



Board Agenda

Wednesday, Feb. 21, 2024
LCRA General Office Complex
Board Room – Hancock Building
3700 Lake Austin Blvd.
Austin, TX 78703
Earliest start time: 11 a.m.

Items From the Chair

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Items From the General Manager

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Action Items

- 5. Drought Response Watering Restriction for Firm Customers..... 16
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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

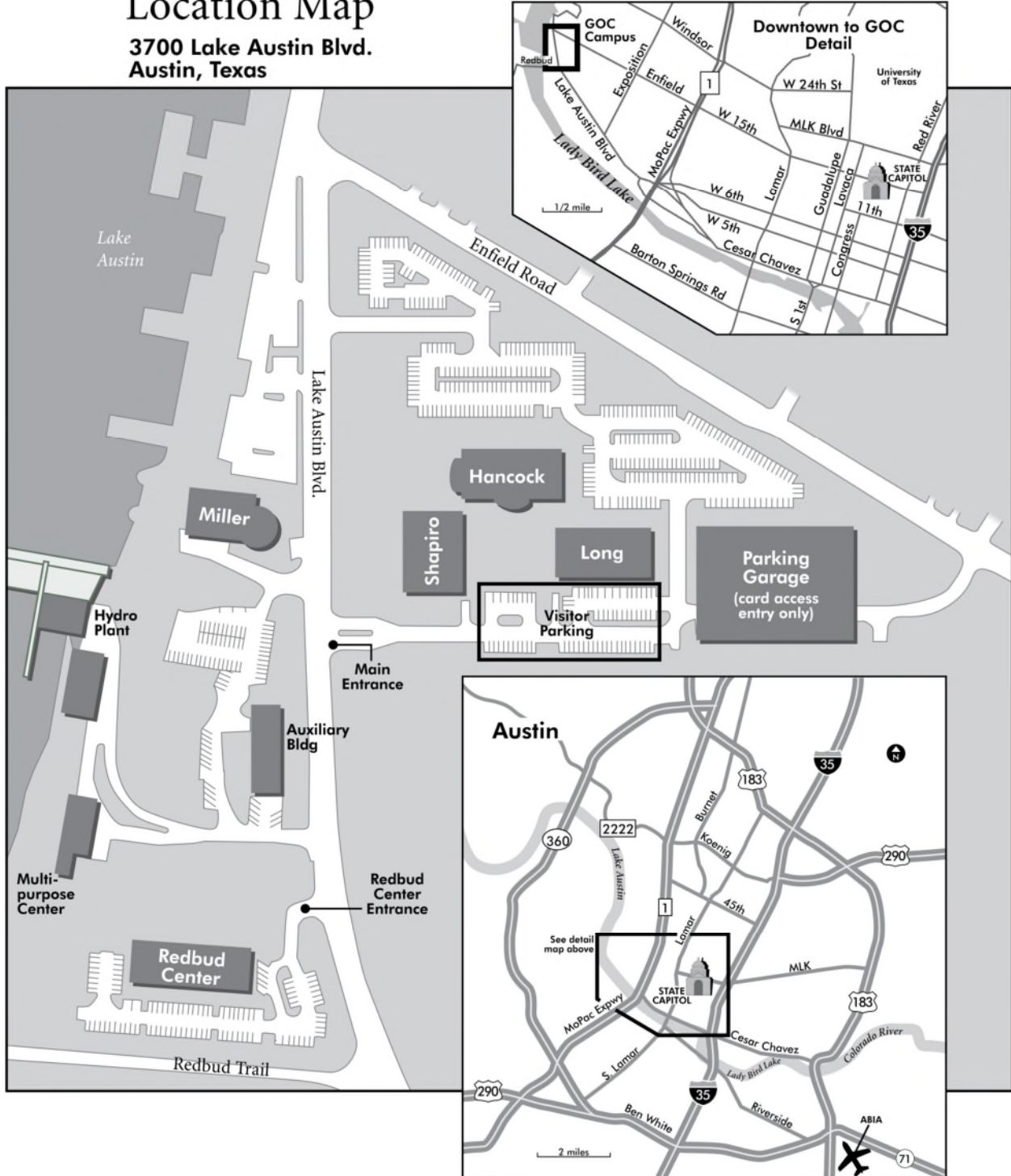
The Board also may go into executive session on any item listed above, pursuant to Chapter 551 of the Texas Government Code, including, but not limited to, sections 551.071, 551.072, 551.074, 551.076, 551.086, 551.089 and 418.183(f) of the Texas Government Code.

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 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

2. 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 Amy Elizondo

Whereas, Amy Elizondo retired from the Lower Colorado River Authority on Dec. 1, 2023, as Meeting Services manager after 30 years of service to LCRA; and

Whereas, Amy first began work at LCRA as an administrative associate in building maintenance, embarking on a career that showed her many talents and exemplary work ethic. Her duties evolved from handling General Office Complex maintenance calls and pool vehicle reservations to corporate event planning, and Amy became known for representing LCRA's service-oriented culture by going above and beyond to help ensure events ran smoothly. She worked diligently to coordinate all the pieces needed to host events across LCRA's service area. Amy's problem-solving and troubleshooting skills, patience, and focus have been instrumental in planning and delivering high-quality events; and

Whereas, Amy's planning efforts spanned across LCRA to a wide variety of events – from Board of Directors meetings to transmission project open houses to LCRA Veterans Recognition Day – and she made sure each event received the same level of attention and detail. Her kind, honest and direct communication with her customers created confidence in Meeting Services products, and it also forged long-lasting friendships with LCRA employees and directors. Amy embraces teamwork and formed close relationships with other work groups to create the best possible events; and

Whereas, Amy has a wonderfully tenacious spirit and a gift for bringing out the best in people. She demonstrates sound judgment and possesses extensive knowledge about LCRA, which she freely shared. Her former team members will miss her laugh, smile and perfectly manicured fingernails. Amy is fun, trustworthy and an unwavering beacon of light who prepared her team to carry the torch for Meeting Services; and

Whereas, in addition to her commitment to LCRA and her responsibilities to her team and the Board, Amy is passionate about spending time with her family, especially her mother, husband and daughter, and she prioritizes accompanying her daughter to athletic events and livestock shows;

Now, Therefore, Be It Resolved that the LCRA Board of Directors and Amy's many friends across LCRA express their appreciation to Amy Elizondo for her years of dedication to LCRA, its employees and its Board members, and they wish her well in all of her future endeavors.

