



Board Agenda

Wednesday, Sept. 21, 2022
LCRA General Office Complex
Board Room – Hancock Building
3700 Lake Austin Blvd.
Austin, TX 78703
Earliest start time: 10 a.m.

Items From the Chair

- 1. Comments From the Public 3

Consent Items

- *2. Conveyance of Wastewater Easement in Bastrop County 5
- 3. Minutes of Prior Meeting..... 9

Action Items

- 4. Fiscal Year 2022 Financial Statements and Independent Auditors' Report..... 14
- *5. Approve the LCRA Transmission Services Corporation Series 2022A Bond Issue and Fortieth Supplemental Resolution 15
- 6. Contracts and Contract Changes 18
- 7. Services Agreement Between LCRA and WSC Energy II 24

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

Executive Session

- 1. Competitive Electric Matters
- 2. Litigation Update

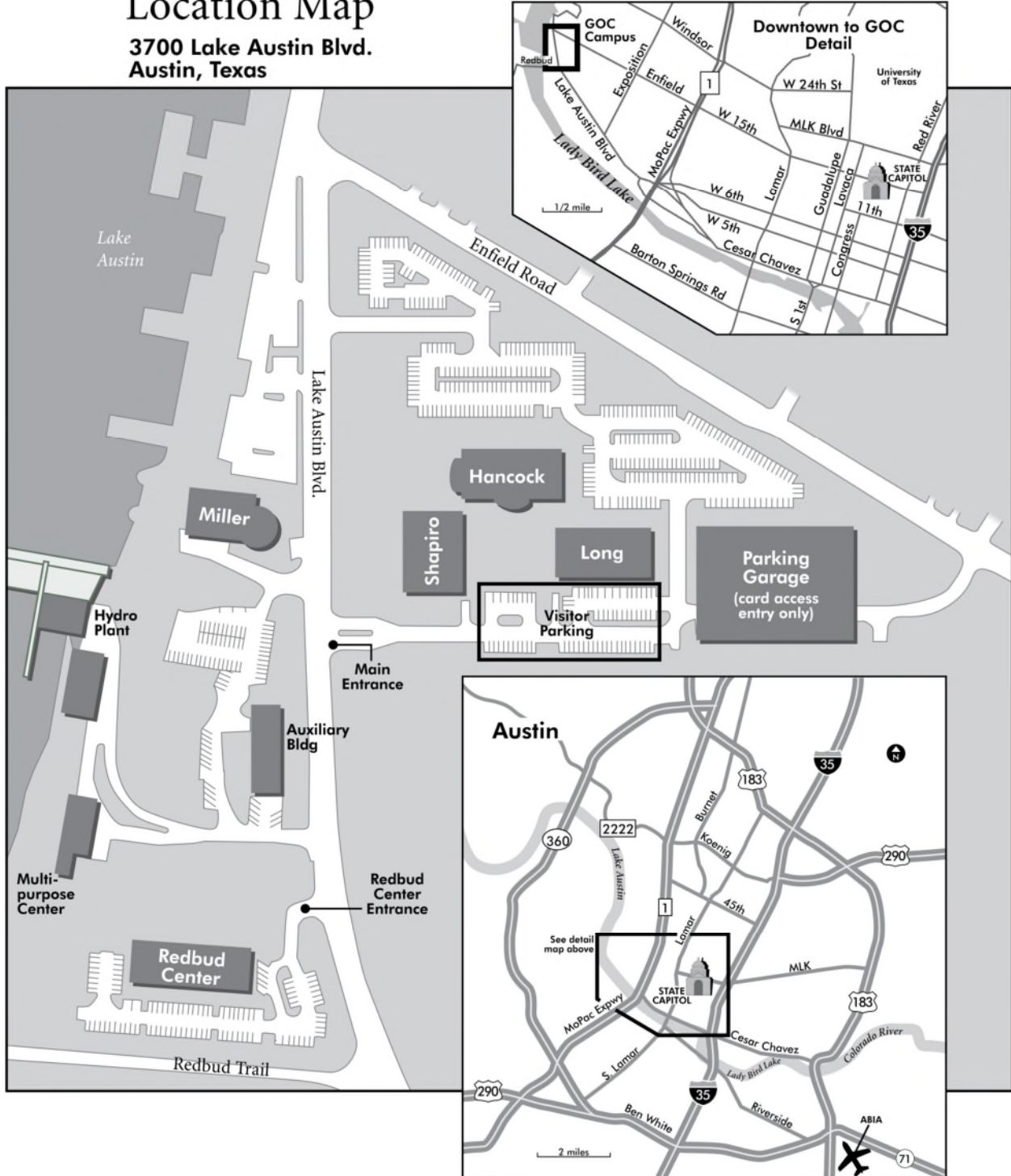
The Board also may go into executive session on any item listed above, pursuant to Chapter 551 of the Texas Government Code, including, but not limited to, sections 551.071, 551.072, 551.074, 551.076, 551.086, 551.089 and 418.183(f) of the Texas Government Code.

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 (CONSENT)

2. Conveyance of Wastewater Easement in Bastrop County

Proposed Motion

Authorize the general manager or his designee to grant a 1.03-acre underground wastewater line easement and a 0.51-acre temporary construction easement to Corix Utilities (Texas) Inc. across a portion of LCRA Parcel CR-08 in Bastrop County, and make the following findings:

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

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. 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 2023 business plan contains the administrative costs associated with the easements. The proceeds of \$81,000 will be credited to the LCRA Public Recreation and Conservation Land Acquisition Fund.

