



Board Agenda

Wednesday, Nov. 15, 2023
LCRA General Office Complex
Board Room – Hancock Building
3700 Lake Austin Blvd.
Austin, TX 78703
Earliest start time: 10 a.m.

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

Executive Session

- 1. Competitive Electric Matters
- 2. Litigation Update

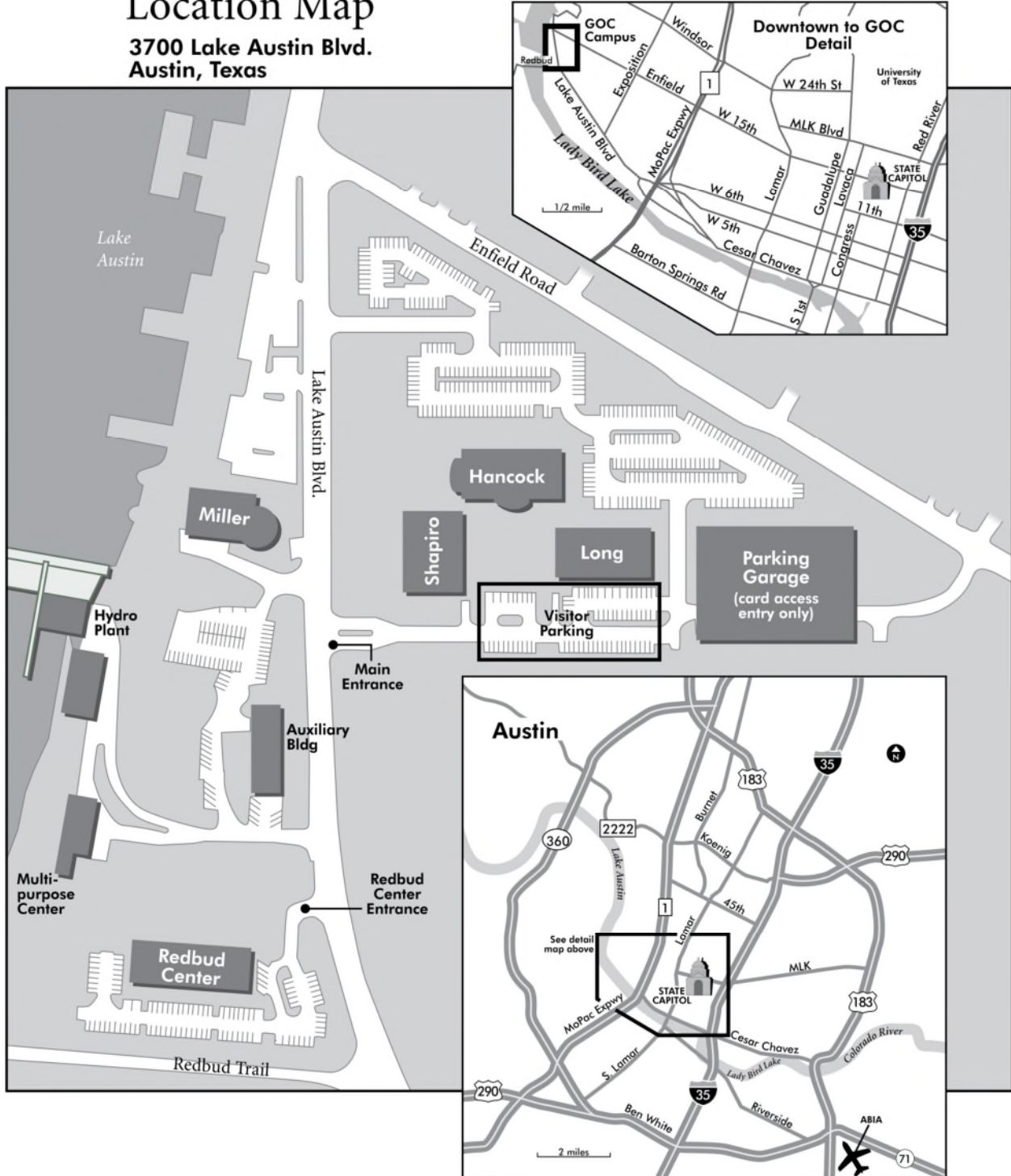
The Board also may go into executive session on any item listed above, pursuant to Chapter 551 of the Texas Government Code, including, but not limited to, sections 551.071, 551.072, 551.074, 551.076, 551.086, 551.089 and 418.183(f) of the Texas Government Code.

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 ACTION

1. Resolutions

Proposed Motion

Approve the LCRA Board of Directors resolutions as presented to the Board.

Board Consideration

The Board will be asked to approve honorary and retiree resolutions as they occur.

Summary

LCRA recognizes longtime employees who have retired from the organization with a retiree resolution. Other individuals may be recognized from time to time with an honorary resolution.

Presenter(s)

Phil Wilson
General Manager

Timothy Timmerman
LCRA Board Chair

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Resolution of the Board of Directors Of the Lower Colorado River Authority

Honoring Jimmie Nance

Whereas, Jimmie Nance retired from the Lower Colorado River Authority on July 13, 2023, as a construction management supervisor after 40 years of service to LCRA; and

Whereas, Jimmie began his career at LCRA on Sept. 13, 1982, as a mechanic in hydroelectric production. Jimmie's strong work ethic helped him provide essential assistance and guidance in various departments, including positions in Construction Services, Project Inspection, Transmission Contract Construction and Transmission Construction Management. His institutional knowledge of LCRA infrastructure played an important role in the successful completion of numerous projects; and

Whereas, Jimmie planned construction projects for Hydroelectric, Generation and Transmission, with Hydroelectric being his favorite. He touched almost every part of Buchanan Dam and is most proud of his role in the \$51.1 million rehabilitation work, which upgraded the dam's 37 floodgates. He often says they "changed the skyline of Buchanan." Jimmie also worked on Lake Bastrop Dam; the steam-powered turbines and boilers at the Thomas C. Ferguson Power Plant, Fayette Power Project and Sim Gideon Power Plant; and the hydroelectric turbines at Buchanan, Inks, Tom Miller, Wirtz and Starcke dams; and

Whereas, his peers admire his integrity and honesty. He sets high expectations and keeps safety at the forefront of everything. His oversight on projects provided an added layer of confidence for his co-workers because he planned thoroughly and did things right. Jimmie was respectful and a great mentor who took time to properly teach, train and equip his crew members to help them succeed at LCRA; and

Whereas, while Jimmie's former co-workers will miss his friendship, knowledge and fun-loving attitude, they are happy he will have more time to do the things he likes most – spending time with his family, traveling, and enjoying more time in the country to hunt, fish and weld;

Now, Therefore, Be It Resolved that the LCRA Board of Directors and employees, with extra emphasis from Transmission Construction Management, express their appreciation to Jimmie Nance for his years of dedication to LCRA and its employees, and they wish him well in all of his future endeavors.

Approved this 15th day of November 2023.