Approved this 21st day of February 2024.

Timothy Timmerman, Board Chair

Phil Wilson, General Manager

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FOR ACTION (CONSENT)

3. March and April LCRA Board Meeting Dates

Proposed Motion

Approve changing the dates of the March and April 2024 LCRA Board of Directors meetings.

Budget Status and Fiscal Impact

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

Summary

The Board on Aug. 23, 2023, approved the LCRA Board and committee meeting dates for calendar year 2024. The proposed changes would move the March 2024 Board meeting from March 27 to March 26 and the April 2024 Board meeting from April 23 to April 25.

FOR ACTION (CONSENT)

4. Minutes of Prior Meeting

Proposed Motion

Approve the minutes of the Jan. 24, 2024, 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. 24, 2024

EXHIBIT A

Minutes Digest

Jan. 24, 2024

- 24-01 Authorization for the general manager or his designee to convey an overhead 30-foot-wide easement and an underground 20-foot-wide easement over LCRA Parcel MPP-01 to Bluebonnet Electric Cooperative in Caldwell County.
- 24-02 Approval and authorization for the Board of Directors chair or his designee to execute Amendment No. Eight to the Lower Colorado River Authority 401(k) Plan to incorporate legislative updates, including mandatory cash-out limits for terminated or retired participants.
- 24-03 Approval of Amendment No. Six to the Lower Colorado River Authority Retirement Plan and Trust Agreement to clarify Board of Trustee selection and terms and incorporate legislative updates, including mandatory cash-out limits for terminated or retired participants.
- 24-04 Approval of directors' fees and expense reimbursements.
- 24-05 Approval of the minutes of the Dec. 12, 2023, meeting.
- 24-06 Adoption and approval of the Forty-third Supplemental Resolution to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program authorizing a \$150 million Transmission Services Tax-Exempt Commercial Paper Program credit facility, and authorization for the general manager, chief financial officer and/or treasurer to negotiate and execute certain related agreements, including through an amendment to the Amended and Restated Letter of Credit Reimbursement Agreement among LCRA; LCRA Transmission Services Corporation (LCRA TSC); JPMorgan Chase Bank, National Association (JPMorgan Chase); and State Street Bank and Trust Company (State Street) or through a similar reimbursement agreement with either such banks individually and/or with other financial institutions, if acceptable terms cannot be reached with JPMorgan Chase and State Street (in each case, the Reimbursement Agreement), setting forth the terms and conditions governing the issuance of the direct-pay letter of credit securing the tax-exempt commercial paper program for LCRA TSC for a term of three to five years and in the amount of \$150 million.
- 24-07 Reduction of the LCRA Board of Directors reservation of firm water from lakes Buchanan and Travis from 31,000 acre-feet per year to 10,000 acre-feet per year.

- 24-08 Authorization for the general manager or his designee to negotiate and execute a new standard firm raw water contract with HIF USA, LLC for industrial use of LCRA's firm water supply of up to 12,642 acre-feet per year for a term of 40 years.
- 24-09 Authorization for the general manager or his designee to negotiate and execute a renewal of a firm raw water contract with the City of Lago Vista for municipal use of LCRA's firm water supply. The new contract will be for a term of 20 years for a supply of up to 4,500 acre-feet per year, which is a decrease of 2,000 acre-feet from the current contract amount of 6,500 acre-feet per year.
- 24-10 Authorization for the general manager or his designee to negotiate and execute a replacement firm raw water contract and a contract amendment with the City of Marble Falls for municipal use of LCRA's firm water supply. The replacement contract, in combination with the amendment of an existing contract, will be for a total supply of up to 7,000 acre-feet per year. This reflects an increase of 4,000 acre-feet from the current total contracted amount of 3,000 acre-feet per year.
- 24-11 Authorization for the general manager or his designee to negotiate and execute a new standard firm raw water contract with Travis County Water Control and Improvement District No. 10 for municipal use of LCRA's firm water supply of up to 3,644 acre-feet per year for a term of 40 years.
- 24-12 Approval of updated interruptible agricultural water contract rules and rates for the Garwood, Gulf Coast and Lakeside agricultural divisions.
- 24-13 Approval of the distribution rate for long-term industrial customers receiving firm water delivered through the Gulf Coast Agricultural Division canals.
- 24-14 Approval of the distribution rate for temporary customers receiving firm water delivered through the Gulf Coast Agricultural Division canals.
- 24-15 Authorization for the general manager or his designee to negotiate and execute the following contracts and contract changes: Contract No. 6423 (AECOM) and Contract No. 5080 (B D HOLT CO).
- No Action: Agenda Item 2 (Resolution honoring Amy Elizondo) was pulled from the agenda.

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE
LOWER COLORADO RIVER AUTHORITY
Austin, Texas
Jan. 24, 2024

Pursuant to notice posted in accordance with the Texas Open Meetings Act, the Board of Directors (Board) of the Lower Colorado River Authority (LCRA) convened in a regular meeting at 9:22 a.m. Wednesday, Jan. 24, 2024, 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
Joseph M. "Joe" Crane
Carol Freeman
Thomas L. "Tom" Kelley
Thomas Michael Martine
Margaret D. "Meg" Voelter
Martha Leigh M. Whitten
David R. Willmann
Nancy Eckert Yeary

Absent: Robert "Bobby" Lewis

Chair Timmerman convened the meeting at 9:22 a.m.

