



Board Agenda

Tuesday, Dec. 13, 2022

McKinney Roughs Nature Park – Wildflower Hall
1884 State Highway 71 West
Cedar Creek, TX 78612
Earliest start time: 2:15 p.m.

Items From the Chair

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Items From the General Manager

General Manager’s Update

Consent Items

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- 10. Contracts and Contract Changes 21

***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.

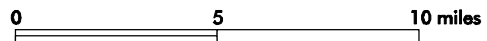
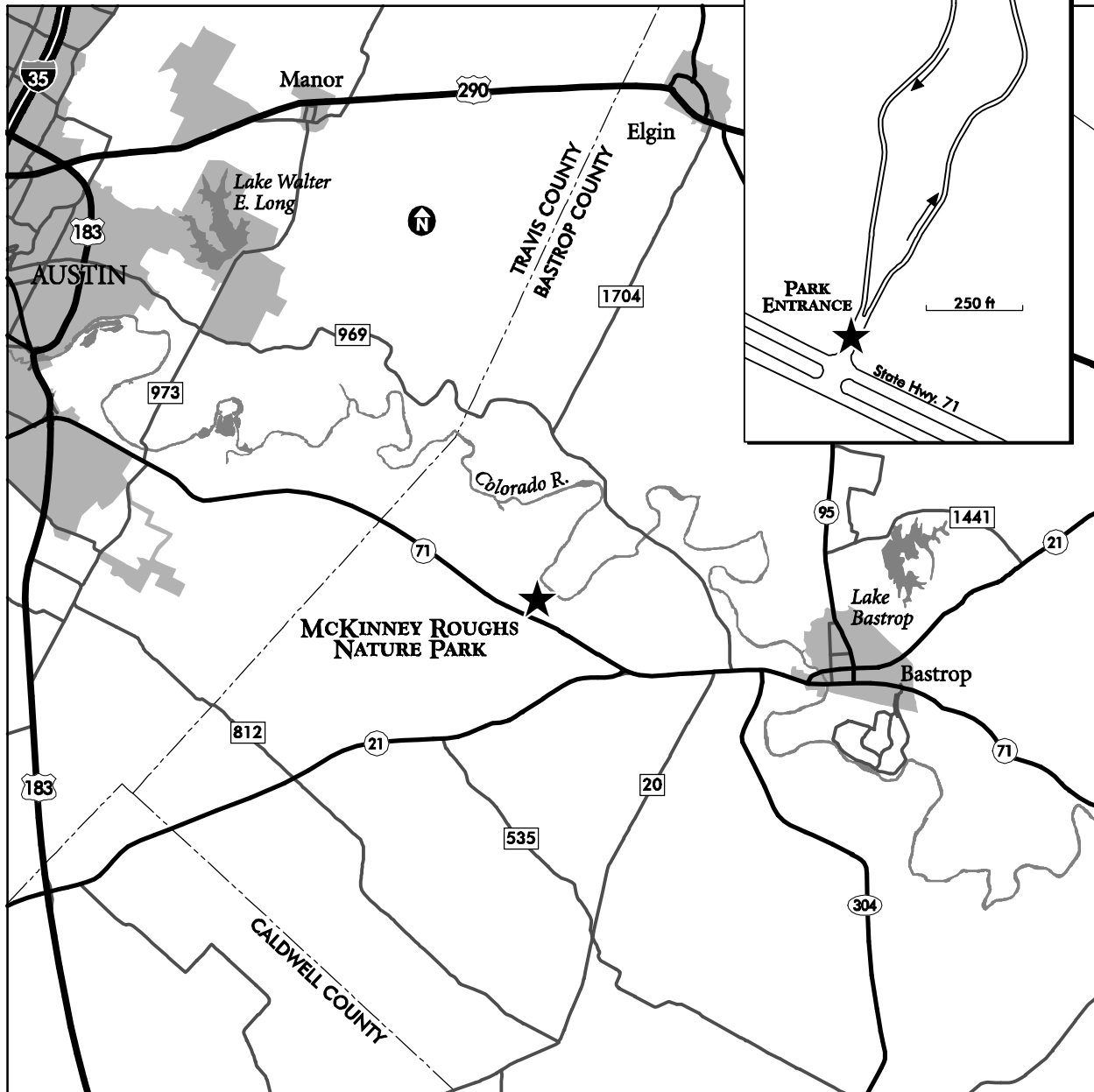
Legal Notice

