal year 2022 business plan contains the administrative costs associated with the sale of this land. The proceeds of \$68,000 will be credited to the LCRA Public Recreation and Conservation Land Acquisition Fund.

### **Summary**

LCRA in 1995 acquired Parcel CR-08 as the first of eight tracts to be acquired for the McKinney Roughs Nature Park. In 2014, LCRA conveyed to Corix the McKinney Roughs Wastewater Treatment System, including a 0.43-acre tract of land. Corix would like to acquire the additional 1.95-acre tract to expand the current wastewater system. This would allow Corix to accommodate growing needs of existing users, such as Cedar Creek High School, and to fulfill requests from new users, including several commercial businesses in the area.

The appropriate departments within LCRA reviewed the proposed sale of this property and determined the sale would have no adverse impact on LCRA operations. LCRA staff will complete environmental and cultural resource due diligence assessments in accordance with Board Policy 401.403 – Land Disposition before closing. Corix has provided a survey of the approximately 1.95-acre tract.



Valbridge Property Advisors, an independent, licensed and certified third-party appraiser out of San Antonio, appraised the tract. Based on this appraisal, Corix and LCRA have agreed to a price of \$68,000 for the tract.

In accordance with Chapter 26 of the Texas Parks and Wildlife Code – Protection of Public Parks and Recreational Lands, LCRA held a public hearing regarding this sale and will communicate comments from the public to the Board.

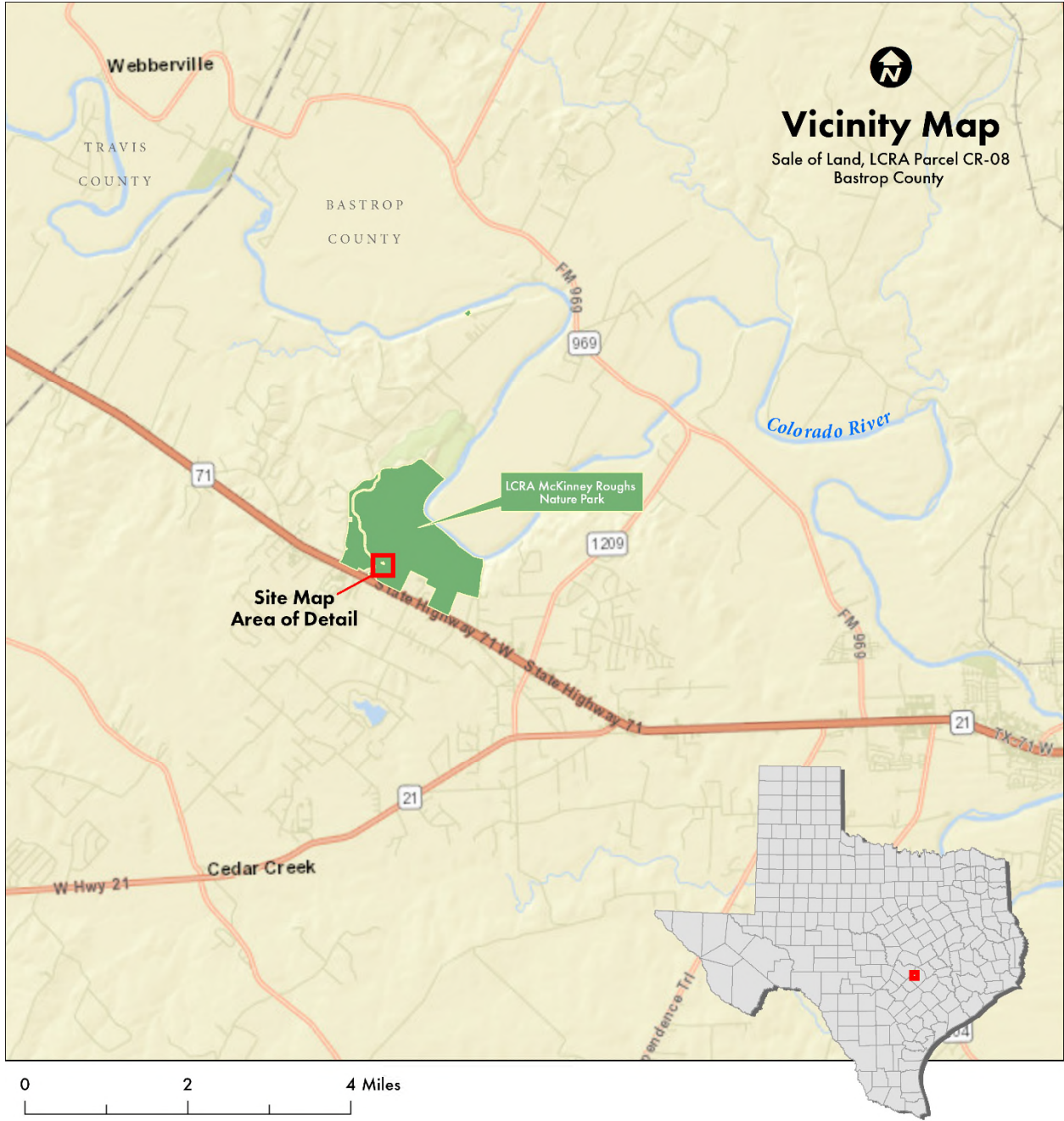
The approximately 1.95-acre tract will be sold subject to the following reservations and restrictions:

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 reserve access through an existing park road.
3. A reversionary clause will allow LCRA to retake ownership of the property if it is not used for a wastewater plant within five years of the sale. The reversion will be at LCRA's election and not automatic.
4. Corix will be responsible for and will indemnify and hold harmless LCRA for any damage caused by the expansion of the wastewater plant and wastewater operations.

**Exhibit(s)**

- A – Vicinity Map
- B – Site Map

**EXHIBIT A**



**EXHIBIT B**



**FOR ACTION (CONSENT)**

**8. Amendments to Audit and Risk Committee and Auditing Services Charters and Conforming Changes to Board Policy 221 – Auditors**

**Proposed Motion**

Approve amendments to the Audit and Risk Committee Charter as attached in Exhibit A, the amended LCRA Auditing Services Charter as attached in Exhibit B, and conforming amendments to LCRA Board Policy 221 – Auditors as attached in Exhibit C.

**Board Consideration**

LCRA Board of Directors approval is required for any changes to the Audit and Risk Committee Charter, LCRA Auditing Services Charter and LCRA Board policies.

**Budget Status and Fiscal Impact**

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

**Summary**

On Oct. 19, the Audit and Risk Committee approved amendments to the Audit and Risk Committee and LCRA Auditing Services charters. Board of Directors approval is required for the charter amendments to become effective. The general auditor discussed conforming changes to LCRA Board Policy 221 – Auditors and the LCRA bylaws with the committee.

The proposed amendments to the Audit and Risk Committee Charter relate to the frequency of the external quality assurance review of LCRA Auditing Services. The proposed amendments align the Audit and Risk Committee Charter with the LCRA Auditing Services Charter and The Institute of Internal Auditors Standards, which require an external quality assurance review every five years. In addition, other proposed amendments to the Audit and Risk Committee Charter update the composition section to conform to the LCRA bylaws.

The proposed amendment to the monitoring and reporting section of the LCRA Auditing Services Charter reflects that an audit report may include the results of Auditing Services' collaborative and technology-driven approach. The proposed amended Auditing Services charter also aligns with The Institute of Internal Auditors Standards.

As part of this item, staff recommends changes to update LCRA Board Policy 221 – Auditors to conform to practice and the Auditing Services charter. The proposed changes amend Board Policy 221, Section 221.40 – Auditing Services, to reflect that the Board of Directors or Audit and Risk Committee will approve the Auditing Services charter and resource plan. The Audit and Risk Committee will have oversight of the Auditing Services budget. The proposed changes also reflect that the Board will make appropriate inquiries of management and the general auditor to determine whether there is inappropriate scope or resource limitations.

In a separate agenda item, staff recommends related proposed conforming changes to the LCRA bylaws.

**Exhibit(s)**

- A – Proposed Amendments to Audit and Risk Committee Charter
- B – Proposed Amended and Restated LCRA Auditing Services Charter
- C – Proposed Amendments to LCRA Board Policy 221 – Auditors

## **EXHIBIT A**

### **AUDIT AND RISK COMMITTEE CHARTER**

#### **PURPOSE**

In accordance with LCRA Board Policy 221 – Auditors and LCRA Bylaws, Section 2.10 – Standing Committees, the Audit and Risk Committee will:

- Review the scope and results of internal and external audits.
- Review the adequacy and effectiveness of internal controls, audit policies and procedures applied in auditing.
- Participate with management in the annual financial reporting process.
- Review the scope and results of risk management, insurance, safety and security programs.

#### **AUTHORITY**

The committee has oversight over directors' expenses, the independent public auditors, internal audit and accounting policy.

