



Board Agenda

Wednesday, Feb. 22, 2023
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

Items From the General Manager

General Manager’s Update

Consent Items

- *2. Conveyance of Water Pipeline Easement in Travis County 5
- 3. April 2023 LCRA Board Meeting Date 8
- 4. Minutes of Prior Meeting 9

Action Items

- 5. Firm Water Industrial Customer Canal Distribution Rate 14

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

Executive Session

- 1. Legal Advice Regarding New Operations Agreement for Canyon of the Eagles
Nature Park Discussion
- 2. Legislative Update
- 3. Litigation Update

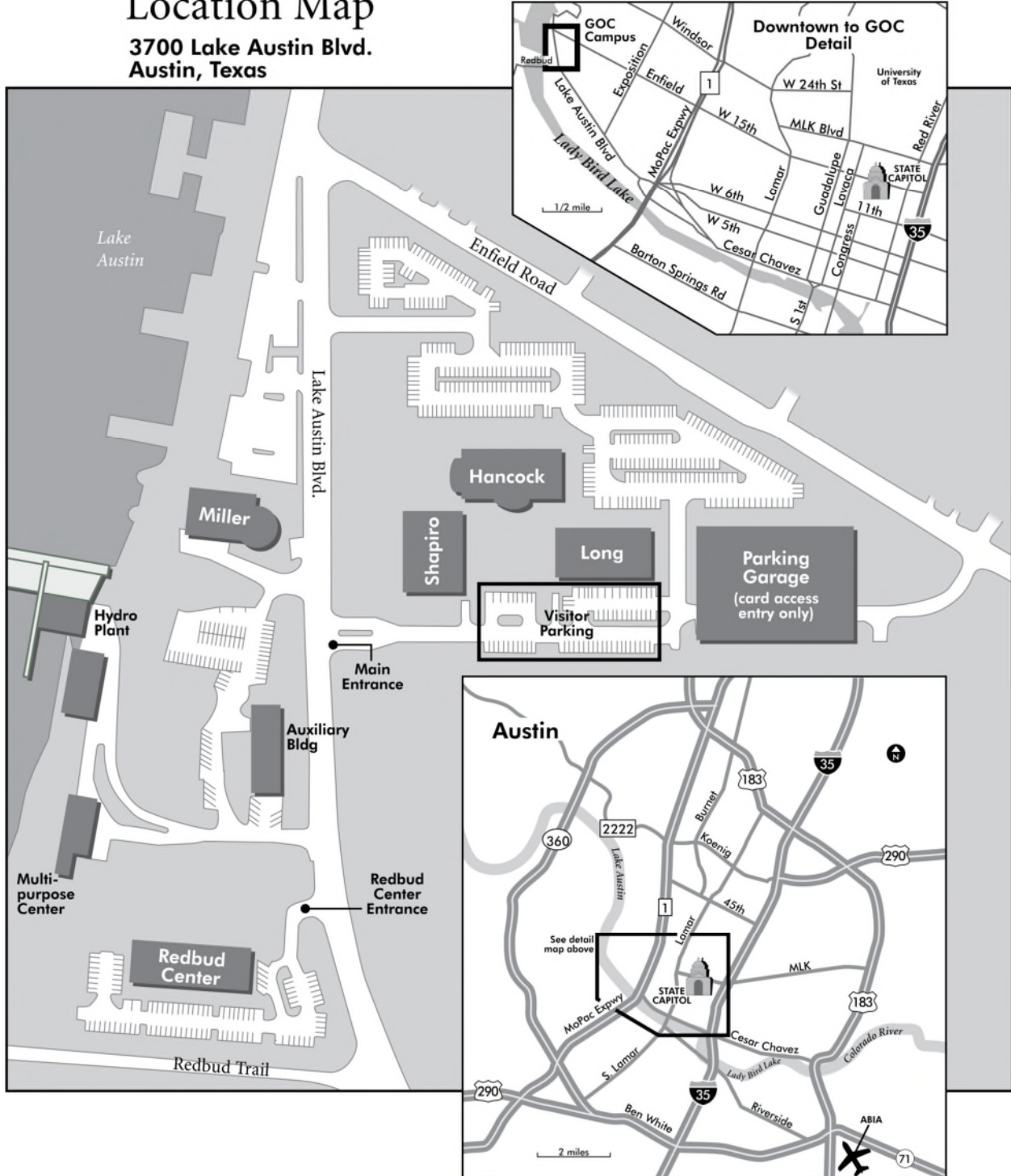
The Board also may go into executive session on any item listed above, pursuant to Chapter 551 of the Texas Government Code, including, but not limited to, sections 551.071, 551.072, 551.074, 551.076, 551.086, 551.089 and 418.183(f) of the Texas Government Code.