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>

McKinney Roughs Nature Park

1884 State Hwy 71 West
Cedar Creek, TX 78612

McKinney Roughs is located on Hwy 71, 13.2 miles east of Austin-Bergstrom International Airport. The facility's entrance is 8.4 miles west of Bastrop.



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)

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

2. Sale of Land in Matagorda County

Proposed Motion

Declare an approximately 7.46-acre tract of land, being a portion of LCRA's Rooth Lateral canal in Matagorda County, nonessential, and authorize the general manager or his designee to sell the property to the adjoining landowner.

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 of beneficial use 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.

Budget Status and Fiscal Impact

The fiscal year 2023 business plan contains the administrative costs associated with the sale of this land. The proceeds of \$26,110 will be credited to the LCRA Strategic Fund.

Summary

South Texas Land Limited Partnership, the adjacent landowner, has agreed to purchase the 7.46-acre tract for the price of \$26,110. Staff determined the price based on the Matagorda Central Appraisal District's assessed values of nearby properties, including adjacent properties owned by South Texas Land.

LCRA staff will complete environmental and cultural resource due diligence assessments in accordance with Board Policy 401.403 – Land Disposition before the sale of the property.

The property 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) The purchaser will waive the right to receive water from the portion of the canal being conveyed and LCRA will no longer maintain the canal for water deliveries.

Exhibit(s)

