



## Board Agenda

Wednesday, Aug. 21, 2024  
LCRA General Office Complex  
Board Room – Hancock Building  
3700 Lake Austin Blvd.  
Austin, TX 78703  
Earliest start time: 9 a.m.

### Item From the Chair

- 1. Comments From the Public ..... 3

### Items From the General Manager

General Manager’s Update

- 2. Resolutions..... 5

### Item From the Chief Financial Officer

- 3. Financial Report ..... 7

### Consent Items

- 4. Proposed LCRA Board and Committee Meeting Dates  
for Calendar Year 2025 ..... 9
- \*5. Conveyance of Easements in Bastrop County ..... 11
- 6. Auditing Services Fiscal Year 2025 Resource and Audit Plan ..... 15
- 7. LCRA Board Policy 303 – Banking and Investments ..... 17
- 8. Directors’ Fees, Expenses..... 27
- 9. Minutes of Prior Meeting..... 28

### Action Item

- 10. Contracts and Contract Changes ..... 34

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

### Executive Session

- 1. Competitive Electric Matters
- 2. Litigation Update
- 3. General Manager Fiscal Year 2024 Performance Evaluation  
and Fiscal Year 2025 Goals Approval
- 4. General Auditor Fiscal Year 2024 Performance Evaluation  
and Fiscal Year 2025 Goals Approval

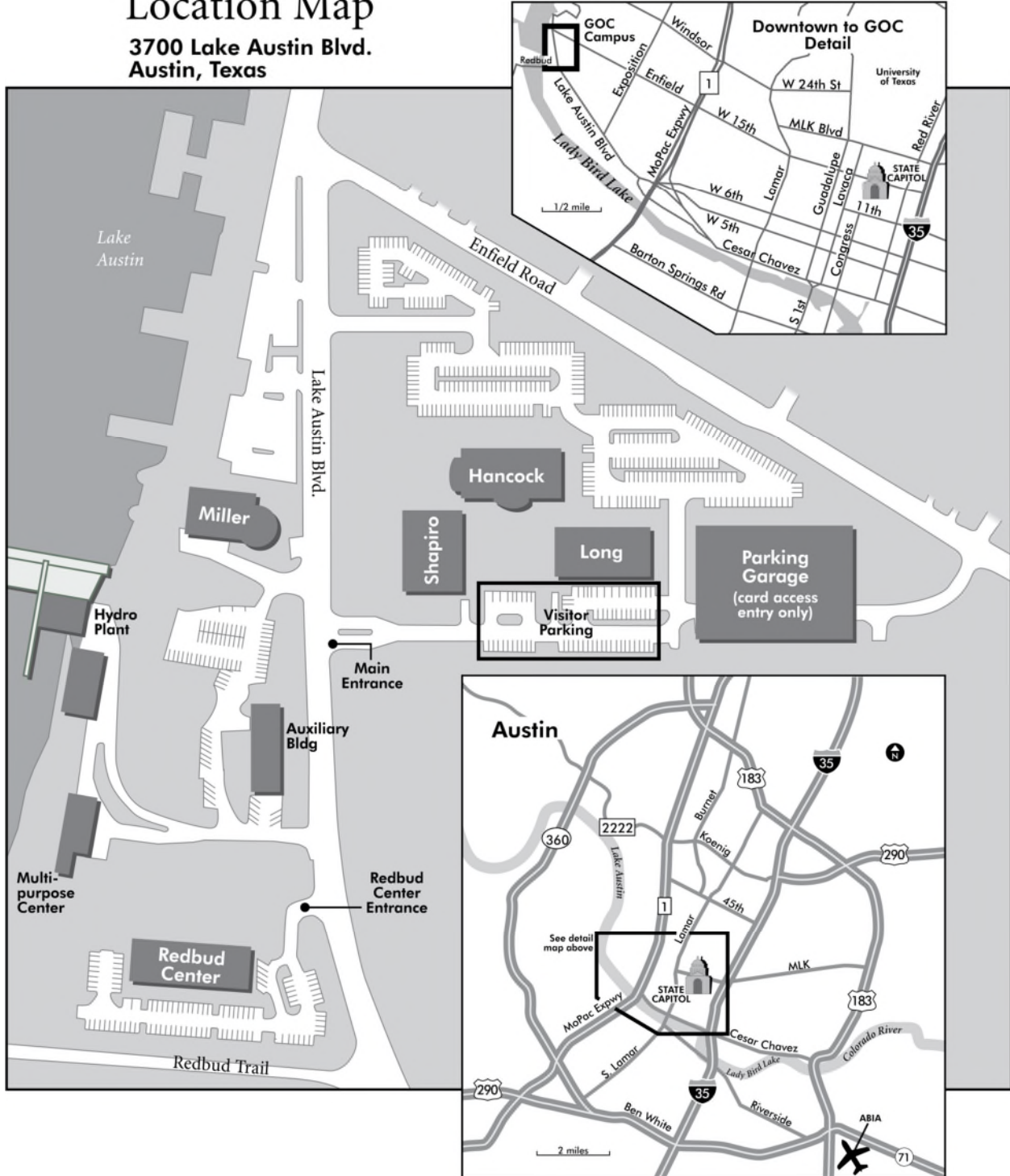
The Board also may go into executive session on any item listed above, pursuant to Chapter 551 of the Texas Government Code, including, but not limited to, sections 551.071, 551.072, 551.074, 551.076, 551.086, 551.089 and 418.183(f) of the Texas Government Code.