Summary

In 1995, LCRA 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 0.51-acre tract of land. Corix is now requesting two easements: a 1.03-acre underground wastewater line easement and a 0.51-acre six-month (approximately) temporary construction easement to provide service to the adjacent property owned by Agilent.

The appropriate departments within LCRA reviewed the proposed easements and determined the easements 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 execution. Corix will provide a survey of the approximately 1.03-acre underground wastewater line easement and the approximately 0.51-acre temporary construction easement.

Valbridge Property Advisors, an independent, licensed and certified third-party appraiser out of San Antonio, appraised the easements. Based on this appraisal, Corix and LCRA have agreed to a price of \$81,000 for the easements. Agilent will pay for the easement cost on behalf of Corix.

Chapter 26 of the Texas Parks and Wildlife Code required LCRA to host a public hearing, which was held on Sept. 12 in Bastrop. No comments related to McKinney Roughts Nature Park were received from the public.

Exhibit(s)

A – Vicinity Map

B – Site Map

EXHIBIT A

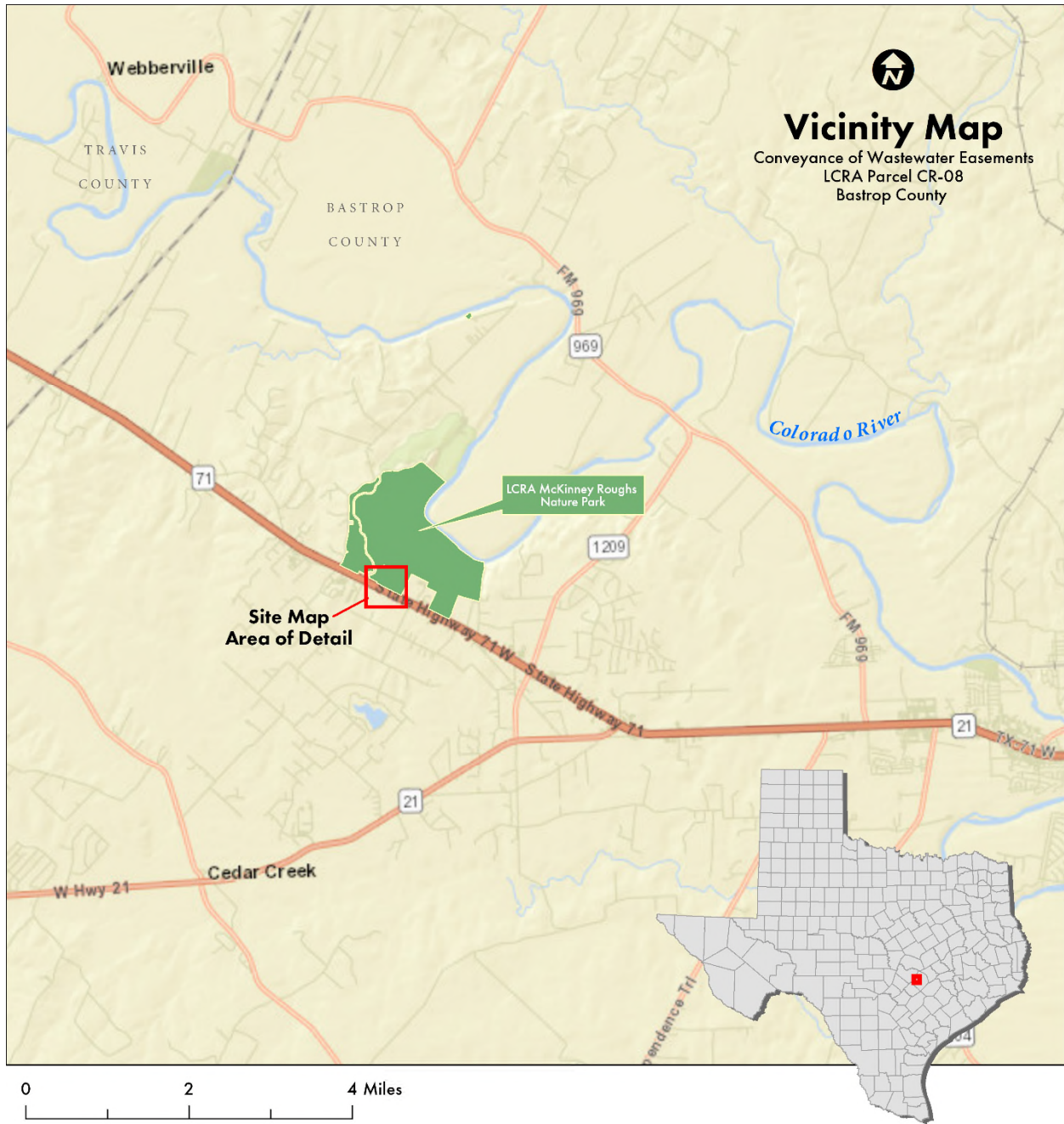
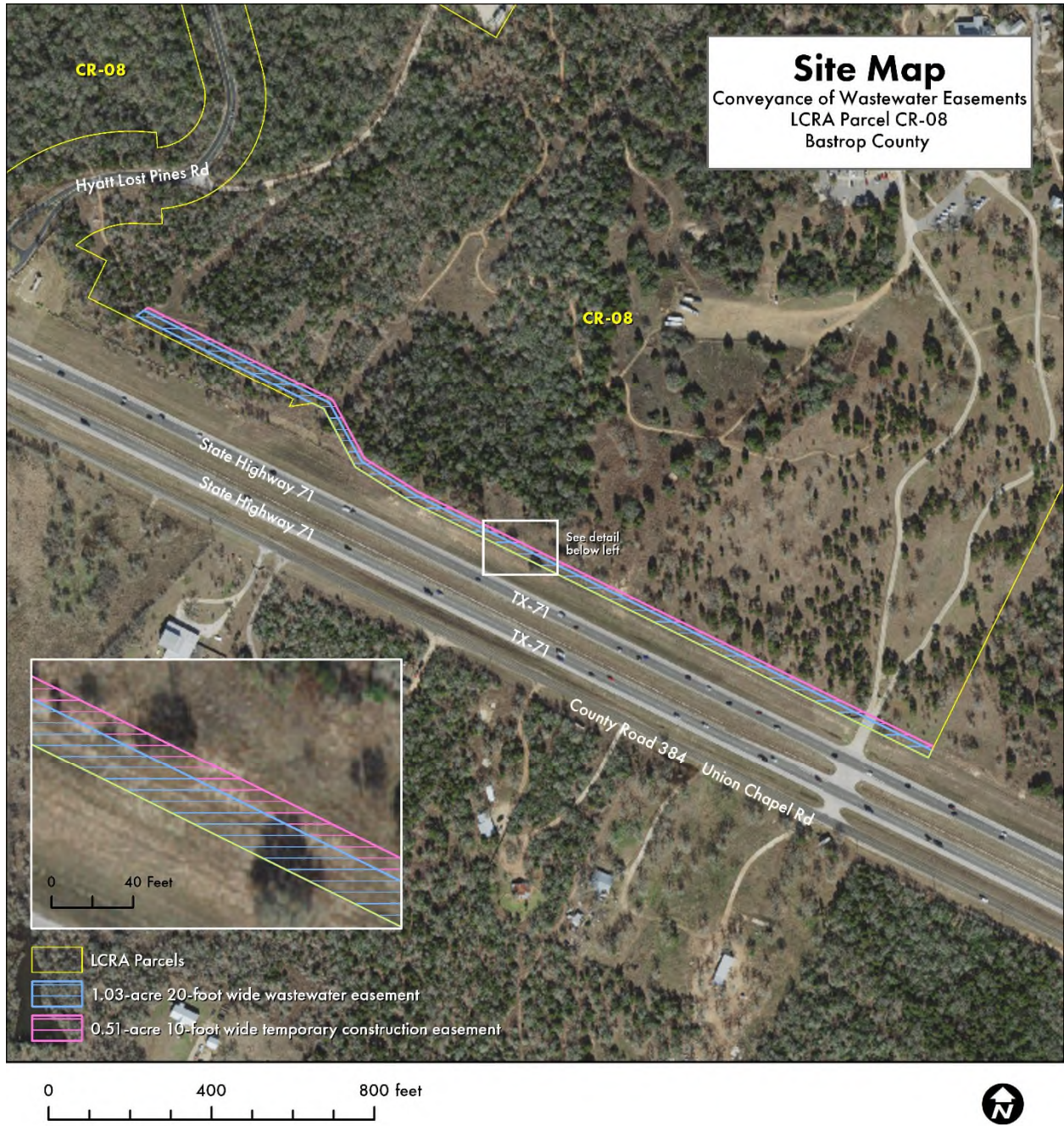