A – Vicinity Map

B – Site Map

EXHIBIT A

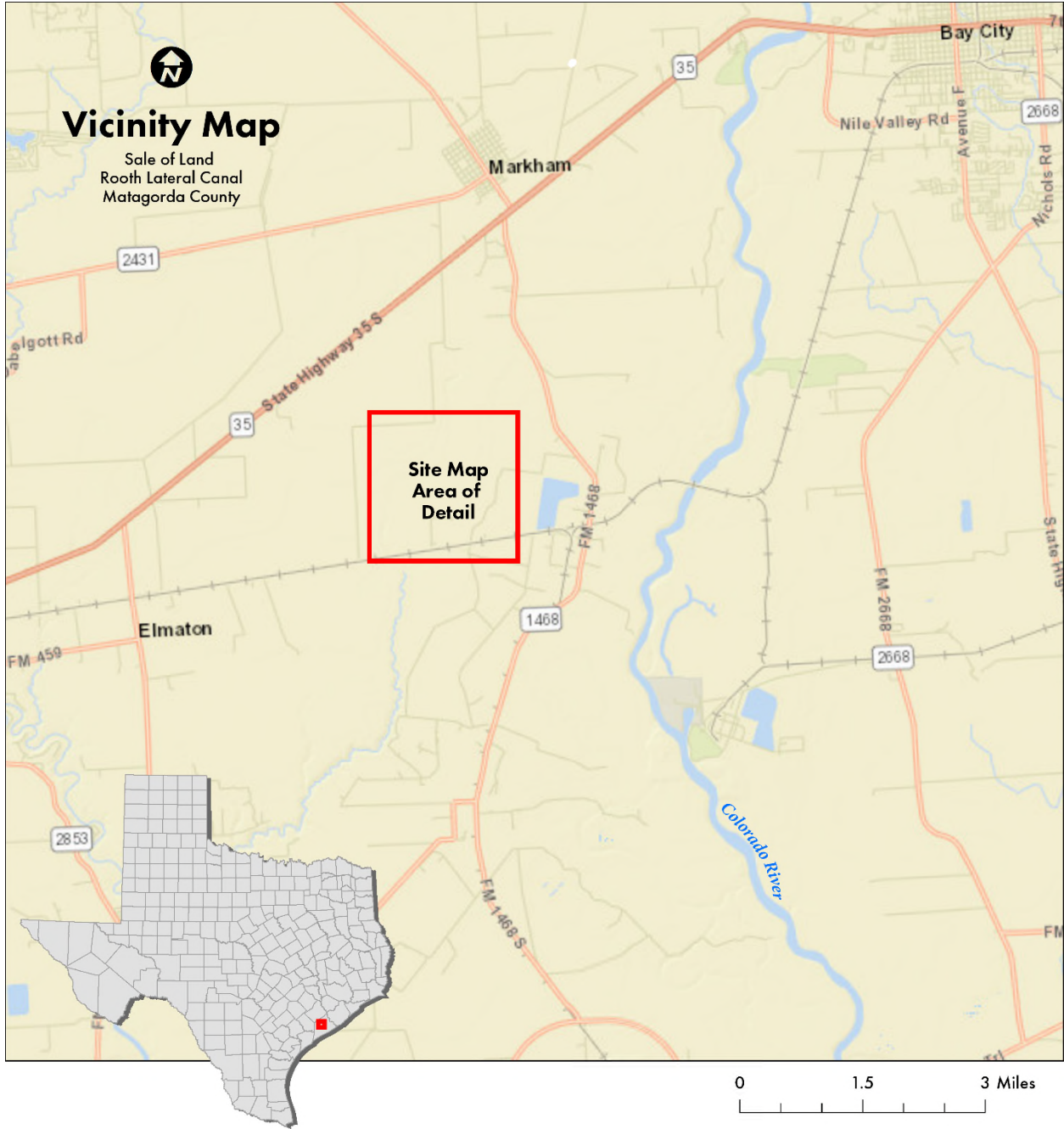


EXHIBIT B



FOR ACTION (CONSENT)

3. Annual Appointment of Independent Auditor

Proposed Motion

Appoint Baker Tilly US, LLP, as LCRA's independent auditor to perform the external audits of the fiscal year 2023 financial statements of LCRA and its affiliated corporations.

Board Consideration

LCRA Board Policy 221 – Auditors states that the LCRA Board of Directors will evaluate and appoint the independent auditor annually.

Budget Status and Fiscal Impact

Audit fees are included in the appropriate fiscal year budgets.

Summary

The Audit and Risk Committee at its Nov. 16 meeting received a recommendation from the chief financial officer to appoint Baker Tilly as LCRA's independent auditor to perform external audits of the FY 2023 financial statements of LCRA and its affiliated corporations. The Audit and Risk Committee voted unanimously to recommend the approval of Baker Tilly for the FY 2023 audits.

FOR ACTION (CONSENT)

4. Directors' Attendance at Seminars, Conferences in 2022

Proposed Motion

Approve directors' attendance at seminars or conferences for an additional conference in 2022.

Board Consideration

LCRA Board Policy 105 – Directors' Fees and Expense Reimbursement and the LCRA bylaws require approval for directors' attendance at seminars and conferences.

Budget Status and Fiscal Impact

The budget in the business plan provides for travel to seminars and conferences by members of the Board of Directors.

Summary

The Board approved a list of conferences for directors to attend in 2022 at its Dec. 14, 2021, Board meeting. Exhibit A lists an additional conference for 2022.

LCRA Board Policy 105 establishes guidelines for the payment of fees and reimbursement of the expenses directors incur as they carry out their responsibilities as LCRA Board members.

Section 2.08 of the LCRA bylaws provides that per diem and expenses shall be paid to members of the Board who attend association meetings, conventions and conferences directly related to LCRA business, provided such attendance is authorized by prior resolution of the Board.