### 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 Sam Perine

Whereas, Sam Perine retired from the Lower Colorado River Authority on May 18, 2024, as a supervisor of the Transmission Field Operations Apprentice Program after 21 years of service to LCRA; and

Whereas, Sam began his career at LCRA on Aug. 5, 2002, as an apprentice in Light Maintenance. He worked his way up through many important roles at LCRA, including electrician; senior Energy Services electrician; supervisor of Energy Services craft; and supervisor of Transmission System district; and

Whereas, in recent years, Sam was responsible for overseeing LCRA's Transmission Training Cohort Program, where he would teach recent high school graduates the technical knowledge and hands-on skills needed for a career as a high line worker, substation electrician, relay technician, diagnostic technician, equipment operator and construction worker. Along with finding opportunities for the cohorts to safely observe and learn in the field, Sam spent countless hours in the classroom teaching and sharing his wealth of knowledge. To honor his unwavering commitment to the program, LCRA has designated Room 112 of the Dalchau Service Center Building G the "Sam Perine Training Room"; and

Whereas, Sam's peers admire his selflessness and helpfulness. Sam is an Army veteran who proudly served his country, and his service-driven attitude carried over into his time at LCRA. He was always willing to help and would give you the last quarter in his pocket. He was a walking example of the LCRA values. Sam also has a passion for family, sports and his truck. He often shared stories about his children and nephew, who plays in the NFL. He loved to talk about basketball, football and The University of Alabama, and he was known for having the cleanest, shiniest truck in the parking lot; and

Whereas, while Sam's former co-workers will miss his friendship, positive influence and "Roll Tide" reminders, they are happy he will have more time to do the things he likes most – fishing and spending time with his family, especially the precious time he spends being a grandparent;

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

Approved this 21st day of August 2024.

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Timothy Timmerman, Board Chair

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Phil Wilson, General Manager

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**FOR DISCUSSION**

### **3. Financial Report**

**Summary**

The financial report for LCRA covers fiscal year 2024.

**Presenter(s)**

Jim Travis

Chief Financial Officer

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**Lower Colorado River Authority**  
**Financial Highlights**  
**June 2024**

**Lower Colorado River Authority**  
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**Key terms:**

**4CP** – Four-month coincident peak is the average of the peak Electric Reliability Council of Texas electrical demands (measured in kilowatts) during the months of June, July, August and September of the previous calendar year.