Timothy Timmerman, Board Chair

Phil Wilson, General Manager

Resolution of the Board of Directors Of the Lower Colorado River Authority

Honoring Laura D. Figueroa

Whereas, Laura D. Figueroa served on the Lower Colorado River Authority Board of Directors from July 5, 2018, to June 19, 2023, having been appointed by Gov. Greg Abbott as a representative of LCRA's electric service area from Austin County; and

Whereas, Laura's leadership as vice chair of the Finance Committee helped assist the Board in fulfilling its responsibilities with respect to oversight of all financial and budgetary matters, expenditures of funds, and employee pension plans. The extensive knowledge Laura possesses from her years as a community leader, combined with her vast experience in accounting, contributed to the committee's sound decision-making. Her calming personality, insightful questions and measured comments were respected highly by her fellow Board members and made her a valuable contributor to Board discussions. While serving as a director, Laura drew upon her talents as founder of her own company to help steer LCRA through historic challenges, including a pandemic and extreme winter storms; and

Whereas, Laura started serving on the Transmission Committee when the LCRA Board first created it, bringing her strong business acumen to the table to help with growing the transmission side of LCRA's services. Additionally, her service on the LCRA Transmission Services Corporation Board of Directors helped put in place essential transmission projects and helped LCRA move forward with plans to invest about \$3 billion in transmission projects over the next five years to help ensure reliability and support growth throughout the state; and

Whereas, through her service on the Planning and Public Policy Committee, Laura helped look for innovative improvements and contributed to LCRA's ability to plan for the future with projects to help address the growing need for power and water in coming years. Laura recognized her unique position as a director representing LCRA's electric service area and took pride in being a voice for LCRA's wholesale electric customers. During her service on the Energy Operations Committee, Laura helped strengthen relationships with wholesale power customers, and through her service on the boards of LCRA WSC Energy and WSC Energy II, she supported efforts to increase cost-effective power sales to benefit LCRA's wholesale customers; and

Whereas, Laura's work on the Water Operations Committee helped LCRA navigate through droughts and floods, as well as contribute to increasing the region's water supplies. During her five years serving on the LCRA Board, Laura helped oversee investments of about \$3 billion in capital projects to benefit Texans. During her tenure, LCRA constructed numerous large and significant transmission projects, completed dam rehabilitation projects, and started work on a new natural gas-fired peaker power plant to provide additional dispatchable power to the Texas power grid when the need for power approaches or exceeds what is available from other generation;

Now, Therefore, Be It Resolved that LCRA and the LCRA Board of Directors are grateful to Laura D. Figueroa for her leadership and commitment to service on the LCRA Board that has helped LCRA fulfill its mission to enhance the quality of life of the Texans it serves through water stewardship, energy and community service. The directors will miss her steadfast dedication, engaging questions and thoughtful nature, and they wish her well in all of her future endeavors.

Approved this 15th day of November 2023.

Timothy Timmerman, Board Chair

Phil Wilson, General Manager

Resolution of the Board of Directors Of the Lower Colorado River Authority

Honoring Raymond A. “Ray” Gill Jr.

Whereas, Raymond A. “Ray” Gill Jr. served on the Lower Colorado River Authority Board of Directors from July 27, 2011, to June 19, 2023, having been appointed by then-Gov. Rick Perry and reappointed by Gov. Greg Abbott as a representative of LCRA’s service area from Llano County; and

Whereas, Ray brought his integrity to every aspect of serving LCRA, and he regularly expressed his confidence in LCRA operations and employees. He values LCRA on a holistic level and wanted to help advance the organization as a provider of vital services to the people of Texas. Ray’s leadership as chair of both the Finance Committee and its predecessor the Finance and Administration Committee contributed to the Board’s ability to fulfill its responsibilities of providing oversight for all financial budgetary matters, expenditures of funds and employee pension plans. During his service on LCRA’s Retirement Benefits Board of Trustees, Ray was instrumental in creating a more robust LCRA retirement plan with increased returns while maintaining the plan’s health and stability. The Executive Committee also benefitted from his skills as a business owner who could see a broad view of LCRA and understand the impacts of decisions across the entire organization; and

Whereas, Ray’s service on the Audit and Risk Committee enhanced LCRA’s ability to maintain appropriate internal controls and effectively manage risks. He also served on the Land and Community Resources Committee, and his work on the Planning and Public Policy Committee helped build a resilient LCRA that is able to continue delivering critical services even when navigating unprecedented challenges. As a member of the Energy Operations Committee, Ray’s attentiveness to stakeholders helped strengthen relationships with wholesale power customers, and through his service on the boards of LCRA WSC Energy and WSC Energy II, he supported efforts to increase cost-effective power sales to benefit LCRA’s wholesale customers; and

Whereas, Ray’s work on the Water Operations Committee contributed to increasing the region’s water supplies, and his grasp of the importance of the Colorado River and Highland Lakes to our region helped guide LCRA as a steward of these vital resources. His efforts as chair of the Water Rates Ad Hoc Committee helped conduct a comprehensive review of LCRA’s water rates and develop a strategy and process for determining future rates. His service on the Lower Basin Reservoir Ad Hoc Committee helped define strategies, objectives and oversight for Arbuckle Reservoir and similar projects; and

Whereas, Ray’s service on the LCRA Transmission Services Corporation Board of Directors helped move forward plans to invest about \$3 billion in transmission projects over the next five years to help ensure reliability and support growth throughout the state. During his 12 years serving on the LCRA Board, Ray helped oversee investments of more than \$5 billion in capital projects to benefit Texans. During his tenure, LCRA undertook projects such as the new Thomas C. Ferguson Power Plant, dam rehabilitation projects and Arbuckle Reservoir – the first significant new water supply reservoir developed in the lower Colorado River basin in decades;

Now, Therefore, Be It Resolved that LCRA and the LCRA Board of Directors are grateful to Raymond A. “Ray” Gill Jr. for his leadership on the LCRA Board that has helped LCRA serve the people of Texas. The directors will miss his friendship, his pleasant dry humor and his ability to converse with anyone about any topic, and they wish him well in all of his future endeavors.

Approved this XX day of XX 2023.

Timothy Timmerman, Board Chair

Phil Wilson, General Manager

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FOR DISCUSSION

2. 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 DISCUSSION

3. Financial Report

Summary

Staff will present financial highlights for LCRA covering the fiscal year to date.

Presenter(s)

Jim Travis

Chief Financial Officer

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Lower Colorado River Authority

Financial Highlights

October 2023

Lower Colorado River Authority
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Condensed Statements of Revenues, Expenses and Changes in Equity 4

Key term:

Net margin – Total operating revenues, including interest income, less direct and assigned expenses.