The Board heard public comments [Agenda Item 1]. Mitch Thames, president and chief executive officer of the Bay City Chamber of Commerce and Agriculture, expressed appreciation for the Board's leadership on water issues, including the current Water Management Plan. Thames also expressed support for Agenda Item 11 (the water contract with HIF USA, LLC). Shannon Hamilton, executive director of the Central Texas Water Coalition, expressed thanks for the discussion that occurred during the Jan. 23 Water Operations Committee meeting, which addressed LCRA's drought response and water conservation efforts. Hamilton also expressed concerns about the low inflows into the lower Colorado River basin and the water supply situation. Hamilton urged the Board to prioritize water contracts with customers located within the basin over any customers outside the basin.

General Manager Phil Wilson gave an update on LCRA's work during the recent winter weather, LCRA's safety program, performance on safety metrics for calendar year 2023, and workforce training and development. Wilson shared stories about how employees are demonstrating LCRA's values and the Colorado Commitment: I will

make every LCRA endeavor outstanding. Wilson also highlighted that 2024 marks LCRA's 90th anniversary [LCRA was created by the state Legislature in 1934].

Chief Financial Officer Jim Travis presented financial highlights for LCRA covering December 2023 and the fiscal year to date [Agenda Item 3].

[Vice Chair Cooper left the meeting after Agenda Item 3.]

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

24-01 Authorization for the general manager or his designee to convey an overhead 30-foot-wide easement and an underground 20-foot-wide easement over LCRA Parcel MPP-01 to Bluebonnet Electric Cooperative in Caldwell County, as recommended by staff in Consent Item 4 [attached hereto as Exhibit A].

24-02 Approval and authorization for the Board of Directors chair or his designee to execute Amendment No. Eight to the Lower Colorado River Authority 401(k) Plan to incorporate legislative updates, including mandatory cash-out limits for terminated or retired participants, as recommended by staff in Consent Item 5 [attached hereto as Exhibit B].

24-03 Approval of Amendment No. Six to the Lower Colorado River Authority Retirement Plan and Trust Agreement to clarify Board of Trustee selection and terms and incorporate legislative updates, including mandatory cash-out limits for terminated or retired participants, as recommended by staff in Consent Item 6 [attached hereto as Exhibit C].

24-04 Approval of directors' fees and expense reimbursements, as recommended in Consent Item 7 [attached hereto as Exhibit D].

24-05 Approval of the minutes of the Dec. 12, 2023, meeting [Consent Item 8].

24-06 Chief Financial Officer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 9 [attached hereto as Exhibit E], that the Board adopt and approve the Forty-third Supplemental Resolution to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program authorizing a \$150 million Transmission Services Tax-Exempt Commercial Paper Program credit facility, and authorize the general manager, chief financial officer and/or treasurer to negotiate and execute certain related agreements, including through an amendment to the Amended and Restated Letter of Credit Reimbursement Agreement among LCRA; LCRA Transmission Services Corporation (LCRA TSC); JPMorgan Chase Bank, National Association (JPMorgan Chase); and State Street Bank and Trust Company (State Street) or through a similar reimbursement agreement with either such banks individually and/or with other financial institutions, if acceptable terms cannot be

reached with JPMorgan Chase and State Street (in each case, the Reimbursement Agreement), setting forth the terms and conditions governing the issuance of the direct-pay letter of credit securing the tax-exempt commercial paper program for LCRA TSC for a term of three to five years and in the amount of \$150 million. Upon motion by Director Crane, seconded by Director Whitten, the recommendation was unanimously approved by a vote of 12 to 0.

24-07 Vice President of Water Resources Monica Masters presented for consideration a staff recommendation, described in Agenda Item 10 [attached hereto as Exhibit F], that the Board reduce the LCRA Board of Directors reservation of firm water from lakes Buchanan and Travis from 31,000 acre-feet per year to 10,000 acre-feet per year. Upon motion by Director Martine, seconded by Director Crane, the recommendation was unanimously approved by a vote of 12 to 0.

24-08 Vice President of Water Resources Monica Masters presented for consideration a staff recommendation, described in Agenda Item 11 [attached hereto as Exhibit G], that the Board authorize the general manager or his designee to negotiate and execute a new standard firm raw water contract with HIF USA, LLC for industrial use of LCRA's firm water supply of up to 12,642 acre-feet per year for a term of 40 years. Upon motion by Director Crane, seconded by Director Martine, the recommendation was unanimously approved by a vote of 12 to 0.

24-09 Vice President of Water Resources Monica Masters presented for consideration a staff recommendation, described in Agenda Item 12 [attached hereto as Exhibit H], that the Board authorize the general manager or his designee to negotiate and execute a renewal of a firm raw water contract with the City of Lago Vista for municipal use of LCRA's firm water supply. The new contract will be for a term of 20 years for a supply of up to 4,500 acre-feet per year, which is a decrease of 2,000 acre-feet from the current contract amount of 6,500 acre-feet per year. Upon motion by Director Whitten, seconded by Director Willmann, the recommendation was unanimously approved by a vote of 12 to 0.

24-10 Vice President of Water Resources Monica Masters presented for consideration a staff recommendation, described in Agenda Item 13 [attached hereto as Exhibit I], that the Board authorize the general manager or his designee to negotiate and execute a replacement firm raw water contract and a contract amendment with the City of Marble Falls for municipal use of LCRA's firm water supply. The replacement contract, in combination with the amendment of an existing contract, will be for a total supply of up to 7,000 acre-feet per year. This reflects an increase of 4,000 acre-feet from the current total contracted amount of 3,000 acre-feet per year. Upon motion by Director Crane, seconded by Director Martine, the recommendation was unanimously approved by a vote of 12 to 0.

