



Board Agenda
Wednesday, Nov. 16, 2022
LCRA General Office Complex
Board Room – Hancock Building
3700 Lake Austin Blvd.
Austin, TX 78703
Earliest start time: 11 a.m.

Items From the Chair

- 1. Comments From the Public 3

Consent Items

- 2. Designation of LCRA Records Management Officer 5
- 3. Minutes of Prior Meeting..... 7

Action Items

- 4. Water Commitment for LCRA Facilities and Projects 13
- 5. Amendments to LCRA Firm Water Contracts and Rules..... 15

Executive Session

- 1. Competitive Electric Matters
- 2. Litigation Update

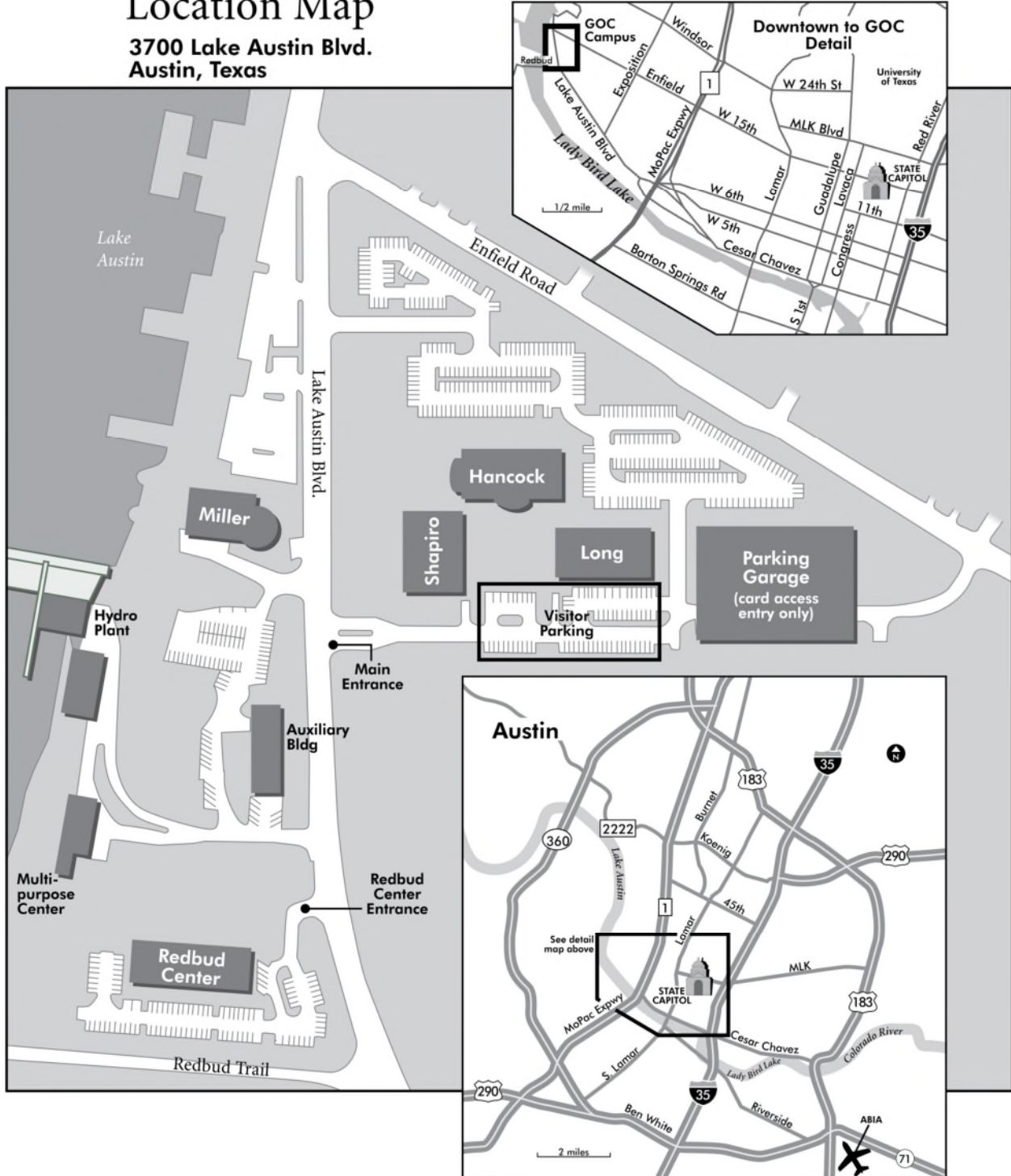
The Board also may go into executive session on any item listed above, pursuant to Chapter 551 of the Texas Government Code, including, but not limited to, sections 551.071, 551.072, 551.074, 551.076, 551.086, 551.089 and 418.183(f) of the Texas Government Code.