EXHIBIT B



FOR ACTION (CONSENT)

3. Minutes of Prior Meeting

Proposed Motion

Approve the minutes of the Aug. 17, 2022, 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 Aug. 17, 2022, meeting

EXHIBIT A

Minutes Digest
Aug. 17, 2022

- 22-44 Approval of the proposed LCRA Board and committee meeting dates for calendar year 2023.
- 22-45 Review and approval of LCRA Board Policy 303 – Banking and Investments.
- 22-46 Approval of directors' fees and expense reimbursements.
- 22-47 Approval of the minutes of the June 15, 2022, meeting.
- 22-48 Authorization for the general manager or his designee to negotiate and execute a standard firm raw water contract with Lakecliff Dream LLC for irrigation use of LCRA's firm water supply of up to 642 acre-feet per year for a term of 10 years.
- 22-49 Adoption of a resolution relating to a temporary moratorium for new applications for community marinas on the Highland Lakes pursuant to the Highland Lakes Marina Ordinance.
- 22-50 Authorization for the general manager or his designee to negotiate and execute or amend the following contracts and contract changes: Contract No. 6123 (The Guardian Life Insurance Company of America); Contract No. 6065 (Woolery Custom Fence Company Inc.); Contract No. 4921 (Irby Construction Company, Inc.); and Contract No. 4680 (Unum Life Insurance Company of America).
- 22-51 Adoption of a resolution approving the fiscal year 2022 performance evaluation, compensation and FY 2023 performance goals for General Manager Phil Wilson.
- 22-52 Adoption of a resolution approving the fiscal year 2022 performance evaluation, compensation and FY 2023 performance goals for General Auditor Gerry Garcia.

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE
LOWER COLORADO RIVER AUTHORITY
Austin, Texas
Aug. 17, 2022

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 9:02 a.m. Wednesday, Aug. 17, 2022, 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
Michael L. "Mike" Allen
Matthew L. "Matt" Arthur
Melissa K. Blanding [joined the meeting at 10:50 a.m.]
Carol Freeman
Robert "Bobby" Lewis
Thomas Michael Martine
Margaret D. "Meg" Voelter
Martha Leigh M. Whitten
Nancy Eckert Yeary [joined the meeting at 10:20 a.m.]