[Director Yeary left the meeting after Agenda Item 13.]

24-11 Vice President of Water Resources Monica Masters presented for consideration a staff recommendation, described in Agenda Item 14 [attached hereto as Exhibit J], that the Board authorize the general manager or his designee to negotiate and execute a new standard firm raw water contract with Travis County Water Control and Improvement District No. 10 for municipal use of LCRA's firm water supply of up to 3,644 acre-feet per year for a term of 40 years. Upon motion by Director Allen, seconded by Director Martine, the recommendation was unanimously approved by a vote of 11 to 0.

24-12 Vice President of Water Operations Kelly D. Payne presented for consideration a staff recommendation, described in Agenda Item 15 [attached hereto as Exhibit K], 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 Whitten, the recommendation was unanimously approved by a vote of 10 to 0. [Director Blanding was temporarily absent for voting on Agenda Item 15.]

24-13 Vice President of Water Operations Kelly D. Payne presented for consideration a staff recommendation, described in Agenda Item 16 [attached hereto as Exhibit L], that the Board approve the distribution rate for long-term industrial customers receiving firm water delivered through the Gulf Coast Agricultural Division canals. Upon motion by Director Voelter, seconded by Director Blanding, the recommendation was unanimously approved by a vote of 11 to 0.

24-14 Vice President of Water Operations Kelly D. Payne presented for consideration a staff recommendation, described in Agenda Item 17 [attached hereto as Exhibit M], that the Board approve the distribution rate for temporary customers receiving firm water delivered through the Gulf Coast Agricultural Division canals. Upon motion by Director Arthur, seconded by Director Allen, the recommendation was unanimously approved by a vote of 11 to 0.

24-15 Vice President of Supply Chain Matt Chavez presented for consideration a staff recommendation, described in Agenda Item 18 [attached hereto as Exhibit N], that the Board authorize the general manager or his designee to negotiate and execute the following contracts and contract changes: Contract No. 6423 (AECOM) and Contract No. 5080 (B D HOLT CO). Upon motion by Director Voelter, seconded by Director Crane, the recommendation was unanimously approved by a vote of 11 to 0.

Chair Timmerman declared the meeting to be in executive session at 10:34 a.m. pursuant to sections 551.071, 551.072, 551.074, 551.076, 551.086, 551.089 and 418.183(f) of the Texas Government Code. [Director Kelley left the meeting at 10:34 a.m.] Executive session ended, and Chair Timmerman declared the meeting to be in public session at 11:50 a.m.

There being no further business to come before the Board, the meeting adjourned at 11:50 a.m.

Joseph M. Crane
Secretary
LCRA Board of Directors
Approved: Feb. 21, 2024

FOR ACTION

5. Drought Response Watering Restriction for Firm Customers

Proposed Motion

Authorize staff to amend the LCRA Drought Contingency Plan for Firm Water Customers (LCRA Firm Water DCP) and related documents to include additional restrictions on landscape irrigation.

Board Consideration

Texas Commission on Environmental Quality rules require that drought contingency plans be approved by the water supplier's governing body, and changes to LCRA's water contract rules require Board of Directors approval per LCRA Board Policy 501 – Water Resources.

Budget Status and Fiscal Impact

Approval of this action will not impact the fiscal year 2024 budget; however, firm water revenues could decrease due to additional drought response actions.

Summary

The lower Colorado River basin is experiencing prolonged drought conditions. As combined storage and inflows into the Highland Lakes dropped in 2022, LCRA cut off the supply of interruptible stored water from lakes Buchanan and Travis for most interruptible agricultural customers beginning with the 2022 second crop season. It also entered Stage 1 of the LCRA Firm Water DCP in July 2022, whereby LCRA requested its firm water customers implement voluntary drought response measures in their individual drought contingency plans with a target demand reduction goal of 5%. The lack of inflows, combined with record heat, evaporation and increased firm demand through the summer of 2023, led combined storage in lakes Buchanan and Travis to drop below 900,000 acre-feet on Aug. 14, 2023. At that time, LCRA asked its firm customers to implement mandatory water use reduction measures with a target demand reduction goal of 10-20%, consistent with Stage 2 of the LCRA Firm Water DCP.

The long-term drought persists, water supplies have not recovered and historically low inflows to the Highland Lakes continue. The combined storage in lakes Buchanan and Travis is 842,342 acre-feet as of Feb. 1.

To further extend the available firm supply, additional drought response measures are needed; therefore, staff recommends amending the LCRA Firm Water DCP to require that most firm water customers revise their respective drought contingency plans to limit outdoor watering for landscape irrigation to once per week whenever combined storage in lakes Buchanan and Travis falls below 900,000 acre-feet, with such limitation to remain in effect until combined storage increases to at least 1.1 million acre-feet. This requirement also would be implemented in LCRA's DCP for Domestic, Temporary, Landscape Irrigation and Recreational Use Contracts. This requirement will apply to all firm water customers that received at least 10% of their annual water supply from the Colorado River basin in the prior calendar year.