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

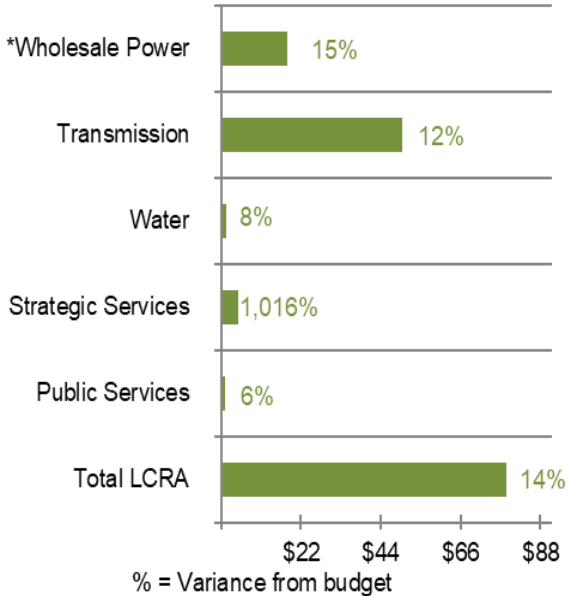
# Lower Colorado River Authority

June 30, 2024

(Dollars in Millions)

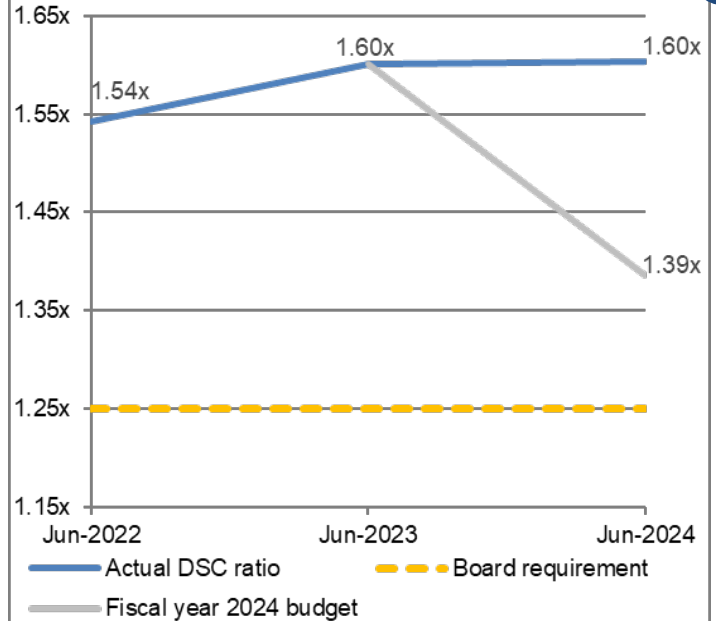
## Budget-to-Actual Highlights

### Net Margin Fiscal Year-to-Date Variances



\*Wholesale Power includes nonprofit corporations

### Debt Service Coverage



### Key takeaways:

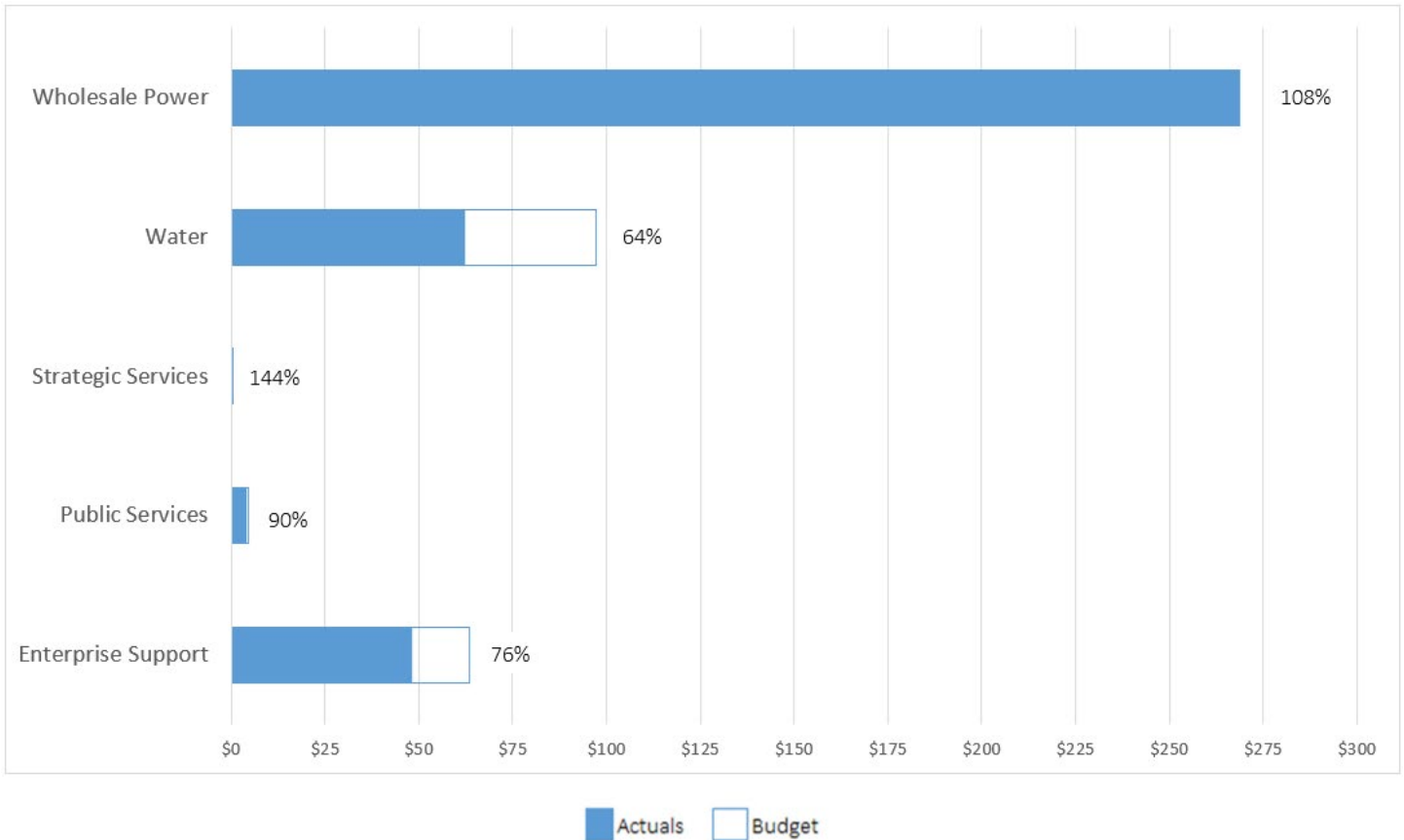
- Higher-than-budgeted revenues, partially offset by higher nonfuel expenses, primarily drove Wholesale Power's year-end performance.
- Higher-than-budgeted cost of service revenues, interest income and other revenues primarily drove Transmission's year-end performance.
- Lower-than-budgeted expenses primarily drove Water's year-end performance.
- Higher-than-budgeted net margins for Telecommunications, Transmission and Environmental Laboratory Services primarily drove Strategic Services' year-end performance.
- Lower-than-budgeted expenses primarily drove Public Services' year-end performance.
- The debt service coverage ratio is higher than budgeted due to the higher-than-budgeted LCRA net margin and lower-than-budgeted debt service.

# Lower Colorado River Authority

June 30, 2024

(Dollars in Millions)

## Capital Performance



### Key takeaway:

- LCRA capital spending for FY 2024 was \$30.2 million less than the capital plan budget of \$413.7 million primarily due to lower-than-planned spending on multiple projects, including the Lane City Dam and Hurricane Harvey Rehabilitation project and the Arbuckle Reservoir project, offset by the addition of a new Wholesale Power project.