Absent: Laura D. Figueroa
Raymond A. "Ray" Gill Jr.
Thomas L. "Tom" Kelley

Chair Timmerman convened the meeting at 9:02 a.m. and led the Board in pledges of allegiance to the American and Texas flags. Director Whitten provided an invocation.

The Board heard public comments [Agenda Item 1]. The following speakers expressed concerns regarding drought conditions, water supply and the need to begin the process to update the current LCRA Water Management Plan: Central Texas Water Coalition Board of Directors President Jo Karr Tedder and Board members Sue Thornton, Frank Cooley, Ron Doughty and David Lindsay; and Lee Dustman, on behalf of Environmental Stewardship.

The following speakers expressed concerns regarding commercial dredging, including the change to Zone D, one of the areas in which applications for Commercial Dredge and Fill permits may be received under the Highland Lakes Dredge and Fill Ordinance: Brianna Madruga, Carla Robertson and Laura Patterson, homeowners on Lake LBJ.

General Manager Phil Wilson gave the Board an update. Wilson discussed LCRA's Water Management Plan. He gave an update on safety, including two key safety

metrics – LCRA’s Occupational Safety and Health Administration recordable incident rate and preventable vehicle incident rate, and key elements of LCRA’s safety program. He provided highlights of how LCRA continued serving Texans during fiscal year 2022. He noted that LCRA’s Public Safety team was recently recognized by the Texas Police Chiefs Association for its policy practices in the execution of law enforcement duties, and LCRA’s Fleet Operations team was honored as one of the Top 50 Leading Fleets in the United States through an annual awards program conducted with the American Public Works Association. Finally, Wilson gave an update on LCRA’s Be LakeWise campaign and shared videos from the campaign.

Jim Wolsky, a mechanical engineer, made comments about the City of Austin’s Redbud Trail Bridge project.

Chief Financial Officer Jim Travis presented financial highlights for LCRA covering fiscal year 2022 [Agenda Item 2].

Chair Timmerman recognized Will Holford from Bluebonnet Electric Cooperative, who was present in the audience.

The Board next took action on the consent agenda. Upon motion by Director Crane, seconded by Director Voelter, the Board unanimously approved consent items 3, 4, 5 and 6 by a vote of 10 to 0 as follows:

22-44 Approval of the proposed LCRA Board and committee meeting dates for calendar year 2023, as recommended in Consent Item 3 [attached hereto as Exhibit A].

22-45 Review and approval of LCRA Board Policy 303 – Banking and Investments, as recommended by staff in Consent Item 4 [attached hereto as Exhibit B].

22-46 Approval of directors’ fees and expense reimbursements, as recommended in Consent Item 5 [attached hereto as Exhibit C].

22-47 Approval of the minutes of the June 15, 2022, meeting [Consent Item 6].

22-48 Vice President of Water Resources Monica Masters presented for consideration a staff recommendation, described in Agenda Item 7 [attached hereto as Exhibit D], that the Board authorize the general manager or his designee to negotiate and execute a standard firm raw water contract with Lakecliff Dream LLC for irrigation use of LCRA’s firm water supply of up to 642 acre-feet per year for a term of 10 years. Upon motion by Director Martine, seconded by Vice Chair Cooper, the recommendation was unanimously approved by a vote of 10 to 0.

22-49 Director of Strategic Water Initiatives Lauren Graber presented for consideration a staff recommendation, described in Agenda Item 8 [attached hereto as Exhibit E], that the Board adopt a resolution relating to a temporary moratorium for new applications for community marinas on the Highland Lakes pursuant to the Highland

Lakes Marina Ordinance. The following speakers commented in favor of this item: Breanna Malik and Linda Larsen, residents of Granite Shoals. Upon motion by Director Whitten, seconded by Director Crane, the recommendation was unanimously approved by a vote of 10 to 0.

22-50 Vice President of Supply Chain Matt Chavez presented for consideration a staff recommendation, described in Agenda Item 9 [attached hereto as Exhibit F], that the Board authorize the general manager or his designee to negotiate and execute or amend the following contracts and contract changes: Contract No. 6123 (The Guardian Life Insurance Company of America); Contract No. 6065 (Woolery Custom Fence Company Inc.); Contract No. 4921 (Irby Construction Company, Inc.); and Contract No. 4680 (Unum Life Insurance Company of America). Upon motion by Director Lewis, seconded by Director Allen, the recommendation was unanimously approved by a vote of 10 to 0.

Chair Timmerman declared the meeting to be in executive session at 10:13 a.m., pursuant to sections 551.071, 551.072, 551.074, 551.076, 551.086, 551.089 and 418.183(f) of the Texas Government Code. [Director Yeary and Director Blanding joined the meeting at 10:20 a.m. and 10:50 a.m., respectively.] Executive session ended, and Chair Timmerman declared the meeting to be in public session at 11:55 a.m.

22-51 Upon motion by Director Crane, seconded by Vice Chair Cooper, the Board unanimously adopted a resolution [attached hereto as Exhibit G] approving the fiscal year 2022 performance evaluation, compensation and FY 2023 performance goals for General Manager Phil Wilson by a vote of 12 to 0.

22-52 Upon motion by Director Whitten, seconded by Director Crane, the Board unanimously adopted a resolution [attached hereto as Exhibit H] approving the fiscal year 2022 performance evaluation, compensation and FY 2023 performance goals for General Auditor Gerry Garcia by a vote of 12 to 0.