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. Designation of LCRA Records Management Officer

Proposed Motion

Adopt the LCRA Board Resolution Designating Records Management Officer in Exhibit A.

Board Consideration

The Local Government Records Act (the Act) is codified in chapters 201-205 of the Texas Local Government Code. The Act requires that the governing body of a local government, such as LCRA, designate a records management officer.

Budget Status and Fiscal Impact

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

Summary

Section 203.025 of the Texas Local Government Code requires the governing body of a local government, such as LCRA, to designate a records management officer either by designating an individual or an office or position, the holder of which will be the records management officer.

In August 2020, the LCRA Board passed an order designating the holder of the position of LCRA chief administrative officer as the records management officer. With the transfer of responsibilities associated with records management to the general counsel, it is now necessary to update the corresponding records management officer designation. The resolution in Exhibit A designates the position of LCRA general counsel as the records management officer for LCRA as required by provisions in the Act.

Exhibit(s)

A – LCRA Board Resolution Designating Records Management Officer

EXHIBIT A

**LCRA BOARD RESOLUTION
DESIGNATING RECORDS MANAGEMENT OFFICER
Nov. 16, 2022**

WHEREAS, Title 6, Subtitle C, Texas Local Government Code (Local Government Records Act), provides that a conservation and reclamation district, such as the Lower Colorado River Authority, must establish by order an active and continuing records management program to be administered by a records management officer; and

WHEREAS, the Lower Colorado River Authority desires to adopt an order for that purpose and to prescribe policies and procedures consistent with the Local Government Records Act and in the interests of cost-effective and efficient recordkeeping;

NOW, THEREFORE, Be It Ordered by the Board of Directors of the Lower Colorado River Authority (LCRA) that:

Section 1. RECORDS MANAGEMENT OFFICER. The person who holds the position of general counsel at LCRA will serve as records management officer for LCRA as provided by law and will ensure, together with LCRA management and employees, the maintenance, destruction, electronic storage or other disposition of the records of this office are carried out in accordance with the requirements of the Local Government Records Act.

Section 2. The records management officer may delegate duties of that position for the administration of LCRA's records management program to LCRA records management staff.

AUTHORITY: LCRA enabling legislation, Chapter 8503, Texas Special District Local Laws Code; Title 6, Subtitle C, Texas Local Government Code, chapters 201-205; Section 203.025, Local Government Records Act; and LCRA Bylaws, Section 2.01 and 2.11.

EFFECTIVE: Nov. 16, 2022.

FOR ACTION (CONSENT)

3. Minutes of Prior Meeting

Proposed Motion

Approve the minutes of the Oct. 19, 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 Oct. 19, 2022, meeting

EXHIBIT A

Minutes Digest
Oct. 19, 2022

- 22-59 Approval of a resolution honoring Michelle C. James, LCRA retiree.
- 22-60 Approval [reapproval with no changes] of LCRA Board Policy 603 – Energy Transactions.
- 22-61 Approval and authorization for the LCRA Board of Directors chair or his designee to execute Amendment No. One to the Lower Colorado River Authority Supplemental Executive Retirement Plan.
- 22-62 Approval of directors' attendance at seminars or conferences for an additional conference in 2022.
- 22-63 Approval of directors' fees and expense reimbursements.
- 22-64 Approval of the minutes of the Sept. 21, 2022, meeting.
- 22-65 Approval of the expenditure of up to \$600,000 from the Agricultural Water Conservation Fund for the land-leveling recertification cost-share program, the Lakeside Agricultural Division gate automation pilot project, administration of the House Bill 1437 program and water savings verification studies.
- 22-66 Reduction of the LCRA Board of Directors reservation of firm water from lakes Buchanan and Travis from 40,500 acre-feet per year to 35,000 acre-feet per year.
- 22-67 Authorization for the general manager or his designee to negotiate and execute a renewal of a standard firm raw water contract with the City of Horseshoe Bay for municipal use of LCRA's firm water supply that also would increase the supply up to 4,450 acre-feet per year for a term of 40 years. This contract will include the addition of 2,225 acre-feet to the current contract amount of 2,225 acre-feet.
- 22-68 Authorization for the general manager or his designee to negotiate and execute a renewal of a firm raw water contract with the City of Leander for municipal use of LCRA's firm water supply that also would increase the supply up to 31,000 acre-feet per year for a term of 40 years. This contract will include the addition of 7,000 acre-feet to the current contract amount of 24,000 acre-feet.

22-69

Approval of a resolution authorizing a note purchase agreement with PNC Bank or other acceptable financial institution related to the purchase of LCRA Revenue Revolving Notes Series E and Taxable Series E in an aggregate principal amount not to exceed \$200 million and authorizing the general manager, chief financial officer or treasurer to negotiate and execute the agreement and related documents, including a paying agent/registrars agreement.