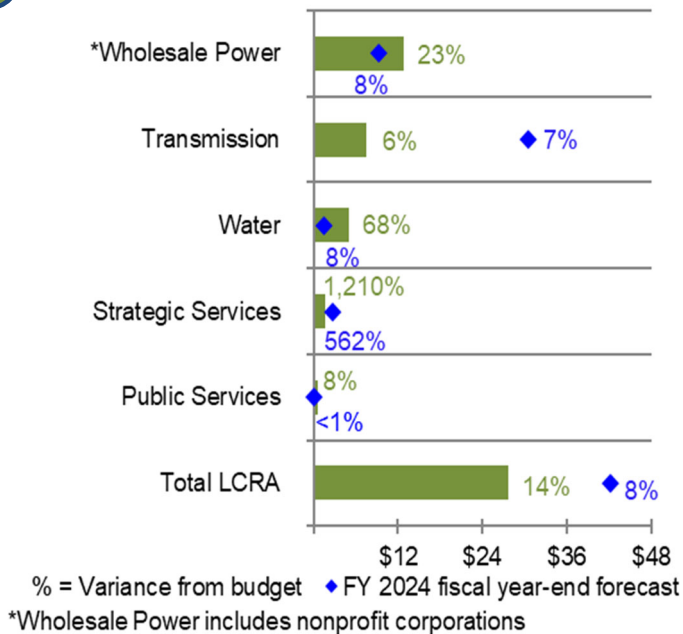
Lower Colorado River Authority

Oct. 31, 2023

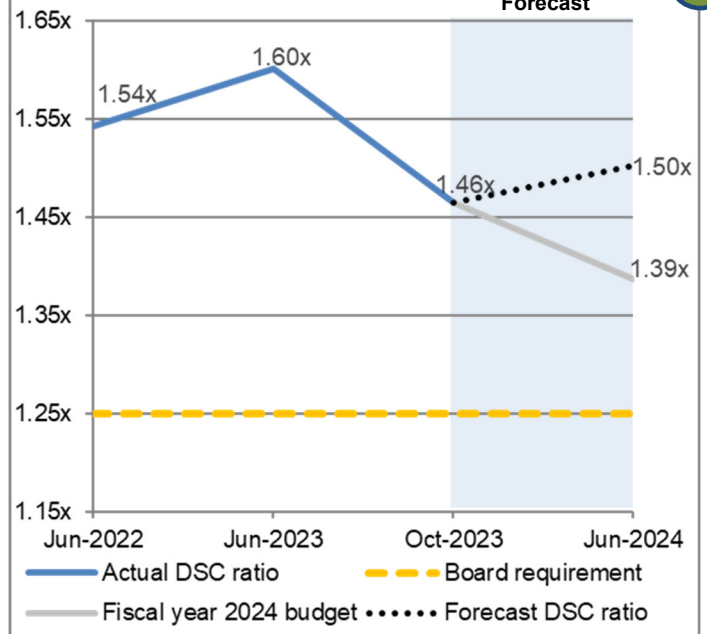
(Dollars in Millions)

Budget-to-Actual Highlights

Net Margin Fiscal Year-to-Date Variances



Debt Service Coverage



Key takeaways:

- Higher-than-budgeted billing units and lower-than-budgeted nonfuel expenses primarily drove Wholesale Power's year-to-date performance and year-end forecast.
- Higher-than-budgeted interest income and cost-of-service and other revenues, combined with lower-than-budgeted expenses, primarily drove Transmission's year-to-date performance. Higher-than-budgeted cost-of-service and other revenues primarily drove the year-end forecast.
- Higher-than-budgeted revenues and lower-than-budgeted expenses primarily drove Water's year-to-date performance and year-end forecast.
- The timing of Telecommunications billings for radio sales and services primarily drove Strategic Services' year-to-date performance and year-end forecast.
- Public Services' year-to-date and year-end performance is on target.
- The debt service coverage ratio is forecast to be higher than budgeted primarily due to higher-than-budgeted net margin in Transmission and Wholesale Power and slightly lower debt service.

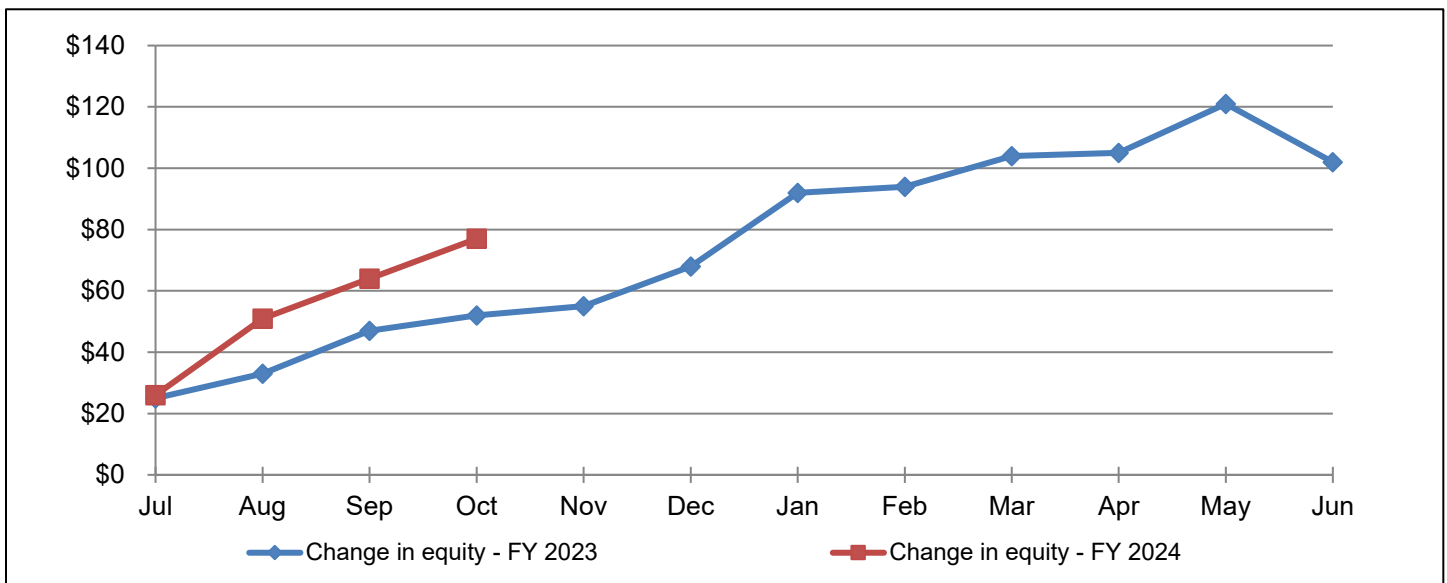
Lower Colorado River Authority

Oct. 31, 2023
(Dollars in Millions)

Board Metrics

Board Metric	Description	Compliant
Equity Ratio	LCRA will attempt to maintain a long-term average 30% equity ratio. At no time will the equity ratio fall below 20% without specific Board approval in the business plan.	✓
Debt Service Reserves	LCRA will covenant debt service reserves in the amount of six months of average annual debt service requirements on outstanding debt. Debt service reserves may be collected through nonfuel rates or met with proceeds from additional debt or through the use of a surety to mitigate rate impacts.	✓
Operating Reserves	LCRA will target three months of average operating and maintenance expense for the purposes of operating liquidity and maintaining reserves for liquidity of two to three months. Compliance will be evaluated at the end of each fiscal year. These reserves will be collected through nonfuel rates. If at any time the operating reserves are projected to fall below the minimum two months established by this policy, the Board will promptly implement a plan, to be recommended by staff, to increase rates, reduce costs or otherwise cause there to be sufficient revenues to replenish the operating reserves to such target levels within 12 months.	✓

Income Statement Trends Cumulative Fiscal Year to Date



Key takeaway:

- Net income increased year over year primarily due to an increase in electric revenues along with a decrease in operating expenses, partially offset by an increase in net nonoperating expenses.

Lower Colorado River Authority

Oct. 31, 2023

(Dollars in Millions)

Condensed Balance Sheets

	Oct. 31, 2023	Oct. 31, 2022
Assets		
Cash and cash equivalents	\$ 372	\$ 355
Current assets	492	487
Total current assets	864	842
Capital assets	6,292	5,627
Long-term assets	1,076	998
Total long-term assets	7,368	6,625
Total Assets	\$ 8,232	\$ 7,467
Liabilities		
Bonds, notes and loans payable	\$ 844	\$ 526
Current liabilities	347	333
Total current liabilities	1,191	859
Bonds, notes and loans payable	4,296	4,091
Pension liability	215	120
Long-term liabilities	486	481
Total long-term liabilities	4,997	4,692
Equity		
Total equity	2,044	1,916
Total Liabilities and Equity	\$ 8,232	\$ 7,467

Key takeaway:

- Assets and liabilities are trending higher compared with October 2022 due to construction activities related to the capital plan.