There being no further business to come before the Board, Chair Timmerman adjourned the meeting at 11:58 a.m.

Joseph M. Crane
Secretary
LCRA Board of Directors
Approved: Sept. 21, 2022

FOR ACTION

4. Fiscal Year 2022 Financial Statements and Independent Auditors' Report

Proposed Motion

Approve the fiscal year 2022 audited financial statements and authorize the filing of the audited financial statements with the executive director of the Texas Commission on Environmental Quality.

Board Consideration

TCEQ, under authority granted to it within Section 49.194 of the Texas Water Code, requires river authorities such as LCRA to file with TCEQ an annual audit report approved by the LCRA Board of Directors.

Budget Status and Fiscal Impact

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

Summary

The Board received the audited financial statements under separate cover.

Presenter(s)

Jim Travis
Chief Financial Officer

FOR ACTION

5. Approve the LCRA Transmission Services Corporation Series 2022A Bond Issue and Fortieth Supplemental Resolution

Proposed Motion

Staff recommends the Board of Directors adopt and approve the Fortieth Supplemental Resolution (Fortieth Supplement) to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program (Controlling Resolution) authorizing the issuance of Transmission Contract Refunding Revenue Bonds (LCRA Transmission Services Corporation Project), Series 2022A (Bonds) in an amount not to exceed \$300 million for the following purposes: (i) current refunding of portions of the LCRA Transmission Contract Revenue Commercial Paper Notes (LCRA Transmission Services Corporation Project) Tax-Exempt Series and any series of LCRA Transmission Contract Revenue Revolving Notes (LCRA Transmission Services Corporation Project); (ii) funding a debt service reserve fund for the Bonds; and (iii) paying for issuance costs.

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

The motion also will:

1. Approve related documents, in substantially final form, including the escrow agreement, the paying agent/registrar agreement, the preliminary official statement and the Transmission Contract Revenue Debt Installment Payment Agreement Supplement Related to the Bonds (the 2022A Installment Payment Agreement Supplement). Bond counsel has prepared or reviewed all documents.
2. Delegate authority to the general manager, chief financial officer and/or treasurer to:
 - a. Select all or a portion of LCRA TSC's outstanding debt to be refunded by the Bonds and provide for appropriate notices of redemption/prepayment/defeasance;
 - b. Approve any final changes to said documents necessary to facilitate proper issuance of such Bonds;
 - c. Establish the terms of the Bonds as provided in the resolution (including issuing such Bonds in one or more separate series (tax-exempt and/or taxable), principal amounts and maturity schedules, interest rates, redemption provisions and terms of any reserve funds); and
 - d. Approve the terms of the sale of the Bonds to an underwriting team and execute a Bonds purchase agreement.

Board Consideration

Section 8503.013 of the Texas Special District Local Laws Code (LCRA Act) requires a resolution approved by at least 12 members of the Board for the issuance of any bonds by LCRA. Section 152.054 of the Texas Water Code requires the LCRA Board to approve any debt issued by LCRA TSC.

Budget Status and Fiscal Impact

The fiscal year 2023 LCRA TSC business plan anticipates the refunding of a portion of the short-term debt. Based on current market conditions, the refunding will be advantageous, increase flexibility on timing of future financings and provide low-cost and long-term funds. The FY 2023 LCRA TSC business plan anticipates the issuance of about \$250 million of short-term obligations to fund LCRA TSC's ongoing capital plan in FY 2023.

Summary

With this action, the Board will approve the Bonds issued for the purpose of current refunding of certain LCRA TSC commercial paper and revolving notes in an amount not to exceed \$300 million, establishing a debt service reserve fund for the Bonds and paying for the issuance costs related to the Bonds. The Board also will approve the execution of documents necessary for the sale of the Bonds further described below.

Background

The Fortieth Supplement is a supplemental resolution to the Controlling Resolution adopted by the Board in 2001 and readopted in 2003. The Fortieth Supplement authorizes the Bonds, approves the forms of the ancillary agreements relating to such bonds, and delegates to the general manager, the chief financial officer and/or the treasurer authority to set the specific terms of such Bonds (including maturity, amortization, interest rates, redemption provisions, etc.) according to parameters set forth in the resolution. The Fortieth Supplement also requires an officer of LCRA TSC to agree to the specific terms of the Bonds. The Controlling Resolution, the Fortieth Supplement, and the pricing certificate of the LCRA officer and the LCRA TSC officer establishing the terms of the Bonds together constitute the authorization of such Bonds.

The 2022A Installment Payment Agreement Supplement is a supplemental agreement to the Transmission Installment Payment Agreement between LCRA and LCRA TSC executed in 2003. The supplemental agreement provides for the arms-length obligation of LCRA TSC to pay LCRA the debt service associated with the Bonds and further provides for LCRA TSC's ownership of the projects financed or refinanced with the proceeds of the Bonds.

The Bonds purchase agreement is the contract among LCRA, LCRA TSC and the underwriters of the Bonds that establishes the terms of the sale and delivery of such Bonds from LCRA and LCRA TSC to such underwriters. This agreement provides for the conditions for closing on the Bonds, including required legal opinions, and provides for certain limited events that may terminate LCRA TSC's obligation to deliver and/or the underwriters' obligation to accept the Bonds at closing.

The paying agent/registrars agreement is the contract among LCRA, LCRA TSC and The Bank of New York Mellon Trust Company NA setting forth the rights, duties and obligations of the parties under which such bank will act as the paying agent and registrar for the Bonds. The bank will provide paying agent and transfer agent services, maintain registration books, and facilitate providing certain notices for the Bonds, among other services.