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE
LOWER COLORADO RIVER AUTHORITY
Austin, Texas
Oct. 19, 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 9:04 a.m. Wednesday, Oct. 19, 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
Laura D. Figueroa
Carol Freeman
Thomas L. "Tom" Kelley [joined the meeting at 9:16 a.m.]
Robert "Bobby" Lewis
Thomas Michael Martine
Margaret D. "Meg" Voelter
Martha Leigh M. Whitten

Absent: Melissa K. Blanding
Raymond A. "Ray" Gill Jr.
Nancy Eckert Yeary

Chair Timmerman convened the meeting at 9:04 a.m. and led the Board in pledges of allegiance to the American and Texas flags. Director Whitten provided an invocation.

There were no general comments from the public on topics under LCRA's jurisdiction not related to an item on the agenda [Agenda Item 1].

General Manager Phil Wilson gave an overview of the upcoming Safety Week for employees as part of LCRA's Focus on Safety core value. Wilson reported on events LCRA held recently, including the annual State of LCRA meetings and the Employee Service Awards event. Wilson also commended employees who were involved in a Buchanan Dam intake project.

22-59 General Manager Phil Wilson presented for consideration a staff recommendation that the Board approve a resolution [attached hereto as Exhibit A] honoring Michelle C. James for her service to LCRA. Upon motion by Director Crane, seconded by Director Martine, the recommendation was unanimously approved by a vote of 12 to 0.

Chief Financial Officer Jim Travis presented financial highlights for LCRA covering September 2022 and the fiscal year to date [Agenda Item 3].

The Board next took action on the consent agenda. Upon motion by Director Voelter, seconded by Director Crane, the Board unanimously approved consent items 4, 5, 6, 7 and 8 by a vote of 12 to 0 as follows:

22-60 Approval [reapproval with no changes] of LCRA Board Policy 603 – Energy Transactions, as recommended by staff in Consent Item 4 [attached hereto as Exhibit B].

22-61 Approval and authorization for the LCRA Board of Directors chair or his designee to execute Amendment No. One to the Lower Colorado River Authority Supplemental Executive Retirement Plan, as recommended by staff in Consent Item 5 [attached hereto as Exhibit C].

22-62 Approval of directors' attendance at seminars or conferences for an additional conference in 2022, as recommended in Consent Item 6 [attached hereto as Exhibit D].

22-63 Approval of directors' fees and expense reimbursements, as recommended in Consent Item 7 [attached hereto as Exhibit E].

22-64 Approval of the minutes of the Sept. 21, 2022, meeting [Consent Item 8].

22-65 Vice President of Water Resources Monica Masters presented for consideration a staff recommendation, described in Agenda Item 9 [attached hereto as Exhibit F], that the Board approve the expenditure of up to \$600,000 from the Agricultural Water Conservation Fund for the land-leveling recertification cost-share program, the Lakeside Agricultural Division gate automation pilot project, administration of the House Bill 1437 program and water savings verification studies. Debbie Hoffpauir, chair of the HB 1437 Agricultural Water Conservation Fund Advisory Committee, commented and expressed support for this item. [Staff discussed this item with the Water Operations Committee on Oct. 18.] Upon motion by Director Crane, seconded by Vice Chair Cooper, the recommendation was unanimously approved by a vote of 12 to 0.

22-66 Executive Vice President of Water John B. Hofmann and Vice President of Water Resources Monica Masters presented for consideration a staff recommendation, described in Agenda Item 10 [attached hereto as Exhibit G], that the Board reduce the LCRA Board of Directors reservation of firm water from lakes Buchanan and Travis from 40,500 acre-feet per year to 35,000 acre-feet per year. Upon motion by Director Martine, seconded by Director Crane, the recommendation was unanimously approved by a vote of 12 to 0.

22-67 Vice President of Water Resources Monica Masters presented for consideration a staff recommendation, described in Agenda Item 11 [attached hereto as Exhibit H], that the Board authorize the general manager or his designee to negotiate and execute a renewal of a standard firm raw water contract with the City of Horseshoe Bay for municipal use of LCRA's firm water supply that also would increase the supply up to 4,450 acre-feet per year for a term of 40 years. This contract will include the addition of 2,225 acre-feet to the current contract amount of 2,225 acre-feet. Upon motion by Director Lewis, seconded by Director Crane, the recommendation was unanimously approved by a vote of 12 to 0.

22-68 Vice President of Water Resources Monica Masters presented for consideration a staff recommendation, described in Agenda Item 12 [attached hereto as Exhibit I], that the Board authorize the general manager or his designee to negotiate and execute a renewal of a firm raw water contract with the City of Leander for municipal use of LCRA's firm water supply that also would increase the supply up to 31,000 acre-feet per year for a term of 40 years. This contract will include the addition of 7,000 acre-feet to the current contract amount of 24,000 acre-feet. Upon motion by Director Crane, seconded by Director Martine, the recommendation was unanimously approved by a vote of 12 to 0.