### General manager project approvals:

- For any project not previously authorized by the Board in the capital plan, authority is delegated to the general manager to approve any capital project with a lifetime budget not to exceed \$1.5 million, according to LCRA Board Policy 301 – Finance. Additionally, the LCRA Board delegated authority to the general manager to approve additional funding for capital projects expected to exceed their lifetime budgets by 10% and \$300,000.  
The general manager did not approve any new budget resets this quarter.  
The general manager approved two new projects this quarter:
  - John Dumas Communications Shelter Addition for \$583,000.
  - New Wholesale Power project.

# Lower Colorado River Authority

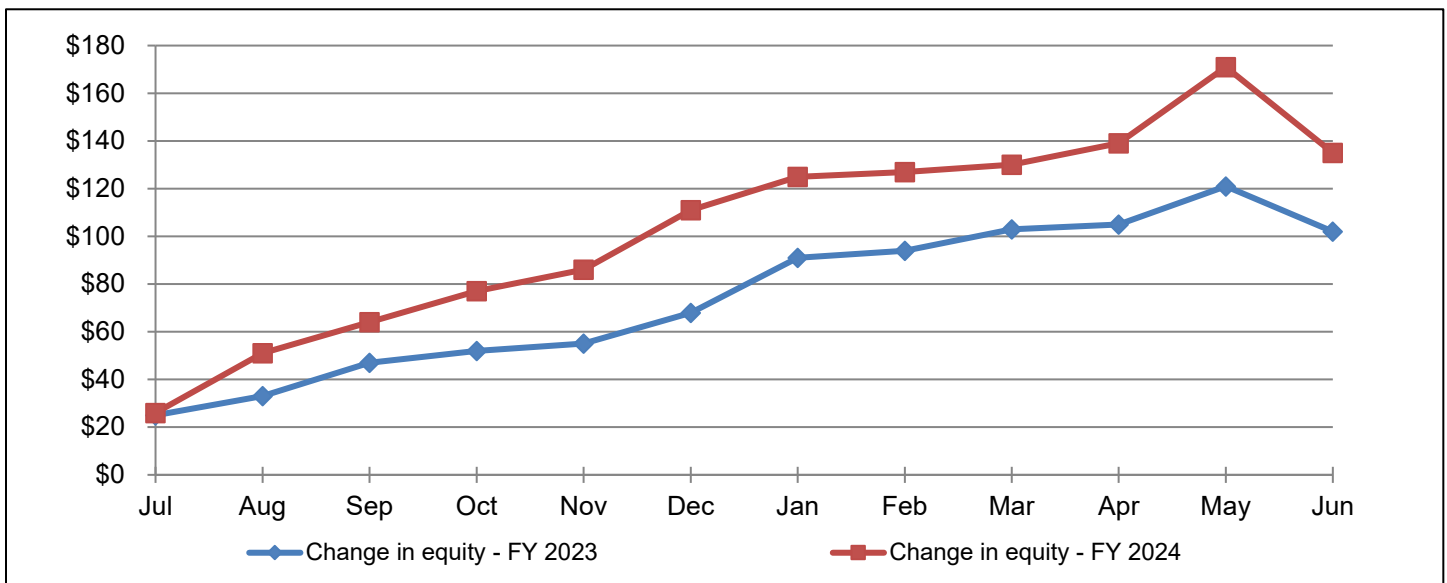
June 30, 2024

(Dollars in Millions)

## Board Metrics

Board Metric	Description	Compliant
<b>Equity Ratio</b>	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.	✓
<b>Debt Service Reserves</b>	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.	✓
<b>Operating Reserves</b>	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 increases in Transmission revenue. This was partially offset by increases in depreciation expense, net interest on debt and other nonoperating expenses.