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.

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

FOR ACTION (CONSENT)

2. Conveyance of Water Pipeline Easement in Travis County

Proposed Motion

Authorize the general manager or his designee to convey to the City of Cedar Park a permanent water pipeline easement, being an approximate 1.09-acre tract, across a portion of LCRA Parcel TN-10A in Travis 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 2023 business plan contains the administrative costs associated with the sale of this land. The proceeds of \$3,575 will be credited to the LCRA Strategic Fund.

Summary

The City of Cedar Park is implementing Phase 1D of a project to deliver raw water to the Brushy Creek Regional Utility Authority, Cedar Park and Leander water treatment plants and needs to repair an existing submerged water pipeline. LCRA previously granted Cedar Park an easement; however, additional easement rights are needed to allow the installation of a new, parallel water pipeline to prevent the BCRUA water treatment plant from being out of service and to enable BCRUA to transfer water through either pipeline to increase overall reliability. The price was determined by a third-party appraiser, Atrium Real Estate Services, on Oct. 14, 2022.

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

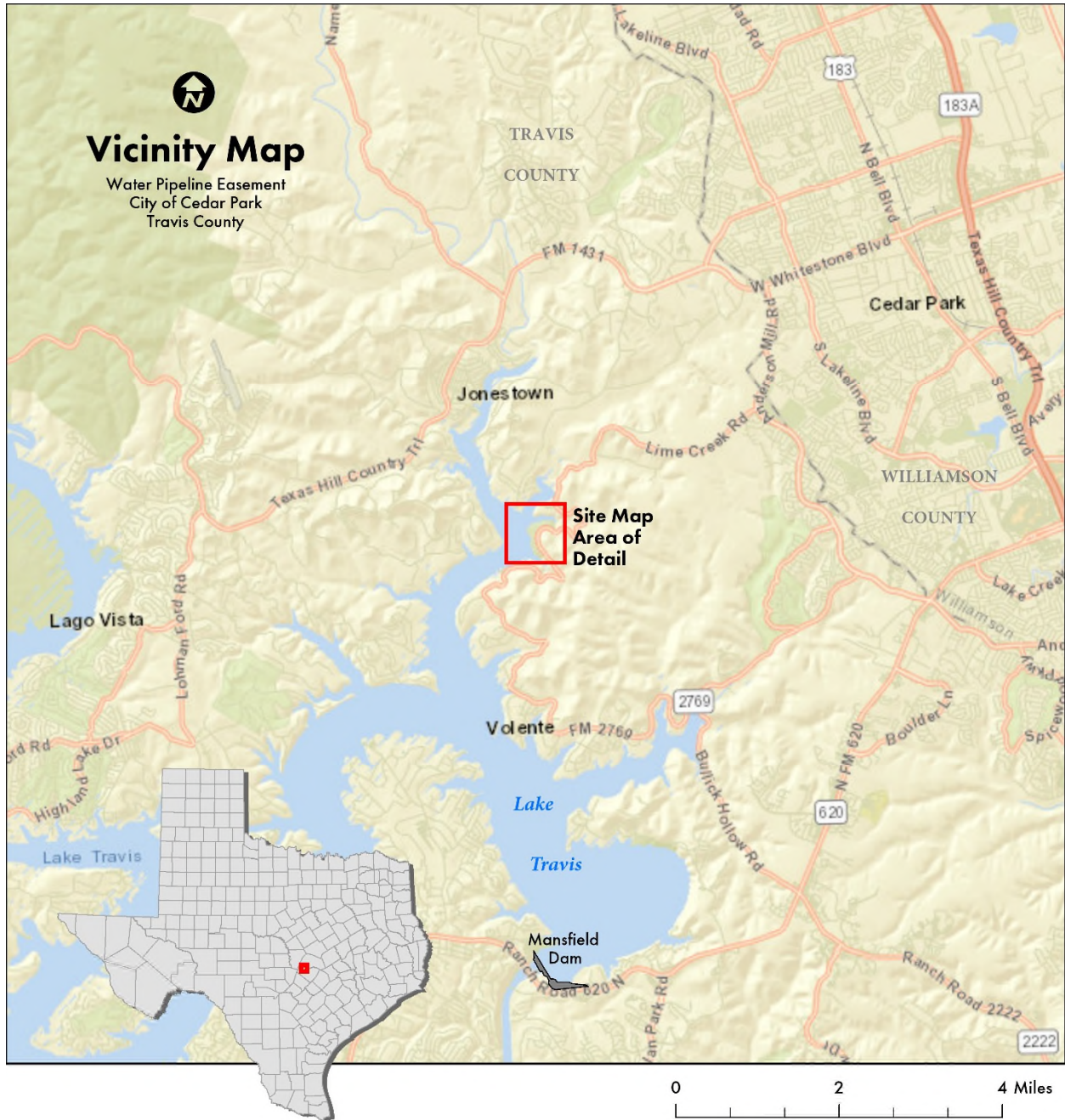


EXHIBIT B



FOR ACTION (CONSENT)