The Audit and Risk Committee shall authorize audits and investigations into any matters within its scope of responsibility. The Audit and Risk Committee shall:

- Provide oversight of LCRA's risk management programs and ensure timely updates to LCRA's risk register.
- Oversee the work of the independent audit firm employed by LCRA to conduct the annual financial statement audit. This firm will report directly to the Audit and Risk Committee.
- Resolve any disagreements between management and the independent auditor regarding financial reporting.
- Preapprove all auditing and permitted nonaudit services performed by LCRA's independent audit firm.
- Retain (in coordination with the general auditor and with the consent of the LCRA Board of Directors) independent counsel, accountants or others to advise the committee or assist in the conduct of an investigation.

#### **COMPOSITION**

The Audit and Risk Committee ~~shall~~will have ~~no more than~~ six members, including at least one Board officer. The Board chair ~~shall~~will appoint ~~the~~up to six committee members, naming one of them as chair of the committee, all subject to the approval of the full Board. Three committee members ~~shall~~will constitute a quorum of the Audit and Risk Committee. Members shall serve until their successors are appointed.

#### **MEETINGS**

The committee will meet at least four times a year, with authority to convene additional meetings as circumstances require. The committee will invite members of management, auditors or others to attend meetings and provide pertinent information as necessary. Each regularly scheduled meeting will conclude with a private session of the committee without members of management present. Meeting agendas and appropriate briefing

materials will be prepared and provided in advance to members. Any LCRA director may place an item on the committee's agenda through a request to the Audit and Risk Committee chair. Meeting minutes will be prepared for any meetings.

The committee will report regularly to the Board of Directors about committee activities and issues that arise with respect to the quality or integrity of LCRA's financial statements, LCRA's compliance with legal or regulatory requirements, the performance and independence of LCRA's independent auditors, and the performance of the internal audit, risk management, safety or security functions.

## **RESPONSIBILITIES**

### **Internal Audit**

- Review with management and the general auditor the reports, activities, staffing and organizational structure of the internal audit function.
- Review and approve the internal audit function's charter and the six-month audit work plans.
- Review the results of the external quality assurance review of Auditing Services every ~~three~~ five years.

### **Internal Control**

- Consider the effectiveness of LCRA's internal control system as it relates to LCRA's key risks.

### **External Audit**

- Review the independent auditor's proposed audit scope and approach, and the results of the audit and audited financial statements, including any difficulties encountered. This review will include any restrictions on the scope of the independent auditor's activities or access to requested information, and any significant disagreements with management.
- Preapprove management's use of the independent auditor for any other audit or consulting and advisory service to ensure such services are compatible with the auditor's independence.
- Review the performance of the independent auditor and provide the Board an annual recommendation on the appointment or discharge of the auditors.

### **Risk Oversight and Insurance**

- Review LCRA's strategic and key risk inventories and mitigation strategies.
- Review LCRA's insurance coverage (excluding employee benefit programs).

### **Physical/Virtual Security and Safety**

- Review the scope and results of LCRA's security program protecting the security of LCRA's plants, equipment and property.
- Review the scope and results of LCRA's safety programs to assure the safety of employees and the general public.

## **EXHIBIT B**

### **LCRA AUDITING SERVICES CHARTER**

#### **INTRODUCTION**

Auditing Services is an independent and objective assurance and advisory activity that is guided by a philosophy of adding value to improve the operations of LCRA. It assists LCRA in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of LCRA's governance, risk management and internal control processes.

#### **ROLE**

Auditing Services (i.e., LCRA's internal audit activity) is established by the LCRA Board of Directors (the Board). Auditing Services consists of a general auditor, who is LCRA's chief audit executive, and employed and contracted personnel under the general auditor's supervision. Auditing Services' scope of work encompasses all systems, processes, operations, functions and activities of LCRA, including any subsidiaries, affiliates and any functions delegated to third parties. Auditing Services' responsibilities are defined by the Board as part of its oversight role.

#### **PROFESSIONALISM**

Auditing Services will govern itself by adherence to The Institute of Internal Auditors' mandatory guidance, including the Definition of Internal Auditing, the Code of Ethics, the Core Principles for the Professional Practice of Internal Auditing and the International Standards for the Professional Practice of Internal Auditing (Standards). This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of Auditing Services' performance.

The Institute of Internal Auditors' recommended guidance, to include Implementation Guidance and Supplemental Guidance, also will be adhered to as applicable to guide operations. In addition, Auditing Services will adhere to LCRA's relevant policies and procedures and Auditing Services' standard operating procedures manual.

#### **AUTHORITY**

Auditing Services, with strict accountability for confidentiality and safeguarding records and information, is authorized full, free and unrestricted access to any and all of LCRA's records, physical properties and personnel pertinent to carrying out any engagement. All LCRA employees are requested to assist Auditing Services in fulfilling its roles and responsibilities. Auditing Services will also have free and unrestricted access to the Board. No Auditing Services personnel or activity relieves LCRA employees of their management responsibilities.

#### **ORGANIZATION**

To provide for the objectivity of Auditing Services' work, the general auditor will report functionally to the Board and administratively (i.e., day-to-day operations) to the LCRA general manager.



The Board will:

- Approve the Auditing Services Charter.
- Approve risk-based internal audit plans.
- Approve the internal audit budget and resource plan.
- Receive communications from the general auditor on Auditing Services' performance relative to its plan and other matters.
- Approve decisions regarding the appointment and removal of the general auditor.
- Approve the remuneration of the general auditor.
- Make appropriate inquiries of management and the general auditor to determine whether there is inappropriate scope or resource limitations.

The general auditor will communicate and interact directly with the Board, including in Board and committee meetings and between meetings as appropriate.

### **INDEPENDENCE AND OBJECTIVITY**

Auditing Services will remain free from interference by any element in LCRA pertaining to matters of audit selection, scope, procedures, frequency, timing or report content to permit maintenance of a necessary independent and objective mental attitude.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records or engage in any other activity that may impair auditor's judgment.

The above shall not preclude Auditing Services' nonaudit involvement in LCRA planning processes, committees or other assignments in which its service is advisory in nature and supports the ability of Auditing Services to carry out its role.

Internal auditors will exhibit the highest level of professional objectivity in gathering, evaluating and communicating information about the activity or process being examined. Internal auditors will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

The general auditor will confirm to the Board, at least annually, the organizational independence of Auditing Services.

### **RESPONSIBILITY**

Auditing Services' scope encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of LCRA's governance, risk management and internal control processes, as well as the quality of performance carrying out assigned responsibilities to achieve LCRA's stated goals and objectives. This includes:

- Evaluating risk exposure relating to achievement of LCRA's strategic objectives.
- Evaluating the reliability and integrity of information and means used to identify, measure, classify and report such information.
- Evaluating the systems established to ensure compliance with those policies, plans, procedures, laws and regulations that could have a significant impact on LCRA.

- Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- Evaluating the effectiveness and efficiency with which resources are employed.
- Evaluating operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.
- Monitoring and evaluating governance processes.
- Monitoring and evaluating the effectiveness of LCRA's risk management processes.
- Evaluating the quality of performance of external auditors and the degree of coordination with internal audit.
- Performing advisory services related to governance, risk management and control as appropriate for LCRA.
- Reporting periodically on Auditing Services' purpose, authority, responsibility and performance relative to the audit plan.
- Reporting significant risk exposures and control issues, including fraud risks, governance issues and other matters needed or requested by the Board.
- Evaluating specific operations at the request of the Board or management, as appropriate.

### **INTERNAL AUDIT PLAN**

The general auditor will submit to senior management and the Board internal audit plans for review and approval. The internal audit plans will consist of a work schedule, as well as budget and resource requirements. The general auditor will communicate the impact of resource limitations and significant interim changes to senior management and the Board.

The internal audit plans will be developed using a risk-based methodology, including the input of senior management and the Board. The general auditor will review and adjust the plans, as necessary, in response to changes in LCRA's business, risks, operations, programs, systems and controls. Any significant deviation from the approved internal audit plans will be communicated to senior management and the Board through periodic activity reports.

### **REPORTING AND MONITORING**

A written report will be prepared and issued by the general auditor or designee following the conclusion of each internal audit engagement and will be distributed as appropriate. Internal audit results also will be communicated to the Board.

The internal audit report may include the results of Auditing Services' collaborative and technology-driven approach and management's response and corrective action taken or to be taken in regard to the specific findings and recommendations. Management's response should include a timetable for anticipated completion of action to be taken and an explanation for any corrective action that will not be implemented.

Auditing Services will be responsible for the appropriate follow-up on engagement findings and recommendations. All findings requiring a management response will remain in an open issues file until cleared.

The general auditor will periodically report to senior management and the Board on Auditing Services' purpose, authority and responsibility, as well as performance relative to its plan. Reporting also will include significant risk exposures and control issues, including fraud risks, governance risks and other matters needed or requested by senior management and the Board.