Exhibit(s)

A – 2022 Additional Annual Conferences and Travel for Board Approval

EXHIBIT A

**2022 ADDITIONAL ANNUAL CONFERENCES AND TRAVEL
FOR BOARD APPROVAL**

Dec. 12-16

American Geophysical Union Fall Meeting 2022: Science
Leads the Future; Chicago, Illinois, and Virtual

FOR ACTION (CONSENT)

5. Directors' Attendance at Seminars, Conferences in 2023

Proposed Motion

Approve directors' attendance at seminars or conferences for calendar year 2023.

Board Consideration

LCRA Board Policy 105 – Directors' Fees and Expense Reimbursement and the LCRA bylaws require approval for directors' attendance at seminars and conferences.

Budget Status and Fiscal Impact

The budget in the business plan provides for travel to seminars and conferences by members of the Board of Directors.

Summary

LCRA Board Policy 105 establishes guidelines for the payment of fees and reimbursement of the expenses directors incur as they carry out their responsibilities as LCRA Board members.

Section 2.08 of the LCRA bylaws provides that per diem and expenses shall be paid to members of the Board who attend association meetings, conventions and conferences directly related to LCRA business, provided such attendance is authorized by prior resolution of the Board.

Exhibit(s)

A – 2023 Annual Conferences and Travel for Board Approval

EXHIBIT A

**2023 ANNUAL CONFERENCES AND TRAVEL
FOR BOARD APPROVAL**

Feb. 23-24	Changing Face of Water Law Course; San Antonio
March 1-3	Texas Land Conservation Conference; Austin
March 1-3	Texas Water Conservation Association Annual Convention; Bastrop
March 3-8	National Rural Electric Cooperatives Association PowerXChange; Nashville, Tennessee
June 14-16	Texas Water Conservation Association Summer Conference; The Woodlands
July 30-Aug. 2	Texas Electric Cooperatives Annual Meeting; Round Rock
Oct. 8-11	National Association of Corporate Directors – Global Board Leaders’ Summit; Oxon Hill, Maryland
Nov. 1-3	Texas Water Conservation Association Fall Conference; San Antonio
Nov. 16	Texas Conference for Women; Austin
TBD	National Association of Corporate Directors Texas TriCities; Austin-Houston-San Antonio Chapter Meetings
TBD	Groundwater Week 2023; TBD

FOR ACTION (CONSENT)

6. Minutes of Prior Meeting

Proposed Motion

Approve the minutes of the Nov. 16, 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 Nov. 16, 2022, meeting

EXHIBIT A

Minutes Digest
Nov. 16, 2022

- 22-70 Adoption of the LCRA Board Resolution Designating Records Management Officer.
- 22-71 Approval of the minutes of the Oct. 19, 2022, meeting.
- 22-72 Adoption of the LCRA Board of Directors Resolution 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.
- 22-73 Approval of amendments to LCRA firm water contracts and rules.

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE
LOWER COLORADO RIVER AUTHORITY
Austin, Texas
Nov. 16, 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 12:13 p.m. Wednesday, Nov. 16, 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
Carol Freeman
Thomas L. "Tom" Kelley
Robert "Bobby" Lewis
Thomas Michael Martine
Margaret D. "Meg" Voelter
Martha Leigh M. Whitten
Nancy Eckert Yeary

Absent: Melissa K. Blanding
Laura D. Figueroa
Raymond A. "Ray" Gill Jr.

Chair Timmerman convened the meeting at 12:13 p.m.

There were no public comments during the meeting [Agenda Item 1].

The Board next took action on the consent agenda. Upon motion by Director Allen, seconded by Director Whitten, the Board unanimously approved consent items 2 and 3 by a vote of 12 to 0 as follows:

22-70 Adoption of the LCRA Board Resolution Designating Records Management Officer, as recommended by staff in Consent Item 2 [attached hereto as Exhibit A].

22-71 Approval of the minutes of the Oct. 19, 2022, meeting [Consent Item 3].

22-72 Vice President of Water Resources Monica Masters presented for consideration a staff recommendation, described in Agenda Item 4 [attached hereto as Exhibit B], that the Board adopt the LCRA Board of Directors Resolution 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. Upon motion by Director Crane, seconded by Vice Chair Cooper, the recommendation was unanimously approved by a vote of 12 to 0.