22-69 Chief Financial Officer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 13 [attached hereto as Exhibit J], that the Board approve a resolution authorizing a note purchase agreement with PNC Bank or other acceptable financial institution related to the purchase of LCRA Revenue Revolving Notes Series E and Taxable Series E in an aggregate principal amount not to exceed \$200 million and authorizing the general manager, chief financial officer or treasurer to negotiate and execute the agreement and related documents, including a paying agent/registrar agreement. Upon motion by Director Lewis, seconded by Director Whitten, the recommendation was unanimously approved by a vote of 12 to 0.

Chair Timmerman declared the meeting to be in executive session at 9:43 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. Executive session ended, and Chair Timmerman declared the meeting to be in public session at 10:41 a.m.

There being no further business to come before the Board, Chair Timmerman adjourned the meeting at 10:41 a.m.

Joseph M. Crane
Secretary
LCRA Board of Directors

Approved: Nov. 16, 2022

FOR ACTION

4. Water Commitment for LCRA Facilities and Projects

Proposed Motion

Adopt the LCRA Board of Directors Resolution in Exhibit A increasing the existing commitment of firm water supplies for industrial and irrigation purposes at LCRA facilities and projects by 200 acre-feet per year to a total of 500 acre-feet per year, with the commitment to be reduced to 100 acre-feet per year when firm water no longer is needed for construction activities at Arbuckle Reservoir.

Board Consideration

LCRA's water rights for lakes Buchanan and Travis require Board approval for LCRA to supply, or commit to supply, water for its own use.

Budget Status and Fiscal Impact

This action will have no anticipated budgetary or fiscal impact. The supply of water to an LCRA water supply development project is financially within the same Water business unit; therefore, no charges or revenues are anticipated from the increased commitment.

Summary

The terms and conditions applicable to the Board resolution are the same as those applicable to LCRA's standard firm water contracts. In 2012, the Board reserved 100 acre-feet per year of the firm water supply for water needs associated with LCRA facilities and projects. In 2020, the Board increased the commitment to 300 acre-feet per year for 2021 and 2022 in support of construction activities at Arbuckle Reservoir. Continued construction activities at Arbuckle Reservoir require firm water beyond 2022 and will require water that will exceed the existing Board commitment.

Staff recommends temporarily increasing the current Board commitment to 500 acre-feet per year as described in the resolution. LCRA 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 proposed commitment.

Presenter(s)

John B. Hofmann
Executive Vice President, Water

Exhibit(s)

A – LCRA Board of Directors Resolution Reserving Water for LCRA Facilities and Projects

FOR ACTION

**LCRA BOARD OF DIRECTORS RESOLUTION
RESERVING WATER FOR LCRA FACILITIES AND PROJECTS**

WHEREAS, the Lower Colorado River Authority (LCRA) is the owner of Certificate of Adjudication Nos. 14-5478 (as amended) and 14-5482 (as amended), which are the water rights for lakes Buchanan and Travis, respectively; and

WHEREAS, these water rights require the LCRA Board of Directors to adopt a resolution defining any commitment of water to be used by LCRA under these water rights; and

WHEREAS, LCRA is authorized to and does divert and use water under these and other LCRA water rights for its own facilities and projects;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors in its regular meeting this 16th day of November 2022 commits and reserves 500 acre-feet of raw water per year from its firm water supplies to be used for irrigation and industrial purposes until such time as water is not needed for construction activities at Arbuckle Reservoir, and 100 acre-feet per year thereafter. This resolution replaces a prior resolution dated Aug. 19, 2020.

FOR ACTION

5. Amendments to LCRA Firm Water Contracts and Rules

Proposed Motion

Amend LCRA firm water contracts and rules.

Board Consideration

LCRA Board Policy 501 – Water Resources, 501.60 Water Contracts and Rates, stipulates that all amendments to LCRA water contract rules require approval by the LCRA Board of Directors.

Budget Status and Fiscal Impact

The proposed amendments have no impact on the fiscal year 2023 budget.

Summary

LCRA staff is proposing changes to the firm water contract rules, including the water conservation plan rules, and to the standard form contract for firm water. The proposed changes will address a variety of areas, including:

- Approval of contracts and notice requirements.
- Early termination of a contract or reduction in the contracted quantity.
- Exceedances of the contracted quantity.
- Water conservation measures.
- Dispute resolution procedures.

Additional proposed changes are reflected in the redlined documents provided to the Board under separate cover. LCRA posted the proposed changes on www.lcra.org and notified customers the documents were available for review and comment. LCRA received comments through Oct. 14, and staff incorporated minor revisions in response to the comments received.

Presenter(s)

Monica Masters
Vice President, Water Resources

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