LCRA management (pursuant to an event reporting matrix maintained between the general manager and general auditor) shall promptly inform the general auditor of known or suspected cases of a criminal or unethical nature that involve LCRA funds, property or employees or are related to known or suspected cases of LCRA's failure to comply with applicable laws and regulations.

**QUALITY ASSURANCE AND IMPROVEMENT PROGRAM**

Auditing Services will maintain a quality assurance and improvement program that covers all aspects of its activities. The program will include an evaluation of Auditing Services' conformance with the Standards and an evaluation of whether internal auditors apply the Code of Ethics. The program also assesses the efficiency and effectiveness of Auditing Services and identifies opportunities for improvement.

The general auditor will communicate to senior management and the Board on Auditing Services' quality assurance and improvement program, including results of ongoing internal assessments and external assessments conducted at least every five years.

**Auditing Services Charter**

Approved this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Board of Directors Chair

\_\_\_\_\_  
Audit and Risk Committee Chair

\_\_\_\_\_  
General Manager

\_\_\_\_\_  
General Auditor

## EXHIBIT C

---

### LCRA BOARD POLICY

#### 221 – AUDITORS

~~Sept. 21, 2016~~ Nov. 17, 2021

---

#### **221.10 PURPOSE**

This policy defines the relationship of LCRA's Board of Directors, the independent auditors and internal audit function.

#### **221.20 POLICY**

Independent auditors will be approved and retained by the Board of Directors, with the advice and recommendations of the Audit and Risk Committee and the general auditor. Following retention, the independent auditor will function in cooperation with, but independent of, executive management, the general auditor and staff.

Auditing Services is LCRA's internal audit function and consists of a general auditor, who is LCRA's chief audit executive, and audit personnel employed and contracted under the general auditor's supervision. To provide for the objectivity of its work, Auditing Services will report functionally to the LCRA Board and administratively to the GM/CEO and maintain independence from any other department or office within LCRA.

#### **221.30 SCOPE OF SERVICES**

The independent auditor is engaged to conduct an examination of the financial statements of LCRA in accordance with generally accepted auditing standards, and to express an opinion as to the fairness of the financial statements in conformity with generally accepted accounting principles.

The independent auditor will meet with the Board's Audit and Risk Committee at least twice each year to discuss the audit plan, audit results and other related matters.

The independent auditor also may be engaged to perform other audit and consulting and advisory services. To the extent these additional services are requested by and performed at management's request, the Board's Audit and Risk Committee must approve such engagements before the work is assigned. Audit and Risk Committee approval is not required for the use of the independent auditor for co-sourced or outsourced services or for services required for the issuance of LCRA debt.

Auditing Services' purpose is to assist the LCRA Board, the GM/CEO, management and employees in the effective discharge of their responsibilities by providing audits, analyses, recommendations, counsel and information regarding whether LCRA's network of risk management, control and governance processes, as designed and represented by management, is adequate and functioning.

#### **221.40 TERM OF SERVICE**

The independent auditor will be evaluated and appointed annually by the Board. LCRA will retain the right to terminate the engagement at any time following due notice.

In connection with the annual evaluation, the Board may consider selecting and appointing a new independent auditor. The Board may decide it is in LCRA's best interest to do so even if the current independent auditor is performing satisfactorily.

The general auditor will be hired by the LCRA Board in consultation with the GM/CEO. The general auditor may be discharged only upon a majority vote of the Board following consultation with the GM/CEO. The Board will approve and make any adjustment to the general auditor's compensation and will review his or her performance. The general auditor may meet with the Board, Audit and Risk Committee or other designee without other LCRA staff present, and the Board or Audit and Risk Committee will have final authority to review and approve the Auditing Services charter, resource plan, annual audit plan and all significant changes to the plan. The Audit and Risk Committee will have oversight of the Auditing Services budget. The Board will make appropriate inquiries of management and the general auditor to determine whether there is inappropriate scope or resource limitations.

**EFFECTIVE:** November 1985. Republished March 19, 1987. Amended Oct. 22, 1992; June 21, 2000; April 16, 2008; and Aug. 25, 2010. Reaffirmed April 20, 2011. Amended Sept. 21, 2016; and Nov. 17, 2021.

**FOR ACTION (CONSENT)**

This agenda item requires the approval of at least 10 members of the Board.

## **9. Amendments to LCRA Bylaws**

### **Proposed Motion**

Approve amendments to the LCRA bylaws as attached in Exhibit A.

### **Board Consideration**

Section 1.07 of the LCRA bylaws provides that the bylaws may be amended by the vote of a two-thirds majority upon 21 days prior written notice. Staff provided the required notice to the Board on Oct. 26, 2021.

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

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

### **Summary**

Staff recommends amendments to the LCRA bylaws to conform to the LCRA Auditing Services Charter, as discussed with the Audit and Risk Committee on Oct. 19. The proposed conforming changes amend Article 4, Section 4.02, of the LCRA bylaws to reflect that the Board of Directors or Audit and Risk Committee will approve the Auditing Services charter and resource plan. The Audit and Risk Committee will have oversight of the Auditing Services budget. The proposed changes also reflect that the Board will make appropriate inquiries of management and the general auditor to determine whether there is inappropriate scope or resource limitations.

### **Exhibit(s)**

A – Proposed Amendments to LCRA bylaws

**EXHIBIT A**

**AMENDED AND RESTATED BYLAWS**

**OF THE**

**LOWER COLORADO RIVER AUTHORITY**

**As Amended Through ~~Feb. 20, 2019~~ Nov. 17, 2021**

**TABLE OF CONTENTS**

**ARTICLE 1 – GENERAL PROVISIONS**

- Section 1.01 Purpose and Statutory Authority
- Section 1.02 Domicile
- Section 1.03 Seal
- Section 1.04 Records
- Section 1.05 Custodian of Official Records
- Section 1.06 Fiscal Year
- Section 1.07 Amendment
- Section 1.08 Effective Date

**ARTICLE 2 – BOARD OF DIRECTORS**

- Section 2.01 Responsibilities
- Section 2.02 Board Officers
- Section 2.03 Chair and Vice Chair of the Board
- Section 2.04 Secretary and Assistant Secretaries (Secretaries Pro Tem)
- Section 2.05 Regular Board Meetings
- Section 2.06 Special Board Meetings
- Section 2.07 Quorum
- Section 2.08 Per Diem and Expenses
- Section 2.09 Committees
- Section 2.10 Standing Committees
- Section 2.11 Open Meetings, Notice, Agendas
- Section 2.12 Parliamentary Authority

## **ARTICLE 3 – EXECUTIVE OFFICERS**

Section 3.01 Executive Officers  
Section 3.02 General Manager/Chief Executive Officer  
Section 3.03 General Counsel  
Section 3.04 Treasurer

## **ARTICLE 4 – AUDITORS**

Section 4.01 Independent Auditors  
Section 4.02 General Auditor

## **ARTICLE 5 – FUNDS OF LCRA**

Section 5.01 Funds  
Section 5.02 Surety Bonds

## **ARTICLE 6 – CONTRACTS AND PURCHASE ORDERS**

Section 6.01 Contracts  
Section 6.02 Purchase Orders

## **ARTICLE 7 – INDEMNITY OF DIRECTORS, OFFICERS AND EMPLOYEES**

Section 7.01 Indemnity  
Section 7.02 Legal Counsel  
Section 7.03 Expenses  
Section 7.04 Limitation of LCRA's Liability  
Section 7.05 Indemnification Not Exclusive

# **BYLAWS OF LOWER COLORADO RIVER AUTHORITY**

## **ARTICLE 1 – GENERAL PROVISIONS**

**Section 1.01. Purpose and Statutory Authority.** The purpose of these bylaws is to provide for the management and regulation of the affairs of the Lower Colorado River Authority (LCRA) in conformity with and pursuant to the enabling legislation creating a conservation and reclamation district known as "LOWER COLORADO RIVER AUTHORITY," appearing as Chapter 8503, Special District Local Laws Code, and other applicable law.

**Section 1.02. Domicile.** The domicile and principal office of LCRA will be in the City of Austin, Travis County, Texas, where the records of LCRA will be kept.



**Section 1.03. Seal.** LCRA will have a seal used as required to attest the official acts of the Board of Directors (Board) and of LCRA, or otherwise as the Board may direct. The seal of LCRA will be formed of two circles, one within the other, with the outer circle containing half-moon designations. The "LOWER COLORADO RIVER AUTHORITY" and five small stars will appear between the circles, and a star of five points encircled by olive and live oak branches will be in the center. This seal will be known as the official seal of LCRA, and such seal will be kept under the direction of the secretary of the Board in the principal office of LCRA.

**Section 1.04. Records.** The records of LCRA are open to the public at reasonable times. LCRA may from time to time restrict access to some records but only in strict accordance with Chapter 552, Texas Government Code, as such law may from time to time be amended or supplemented (Texas Public Information Act).

**Section 1.05. Custodian of Official Records.** The GM/CEO will designate an employee of LCRA to act as custodian of official records, who will be responsible for the filing, safekeeping and retrieval of all of the records of LCRA. The official records are to be kept at the principal office of LCRA in Austin, Texas.