3. April 2023 LCRA Board Meeting Date

Proposed Motion

Approve changing the date of the April 2023 LCRA Board of Directors meeting to Tuesday, April 18.

Budget Status and Fiscal Impact

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

Summary

The Board approved its calendar year 2023 Board and committee meetings schedule on Aug. 17, 2022. The proposed change would move the April 2023 Board meeting from April 19 to April 18.

FOR ACTION (CONSENT)

4. Minutes of Prior Meeting

Proposed Motion

Approve the minutes of the Jan. 18, 2023, 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 Jan. 18, 2023, meeting

EXHIBIT A

Minutes Digest
Jan. 18, 2023

- 23-01 Approval of amendments to LCRA Board Policy 308 – Purchasing Contracts.
- 23-02 Approval of directors’ fees and expense reimbursements.
- 23-03 Approval of the minutes of the Dec. 13, 2022, meeting.
- 23-04 Approval of updated interruptible agricultural water contract rules and rates for the Garwood, Gulf Coast and Lakeside agricultural divisions.
- 23-05 Adoption and approval of the Forty-First Supplemental Resolution to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program authorizing the issuance of Transmission Contract Refunding Revenue Bonds (LCRA Transmission Services Corporation Project) in one or more series (a Series of Bonds) in an aggregate amount not to exceed \$950 million for the following purposes: (i) current refunding of certain 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) currently refund certain long-term Transmission Contract Debt; (iii) funding a debt service reserve fund for a Series of Bonds; and (iv) paying for issuance costs.
- 23-06 Approval of the resolution authorizing a note purchase agreement related to LCRA Revenue Revolving Notes, Series D and Taxable Series D, by amending and extending the existing note purchase agreement with JPMorgan Chase Bank, N.A. or through a new agreement with another financial institution if acceptable terms cannot be reached with JPMorgan Chase Bank (in each case, the Series D Agreement), and authorizing the general manager, chief financial officer or treasurer to negotiate and execute the Series D Agreement. Also authorization for the general manager or his designee to negotiate and execute related documents.
- 23-07 Authorization for the general manager or his designee to negotiate and execute the following contracts and contract changes: Contract No. 6179 (Survey and Mapping, LLC) and Contract No. 4811 (USA Wire & Cable, Inc.).

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE
LOWER COLORADO RIVER AUTHORITY
Austin, Texas
Jan. 18, 2023

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 11:22 a.m. Wednesday, Jan. 18, 2023, 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
Michael L. "Mike" Allen
Matthew L. "Matt" Arthur
Melissa K. Blanding
Laura D. Figueroa
Carol Freeman
Thomas L. "Tom" Kelley
Robert "Bobby" Lewis
Thomas Michael Martine
Margaret D. "Meg" Voelter
Martha Leigh M. Whitten
Nancy Eckert Yeary

Absent: Joseph M. "Joe" Crane, Secretary
Raymond A. "Ray" Gill Jr.

Chair Timmerman convened the meeting at 11:22 a.m. and recognized Will Holford from Bluebonnet Electric Cooperative, who was present in the audience.

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].

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

The Board next took action on the consent agenda. Upon motion by Director Voelter, seconded by Director Whitten, the Board unanimously approved consent items 3, 4 and 5 by a vote of 13 to 0 as follows:

23-01 Approval of amendments to LCRA Board Policy 308 – Purchasing Contracts, as recommended by staff in Consent Item 3 [attached hereto as Exhibit A].

23-02 Approval of directors' fees and expense reimbursements, as recommended in Consent Item 4 [attached hereto as Exhibit B].

23-03 Approval of the minutes of the Dec. 13, 2022, meeting [Consent Item 5].

Shannon Hamilton, executive director of the Central Texas Water Coalition, commented and expressed concerns about the need to protect the water supply especially in light of the ongoing drought, growth in Central Texas and historically low inflows in the basin.