Presenter(s)

John B. Hofmann
Executive Vice President, Water

Monica Masters
Vice President, Water Resources

Exhibit(s)

A – Board Resolution

EXHIBIT A

Page 1 of 2

RESOLUTION OF THE BOARD OF DIRECTORS OF THE LOWER COLORADO RIVER AUTHORITY REGARDING DROUGHT MANAGEMENT ACTIONS IN RESPONSE TO CURRENT DROUGHT CONDITIONS

WHEREAS, the lower Colorado River basin is experiencing a serious drought that has, at times, been more intense than the worst recorded drought this region has experienced, the Drought of Record that occurred between 2007 and 2015; and

WHEREAS, 2022 and 2023 have produced record low inflows to the Highland Lakes; and

WHEREAS, combined storage in lakes Buchanan and Travis on Feb. 1, 2024, was 842,342 acre-feet, or 42% full; and

WHEREAS, LCRA's Board of Directors understands the economic distress caused by this drought to all of its water customers and the region it serves; and

WHEREAS, many LCRA firm municipal water customers have implemented restrictions on landscape irrigation water use to once per week or twice per week or taken other measures to reduce nonessential water use; and

WHEREAS, LCRA's Board of Directors wants to take necessary and prudent steps to manage the region's water supply to meet the essential needs of the communities and industries through this severe drought; and

WHEREAS, additional drought management measures must be pursued to address the drought in a responsible and measured way; and

WHEREAS, the LCRA Board of Directors understands that LCRA staff is conducting its five-year review of the LCRA Drought Contingency Plan for Firm Water Customers (LCRA Firm Water DCP), as required by the Texas Commission of Environmental Quality rules, and may propose further revisions to the LCRA Firm Water DCP later this spring; and

WHEREAS, the LCRA Board of Directors also understands that certain amendments are now necessary to allow LCRA firm water customers sufficient time to make conforming amendments to their drought contingency plans before outdoor landscape water use typically increases in late spring.

NOW, THEREFORE, BE IT RESOLVED that the LCRA Board of Directors hereby takes the following actions:

EXHIBIT A

Page 2 of 2

1. The LCRA Firm Water DCP and Drought Contingency Plan rules are amended to provide for additional regulation of water use by firm water customers as follows:
 - a. Anytime combined storage of lakes Buchanan and Travis drops below 900,000 acre-feet, firm customers that received at least 10% of their water supply from the Colorado River basin in the prior calendar year shall implement watering restrictions that limit the irrigation of ornamental landscaped areas (such as lawns) with hose-end sprinklers or automatic irrigation systems other than drip irrigation to no more than once per week, with such restrictions to remain in place until the combined storage of lakes Buchanan and Travis increases to at least 1.1 million acre-feet.
 - b. Municipal wholesale water customers required to adopt the watering restrictions above shall provide LCRA with an order, ordinance or resolution to demonstrate adoption of the watering restrictions and adequate enforcement provisions by May 1, 2024.
 - c. Failure to adopt and implement the watering restriction could subject the firm water customer to the following penalties:
 - i. First documented violation: Written notice of violation;
 - ii. Second documented violation: Penalty of up to \$2,000;
 - iii. Third and subsequent violation: Penalty of up to \$10,000;
 - iv. Each day in which the violation is observed is considered a separate violation.
2. The LCRA Drought Contingency Plan for Domestic, Temporary, Landscape Irrigation and Recreational Use Contracts is amended to conform to the requirements of Paragraph 1a, above.

FOR ACTION

6. Firm Water Contract Renewal for Municipal Use – Travis County Water Control and Improvement District No. 17

Proposed Motion

Authorize the general manager or his designee to negotiate and execute the renewal of a firm raw water contract with Travis County Water Control and Improvement District No. 17 for municipal use of LCRA's firm water supply that would increase the supply to up to 11,300 acre-feet per year for a term of 40 years. The contract will include the addition of 2,500 acre-feet to the current contract amount of 8,800 acre-feet per year.

Board Consideration

Consistent with the LCRA water contract rules, replacement contracts or amendments with a maximum allowable quantity of 1,000 acre-feet per year or more require Board of Directors approval.

Budget Status and Fiscal Impact

Reservation fees on the additional 2,500 acre-feet under the new contract will increase revenue by approximately \$194,000 per year.

Summary

Travis County Water Control and Improvement District No. 17 submitted an application to increase its current municipal raw water contract amount from 8,800 acre-feet per year to 11,300 acre-feet per year. The district, created in 1959, provides treated surface water within its service area, which covers about 15,000 acres in Travis County. The service area includes customers in the Lake Travis area along RR 620 in western Travis County from FM 2222 to Highway 71 West. The district currently serves a population of approximately 46,000. The population is expected to grow to around 64,000 by 2060, and the additional 2,500 acre-feet in this request is expected to meet those needs.

The district's current contract does not charge reservation fees as a result of an agreement between the parties in 2001. The district's projected use will exceed the current contract amount of 8,800 acre-feet within the next few years such that the reservation fee provision would no longer have any effect. Staff recommends a special contract provision through 2029 providing that if annual use is below 8,800 acre-feet, the district would be credited for any reservation fees on the quantity between the actual use and 8,800 acre-feet. The additional 2,500 acre-feet of supply would be subject to standard charges for reservation fees upon execution of the recommended replacement contract.

Staff has reviewed and approved the district's water conservation and drought contingency plans, which include reducing water loss through leak detection and repairing water line leaks; maintaining an advanced metering infrastructure technology system to analyze and manage real-time customer water use; providing reuse water to

golf courses, parks and athletic fields; and providing conservation education and outreach to its customer base.

Staff recommends the Board approve the contract for 11,300 acre-feet per year of firm water supply, including specific contract terms related to reservation fees. Staff also determined there are sufficient firm water supplies in lakes Buchanan and Travis or other sources of supply, including LCRA run-of-river water rights, to meet the recommended amount.