The custodian of official records is authorized, on behalf of LCRA, to attest to the authenticity of any record, or photographic or photostatic copy thereof, under the custodian's control.

**Section 1.06. Fiscal Year.** The fiscal year of LCRA will start on July 1 of each calendar year and end on June 30 of the succeeding calendar year.

**Section 1.07. Amendment.** These bylaws may be amended at any time by the affirmative vote of a two-thirds majority of the membership of the Board, upon a 21-day prior, written notice of the proposed bylaw change or changes. The 21-day written notice requirement may be waived by a vote of four-fifths of the members of the Board.

**Section 1.08. Effective Date.** These amended and restated bylaws will become effective as of the date shown above the table of contents in this document.

## **ARTICLE 2 – BOARD OF DIRECTORS**

**Section 2.01. Responsibilities.** Directors will represent the citizens of the district and LCRA's service area in accordance with the provisions of the enabling legislation, the Constitution and laws of the United States and the state of Texas.

Directors will avoid conflicts of interest and conduct themselves so as to avoid even the appearance of a conflict of interest. Where a conflict of interest exists, a director will recuse himself or herself and neither participate in the deliberations nor vote.

Directors will keep informed in order to competently discuss issues that come before the Board. Directors will attend meetings regularly, be prepared, take an active part in discussions and maintain an active, diligent approach to Board responsibilities.

The Board will have the responsibility for and the authority to establish the policies of LCRA for the management of its affairs and to direct the GM/CEO and, through the GM/CEO, the other officers and employees of LCRA to carry out adopted policies. The Board will exercise reasonable diligence to be assured that its directives and policies are carried out.

**Section 2.02. Board Officers.** A director is designated as chair of the Board by the governor in accordance with the enabling legislation, and the chair of the Board will serve in that capacity at the pleasure of the governor. The term of office for vice chair and secretary will be 24 months commencing on July 1 in an odd-numbered year and terminating on June 30 of the next following odd-numbered year. However, when a new chair of the Board is designated by the governor, the new chair of the Board may call for elections to replace the sitting vice chair and secretary for the remainder of their terms. In the event either Board officer is replaced on the LCRA Board prior to the end of his or her term as a Board officer, the chair of the Board will name another sitting director to serve in that office for the remainder of the Board officer's term.

Before an election of a vice chair and secretary, the chair of the Board will appoint a Nominations Committee of no fewer than three sitting directors. The Nominations Committee will be charged with evaluating candidates for the vice chair and secretary positions and nominating a candidate for each position. In the event of an unanticipated vacancy in one of the Board officer positions and the need for an immediate replacement, the chair of the Board may call for an election without the appointment of a Nominating Committee.

The Board will elect a vice chair and secretary at a regular meeting of the Board. The vice chair and secretary will continue in office until their successors are elected unless removed from office by a vote of at least eight directors.

**Section 2.03. Chair and Vice Chair of the Board.** The chair will preside at all meetings of the Board and will perform such other duties as the Board may from time to time direct. In case of the absence or inability of the chair to act, the vice chair will perform the duties of the chair. In the absence of both the chair and vice chair, the secretary will perform the duties of the chair. In the absence of the chair, vice chair and secretary, the members present will elect one of their number to preside.

**Section 2.04. Secretary and Assistant Secretaries (Secretaries Pro Tem).** The secretary will keep, or have kept under his or her direction, minutes of all meetings of the Board and will keep, or have kept under his or her direction, and have custody of all corporate books, seal, documents and records. The secretary or a designated assistant secretary will be authorized to attest to all appropriate documents. In the absence or inability of the secretary to act, the general counsel and treasurer are each authorized to perform any of the duties of the secretary (secretary pro tem). (See Sections 3.03 and 3.04.)

**Section 2.05. Regular Board Meetings.** Unless otherwise authorized by a vote of the Board, the Board will convene in regular session no less than once each quarter. The regular meeting of the Board will be on the last Wednesday prior to the 25th day of a calendar month. The Board will meet at the principal office of LCRA.

The regular meeting of the Board may be held at other times and places as may be determined by the chair or by the Board. Notice of a regular Board meeting to be held at a time or place other than that set forth in this Section 2.05 will be given to all Board members either by electronic mail or in writing posted not less than three days before the meeting. The regular meeting of the Board may be recessed by the chair or adjourned by action of a majority of the directors present.

The GM/CEO, the general counsel, the general auditor, a recording secretary and such other personnel of LCRA as may be designated by the chair of the Board, the majority of the Board or the GM/CEO will be present at regular Board meetings of LCRA.

**Section 2.06. Special Board Meetings.** Special meetings of the Board may be called by the chair to be held at such times and at such places as the chair may deem proper. The chair will call special meetings when requested in writing by any eight members of the Board.

The GM/CEO, the general counsel, the general auditor, a recording secretary and such other personnel of LCRA as may be designated by the chair of the Board, the majority of the Board or the GM/CEO will be present at special Board meetings of LCRA.

**Section 2.07. Quorum.** Eight directors will constitute a quorum for the conduct of business at any meeting. All action may be taken by the affirmative vote of a majority of the directors present at any such meeting, except as otherwise provided by Board policy, the enabling legislation or other applicable law.

A director who is present at a meeting of the Board at which action on any matter is taken will be presumed to have assented to the action unless his or her dissent, abstention or recusal will be entered in the minutes of the meeting or unless he or she will file his or her written dissent to such action with the person acting as secretary of the meeting before the adjournment thereof or will forward such dissent by certified mail to the secretary of LCRA immediately after the adjournment of the meeting. Such right to dissent will not apply to a director who voted in favor of such action.

**Section 2.08. Per Diem and Expenses.** Each director will receive a fee as established by state law and approved by the Board for each day spent attending meetings of the Board or any Board committee, or on LCRA business, together with actual expenses incurred in attending such meetings, including travel expenses.

Per diem and expenses also will be paid to members of the Board who attend association meetings, conventions and conferences that are directly related to the business of LCRA, provided such attendance is authorized by prior resolution of the Board. Where

circumstances dictate the need for a director to attend to LCRA business without such prior resolution, the Board may approve payment of per diem and expenses at a subsequent meeting, provided that the chair of the Board, or in the chair's absence his or her designee, gives prior approval to the director's travel and attendance.

No director will be paid per diem in excess of 150 days in any one calendar year or as otherwise established by state law.

**Section 2.09. Committees.** The Board will be organized into eight standing committees, including the Executive, Planning and Public Policy, Water Operations, Energy Operations, Transmission, Audit and Risk, Finance, and Land and Community Resources committees. The chair of each standing committee, other than the Executive Committee and the Planning and Public Policy Committee, will be appointed by the chair of the Board with the approval of the Board. Each standing committee will elect its own committee vice chair.

**(a) Term.** The term of all committee officers will be 24 months commencing on July 1 in an odd-numbered year and terminating on June 30 of the next following odd-numbered year. However, when a new chair of the Board is designated by the governor, the new chair of the Board may appoint a new chair for each standing committee, other than the Executive Committee and the Planning and Public Policy Committee, subject to the approval of the Board. In the event a committee chair is replaced by the chair of the Board, the committee will call for an election of a new vice chair of the committee. Committee chairs and vice chairs will serve until their successors are seated.

**(b) Duties and Responsibilities.** The duties and responsibilities of each committee, within its areas of oversight, will be to:

1. Monitor management's operation of LCRA's business so as to ensure programs and policies adopted by the Board are implemented;
2. Evaluate, research and recommend programs and policies to the Board;  
and
3. Report to the Board on matters within its oversight.

**(c) Committee Chair.** No Board member may concurrently chair more than one standing committee.

**(d) Power of Committees.** In interpreting the powers of each standing committee, no committee will be prohibited from considering relevant and pertinent matters within its area of oversight. Committees will only vote on matters where a committee recommendation to the Board is required and to approve meeting minutes. Committees will not have authority to alter or direct the GM's/CEO's recommendations to the Board.

**(e) Limitation of Authority.** Notwithstanding anything to the contrary herein, the Board reserves the right, on its own motion and as permitted by law, to consider, deliberate and vote upon any matter.

**(f) Committee Agenda.** Any member of a standing committee may place an item on that committee's agenda through the Committee Chair or the Chair of the Board.

**(g) Executive Committee.** The Executive Committee will be composed of the Board officers and the chairs of the Audit and Risk Committee, the Finance Committee, the Water Operations Committee, and the Energy Operations Committee. Four committee members will constitute a quorum at any meeting of the Executive Committee.

**(h) Planning and Public Policy, Water Operations, and Energy Operations Committees.** Each member of the Board will be an ex officio voting member of the Planning and Public Policy Committee, the Water Operations Committee, and the Energy Operations Committee. Six committee members will constitute a quorum at any meeting of the Planning and Public Policy Committee, Water Operations Committee, and Energy Operations Committee.