Lower Colorado River Authority

Oct. 31, 2023

(Dollars in Millions)

Condensed Statements of Revenues, Expenses and Changes in Equity

Fiscal Year to Date

	<u>2024</u>	<u>2023</u>
Operating Revenues		
Electric	\$ 501	\$ 490
Water and irrigation	16	15
Other	15	14
Total Operating Revenues	<u>532</u>	<u>519</u>
Operating Expenses		
Fuel and purchased power	179	194
Operations	119	119
Maintenance	18	21
Depreciation, depletion and amortization	71	69
Total Operating Expenses	<u>387</u>	<u>403</u>
Operating Income	<u>145</u>	<u>116</u>
Nonoperating Expenses		
Interest on debt	(57)	(45)
Other nonoperating expenses	(11)	(19)
Total Nonoperating Expenses	(68)	(64)
Change in Equity	77	52
Equity - Beginning of Period	<u>1,967</u>	<u>1,864</u>
Equity - End of Period	<u>\$ 2,044</u>	<u>\$ 1,916</u>

FOR ACTION (CONSENT)

4. Sale of Land in Llano County (Parcel BW-05)

Proposed Motion

Declare an approximately 0.0463-acre tract of land (Tract 1) and an approximately 0.1798-acre tract of land (Tract 2), both being portions of LCRA Parcel BW-05 in Llano County, nonessential, and authorize the general manager or his designee to sell the properties 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 2024 business plan contains the administrative costs associated with the sale of this land. The proceeds of \$32,567 will be credited to the LCRA Strategic Reserve Fund.

Summary

Tammy McPeters, the adjacent landowner, has agreed to purchase the 0.0463-acre tract of land (Tract 1) and 0.1798-acre tract of land (Tract 2), which will permanently resolve encroachments. The 0.0463-acre tract is priced at \$6,669, and the 0.1798-acre tract is priced at \$25,898 for a total sale price of \$32,567. Real Estate Services staff determined the prices based on the Llano County Appraisal District's assessed values of McPeters' adjacent lot and other nearby waterfront lots.

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. LCRA will retain a 20-foot-wide recreation easement abutting the high-water line of Lake Buchanan for use by the public as required by Section 8503.023(d) of the Texas Special District Local Laws Code.
3. LCRA will retain the right to inundate with water all or any part of the property from time to time without any compensation.

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

Exhibit(s)

- A – Vicinity Map
- B – Site Map

EXHIBIT A

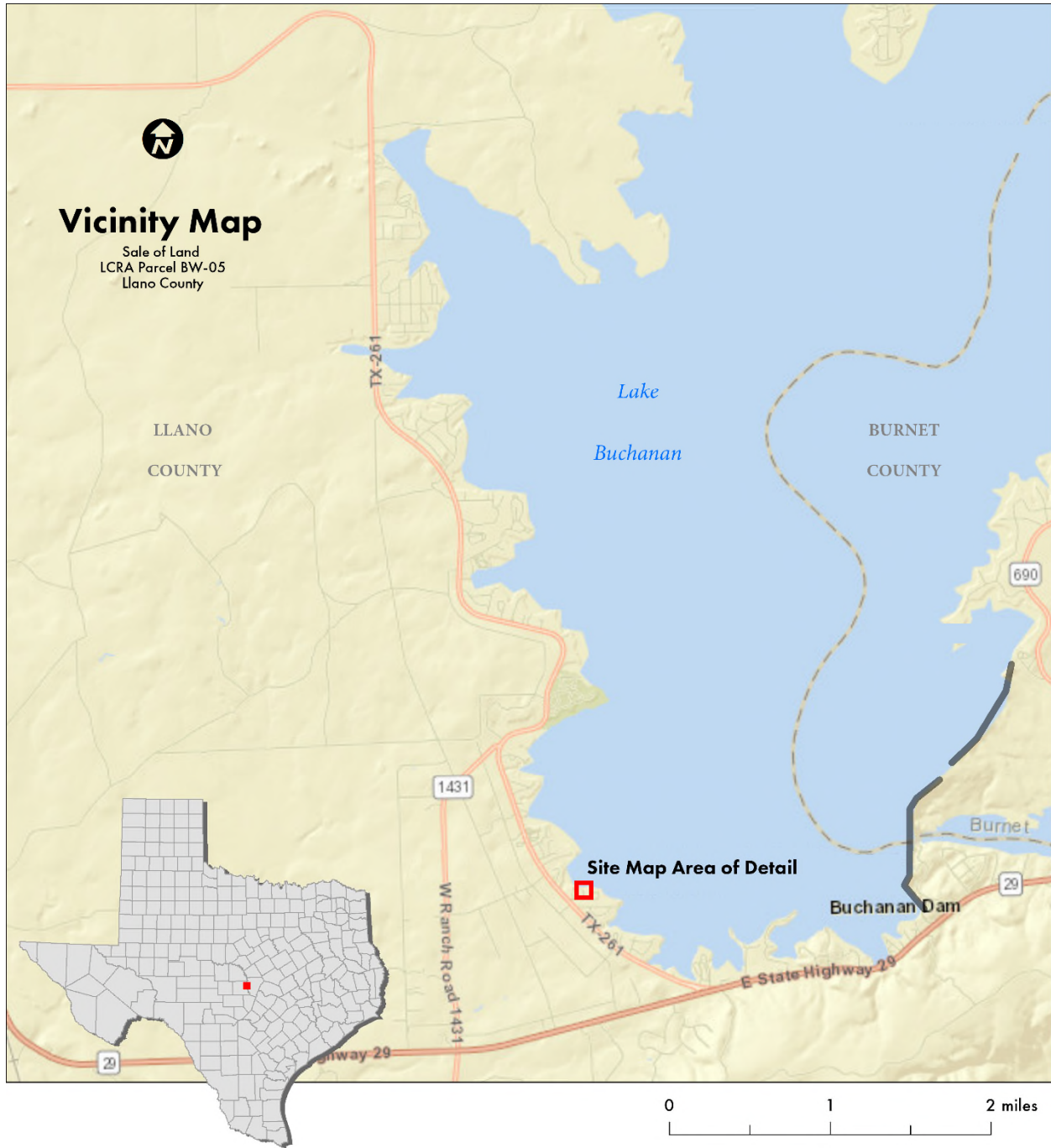


EXHIBIT B



FOR ACTION (CONSENT)

5. Appointment of Director to GenTex Power Corporation

Proposed Motion

Appoint Wayne Berger to serve on the GenTex Power Corporation (GenTex) Board of Directors replacing Kevin Coleman.

Board Consideration

Section 2.01 of the GenTex bylaws requires that the LCRA Board of Directors appoint two directors representing LCRA's municipal customers to serve two-year terms on the GenTex Board. Such directors shall serve at the will of the LCRA Board, and the LCRA Board may remove a director from the GenTex Board at any time without cause. Section 2.03 of the GenTex bylaws requires that the LCRA Board appoint successor directors to the GenTex Board to fill vacancies for unexpired terms on the GenTex Board.

Budget Status and Fiscal Impact

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

Summary

In December 2019, the LCRA Board appointed Kevin Coleman, city manager of Yoakum, to serve on the GenTex Board. His current term expired Dec. 31, 2022, although directors continue to serve until their successors are appointed. Wayne Berger, city manager of Cuero, will replace Kevin Coleman on the GenTex Board, representing LCRA's electric municipal customers. Berger's appointment is effective immediately.