The official statement is the document that provides disclosure to prospective investors regarding the terms of the bonds, security, risk factors, and financing and operating information of LCRA TSC.

Use of Proceeds

Proceeds from the Bonds will be used to refund certain LCRA TSC commercial paper notes and revolving notes, establish a debt service reserve fund for the Bonds and pay for issuance costs.

LCRA and LCRA TSC have authorized the issuance of commercial paper and revolving notes under programs backed by three separate credit facilities. Periodically, staff recommends refunding short-term, variable-rate debt with long-term, fixed-rate debt when market conditions are favorable and the short-term debt credit facilities approach their maximum capacity. In addition, staff periodically recommends refunding existing long-term debt with new long-term debt to capture interest rate savings and/or adjust the debt structure to benefit LCRA TSC customers.

Staff currently expects the Bonds to be sold and delivered in the fall of 2022, subject to the approving opinions of the Office of the Attorney General and bond counsel.

Presenter(s)

Jim Travis

Chief Financial Officer

FOR ACTION

6. Contracts and Contract Changes

Proposed Motion

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

Board Consideration

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

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

Budget Status and Fiscal Impact

Board of Directors approval of contracts and contract changes does not create a commitment to spend funds; rather, all orders and commitments will be for budgeted items contained in separately authorized operations and capital budgets or pre-spending authorizations.

Summary

Dollars in millions

| Contract Number and Name | Previous Board Approval | Previous Administrative Approval | Requested Board Approval | Estimated Expenditures for Contract Life |
|---------------------------------|--------------------------------|---|---------------------------------|---|
| 6067: McCurley Enterprises, Inc | n/a | n/a | 40.0 | 40.0 |
| 6068: Power Engineers Inc | n/a | n/a | 15.0 | 15.0 |
| 6133: Motorola, Inc. | n/a | n/a | 15.0 | 15.0 |
| 6029: Brandsafway LLC | n/a | 4.8 | 8.0 | 12.8 |

Presenter(s)

Matt Chavez
Vice President, Supply Chain

Exhibit(s)

A – New Contracts
B – Contract Administration

EXHIBIT A

New Contracts

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

| | |
|-------------------------------|----------------------------|
| Contract No. | 6067 |
| Supplier: | McCurley Enterprises, Inc |
| Total Contract Amount: | Not to exceed \$40 million |

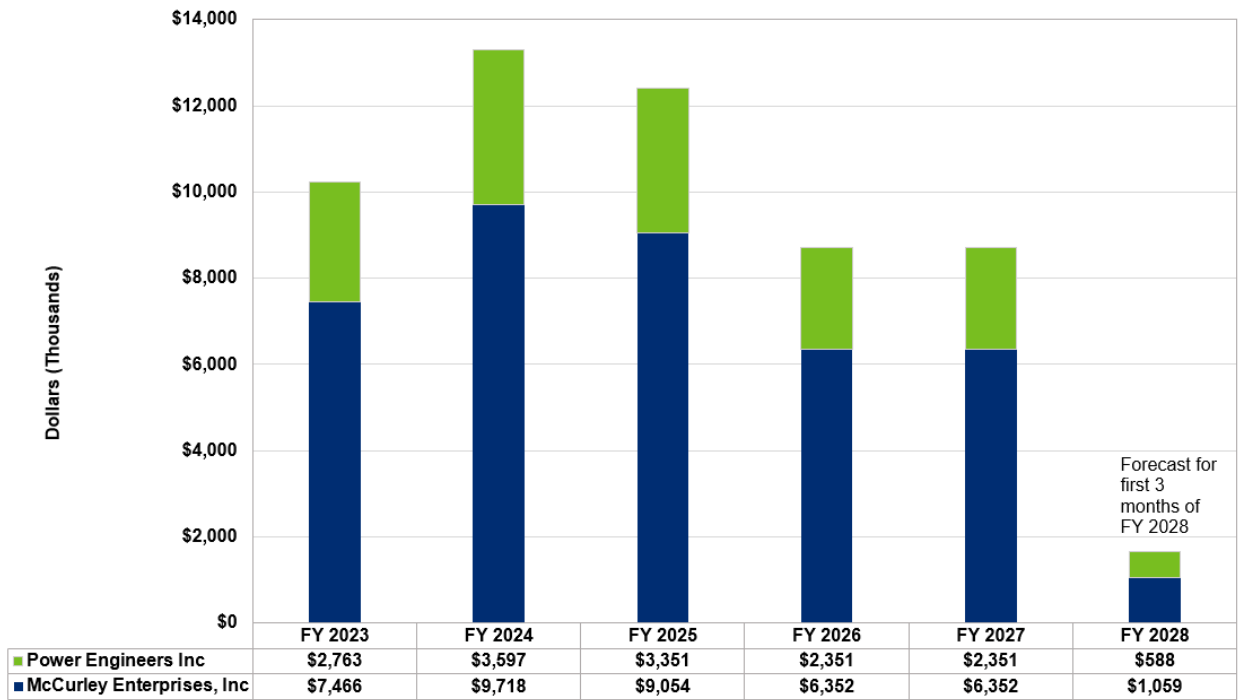
| | |
|-------------------------------|----------------------------|
| Contract No. | 6068 |
| Supplier: | Power Engineers Inc |
| Total Contract Amount: | Not to exceed \$15 million |

| | |
|--------------------------|--|
| Contract Lengths: | One-year contracts with four additional, optional one-year terms |
|--------------------------|--|

Description: These master contracts provide field construction coordinators primarily for LCRA Transmission Services Corporation. The coordinators provide construction coordination, oversight and inspection services when external construction crews are used to maintain and construct LCRA assets. Average orders under the contracts for these services total almost \$6 million each year. The new estimated contract values are based on an increase in forecast project demand and changes in market pricing.