**(i) Transmission, Audit and Risk, Finance, and Land and Community Resources Committees.** The Transmission, Audit and Risk, Finance, and Land and Community Resources committees each will have no more than six members, including at least one Board officer. The Board chair will appoint up to six committee members, naming one of them as the chair of the committee, all subject to the approval of the Board. Three committee members will constitute a quorum at any meeting of the Transmission, Audit and Risk, Finance, and Land and Community Resources committees. Each of these committees will maintain a committee charter that describes the committee's purpose, authority, meetings and duties and responsibilities. Changes to committee charters will be approved by the Board.

**(j) Ad Hoc Committees.** Special committees, known as Ad Hoc Committees, may be appointed by the chair of the Board for specific purposes for a term not to extend beyond the term of the chair. The chair of the Board will determine quorum requirements for each Ad Hoc Committee, but in no event will a quorum include fewer than half of the total number of members of the committee.

**Section 2.10. Standing Committees.** Unless otherwise authorized by a vote of the Board or committee, the standing committees will meet at such times and at such places as the committee chair may deem proper.

**Executive Committee.** The Executive Committee is responsible for assisting the Board in fulfilling its responsibilities with respect to the oversight of legal, personnel, employment, compensation plans, benefits programs, bylaw and Board policy revisions, and any other matters not expressly assigned to the other standing committees.

The committee confers with the Board chair and GM/CEO on agendas for Board meetings.

The chair of the committee will be the chair of the Board.

**Transmission.** The Transmission Committee is responsible for assisting the Board in discharging its statutory duty of continuing review and supervision of the LCRA transmission affiliated corporation. The committee has oversight of all aspects of the business of LCRA's affiliated electric transmission corporation and for related services provided to the corporation by LCRA, including the acquisition, permitting, planning, construction, modification, operation and maintenance of transmission lines and related facilities.

**Audit and Risk Committee.** The Audit and Risk Committee is responsible for assisting the Board in fulfilling its responsibilities with respect to the oversight of scope and results of audits, including approval of audit plans, the adequacy and effectiveness of risk management and internal controls, LCRA's safety and security procedures, directors' expenses, accounting policy, insurance (excluding employee benefit programs), risk management processes, and information technology. The committee will meet with the independent auditors appointed by the Board and will approve any changes to the scope of the independent auditors' services.

**Finance Committee.** The Finance Committee is responsible for assisting the Board in fulfilling its responsibilities with respect to oversight of all financial and budgetary matters, expenditures of funds, and employee pension plans.

The committee has oversight of the financial adequacy of LCRA's electric generation and water rates and the formation and performance of the annual business plan and budget.

**Energy Operations Committee.** The Energy Operations Committee is responsible for assisting the Board in fulfilling its responsibilities with respect to oversight of energy generation and rate setting, supply, commercial operations, and wholesale electric customer relationships.

**Water Operations Committee.** The Water Operations Committee is responsible for assisting the Board in fulfilling its responsibilities with respect to oversight of all aspects of the water operations of LCRA, including water rate setting, flood management within the Colorado River basin, and providing an adequate supply of clean water for municipal, agricultural, industrial, recreational and other uses.

The committee has oversight of water conservation and drought contingency matters and all environmental protection and pollution control matters within the jurisdiction of LCRA.

**Land and Community Resources Committee.** The Land and Community Resources Committee is responsible for assisting the Board in fulfilling its responsibilities with respect to the efficient use and management of lands held by LCRA. The committee oversees LCRA's land management strategies and all recreational facilities, including the surface use of lakes. The committee also is responsible for overseeing LCRA's community assistance programs.

**Planning and Public Policy Committee.** The Planning and Public Policy Committee has responsibility for evaluating strategies and briefings for future Board approval and long-range trends that will affect LCRA's business operations and the services LCRA will provide to its customers over a 20- to 30-year planning horizon.

The chair of the committee will be the vice chair of the Board.

**Section 2.11. Open Meetings, Notice, Agenda.** All meetings of the Board and of all standing Board committees will be open to the public except as may be authorized by law.

The GM/CEO, after consultation with the chair of the Board, will prepare the agenda for all Board meetings. The agenda will give adequate notice of the item or items to be considered and discussed by the Board.

**Section 2.12. Parliamentary Authority.** The current edition of Robert's Rules of Order will govern meetings of the Board and Board committees.

## **ARTICLE 3 – EXECUTIVE OFFICERS**

**Section 3.01. Executive Officers.** The executive officers of LCRA will be the GM/CEO, general auditor, general counsel, chief administrative officer, chief financial officer, chief commercial officer and executive vice presidents, who will serve upon such terms and conditions as provided herein. The GM/CEO may designate any executive officer, or other LCRA staff member, to serve in any capacity required by law or necessary for the conduct of the business of LCRA.

**Section 3.02. General Manager/Chief Executive Officer.** The GM/CEO will be the chief executive officer of LCRA. The Board will set the general policy of LCRA; the GM/CEO will be responsible for carrying out the business and activities of LCRA pursuant to the policy set by the Board and the purposes of LCRA as outlined in the enabling legislation and these bylaws.

The GM/CEO will be responsible for keeping the Board fully and currently informed of the business and activities of LCRA and for presenting policy issues to the Board for decision

in a timely manner. The GM/CEO will be hired by and serve at the discretion of and for such term as the Board may determine.

With the exception of the general auditor, all employees of LCRA, including all executive officers, will serve under the direction and control of the GM/CEO. The GM/CEO will consult with the Board before hiring or discharging the general counsel. Pursuant to the authority and responsibility set forth herein, the GM/CEO will have exclusive authority and responsibility, without the approval or interference of the Board, committee, or any person, officer or employee of LCRA, to direct, control and fix the compensation of all officers and employees of LCRA, with the exception of the general auditor, within general levels approved by the Board, and to organize the staff as appropriate to efficiently carry out the work of LCRA and to contract for goods and services to or for LCRA; provided, however, that the contracting for goods and services will be subject to Board approval on such amounts as the Board may from time to time decide or as may be required by law.

The GM/CEO will be responsible for the development of policies, long-range goals and objectives for LCRA and will submit these at least annually to the Board in conjunction with the development of LCRA's business plan.

The GM/CEO will prepare a plan of organization and staffing levels, consistent with the budget, and delegate responsibilities and authorities to principal subordinates. The GM/CEO will promulgate position descriptions that define the duties and work to be performed by subordinate employees.

The GM/CEO will make or cause to be made such purchases of materials, supplies, property and equipment as will be necessary for the conduct of the business of LCRA.

The executive officers will assist the GM/CEO in an executive capacity in the management of LCRA. The GM/CEO will designate in writing an executive officer to act in his or her place during any temporary absence. In the event of incapacity of the GM/CEO, the Board will designate an executive officer to serve as acting GM/CEO during the time of such incapacity.

The GM/CEO may not without Board approval award annual cash compensation to an executive officer where the executive officer's annual cash compensation would be greater than the GM/CEO's annual cash compensation. Any written employment agreement that could result in a cash payment to an executive officer that would exceed the GM/CEO's annual cash compensation requires Board approval before execution. Annual cash compensation is defined as base salary plus the total of any cash payments within a fiscal year, but excluding accrued vacation leave and any vested retirement plan payments. Incentive cash payments from the prior fiscal year should be used in the calculation when there is uncertainty as to the current year's potential incentive payment.

The GM/CEO may not without Board authorization implement a voluntary severance program that would lower LCRA's employed workforce by more than 10 percent.



**Section 3.03. General Counsel.** The general counsel will serve under the direction and control of the GM/CEO, who will review his or her performance and make any adjustments to his or her compensation. The general counsel represents LCRA, and not any individual employee or Board member, and has a fiduciary duty to act in the best interest of the organization.

The general counsel will have charge of and be responsible for all the legal affairs of LCRA, be the legal advisor and assistant secretary (secretary pro tem) to the Board, and be the chief legal officer of LCRA.

**Section 3.04. Treasurer.** The GM/CEO will appoint an LCRA staff member to act as treasurer. Under the direction of the chief financial officer in charge of the financial affairs of LCRA, the treasurer will be responsible for the custody, investment and management of LCRA's cash assets and will perform such other duties as specified by the GM/CEO.

## **ARTICLE 4 – AUDITORS**

**Section 4.01. Independent Auditors.** The Board, after hearing a recommendation from the Audit and Risk Committee, will engage a firm of certified public accountants to serve as LCRA's independent auditors. The independent auditors will perform an audit of LCRA's financial statements as of the close of LCRA's fiscal year and render its audit report to management and the Audit and Risk Committee within 120 days following the close of the fiscal year. The audit will be performed in accordance with generally accepted auditing standards.