22-73 Vice President of Water Resources Monica Masters presented for consideration a staff recommendation, described in Agenda Item 5 [attached hereto as Exhibit C], that the Board approve amendments to LCRA firm water contracts and rules. 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 12:20 p.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. [Chair Timmerman left the meeting at 1:01 p.m.] Executive session ended, and Vice Chair Cooper declared the meeting to be in public session at 1:32 p.m.

There being no further business to come before the Board, Vice Chair Cooper adjourned the meeting at 1:32 p.m.

Joseph M. Crane
Secretary
LCRA Board of Directors
Approved: Dec. 13, 2022

FOR ACTION

7. Authority for Expenditure of Public Recreation Conservation Land Acquisition Funds to Purchase the Leasehold Interest in Canyon of the Eagles Nature Park

Proposed Motion

Authorize the expenditure of up to \$1 million from the Public Recreation and Conservation Land Acquisition Fund to go toward the purchase of the leasehold interest in Canyon of the Eagles Nature Park that the LCRA Board of Directors approved in March 2022.

Board Consideration

LCRA Board Policy 301 – Finance requires Board approval for expenditures of funds from PRCLA.

Budget Status and Fiscal Impact

The Board approved the acquisition of the existing leasehold interest from Calibre Hospitality in March 2022 for up to \$6.5 million. Staff seeks approval to spend \$1 million of PRCLA funds toward the purchase of the Canyon of the Eagles leasehold interest. The balance of the funds will come from the LCRA Strategic Reserve Fund.

Summary

Since 2006, Calibre Hospitality, LLC, has leased Canyon of the Eagles, located in Burnet County, from LCRA and has operated a lodge, RV park, campsites, park store, and other amenities on the property. LCRA is purchasing Calibre Hospitality's leasehold interest at Canyon of the Eagles and is requesting to use funds from PRCLA to pay for a portion of the total sale price.

Presenter(s)

Margo Richards
Vice President, Community Resources

FOR ACTION

8. Authority for Expenditure of Public Recreation Conservation Land Acquisition Funds for the Matagorda Bay Nature Park Improvements Project

Proposed Motion

Authorize the additional expenditure of up to \$1.5 million from the Public Recreation and Conservation Land Acquisition Fund for the Matagorda Bay Nature Park Improvements project.

Board Consideration

LCRA Board Policy 301 – Finance requires Board of Directors approval for expenditures of funds from PRCLA.

Budget Status and Fiscal Impact

The Board approved the Matagorda Bay Nature Park Improvements project as part of the fiscal year 2020 capital plan, including spending in FY 2023. Staff seeks approval to increase the total expenditure of PRCLA funds for this project from \$3.6 million to up to \$5.1 million, an increase of \$1.5 million.

Summary

The Matagorda Bay Nature Park Improvements project originally had a lifetime budget of \$6.915 million. The project scope includes making improvements to existing assets, constructing 10 full-service cabins, installing 15 shade shelters at RV sites, constructing a nine-hole miniature golf course and replacing park signage. Due to increases in materials and construction costs, an increase of up to \$1.5 million is needed to complete construction of the cabins.

Presenter(s)

Margo Richards
Vice President, Community Resources

FOR ACTION

9. WSC Energy II Fiscal Year 2023 Amended Business Plan

Proposed Motion

Adopt a resolution approving the WSC Energy II Fiscal Year 2023 Amended Business Plan.

Board Consideration

LCRA Board Policy 301 – Finance requires LCRA Board of Directors approval of business plans for LCRA and its nonprofit corporations before the start of each fiscal year. Texas Water Code Chapter 152 requires the Board to approve each of the nonprofit corporations' budgets and capital plans.

Budget Status and Fiscal Impact

The proposed amended business plan and the budgets included therein provide targets for revenue and operating and maintenance expenses for FY 2023.