Actions: Staff recommends awarding these contracts based on a fully competitive sourcing process. Staff received nine proposals and evaluated eight responsive proposals. Staff evaluated the responsive suppliers based on personnel availability and mobilization time. McCurley Enterprises, Inc is an incumbent supplier for this category. Based upon the evaluation and subsequent negotiations, staff recommends McCurley Enterprises, Inc and Power Engineers Inc as the suppliers for this category.

Field Construction Coordinator Forecast Orders



| | |
|---|--|
| Contract No. | 6133 |
| Supplier: | Motorola, Inc. |
| Total Contract Amount: | Not to exceed \$15 million |
| Contract Lengths: | One-year contract with six additional, optional one-year terms |
| <p>Description: LCRA has a current contract with Motorola, Inc., which allows LCRA Telecommunications to purchase radios, equipment and upgrade services from Motorola and sell to customers via third-party agreements. LCRA Telecommunications customers include police departments, fire departments, sheriff departments, school districts and others in Texas. Historical orders for the category have totaled almost \$3.3 million per year. LCRA is implementing a new contract with Motorola for these services. The new contract includes improved pricing.</p> | |
| <p>Actions: Staff recommends awarding this contract to Motorola, Inc. based on the sole-source departure process.</p> | |

Motorola, Inc. Forecast Orders

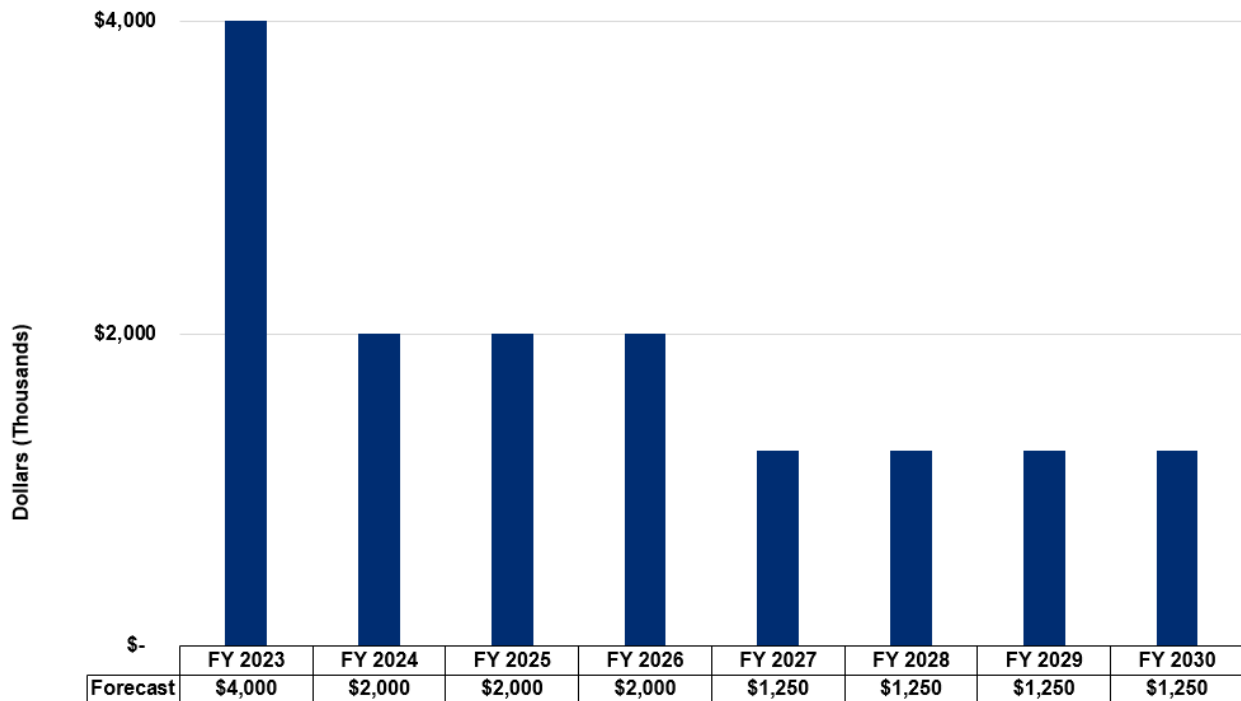


EXHIBIT B

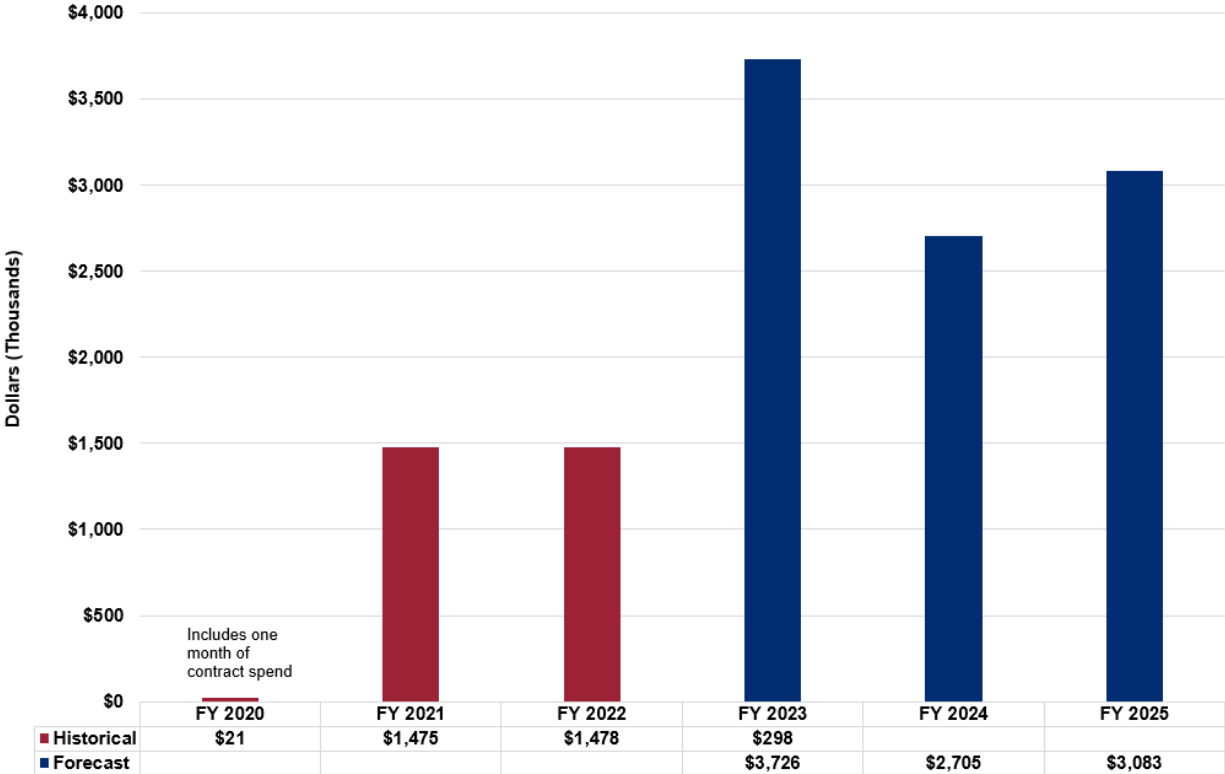
Contract Administration

Contract changes that require Board approval under Board Policy 308 are noted in Exhibit B.

- A *Change Order* is a change to the statement of work, specifications or schedule of the contract.
- An *Amendment* is a change to a contract that affects other terms and conditions of the contract.
- An *Increase in Estimate* is a request to spend more funds than previously were estimated to be spent through a given contract. The contract is not changed; only the internal estimate of the amount to be spent with the supplier has changed.

| | |
|---|------------------------------|
| Contract No. | 6029 |
| Supplier: | Brandsafway LLC |
| Contract Value | \$4.8 million |
| Requested Increase in Estimate: | \$8 million |
| New Contract Amount: | Not to exceed \$12.8 million |