FOR ACTION (CONSENT)

6. Appointment of Trustee to the Friends of the Colorado River Endowment

Proposed Motion

Appoint Margaret “Meg” Voelter to serve on the Board of Trustees for the Friends of the Colorado River Endowment.

Board Consideration

The Friends of the Colorado River Endowment (Endowment) bylaws call for two members of the Endowment’s five-member board of trustees to be appointed by the LCRA Board of Directors.

Budget Status and Fiscal Impact

None.

Summary

The Friends of the Colorado River Endowment (Endowment) is a nonprofit corporation created to manage a permanent endowment fund whose income is used to benefit and support both LCRA and the Colorado River Alliance in their stewardship efforts on behalf of the Colorado River. The Endowment’s bylaws call for two members of the Endowment’s five-member board of trustees to be appointed by the LCRA Board of Directors. In February 2017, the Board appointed LCRA Director Steve Cooper to serve on the Endowment board of trustees. Because Director Cooper has decided to leave the Endowment board of trustees, it is necessary for the Board to appoint a replacement.

FOR CONSENT

7. LCRA Board Policy 105.201 – Directors’ Fees and Expense Reimbursement and LCRA Bylaws Section 2.08 – Per Diem and Expenses

Proposed Motion

Approve Amendments to LCRA Board Policy 105.201 – Directors’ Fees and Expense Reimbursement and LCRA Bylaws Section 2.08 – Per Diem and Expenses as attached in Exhibit A. By a vote of four-fifths of the members, the Board waives the 21-day notice to amend the bylaws that is required by LCRA Bylaw Section 1.07 – Amendment.

Board Consideration

Board of Directors approval is required for any new LCRA Board policies or changes to policies. The LCRA Bylaws may be amended by two-thirds majority of the membership of the Board.

Budget Status and Fiscal Impact

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

Summary

Staff recommends approval of the proposed amendments to the board policy and bylaw which include updates resulting from recent legislation, House Bill 2815, 88th Regular Legislative Session, amending provisions relating to fees of office in the Texas Water Code. The proposed amendments to Board Policy 105.201 and LCRA Bylaws, Section 2.08, incorporating the updates, are attached as Exhibit A and Exhibit B.

Exhibit(s)

- A – LCRA Board Policy 105 – Directors’ Fees and Expense Reimbursement
- B – LCRA Bylaws Section 2.08 – Per Diem and Expenses

EXHIBIT A

LCRA BOARD POLICY

105 – DIRECTORS’ FEES AND EXPENSE REIMBURSEMENT

~~Sept. 21, 2016~~ Nov. 15, 2023

105.10 PURPOSE

The purpose of this policy is to establish guidelines for payment of fees and for reimbursement of the expenses members of the LCRA Board of Directors incur in carrying out their responsibilities as directors of the Lower Colorado River Authority.

105.20 POLICY

105.201 Directors’ Fees. Each director is entitled to fees in accordance with the LCRA enabling legislation, LCRA bylaws, state statutes and resolutions adopted by the Board for each day of service necessary for performing the duties of a director. Performing the duties of a director includes:

- Substantive performance of the management or business of LCRA, including participation in Board and committee meetings;
- Other activities involving the substantive deliberation of LCRA business, including meetings with LCRA staff or other officials; and
- Attendance at association meetings, conventions and conferences that are directly related to LCRA business, provided such attendance is authorized by prior resolution of the Board.

Directors are not entitled to fees for: travel days when no LCRA business is being conducted; routine or ministerial activities, such as the execution of documents or self-preparation for meetings; or other activities requiring a minimal amount of time.

~~For each day spent performing duties, a director~~ ~~Directors~~ will receive a per diem as ~~fees of office \$150 for each day of service necessary to discharge their duties~~ set by the Texas Ethics Commission for members of the Texas legislature, plus actual expenses, if and only if the compensation and expenses are approved by vote of the Board. The per diem ~~\$150 daily fee only~~ may only be charged in its entirety and not modified to a lesser amount.

No director will be paid per diem fees in excess of ~~150 days~~ 60 days multiplied by the daily per diem in any one calendar year or as otherwise established by state law.

105.202 Directors' Expenses. Directors are entitled to reimbursement of expenses incurred that are "ordinary" and "necessary" in carrying out their responsibilities as LCRA Board members. An expense is "ordinary" if it occurs with some degree of consistency in LCRA's business; an expense is "necessary" in terms of what is "appropriate and helpful" to the development or conduct of the business of LCRA. Normally, these expenses include travel, meals and lodging while away from home conducting LCRA business.

Expenses that qualify for reimbursement include travel expenses for airfare, car rental, taxi, and use of a personal automobile or airplane. The mode and method of travel will be at the discretion of each director. Airfare on a common carrier may not be reimbursed in an amount exceeding the lowest available fare.

Expenses will be reimbursed consistent with the Texas Comptroller of Public Account's use of the U.S. General Services Administration's domestic maximum per diem rates to establish maximum reimbursement rates for Texas "key officials." Reimbursement to Board members for qualifying meals, lodging, travel, and personal automobile or airplane use will be reimbursed based on the costs actually incurred but will not exceed the maximum reimbursement amounts established for "key officials." In accordance with exceptional situations as established by the Federal Travel Regulation, lodging will be reimbursed at actual expense (up to 300 percent of per diem for the location of stay) with approval of the chief financial officer. Maximum reimbursement rates will be communicated periodically by LCRA's controller. Also qualifying as reimbursable expenses are any other "ordinary" and "necessary" expenses. Generally, no reimbursement is allowed for the cost of entertainment or recreation unless the expense is directly related to the active conduct of the business of LCRA.

105.30 RESPONSIBILITIES

Board members must complete the Directors' Fees and Expense Report form and attach receipts for meal expenses in excess of \$25 per day; original itemized receipts for lodging; and any other expense receipts, such as receipts for taxis, telephone calls, etc., that are greater than \$25 per day. Directors also will provide itemized receipts for meal and other expenses of an individual nature charged directly to LCRA.

To receive fees of office and reimbursement for expenses, Board members must file an affidavit showing the number of days actually spent in LCRA's service and a general description of the duties performed for each day of service. The Directors' Fees and Expense Report form, receipts, and affidavit will be submitted to the general manager or his or her designee.

The Board's Audit and Risk Committee has general oversight over directors' fees and expenses and will require periodic audits of compliance with this policy to be conducted by the general auditor. Written results of that audit will be presented to the Audit and Risk Committee. In addition, the Audit and Risk Committee will provide oversight of the annual

budget for directors' fees and expenses and will conduct a periodic review of the incurred board support expenses.

105.40 AUTHORITY

Texas Water Code, Section 49.060

LCRA enabling legislation, Chapter 8503, Special District Local Laws Code

LCRA bylaws, sections 2.08 and 2.10

Texas Comptroller of Public Accounts – Travel Reimbursement Rates, Key Official

U.S. General Services Administration Maximum Domestic Per Diem Rates

Federal Travel Regulation, Chapter 301 Part 300-11, Subpart D – Actual Expense

EFFECTIVE: Dec. 5, 1986. Amended Dec. 12, 1991; Dec. 13, 2000; Aug. 22, 2001; March 26, 2008; April 21, 2009; Dec. 14, 2011; May 21, 2014; ~~and~~ Sept. 21, 2016; and Nov. 15, 2023.

EXHIBIT B

Recommended Changes to LCRA Bylaws Section 2.08 – Per Diem and Expenses

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

Per diem and expenses also will be paid to members of the Board who attend association meetings, conventions and conferences that are directly related to the business of LCRA, provided such attendance is authorized by prior resolution of the Board. Where circumstances dictate the need for a director to attend to LCRA business without such prior resolution, the Board may approve payment of per diem and expenses at a subsequent meeting, provided that the chair of the Board, or in the chair's absence his or her designee, gives prior approval to the director's travel and attendance.