Summary

Staff provided to the Board under separate cover the WSC Energy II FY 2023 amended business plan document.

The WSC Energy II Board is expected to take action on its FY 2023 amended business plan at its respective Board meeting today.

Presenter(s)

Jim Travis
Chief Financial Officer

Exhibit(s)

A – LCRA Board Resolution: WSC Energy II Fiscal Year 2023 Amended Business Plan

EXHIBIT A

**LCRA BOARD RESOLUTION
WSC ENERGY II
FISCAL YEAR 2023 AMENDED BUSINESS PLAN**

WHEREAS, the LCRA Board of Directors must approve the budgets of nonprofit corporations created by the river authority pursuant to Chapter 152 of the Texas Water Code and LCRA Board Policy 301 – Finance;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby adopts and approves the WSC Energy II Fiscal Year 2023 Amended Business Plan.

The WSC Energy II Fiscal Year 2023 Amended Business Plan is presented to the Board under separate cover as a confidential competitive electric matter.

The Board recognizes that the WSC Energy II Board of Directors will approve capital projects and other major expenditures not included in the business plan in its normal agenda process. Furthermore, the general manager shall keep the LCRA Board apprised of the progress toward the accomplishment of WSC Energy II's goals within the budgeted amounts approved by the Board.

Adoption of the WSC Energy II Fiscal Year 2023 Amended Business Plan provides authorization for all expenditures and plans in the business plan and approves the budget for WSC Energy II, as required by state law. Individual purchases and contracts to implement the business plan fall under various state laws and Board policies and may require additional approval.

FOR ACTION

10. Contracts and Contract Changes

Proposed Motion

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

Board Consideration

LCRA Board Policy 308 – Purchasing Contracts requires Board of Directors approval for:

- Any contract for consulting services with projected expenditures exceeding \$100,000, whether under the original contract or as a result of a change order; and
- Any contract for goods, services (excluding consulting services), construction or software with projected expenditures exceeding \$5 million, whether under the original contract or as a result of a change order.

Budget Status and Fiscal Impact

Board of Directors approval of contracts and contract changes does not create a commitment to spend funds. All commitments made under these contracts will be for budgeted items contained in separately authorized operations and capital budgets or pre-spending requirements as outlined in LCRA Transmission Services Corporation Board Policy T301 – Finance.

Summary

Each month the Board approves the contracts and contract changes in accordance with LCRA Board Policy 308 – Purchasing Contracts.

Presenter(s)

Matt Chavez
Vice President, Supply Chain

Exhibit(s)

A – New Contracts
B – Contract Administration

EXHIBIT A

New Contracts

Contract Number: 6160

Supplier Name: Grid Solutions (U.S.) LLC

Contract Amount: \$14 million

Description: This master contract is for annual support, training, upgrades and other associated services required for LCRA Transmission Services Corporation's energy management system. LCRA TSC has utilized Grid Solutions (U.S.) LLC's energy management system to support the System Operations Control Center since 1999. The term of the contract is for one year, with annual options to extend up to a total of 10 years. Historical contract expenditures were \$9.8 million under the existing 10-year contract with Grid Solutions (U.S.) LLC.

Contract Number: 6127

Supplier Name: CWC Right of Way Inc.

Contract Amount: \$75 million

Description: This master contract provides vegetation management services primarily used by LCRA TSC for trimming, clearing, shredding, road work, erosion control and other right-of-way services. The term of the contract is for one year, with annual options to extend up to a total of five years. Historical contract expenditures were \$40 million under multiple existing five-year contracts. Total projected contract expenditures are forecast to increase from prior years due to the continued growth of the LCRA TSC capital plan; new lines being added to maintenance schedules; a potential reduction in the percentage of this right-of-way work that will be subcontracted to LCRA's construction providers; and higher market pricing for labor and equipment.

Contract Number: 6175

Supplier Name: Pannell Contracting LLC

Contract Amount: \$25 million

Description: This master contract provides vegetation management services as described in the above item. This will be a secondary supplier used for this category of spend.