**Section 4.02. General Auditor.** The general auditor will report functionally to the Board and will serve at the pleasure of the Board. In consultation with the GM/CEO, the Board will hire and discharge the general auditor by majority vote, approve and make any adjustment to his or her compensation, and will review his or her performance. The general auditor may meet with the Board or its designee without other LCRA staff present, and the Board or Audit and Risk Committee ~~its designee~~ will have final authority to review and approve the Auditing Services charter, resource plan, annual audit plans and all significant major changes to the those plans. The Audit and Risk Committee will have oversight of the Auditing Services budget. The Board will make appropriate inquiries of management and the general auditor to determine whether there is inappropriate scope or resource limitations.

The general auditor will review and evaluate the adequacy and effectiveness of risk management and internal controls and will perform audits to test the systems of internal control and to identify areas in which policies or procedures have not been adequately defined and are not operating effectively. The general auditor also will perform operational audits as deemed appropriate or as directed by the Board for purposes of identifying areas where operating efficiencies and cost-saving opportunities may exist. The general auditor will report findings and recommendations to the Audit and Risk Committee of the Board. At least twice annually, the general auditor will report the scope and results of internal audit activities to the Audit and Risk Committee.

For administrative purposes, the general auditor will report to the GM/CEO. The general auditor will have access to any and all information necessary and on a timely basis concerning the activities, plans and business initiatives of the organization. Budgetary controls and considerations imposed by the GM/CEO will not impede the ability of the internal audit function.

## **ARTICLE 5 – LCRA FUNDS**

**Section 5.01. Funds.** The funds of LCRA will be deposited only in such bank, or banks, as are approved by the Board. The moneys of LCRA will be disbursed only on checks, drafts, order requisitions, electronic transfers or other instruments authorized or signed by the GM/CEO, the chief financial officer in charge of the financial affairs of LCRA, or by such staff as will be so designated in writing by the GM/CEO and such chief financial officer from time to time.

**Section 5.02. Surety Bonds.** All officers, agents and employees charged with the collection, custody or disbursement of LCRA funds will be required to give bond in such sums and with sureties approved by the Board or will otherwise be insured as deemed appropriate by the GM/CEO.

## **ARTICLE 6 – CONTRACTS AND PURCHASE ORDERS**

**Section 6.01. Contracts.** The GM/CEO or the GM's/CEO's authorized designees may make contracts on behalf of LCRA in accordance with policies and procedures adopted pursuant to resolution of the Board.

**Section 6.02. Purchase Orders.** The GM/CEO may delegate his or her authority to sign purchase orders and contracts to subordinate officers and employees. Such delegation will be in writing.

## **ARTICLE 7 – INDEMNITY OF DIRECTORS, OFFICERS AND EMPLOYEES**

**Section 7.01. Indemnity.** Any person made a party to or involved in any litigation (including any civil or administrative action, suit or proceeding) by reason of the fact that he or she is or was a director, officer or employee of LCRA (or any affiliated corporation of LCRA) or by reason of his or her alleged negligence or misconduct in the performance of his or her duties as such director, officer or employee will be indemnified by LCRA (to the extent funds are lawfully available and upon the conditions set forth below) against any liability (as limited by Section 7.04 herein) together with the reasonable expenses, including attorney's fees, actually and necessarily incurred by him or her in connection with any action therein, except in relation to matters as to which it will be adjudged in such litigation that such director, officer or employee is liable for gross negligence or willful misconduct in the performance of his or her duties. (A judgment entered in connection with a compromise or settlement of any such litigation will not by itself be deemed to constitute an adjudication of liability for such negligence or misconduct.)

**Section 7.02. Legal Counsel.** Any director, officer or employee made party to or involved in litigation arising out of his or her relationship with LCRA may select legal counsel to represent himself or herself and seek reimbursement for such legal expenses as provided herein. In the event the officer, director or employee does not hire such outside counsel, LCRA may provide legal counsel regularly employed by LCRA unless there is a potential conflict of interest between the defendant and LCRA. In the event that all of the members of the Board are made parties to such litigation, then a majority of the effective membership of the Board is authorized to pass a resolution to provide for legal expenses for the entire Board.

**Section 7.03. Expenses.** As used herein, the term expenses will mean all reasonable expenses such as legal fees and court costs and will include fines or penalties imposed and amounts paid in compromise or settlement of any such litigation only if (a) independent legal counsel designated by a majority of the members of the Board other than those who have incurred expenses in connection with such litigation for which indemnification has been or is to be sought has advised the Board that in the opinion of such counsel, such director, officer or employee is not liable to LCRA for gross negligence or willful misconduct in the performance of his or her duties in respect to the subject of such litigation, and (b) a majority of such members of the Board have made a determination that such compromise or settlement was or will be in the interest of LCRA.

**Section 7.04. Limitation of LCRA's Liability.** Liability of LCRA hereunder is limited to \$100,000 to a single person and \$300,000 for a single occurrence, in the case of personal injury or death, and to \$10,000 for a single occurrence of injury of or damage to property.

Any amount payable by way of indemnity under this provision may be determined and paid pursuant to an order of or allowance by a court under the applicable provisions of the laws of the state of Texas in effect at the time; and pursuant to a resolution of a majority of the members of the Board other than those who have incurred expenses in connection with such litigation for which indemnification has been or is to be sought.

**Section 7.05. Indemnification Not Exclusive.** The right of indemnification under this provision will not be deemed exclusive of any right to which any director, officer or employee may be entitled as a matter of law and will extend and apply to the estates of deceased directors, officers or employees.

**FOR ACTION (CONSENT)**

## **10. Minutes of Prior Meeting**

**Proposed Motion**

Approve the minutes of the Oct. 20, 2021, meeting.

**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 Oct. 20, 2021, meeting

## **EXHIBIT A**

Minutes Digest  
Oct. 20, 2021

- 21-55 Declaration of an approximately 0.486-acre tract of land, being a portion of LCRA Parcel BW-19 in Llano County, nonessential and authorization for the general manager or his designee to sell the property to the adjoining landowner.
- 21-56 Declaration of an approximately 0.023-acre tract of land and a 0.057-acre tract of land, being portions of LCRA Parcel BW-01 in Llano County, nonessential and authorization for the general manager or his designee to sell the property to the adjoining landowner.
- 21-57 Approval [reapproval with no changes] of LCRA Board Policy 603 – Energy Transactions.
- 21-58 Approval of directors' fees and expense reimbursements.
- 21-59 Approval of the minutes of the Aug. 18, 2021, and Sept. 22, 2021, meetings.
- 21-60 Approval of the resolution amending and extending the note purchase agreement with U.S. Bank National Association related to LCRA Commercial Paper Notes, Series C and Taxable Series C, and authorizing the general manager, chief financial officer or treasurer to negotiate and execute such amendment. Authorization for the general manager or his designee to negotiate and execute related documents.
- 21-61 Approval of firm rates for water made available to firm customers within LCRA's water service area, including use, reservation and inverted block rates.

MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF THE  
LOWER COLORADO RIVER AUTHORITY  
Austin, Texas  
Oct. 20, 2021

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 9:28 a.m. Wednesday, Oct. 20, 2021, in the Board Room of the Hancock Building, at the principal office of LCRA, 3700 Lake Austin Blvd., Austin, Travis County, Texas. The following directors were present, constituting a quorum:

Timothy Timmerman, Chair  
Stephen F. Cooper, Vice Chair  
Joseph M. "Joe" Crane, Secretary  
Lori A. Berger  
Melissa K. Blanding  
Laura D. Figueroa  
Carol Freeman  
Raymond A. "Ray" Gill Jr.  
Thomas L. "Tom" Kelley  
Thomas Michael Martine  
Margaret D. "Meg" Voelter  
Martha Leigh M. Whitten

Absent: Michael L. "Mike" Allen  
Robert "Bobby" Lewis  
Nancy Eckert Yeary

Chair Timmerman convened the meeting at 9:28 a.m.

Chair Timmerman recognized Llano County Commissioner Peter Jones and Will Holford from Bluebonnet Electric Cooperative, who were present in the audience.

Chair Timmerman noted Gov. Abbott's recent appointment of General Manager Phil Wilson to serve as chair on the new State Energy Plan Advisory Committee.

The Board heard public comments [Agenda Item 1]. The following speakers addressed the Board and provided comments related to the proposed new Highland Lakes Dredge and Fill Ordinance and updates to the Highland Lakes Watershed Ordinance, including comments opposing commercial dredging: Sharon Moore, on behalf of Save Lake LBJ; Taylor Delz, on behalf of Save Lake LBJ and Save Sandy Creek; Cliff Kaplan with the Hill County Alliance; and Llano County Commissioner Peter Jones. Delz also noted written comments submitted by the Kingsland Chamber of Commerce.

General Manager Phil Wilson gave the Board an update. He highlighted one of LCRA's core values – focus on safety, discussed LCRA's proactive safety culture and noted the upcoming Safety Week for employees. Wilson gave an overview of the annual Employee Service Awards and thanked award recipients for their contributions and service to the people of Texas. Wilson noted an LCRA Transmission senior management member was selected to serve on the Board of Directors for the North American Transmission Forum. Wilson concluded with an update about a group of staff members who recently made some improvements in managing reclaim pond water levels at the Fayette Power Project.