No director will be paid per diem s in any one calendar year in excess of 150 days60 days multiplied by the allowed daily per diem in any one calendar year or as otherwise established by state law.

FOR ACTION (CONSENT)

8. LCRA Board Policy 603 – Energy Transactions

Proposed Motion

Review and approve LCRA Board Policy 603 – Energy Transactions (except for Appendix A, which will be discussed in executive session) as attached in Exhibit A.

Board Consideration

Section 603.80 of Board Policy 603 – Energy Transactions requires the Board of Directors to review the policy annually.

Budget Status and Fiscal Impact

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

Summary

The Board must fulfill the requirement under Section 603.80 of Board Policy 603 to review the policy annually and must approve the policy. The Board may require modifications to the policy or approve with no changes to the prior version. Staff has reviewed Board Policy 603 in conjunction with its review of the LCRA Energy Commodity Risk Control Program Policy and recommends no changes to the policy.

An appendix to Board Policy 603 containing competitive electric information will be discussed separately in executive session.

Exhibit(s)

A – LCRA Board Policy 603 – Energy Transactions (without Appendix A)

EXHIBIT A

LCRA BOARD POLICY

603 – ENERGY TRANSACTIONS

~~Oct. 19, 2022~~ Nov. 15, 2023

603.10 PURPOSE

This policy will govern the management of LCRA's wholesale power portfolio to ensure the use of those assets, along with appropriate market products, provides a cost-effective, risk-managed supply portfolio for LCRA's wholesale electric customers.

603.20 OVERVIEW

The purchase and sale of fuels, power and other power-related products are necessary to satisfy LCRA's contractual obligations to its wholesale electric customers. These activities expose LCRA to the price fluctuations inherent in the fuel and power markets. LCRA strives to reduce its financial uncertainty driven by market volatility, within established risk tolerances. This policy articulates the objectives, framework and delegation of authorities necessary to govern LCRA's activities related to its Energy Commodity Risk Control Program (program).

LCRA will conduct energy risk management activities in a manner that supports the objectives stated herein. All program objectives, activities, controls and procedures will be conducted in accordance with this policy.

603.30 RISK MANAGEMENT OBJECTIVES

Activities conducted pursuant to the program are intended to decrease financial risks inherent in providing wholesale electrical power and related services in the Electric Reliability Council of Texas (ERCOT) market compared to the financial uncertainty present without a program. The program's objectives are: identifying exposures to movements in energy prices and related market prices; quantifying the impacts of these exposures on LCRA's financial objectives; and mitigating these exposures in line with LCRA's identified level of risk tolerance. LCRA will conduct its program activities solely for appropriate risk mitigation objectives herein and never for purposes of financial speculation.

Risk mitigating activities, including hedging activities permitted by Texas Water Code Section 152.251, include:

Market Risk Mitigation Activities: Given volatile energy markets, manage costs from energy and fuel purchases and revenues from LCRA's generation and purchased power assets, mitigating potentially unfavorable financial results and promoting financial results that fall within acceptable boundaries.

Transaction Risk Mitigation Activities: Mitigate transactional risk by monitoring execution of the program for compliance with risk program documentation approved by the GM/CEO and measuring the potential impact of commodity price movements with respect to the approved financial objectives of LCRA.

Subject to the program's objectives and risk mitigation activities, activities conducted pursuant to the program also may seek to improve upon LCRA's financial expectations.

603.40 DELEGATION OF AUTHORITY

603.401 General Manager/Chief Executive Officer. The GM/CEO is charged with administration of this policy and is granted authority and responsibilities:

1. To ensure all program activities of LCRA are in accordance with this policy.
2. To approve documentation for the administration of the program.
3. To approve initially, and from time to time modify, LCRA's tolerance for exposure to energy price volatility.
4. To delineate responsibilities and activities assigned to front, middle and back office functions to ensure a clear separation of duties.
5. To approve controls and periodically review the effectiveness of all aspects of the program.
6. To approve contracts and other transactions necessary to implement the program.

603.402 Risk Management Committee. The GM/CEO will create a Risk Management Committee (RMC) comprised of employees of LCRA to monitor program performance and compliance with the program documentation. The RMC will establish and from time to time modify program risk limits consistent with risk tolerances approved by the GM/CEO. Additionally, the RMC will advise the GM/CEO regarding:

1. Creation, amendment, approval and administration of program documentation.
2. Setting risk tolerances.
3. Ensuring all program activities are performed in accordance with the policy and approved program documentation.
4. Material violations or potential material violations of the policy or program requirements.

603.403 Chief Financial Officer. The chief financial officer (CFO) is charged with the daily administration and management of the program and will serve as the chair of the RMC. The CFO, in addition to other duties, will report periodically to the GM/CEO and the LCRA Board of Directors. The CFO will maintain appropriate financial controls, maintain a separation of duties between individuals authorized to execute commodity transactions

and those who monitor and report on such transactions, and ensure documents and procedures developed to execute this policy are reviewed periodically.

603.50 ENERGY TRANSACTING AND RISK MANAGEMENT ACTIVITIES

603.501 Energy Transacting and Risk Management Activities. LCRA's energy transacting and risk management activities will comply with this policy, other related Board directives, and all applicable laws, rules and requirements, including those of ERCOT, the Public Utility Commission of Texas (PUC), and the Commodity Futures Trading Commission (CFTC). Energy transacting and risk management activities will include:

1. **Commodity-related transactions** – LCRA may enter into transactions as needed to effectively manage its fuel and power portfolio position. Commodity-related transactions include financial and physical transactions related to the purchase and sale of power and related services, natural gas and associated transportation, coal and associated transportation, instruments necessary to manage transmission and transportation risks, instruments to manage full load requirement risk, including load following and weather products, and transactions related to emissions and renewable energy.
2. **Physical resources** – Consistent with Board Policy 401 – Land Resources, LCRA may construct, purchase, dispose, retire, exchange and/or lease wholesale power resources, including generation resources, energy and fuel storage facilities, transportation systems, pipelines and related equipment, railcars and related equipment, and other facilities.
3. **Credit risk management** – LCRA will integrate credit provisions into contracts as appropriate, evaluate counterparty risk, require collateral as needed and monitor credit-related financial exposure with the goal of preserving LCRA's financial integrity.

603.502 Power and Energy Not Immediately Needed. From time to time, LCRA produces power and energy that is not immediately needed. The Board delegates to the GM/CEO or his or her designee the authority to determine the available amount and to negotiate terms and conditions for the sale of such power and energy.

603.503 Posting of Collateral. The Board finds it is necessary and convenient to the exercise of LCRA's authority to enter into energy transacting and risk management activities for LCRA to be able to post collateral to counterparties to such transactions. The Board authorizes the use of designated reserves, debt or available revenues for such purposes as deemed appropriate by the GM/CEO.

603.504 Transactions Related to Affiliated Corporations. LCRA may enter into energy and risk management transactions on behalf of affiliated corporations, provided that LCRA does so pursuant to an agreement between LCRA and such affiliated corporation, and provided that the GM/CEO or his or her designee determines that such transactions

do not materially increase risks to LCRA or otherwise conflict with the objectives of this policy.