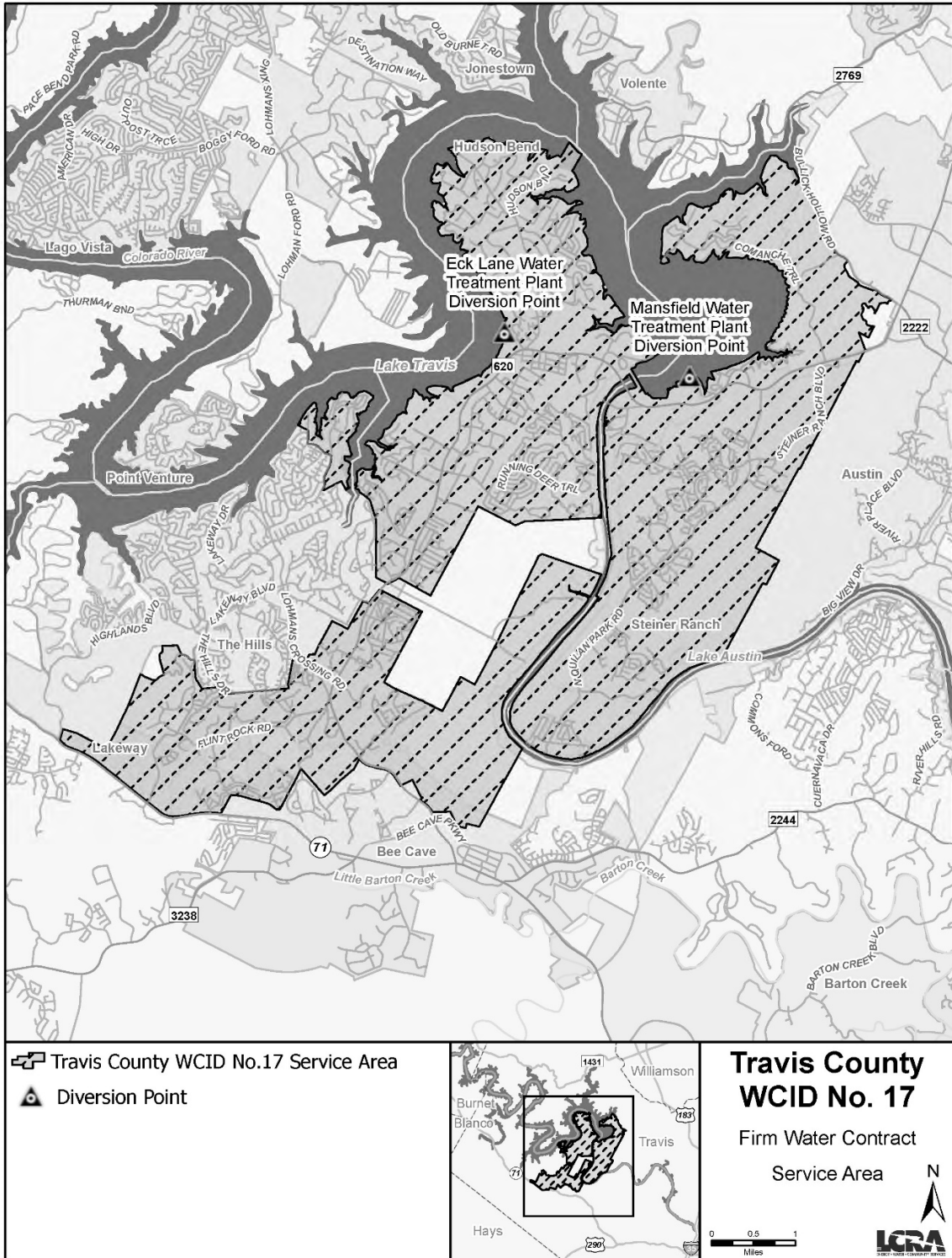
Presenter(s)

Monica Masters
Vice President, Water Resources

Exhibit(s)

A – General Location Map

EXHIBIT A



FOR ACTION

7. Oil and Gas Mineral Leases in Fayette and Lavaca Counties

Proposed Motion

Authorize the general manager or his designee to publish notice, accept bids, select the highest and best bid, and negotiate and execute oil and gas mineral leases on two properties in Fayette and Lavaca counties.

Board Consideration

Section 8503.020(b) of the Texas Special District Local Laws Code requires the approval of 12 members of the LCRA Board of Directors prior to the conveyance of any interest in real property. Texas Natural Resources Code, Chapter 71, requires the governing body of a political subdivision to approve the lease of its lands for mineral development and to meet minimum requirements for notice and selection of the best and highest bidder.

Budget Status and Fiscal Impact

The administrative costs associated with the execution of this lease are contained within the fiscal year 2024 business plan. The lease bonus and royalty, if produced, will be credited to LCRA's Wholesale Power business unit. The lifetime revenue for both properties is projected to be up to \$74,000.

Summary

LCRA holds mineral interests in various unleased tracts throughout Fayette and Lavaca counties. The general vicinity has experienced an increase in oil and gas production in recent years. Approval of this item would authorize staff to publish notice of bid solicitation on the mineral properties depicted in the exhibits and to negotiate and execute leases on these properties. In accordance with Texas Natural Resources Code Section 71.005, notices will be published once a week for three consecutive weeks in a newspaper of general circulation in Fayette County and Lavaca County.

Staff will ensure that only the highest and best bid is accepted and may reject all bids if the highest and best bid is not deemed adequate. Pursuant to Texas Natural Resources Code, Chapter 71, the lease must provide for a one-eighth royalty interest and a primary term of 10 years or less. LCRA will require a one-fourth cost-free royalty interest, a three-year primary term, and no surface activity associated with the lease.

Appropriate due diligence assessments of the property will be conducted in accordance with Board Policy 401 – Land Resources to the extent applicable prior to the execution of any lease.