# Lower Colorado River Authority

June 30, 2024

(Dollars in Millions)

## Condensed Balance Sheets

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 423	\$ 268
Current assets	<u>468</u>	<u>450</u>
Total current assets	<u>891</u>	<u>718</u>
Capital assets	6,932	6,098
Long-term assets	<u>1,057</u>	<u>1,274</u>
Total long-term assets	<u>7,989</u>	<u>7,372</u>
Total Assets	<u>\$ 8,880</u>	<u>\$ 8,090</u>
<b>Liabilities</b>		
Bonds and notes payable	\$ 635	\$ 447
Current liabilities	<u>475</u>	<u>408</u>
Total current liabilities	<u>1,110</u>	<u>855</u>
Bonds and notes payable	5,024	4,639
Pension liability	182	215
Long-term liabilities	<u>463</u>	<u>415</u>
Total long-term liabilities	<u>5,669</u>	<u>5,269</u>
<b>Equity</b>		
Total equity	<u>2,101</u>	<u>1,966</u>
Total Liabilities and Equity	<u>\$ 8,880</u>	<u>\$ 8,090</u>

### Key takeaway:

- Assets and liabilities are trending higher compared with June 2023 due to construction activities related to the capital plan.



# Lower Colorado River Authority

June 30, 2024

(Dollars in Millions)

## Condensed Statements of Revenues, Expenses and Changes in Equity

### Fiscal Year

	<u>2024</u>	<u>2023</u>
<b>Operating Revenues</b>		
Electric	\$ 1,403	\$ 1,317
Water and irrigation	38	37
Other	49	47
Total Operating Revenues	<u>1,490</u>	<u>1,401</u>
<b>Operating Expenses</b>		
Fuel and purchased power	440	442
Operations	364	372
Maintenance	74	63
Depreciation, depletion and amortization	254	236
Total Operating Expenses	<u>1,132</u>	<u>1,113</u>
Operating Income	<u>358</u>	<u>288</u>
<b>Nonoperating Expenses</b>		
Interest on debt	(181)	(158)
Other nonoperating expenses	(42)	(28)
Total Nonoperating Expenses	<u>(223)</u>	<u>(186)</u>
Change in Equity	135	102
<b>Equity - Beginning of Period</b>	<u>1,966</u>	<u>1,864</u>
<b>Equity - End of Period</b>	<u>\$ 2,101</u>	<u>\$ 1,966</u>

# Lower Colorado River Authority

June 30, 2024

(Dollars in Millions)

## Condensed Statements of Cash Flows

	Fiscal Year	
	2024	2023
<b>Cash Flows From Operating Activities</b>		
Received from customers	\$ 1,501	\$ 1,374
Payments	(774)	(809)
Net cash provided by operating activities	727	565
<b>Cash Flows From Noncapital Financing Activities</b>	-	5
<b>Cash Flows From Capital and Related Financing Activities</b>		
Purchase of property, plant and equipment	(1,144)	(916)
Other capital and financing activities	376	474
Net cash used in capital and financing activities	(768)	(442)
<b>Cash Flows From Investing Activities</b>		
Sale and maturity of investment securities	285	208
Purchase of investment securities	(316)	(284)
Note payments and interest received	37	31
Net cash provided by (used in) investing activities	6	(45)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(35)	83
<b>Cash and Cash Equivalents - Beginning of Period</b>	498	415
<b>Cash and Cash Equivalents - End of Period</b>	\$ 463	\$ 498