23-04 Vice President of Water Operations Kelly D. Payne presented for consideration a staff recommendation, described in Agenda Item 6 [attached hereto as Exhibit C], that the Board approve updated interruptible agricultural water contract rules and rates for the Garwood, Gulf Coast and Lakeside agricultural divisions. Upon motion by Director Martine, seconded by Director Yeary, the recommendation was unanimously approved by a vote of 13 to 0.

23-05 Chief Financial Officer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 7 [attached hereto as Exhibit D], that the Board adopt and approve the Forty-First Supplemental Resolution to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program authorizing the issuance of Transmission Contract Refunding Revenue Bonds (LCRA Transmission Services Corporation Project) in one or more series (a Series of Bonds) in an aggregate amount not to exceed \$950 million for the following purposes: (i) current refunding of certain 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) currently refund certain long-term Transmission Contract Debt; (iii) funding a debt service reserve fund for a Series of Bonds; and (iv) paying for issuance costs. The resolution also will:

1. Approve related documents, in substantially final form, including, if required, an escrow agreement, a paying agent/registrars agreement, a preliminary and final official statement, and a Transmission Contract Revenue Debt Installment Payment Agreement Supplement related to the Series of Bonds. Bond counsel 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 particular Series of 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 Series of Bonds;
 - c. Establish the terms of each Series of Bonds as provided in the Forty-First Supplement (including issuing such bonds in one or more separate Series of Bonds, issuing the Series of Bonds as tax-exempt 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 each Series of Bonds to an underwriting team and execute a bonds purchase agreement for such Series of Bonds.

Upon motion by Director Lewis, seconded by Director Kelley, the recommendation was unanimously approved by a vote of 13 to 0.

23-06 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 authorizing a note purchase agreement related to LCRA Revenue Revolving Notes, Series D and Taxable Series D, by amending and extending the existing note purchase agreement with JPMorgan Chase Bank, N.A. or through a new agreement with another financial institution if acceptable terms cannot be reached with JPMorgan Chase Bank (in each case, the Series D Agreement), and authorizing the general manager, chief financial officer or treasurer to negotiate and execute the Series D Agreement; and authorize the general manager or his designee to negotiate and execute related documents. Upon motion by Director Allen, seconded by Director Whitten, the recommendation was unanimously approved by a vote of 13 to 0.

23-07 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 the following contracts and contract changes: Contract No. 6179 (Survey and Mapping, LLC) and Contract No. 4811 (USA Wire & Cable, Inc.). Upon motion by Director Figueroa, seconded by Director Arthur, the recommendation was unanimously approved by a vote of 13 to 0.

Chair Timmerman declared the meeting to be in executive session at 11:39 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. [The Board took a recess from 12:20 p.m. to 12:50 p.m.] Executive session ended, and Chair Timmerman declared the meeting to be in public session at 1:28 p.m.

There being no further business to come before the Board, Chair Timmerman adjourned the meeting at 1:28 p.m.

Joseph M. Crane
Secretary
LCRA Board of Directors
Approved: Feb. 22, 2023

FOR ACTION

5. Firm Water Industrial Customer Canal Distribution Rate

Proposed Motion

Approve the distribution rate for long-term industrial customers receiving firm water delivered through the Gulf Coast agricultural division canals.

Board Consideration

LCRA Board Policy 501 – Water Resources and Section 8503.011 of the Texas Special District Local Laws Code require the Board of Directors to adopt rates associated with water contracts.

Budget Status and Fiscal Impact

The Gulf Coast industrial distribution rate reflects the full cost recovery of delivering firm water to two industrial customers receiving water on a year-round basis from the Gulf Coast agricultural division canal system.

Summary

Staff proposes an updated firm customer rate for delivering water from agricultural division canals to become effective in the April 2023 billing period. The proposed Gulf Coast industrial distribution rate of \$82.28 per acre-foot (\$0.253 per thousand gallons) applies at the delivery point for two industrial customers that divert water from the Gulf Coast agricultural division irrigation canals – Underground Services Markham LP and OQ Chemicals. Because the customers take water from the irrigation canals and not directly from the river, they pay a share of the costs to operate and maintain the canal system, and thus reduce the costs Gulf Coast agricultural division farmers pay. The current rate of \$76.58 per acre-foot has been in place since February 2021. The proposed rate reflects the relative use of water by the two industrial customers compared with the agricultural use. These two customers pay the Gulf Coast industrial distribution rate in addition to the standard firm water rate.

LCRA posted on its website the proposed rate for public comment. LCRA also provided information regarding the proposed rate change to customers with current contracts subject to the proposed rate change.

Presenter

Kelly D. Payne
Vice President, Water Operations