Presenter(s)

Glenn Williams

Senior Vice President, Commercial Asset Management

Exhibit(s)

- A – Vicinity Map
- B – Site Map 1
- C – Site Map 2

EXHIBIT A

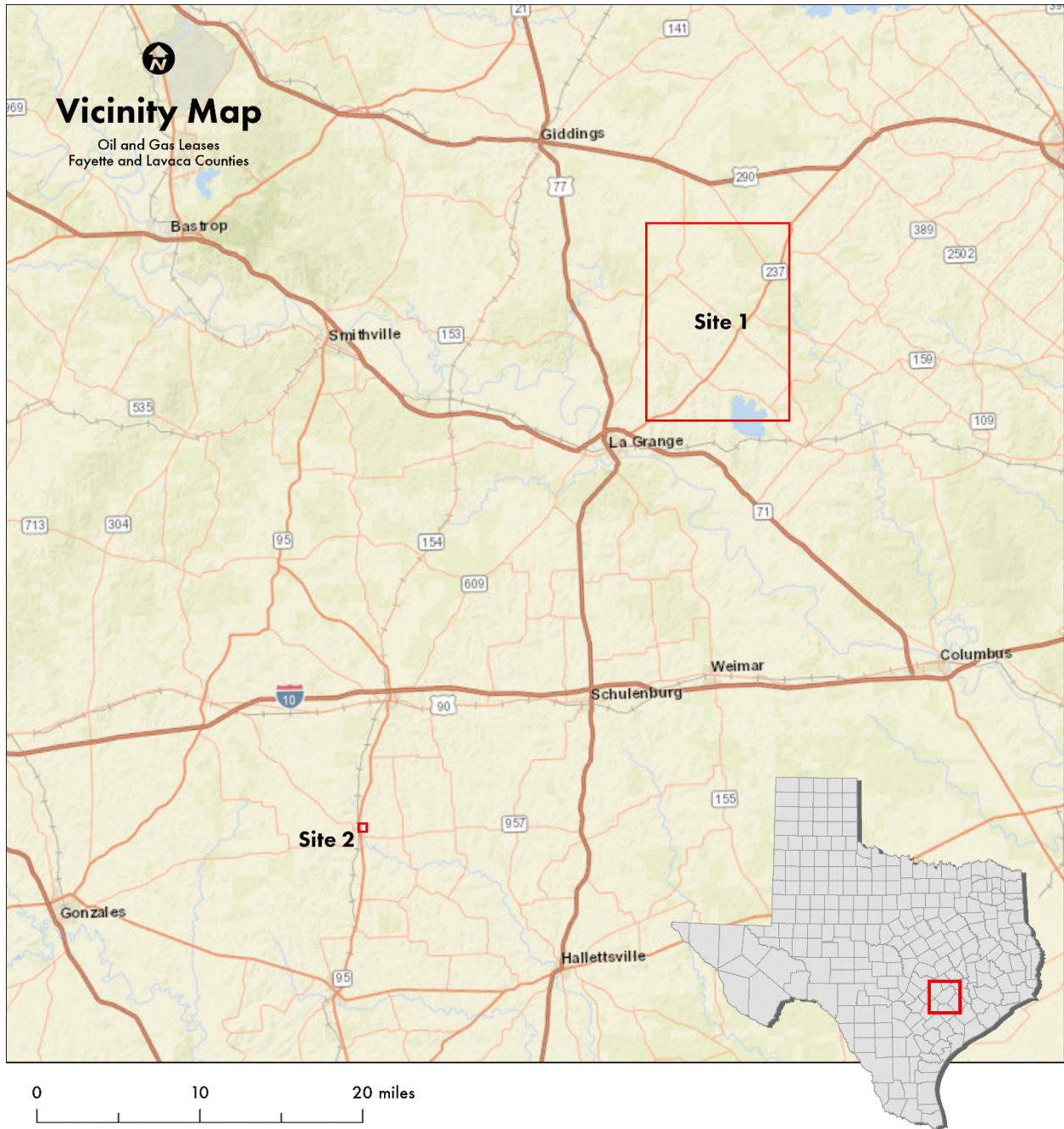