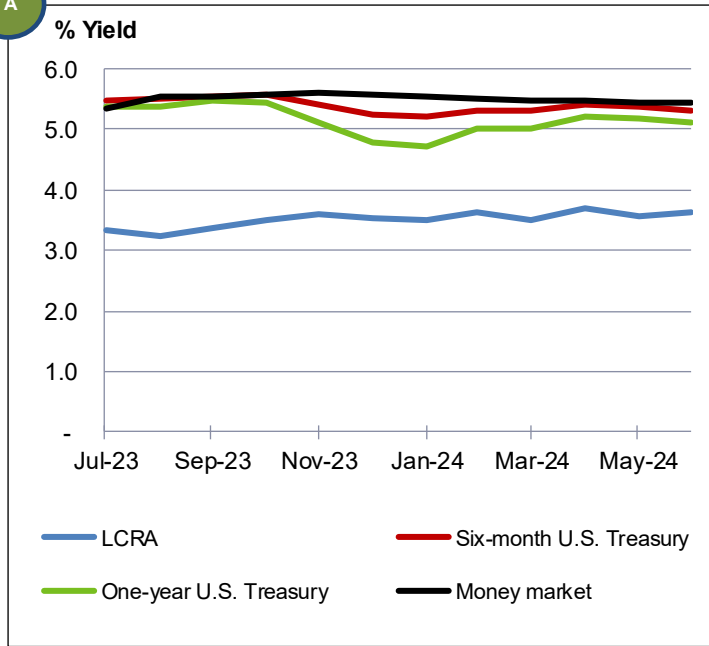
# Lower Colorado River Authority

June 30, 2024

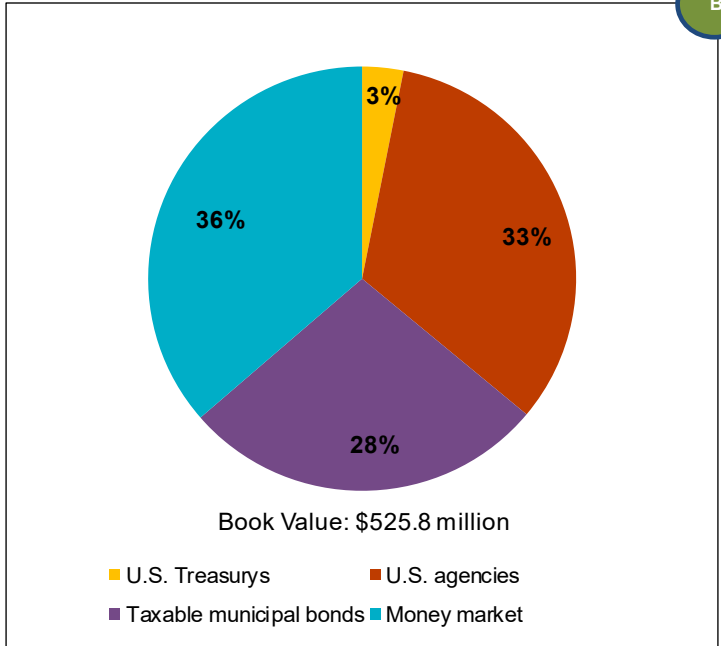
(Dollars in Millions)