603.60 DELEGATION AND PROCUREMENT LIMITS

All transactions under the program will be conducted subject to the following delegation and procurement limits specified in Appendix A (confidential):

1. Approved transacting activities and products.
2. Term/tenor limits.
3. Approved product locations and sources.
4. Approved counterparties.

LCRA will not execute hedges that exceed 100 percent of forecast requirements and “unwinding” (closing a position by executing an offsetting transaction) will be permitted for the purpose of managing collateral risk and mark-to-market losses. Under no circumstances may transactions be executed that are not related to LCRA’s core business objectives.

603.70 STANDARDS

603.701 Standards of Conduct. All LCRA Wholesale Power personnel and others in the procurement, trading, risk management, information technology, and finance and accounting functions who are involved in any program activities will conduct themselves in a manner consistent with sound business practices and LCRA’s Code of Ethics, under standards established in the program documentation to avoid impropriety or the appearance of impropriety. All such employees will be required to annually read and attest in writing to compliance with this policy and the program documentation.

603.702 Standard of Care. The program will be managed in a way that a person of ordinary prudence, discretion and intelligence, exercising the judgment and care under the circumstances then prevailing, would follow in the management of the person’s own affairs, not in regard to speculation but in regard to the permanent disposition of the person’s money considering: (1) the probable income; and (2) the probable safety of the person’s capital.

603.80 REPORTING AND INTERNAL CONTROLS

The GM/CEO will update the Energy Operations Committee at least quarterly on the actions taken pursuant to the policy covering, at a minimum, risk tolerances, program impacts and material changes in program requirements. The Board will review this policy at least annually.

603.90 AUTHORITY

LCRA enabling legislation, Chapter 8503, Texas Special District Local Laws Code
Texas Water Code, Chapter 152
Texas Government Code, Chapter 1371
Texas Utilities Code, Title 2 (Public Utility Regulatory Act)
Clean Air Act, Acid Deposition Control, § 401 et seq.; 42 U.S.C.A. § 7651 et seq.
Code of Federal Regulations, Title 17
Code of Federal Regulations, Title 40, parts 72, 73 and 75

EFFECTIVE: April 19, 1990. Amended July 17, 1991; May 20, 1993; May 18, 1995; Oct. 28, 1998; Dec. 13, 2000; March 20, 2002; Jan. 22, 2003; Feb. 20, 2008; Nov. 18, 2009; Dec. 15, 2010; and April 18, 2012. Replaced Sept. 17, 2014. Amended Aug. 19, 2015; and Sept. 21, 2016. Re-approved Oct. 18, 2017; and Oct. 17, 2018. Amended Oct. 23, 2019. Re-approved Oct. 21, 2020; Oct. 20, 2021; ~~and Oct. 19, 2022;~~ and Nov. 15, 2023.

FOR ACTION (CONSENT)

9. Directors' Fees, Expenses

Proposed Motion

Approve directors' fees and expense reports.

Board Consideration

LCRA Board Policy 105 – Directors' Fees and Expense Reimbursement and the LCRA bylaws require Board approval for directors' fees and expenses.

Budget Status and Fiscal Impact

Directors' fees and expenses are provided for in the budget in the business plan.

Summary

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

FOR ACTION (CONSENT)

10. Minutes of Prior Meeting

Proposed Motion

Approve the minutes of the Sept. 20, 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 Sept. 20, 2023, meeting

EXHIBIT A

Minutes Digest
Sept. 20, 2023

- 23-48 Declaration of an approximately 0.765-acre tract of land, being a portion of LCRA Parcel BW-09 in Llano County, nonessential, and authorization for the general manager or his designee to sell the land to the adjoining landowner, Floyd Acres Property Owners Association.
- 23-49 Authorization for the general manager or his designee to convey a 1.971-acre permanent surface easement and a 0.436-acre temporary workspace easement over LCRA Parcel MC-01 to Atmos Energy Corporation in McLennan County.
- 23-50 Approval of the minutes of the Aug. 22 and Aug. 23, 2023, meetings.
- 23-51 Approval of the fiscal year 2023 audited financial statements and authorization of the filing of the audited financial statements with the executive director of the Texas Commission on Environmental Quality.
- 23-52 Adoption and approval of the Forty-Second 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 \$600 million for the following purposes: (i) funding the acquisition, construction and improvement of certain electric transmission and transformation facilities pursuant to the Installment Payment Agreement; (ii) 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); (iii) currently refund certain long-term Transmission Contract Debt; (iv) funding a debt service reserve fund for a Series of Bonds; and (v) paying for issuance costs.
- 23-53 Authorization for the general manager or his designee to negotiate and execute the following contracts and contract changes: Contract No. 6362 (NV5 Geospatial, Inc.) and Contract No. 5580 (Dell Marketing LP).

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE
LOWER COLORADO RIVER AUTHORITY
Austin, Texas
Sept. 20, 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 1:15 p.m. Wednesday, Sept. 20, 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
Carol Freeman
Thomas L. "Tom" Kelley
Robert "Bobby" Lewis
Thomas Michael Martine
Hatch C. Smith Jr.
Margaret D. "Meg" Voelter
Martha Leigh M. Whitten
David R. Willmann
Nancy Eckert Yeary

Absent: Joseph M. "Joe" Crane, Secretary

Chair Timmerman convened the meeting at 1:15 p.m.

The Board heard public comments [Agenda Item 1]. Cyrus Reed, conservation director for the Lone Star Chapter of the Sierra Club, urged LCRA to work with its customers on energy resource planning like it does on water supply planning. [General Manager Phil Wilson explained that LCRA works with its customers on energy resource planning but must do so in a manner which preserves the sensitive and confidential nature of competitive electric matters.]

Director Voelter, chair of the Community Development Partnership Program Review Committee, gave an update and shared program highlights for fiscal year 2023, including a video.

The Board next took action on the consent agenda. Upon motion by Director Allen, seconded by Director Voelter, the Board unanimously approved consent items 2, 3 and 4 by a vote of 14 to 0 as follows:

23-48 Declaration of an approximately 0.765-acre tract of land, being a portion of LCRA Parcel BW-09 in Llano County, nonessential (not necessary or convenient or of beneficial use to the business of LCRA), and authorization for the general manager or his designee to sell the land to the adjoining landowner, Floyd Acres Property Owners Association, as recommended by staff in Consent Item 2 [attached hereto as Exhibit A].

23-49 Authorization for the general manager or his designee to convey a 1.971-acre permanent surface easement and a 0.436-acre temporary workspace easement over LCRA Parcel MC-01 to Atmos Energy Corporation in McLennan County, as recommended by staff in Consent Item 3 [attached hereto as Exhibit B].

23-50 Approval of the minutes of the Aug. 22 and Aug. 23, 2023, meetings [Consent Item 4].

23-51 Chief Financial Officer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 5 [attached hereto as Exhibit C], that the Board approve the fiscal year 2023 audited financial statements and authorize the filing of the audited financial statements with the executive director of the Texas Commission on Environmental Quality. Upon motion by Director Whitten, seconded by Director Lewis, the recommendation was unanimously approved by a vote of 14 to 0.

23-52 Chief Financial Officer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 6 [attached hereto as Exhibit D], that the Board adopt and approve the Forty-Second 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 \$600 million for the following purposes: (i) funding the acquisition, construction and improvement of certain electric transmission and transformation facilities pursuant to the Installment Payment Agreement; (ii) 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); (iii) currently refund certain long-term Transmission Contract Debt; (iv) funding a debt service reserve fund for a Series of Bonds; and (v) 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 has prepared or reviewed all documents.
2. Delegate authority to the general manager, chief financial officer and/or treasurer to:
 - a. Finance certain electric transmission and transformation facilities;

- b. 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;
- c. Approve any final changes to said documents necessary to facilitate proper issuance of such Series of Bonds;
- d. Establish the terms of each Series of Bonds as provided in the Forty-Second 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
- e. Approve the terms of the sale of each Series of Bonds to an underwriting team and execute a bond purchase agreement for such Series of Bonds.