| Description: LCRA engaged Brandsafway LLC (formerly Brace Integrated Services Inc.) to provide insulation services to protect generation assets from inclement weather. When staff executed the original contract in June 2020, the anticipated orders were not forecast to be more than \$5 million for the five-year contract term. The current contract value of \$4.8 million is almost fully depleted due to a significant increase in weatherization driven by Winter Storm Uri. Staff requests approval to add \$8 million to the total contract value to support additional insulation needs for generation assets. Staff expects the new contract value of \$12.8 million to meet LCRA's forecast needs through the remainder of the contract term. | |

Brandsafway LLC Historical Orders and Forecast



FOR ACTION

7. Services Agreement Between LCRA and WSC Energy II

Proposed Motion

Authorize the general manager or his designee to negotiate, execute and modify a services agreement between LCRA and WSC Energy II for LCRA to provide all services needed or desired by WSC Energy II at cost, and to perform all other acts necessary or convenient to carry out the purposes hereof.

Board Consideration

LCRA Board Policy 308 – Purchasing Contracts requires LCRA Board of Directors approval for materials, non-consulting services, software and construction contracts more than \$5 million, and for contracts more than five years.

Budget Status and Fiscal Impact

Approval of this item is not expected to have a fiscal impact because LCRA will be providing services at cost.

Summary

Staff recommends the Board authorize the general manager or his designee to negotiate, execute and modify a services agreement between LCRA and WSC Energy II. The LCRA Board formed WSC Energy II in October 2015 to serve new wholesale electric customers outside of LCRA's 1975 traditional service territory. WSC Energy II is actively seeking new customers across Texas, and any sales made by WSC Energy II are expected to generate revenues that support LCRA's statutory mission and reduce costs for LCRA's existing wholesale energy customers.

WSC Energy II is controlled by LCRA, and the LCRA Board serves as the Board of Directors for WSC Energy II. The LCRA Board must approve the WSC Energy II annual budget. WSC Energy II has officers appointed by its Board, but has no employees. Through this services agreement, LCRA would be able to provide all services and resources requested by WSC Energy II at cost, as permitted by Section 152.052 of the Texas Water Code. LCRA also would be able to contract with third-party providers to provide services to WSC Energy II. LCRA has used similar service agreements with its other nonprofit corporations, LCRA Transmission Services Corporation, LCRA Wholesale Energy Services Corporation and GenTex Power Corporation, for a number of years. LCRA resources and expertise will be necessary to allow WSC Energy II to meet its goals of finding new customers.

Presenter(s)

Randa Stephenson
Chief Commercial Officer