EXHIBIT B

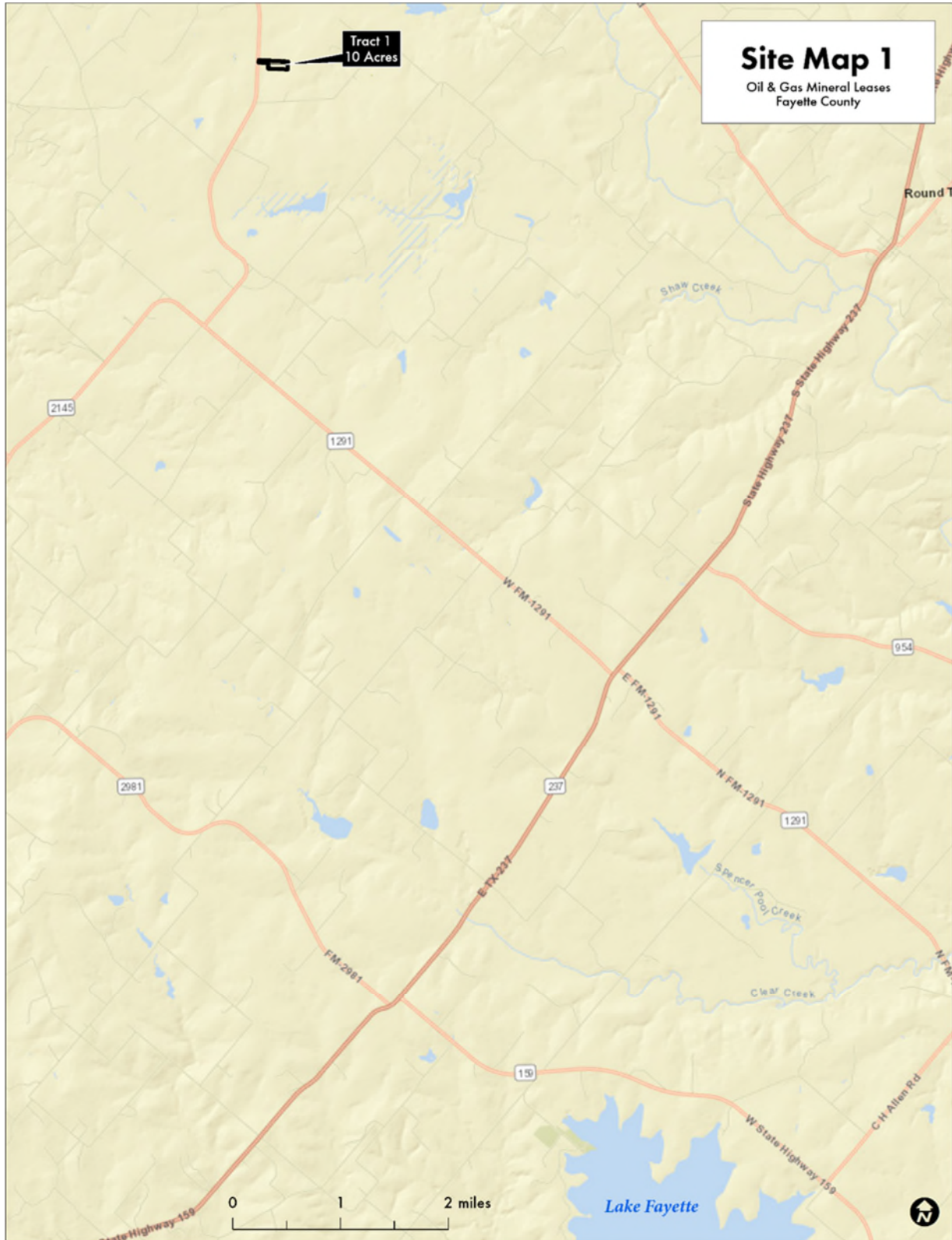
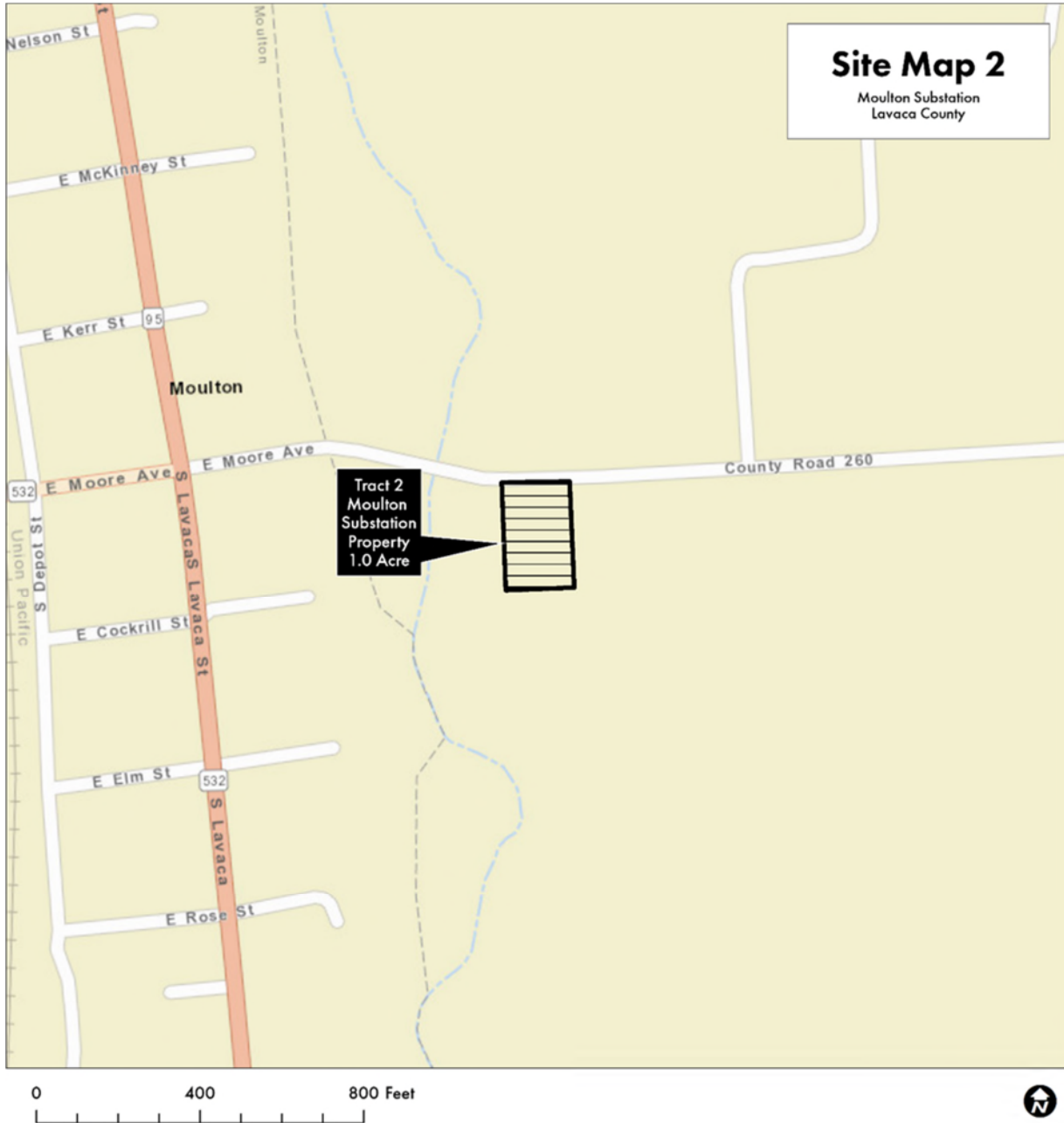


EXHIBIT C



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