Chief Financial Officer Jim Travis presented financial highlights for LCRA covering September and the fiscal year to date [Agenda Item 2].

The Board next took action on the consent agenda. Upon motion by Director Berger, seconded by Director Whitten, the Board unanimously approved consent items 3, 4, 5, 6 and 7 by a vote of 12 to 0 as follows:

21-55 Declaration of an approximately 0.486-acre tract of land, being a portion of LCRA Parcel BW-19 in Llano County, nonessential (not necessary or convenient or of beneficial use to the business of LCRA) and authorization for the general manager or his designee to sell the property to the adjoining landowner, as recommended by staff in Consent Item 3 [attached hereto as Exhibit A].

21-56 Declaration of an approximately 0.023-acre tract of land and a 0.057-acre tract of land, being portions of LCRA Parcel BW-01 in Llano County, nonessential (not necessary or convenient or of beneficial use to the business of LCRA) and authorization for the general manager or his designee to sell the property to the adjoining landowner, as recommended by staff in Consent Item 4 [attached hereto as Exhibit B].

21-57 Approval [reapproval with no changes] of LCRA Board Policy 603 – Energy Transactions, as recommended by staff in Consent Item 5 [attached hereto as Exhibit C].

21-58 Approval of directors' fees and expense reimbursements, as recommended in Consent Item 6 [attached hereto as Exhibit D].

21-59 Approval of the minutes of the Aug. 18, 2021, and Sept. 22, 2021, meetings [Consent Item 7].

21-60 Chief Financial Officer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 8 [attached hereto as Exhibit E], that the Board approve the resolution amending and extending the note purchase agreement with U.S. Bank National Association related to LCRA Commercial Paper Notes, Series C and Taxable Series C, and authorizing the general manager, chief financial officer or treasurer to negotiate and execute such amendment. In addition, authorize the general manager or his designee to negotiate and execute related documents. Upon motion by

Vice Chair Cooper, seconded by Director Gill, the recommendation was unanimously approved by a vote of 12 to 0.

Attorney Cindy Smiley, on behalf of the Central Texas Water Coalition (CTWC), addressed the Board regarding Agenda Item 9 – LCRA Firm Water Rates. CTWC also submitted written comments.

21-61 Executive Vice President of Water John B. Hofmann presented for consideration a staff recommendation, described in Agenda Item 9 [attached hereto as Exhibit F], that the Board approve firm rates for water made available to firm customers within LCRA's water service area, including use, reservation and inverted block rates. Upon motion by Director Martine, seconded by Director Crane, the recommendation was unanimously approved by a vote of 12 to 0.

Chair Timmerman declared the meeting to be in executive session at 10:14 a.m., pursuant to sections 551.071, 551.072 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 10:59 a.m.

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

---

Joseph M. Crane  
Secretary  
LCRA Board of Directors

Approved: Nov. 17, 2021



**FOR ACTION**

## **11. Replacement Firm Water Contract for Industrial Use – Underground Services Markham, L.P.**

### **Proposed Motion**

Authorize the general manager or his designee to negotiate and execute a replacement firm raw water contract with Underground Services Markham, L.P. (USM), for industrial use for a term of 40 years that expands the contract service area by 1,800 acres while maintaining the contracted quantity of up to 11,621 acre-feet per year.

### **Board Consideration**

Consistent with the LCRA firm water contract rules, certain requests to increase the service area require Board consideration.

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

No fiscal impact is expected under the requested replacement contract.

### **Summary**

USM has been a customer of LCRA since the 1990s. USM produces brine for various industrial uses. USM has requested to increase the service area of its contract by about 1,800 acres. USM has not requested a change to the current contract maximum annual quantity of 11,621 acre-feet per year. The current contract provides for delivery of water through LCRA's Gulf Coast Agricultural Division canals and includes certain non-standard provisions, including for the unique costs associated with supplying water to USM. These non-standard provisions would be included in a replacement contract. Staff has reviewed and approved USM's water conservation and drought contingency plans.

Staff recommends the Board approve a replacement contract for 11,621 acre-feet per year of firm water supply.

Staff has determined there are sufficient firm water supplies in lakes Buchanan and Travis or other sources of supply, including LCRA run-of-river water rights, to meet the recommended amount.

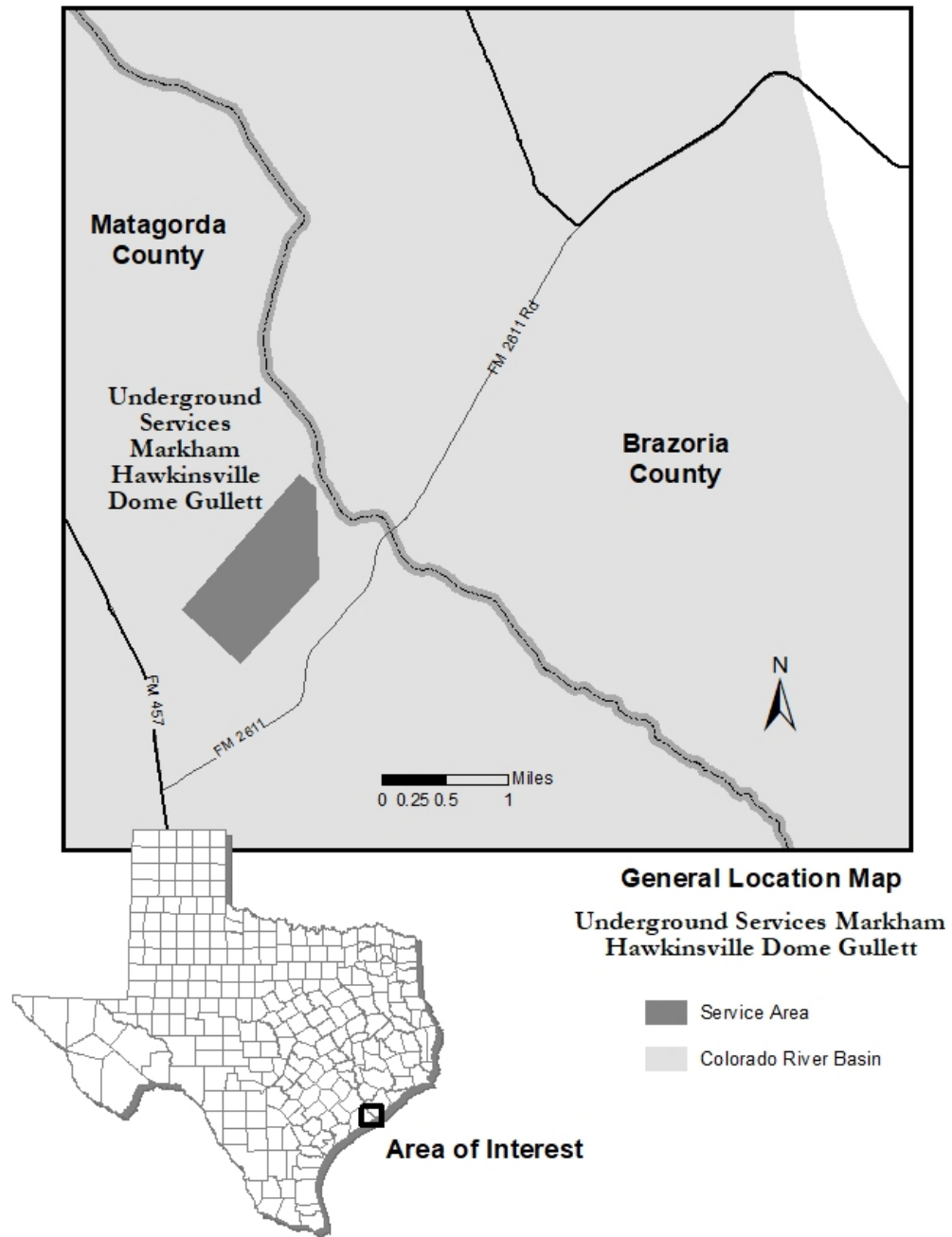
### **Presenter(s)**

Monica Masters  
Vice President, Water Resources

### **Exhibit(s)**

A – General Location Map

**EXHIBIT A**



## FOR ACTION

# 12. LCRA Board Firm Water Reservation and Firm Water Contract for Municipal Use – West Travis County Public Utility Agency

### **Proposed Motion**

Authorize the general manager or his designee to negotiate and execute a replacement standard firm raw water contract with West Travis County Public Utility Agency (WTCPUA )for municipal use for a term of 40 years that increases the contracted quantity by 4,500 acre-feet per year, for a total of up to 13,500 acre-feet per year; and reduce the LCRA Board of Directors' reservation of firm water by 4,500 acre-feet per year, from 45,000 acre-feet per year to 40,500 acre-feet per year.

### **Board Consideration**

Consistent with the LCRA water contract rules, all contract requests for 500 acre-feet or more per year require Board consideration. Reducing the Board reservation requires Board action.