Upon motion by Vice Chair Cooper, seconded by Director Lewis, the recommendation was unanimously approved by a vote of 14 to 0.

23-53 Vice President of Supply Chain Matt Chavez presented for consideration a staff recommendation, described in Agenda Item 7 [attached hereto as Exhibit E], that the Board authorize the general manager or his designee to negotiate and execute the following contracts and contract changes: Contract No. 6362 (NV5 Geospatial, Inc.) and Contract No. 5580 (Dell Marketing LP). Upon motion by Director Smith, seconded by Director Allen, the recommendation was unanimously approved by a vote of 14 to 0.

Chair Timmerman declared the meeting to be in executive session at 1:39 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. [Director Blanding left the meeting at 2:26 p.m.] Executive session ended, and Chair Timmerman declared the meeting to be in public session at 3:18 p.m.

There being no further business to come before the Board, Chair Timmerman adjourned the meeting at 3:18 p.m.

Joseph M. Crane
Secretary
LCRA Board of Directors

Approved: Nov. 15, 2023

FOR ACTION

11. 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 \$250,000, whether under the original contract or as a result of a change.
- 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.

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 Board Policy 301 – Finance.

Summary

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

Presenter(s)

Matt Chavez
Vice President, Supply Chain

Exhibit(s)

A – New Contracts
B – Contract Administration

EXHIBIT A

New Contracts

Contract Number: 6389

Supplier Name: Aveva Software LLC.

Contract Amount: \$11 million

Description: This master contract provides data historian software for LCRA Transmission System Corporation's energy management system and Wholesale Power's generation management system. The term of the contract is for five years. Historical contract expenditures for this category of spend were \$1.2 million under existing five-year contracts. Total projected contract expenditures are forecast to increase from prior years due to the energy management system migrating to Aveva historian software in fiscal year 2024; continued annual support on existing Aveva software; generation management system migrating to this solution in FY 2025; and other LCRA systems that will potentially use Aveva software.

Contract Number: 6409

Supplier Name: Siemens Energy Inc.

Contract Amount: \$30 million

Description: This master contract is for power transformers primarily used by LCRA TSC. The term of the contract is through August 2026 and will run concurrently with existing long-term contracts. Historical contract expenditures are \$19 million for existing contracts within this category. Total projected contract expenditures are forecast to increase from prior years due to the continued growth of the LCRA TSC capital plan and extended lead times.

Contract Number: 6401

Supplier Name: Crescent Power Systems

Contract Amount: \$20 million

Description: This master contract is for power transformers primarily used by LCRA TSC. The term of the contract is through August 2026 and will run concurrently with existing long-term contracts. Historical contract expenditures are \$19 million for existing contracts within this category. Total projected contract expenditures are forecast to increase from prior years due to the continued growth of the LCRA TSC capital plan and extended lead times.

Contract Number: 6410

Supplier Name: Virginia Transformer Corporation

Contract Amount: \$20 million

Description: This master contract is for power transformers primarily used by LCRA TSC. The term of the contract is through August 2026 and will run concurrently with existing long-term contracts. Historical contract expenditures are \$19 million for existing contracts within this category. Total projected contract expenditures are forecast to increase from prior years due to the continued growth of the LCRA TSC capital plan and extended lead times.

EXHIBIT B

Contract Changes

Contract Number: 4925

Supplier Name: United Healthcare Insurance Company

Current Approved Contract Amount: \$199 million

Requested Change: \$15 million

New Contract Amount: \$214 million

Description: This master contract for medical insurance third-party administration and pharmacy benefits services was originally approved by the Board in August 2018. United Healthcare Insurance Company has been an integral partner in supporting LCRA's employee benefits program. Staff recommends amending the contract term for an additional year to support the sourcing activities of this category. Staff is requesting approval to add \$15 million to the existing contract to cover the additional one-year term.

Contract Number: 6056

Supplier Name: Doggett Freightliner of South Texas, LLC

Current Approved Contract Amount: \$4.5 million

Requested Change: \$6 million

New Contract Amount: \$10.5 million

Description: This master contract provides 40- and 50-ton rear-mounted truck cranes, cab-chassis trucks and dump trucks for LCRA fleet. Historical expenditures under this contract are \$3.7 million with a contract term that expires August 2026. Due to forecast demand in construction and maintenance in LCRA TSC field operations, staff is requesting to add \$6 million to the existing approved contract amount to cover the forecast spend through the term of the contract.

Contract Number: 5894

Supplier Name: KBS Electrical Distributors Inc.

Current Approved Contract Amount: \$4 million

Requested Change: \$3 million

New Contract Amount: \$7 million

Description: This master contract was executed in July 2021 to provide shunt capacitor banks for LCRA TSC. Historical expenditures under this contract are \$1.9 million with a term that expires in July 2026. Demand has increased for these items and LCRA TSC is forecasting the need for a mobile capacitor bank to support construction and operations. Staff is requesting Board approval to add an additional \$3 million to the existing contract amount to cover the forecast demand.

Contract Number: 5441

Supplier Name: Hitachi Energy USA Inc.

Current Approved Contract Amount: \$32 million

Requested Change: \$5 million

New Contract Amount: \$37 million

Description: This master contract was originally approved by the Board in May 2019 to provide high-voltage circuit breakers used by LCRA TSC. Historical expenditures under this contract are \$29 million with a contract term that expires in May 2024. Due to extended lead times, higher demand, commodity price inflation and increasing inventory to support project needs, staff is requesting Board approval to add an additional \$5 million to the existing approved contract amount to cover demand through the term of the contract.

Contract Number: 5539

Supplier Name: Siemens Energy Inc.

Current Approved Contract Amount: \$38 million

Requested Change: \$25 million

New Contract Amount: \$63 million

Description: This master contract was originally approved by the Board in May 2019 to provide high-voltage circuit breakers used by LCRA TSC. Historical expenditures under this contract are \$34.5 million with a contract term that expires in May 2024. Due to extended lead times, higher demand, commodity price inflation and increasing inventory to support project needs, staff is requesting Board approval to add an additional \$25 million to the existing approved contract amount to cover demand through the term of the contract.

Contract Number: 5839

Supplier Name: Hyundai Electric America Corporation

Current Approved Contract Amount: \$20 million

Requested Change: \$100 million

New Contract Amount: \$120 million

Description: This master contract was originally approved by the Board in August 2021 to provide power transformers for LCRA TSC. Historical expenditures under this contract are \$17 million with a contract term that expires in August 2026. Due to surging demand, extended lead times and increased cost, staff is requesting Board approval to add an additional \$100 million to the existing approved contract amount to cover demand through the term of the contract.

Contract Number: 5838

Supplier Name: Delta Star, Inc

Current Approved Contract Amount: \$10 million

Requested Change: \$10 million

New Contract Amount: \$20 million

Description: This master contract was originally approved by the Board in August 2021 to provide power transformers for LCRA TSC. Historical expenditures under this contract are \$1.4 million with a contract term that expires in August 2026. Due to surging demand, extended lead times and increased cost, staff is requesting Board approval to add an additional \$10 million to the existing approved contract amount to cover demand through the term of the contract.

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