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

Based on the requested increased contract amount of 4,500 acre-feet per year as compared to the existing contract, the requested contract will generate additional revenue of about \$350,000 in reservation fees annually. Revenue will increase as water under the contract is used.

### **Summary**

**West Travis County Public Utility Agency:** WTCPUA provides treated surface water to a service area that covers about 378 square miles in southwest Travis County and northern Hays County. In addition to providing treated water to its dedicated customer base of 12,577 living unit equivalent connections, WTCPUA also delivers treated water to 14 wholesale water customers in Hays and Travis counties. The 14 wholesale customers have individual raw water contracts with LCRA but WTCPUA treats that water for them and delivers it to their service areas. WTCPUA currently has a municipal use contract for 9,000 acre-feet per year. WTCPUA has requested an increase of 4,500 acre-feet per year, for a total of 13,500 acre-feet per year, to meet its projected build-out of 21,781 living unit equivalent connections in 2036.

Staff has reviewed and approved WTCPUA's water conservation and drought contingency plans, which include focusing on reducing water loss through detecting leaks and repairing water line leaks, reviewing all applications for irrigation meters to help ensure meters are sized correctly, enforcing a mandatory twice per week watering schedule, and following best management practices. WTCPUA also actively promotes LCRA's WaterSmart rebate program through its website and newsletters, which can help offset costs of upgrading irrigation systems for efficiency, maintaining landscapes and pools, and soil testing.

**LCRA Board Firm Water Reservation:** LCRA currently has about 49,000 acre-feet per year of firm water inventory available from lakes Buchanan and Travis or other

sources, including run-of-river rights. Of that amount, 45,000 acre-feet per year is supply that previously has been set aside under the Board reservation to meet the long-term needs of LCRA's water service area, and about 4,000 acre-feet per year currently is available for contracting by staff. In 2019, the Board reduced the reserve to allow for continued contracting for the long-term water supply needs of LCRA's customers.

**Recommendation:** Staff recommends the Board approve WTCPUA's contract request for 13,500 acre-feet per year of firm water supply. To meet WTCPUA's request for an increased municipal supply of 4,500 acre-feet per year, staff recommends the Board reduce its reservation by 4,500 acre-feet per year to 40,500 acre-feet per year. This recommended change to the Board reserve would continue to leave about 4,000 acre-feet per year available for contracting by staff after executing the requested contract with WTCPUA.

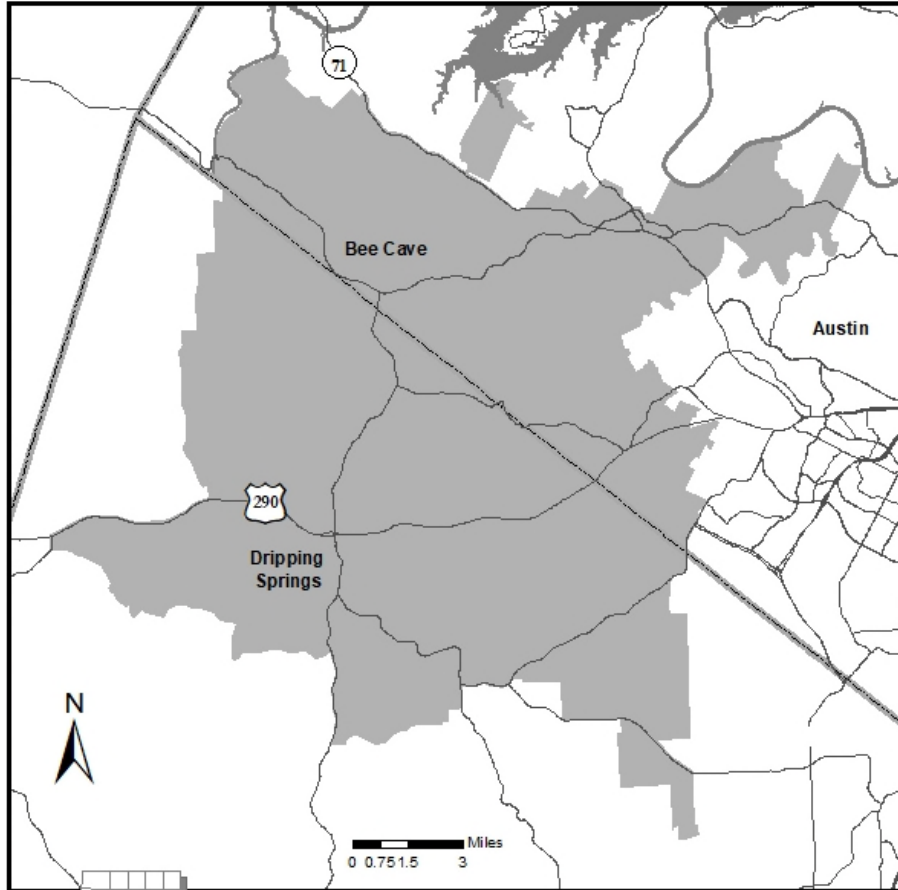
**Presenter(s)**

Monica Masters  
Vice President, Water Resources

**Exhibit(s)**

A – General Location Map

**EXHIBIT A**



**General Location Map**

**West Travis County  
Public Utility Agency**

■ Water Service Area



## **FOR ACTION**

# **13. Consideration of Highland Lakes Dredge and Fill Ordinance, Conforming Changes to Highland Lakes Watershed Ordinance and Fee Schedules, and Repeal of the Moratorium on Commercial Dredge and Fill Activities on the Highland Lakes**

### **Proposed Motion**

Approve the Highland Lakes Dredge and Fill Ordinance, conforming changes to the Highland Lakes Watershed Ordinance, and changes to the fee schedules for the ordinances, and repeal the LCRA Board of Directors' Feb. 24, 2021, moratorium on commercial dredge mining activities and related permit applications. The ordinances, fee schedules and the repeal of the moratorium shall be effective Jan. 1, 2022.

### **Board Consideration**

LCRA Board Policy 102 – Authority and Responsibilities and sections 8503.004(q) and (u) of the Texas Special District Local Laws Code authorize LCRA to provide for the study, correcting and control of both artificial and natural pollution of groundwater and surface water of the Colorado River and its tributaries within LCRA's boundaries and to regulate the use of the surface of the Highland Lakes.

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

The Highland Lakes Dredge and Fill Ordinance (HLDO) will increase demand for current staff resources. The conforming changes to the Highland Lakes Watershed Ordinance (HLWO) are not expected to increase costs.

### **Summary**

On Feb. 24, 2021, the LCRA Board imposed a moratorium on commercial dredge and fill activities on the Highland Lakes and directed staff to develop an ordinance to regulate those activities and protect water quality. Staff has developed the Highland Lakes Dredge and Fill Ordinance that includes new rules related to large dredge and fill operations, including commercial operations. Staff also has recommended conforming edits to the LCRA Highland Lakes Watershed Ordinance. The HLDO also incorporates the requirements and standards for smaller, more typical dredge and fill projects, that already were regulated by the HLWO. The HLDO and conforming edits to the HLWO (collectively, the Proposed Ordinances) were made available to the public for review and comment on LCRA's website and during a public meeting held Sept. 15, 2021.

The Proposed Ordinances reasonably fulfill LCRA's obligations and authorities granted to it pursuant to LCRA's Enabling Act, specifically Texas Special District Local Laws Code Chapter 8503; Texas Water Code chapters 7, 26 and 51; Texas Parks and Wildlife Code Chapter 31; and other applicable law. These Proposed Ordinances are designed to help protect and maintain the quality of the water in lakes Buchanan, Inks,

LBJ, Marble Falls and Travis (Highland Lakes) and to ensure that appropriate measures are taken to mitigate the potential water quality impacts of activities that are within LCRA's jurisdiction to regulate.

The HLDO includes standards, such as setback and location requirements, standard permit requirements, and procedures related to processing of permit applications, permit issuance and enforcement that apply to dredge and fill projects that occur below and along the Highland Lakes. To that end and consistent with LCRA's responsibilities, the HLDO requires measures to help maintain the safety of the public and to reduce impacts of dredge and fill activities on such things as water quality, invasive species, navigation, water supply, water safety and critical infrastructure.

LCRA published notice of the draft Proposed Ordinances on Aug. 27, 2021, and requested comments from the public through Sept. 24, 2021. LCRA also held a public comment meeting on Sept. 15, 2021. The public meeting was attended by nine people, six of whom provided comments. More than 100 written comments were received in addition to comments provided during the public comment meeting and at LCRA Board and Water Operations Committee meetings.

Final and redline versions of the HLDO, the HLWO, the fee schedules, comments from the public and staff responses to public comments have been provided to the Board under separate cover.

**Presenter(s)**

John B. Hofmann  
Executive Vice President, Water

Lauren Graber  
Director, Strategic Water Initiatives

**THIS PAGE LEFT BLANK INTENTIONALLY**