## Investments and Debt

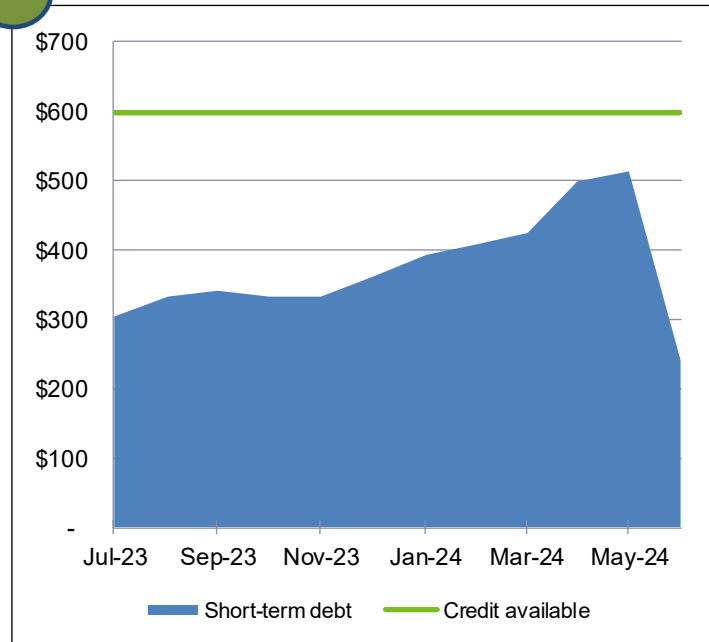
### Investment Portfolio Yield



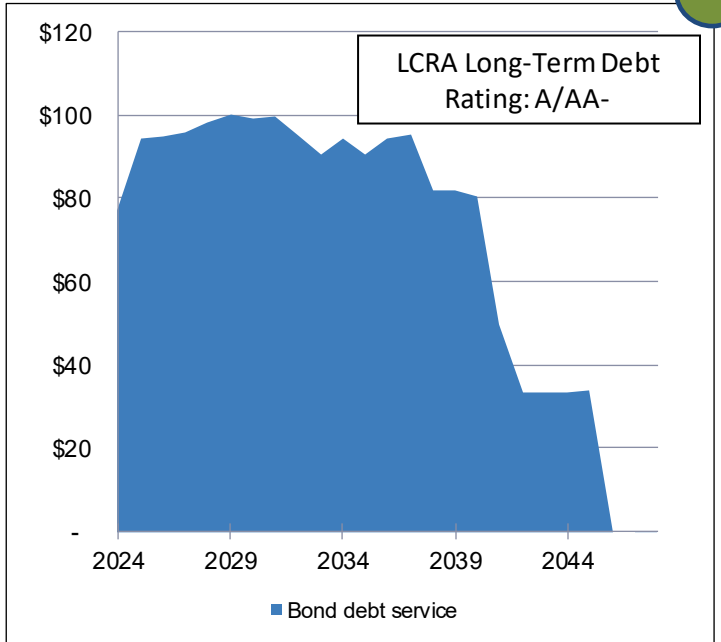
### Investment Portfolio Composition



### Short-Term Debt



### Bond Debt Service



### Key takeaways:

- The Federal Open Market Committee continued its monetary policy pause at its June 2024 meeting.
- The federal funds rate range is 5.25%-5.5%.
- The Consumer Price Index (year over year) as of May 2024 was at 3.3%, a decrease of 0.1% from April 2024.

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**FOR ACTION (CONSENT)**

## **4. Proposed LCRA Board and Committee Meeting Dates for Calendar Year 2025**

**Proposed Motion**

Approve the proposed LCRA Board and committee meeting dates for calendar year 2025 as listed in Exhibit A.

**Board Consideration**

The LCRA bylaws provide that the regular meeting of the Board takes place on the last Wednesday before the 25th day of each month. Any deviation from that schedule requires Board approval.

**Budget Status and Fiscal Impact**

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

**Summary**

The proposed Board and committee meeting dates for calendar year 2025 as listed in Exhibit A were reviewed by the Executive Committee at its meeting on June 18, 2024.

**Exhibit(s)**

A – Proposed LCRA Board and Committee Meeting Dates for Calendar Year 2025

**Proposed LCRA Board and Committee Meeting Dates for Calendar Year 2025**

<b>Month</b>	<b>Committee Meetings</b>	<b>Board Meeting</b>
<b>January</b>	21	22
<b>February</b>	19	
<b>March</b>	26	
<b>April</b>	22*	
<b>May</b>	20	21
<b>June</b>	18	
<b>July</b>	No Meeting	
<b>August</b>	19	20
<b>September</b>	24	
<b>October</b>	21	22
<b>November</b>	12	
<b>December</b>	9	

\*This Board meeting will include the annual business and capital plans work session.

## **5. Conveyance of Easements in Bastrop County**

### **Proposed Motion**

Authorize the general manager or his designee to convey permanent water line easements totaling approximately 0.724 acre and temporary workspace easements totaling approximately 0.754 acre over LCRA Parcel CR-08 to Aqua Water Supply Corporation in Bastrop County.

### **Board Consideration**

Section 8503.020(b) of the Texas Special District Local Laws Code requires the approval of at least 12 members of the LCRA Board of Directors to convey any interest in real property. LCRA Board Policy 401 – Land Resources requires the approval of the LCRA Board to convey easements across LCRA land.

### **Budget Status and Fiscal Impact**

The fiscal year 2025 business plan contains the administrative costs associated with the conveyance of these easements. Proceeds from the conveyance of these easements will be applied to the LCRA Strategic Reserve Fund.

### **Summary**

LCRA acquired Parcel CR-08 in May 1995 as the primary tract in the development of McKinney Roughs Nature Park.

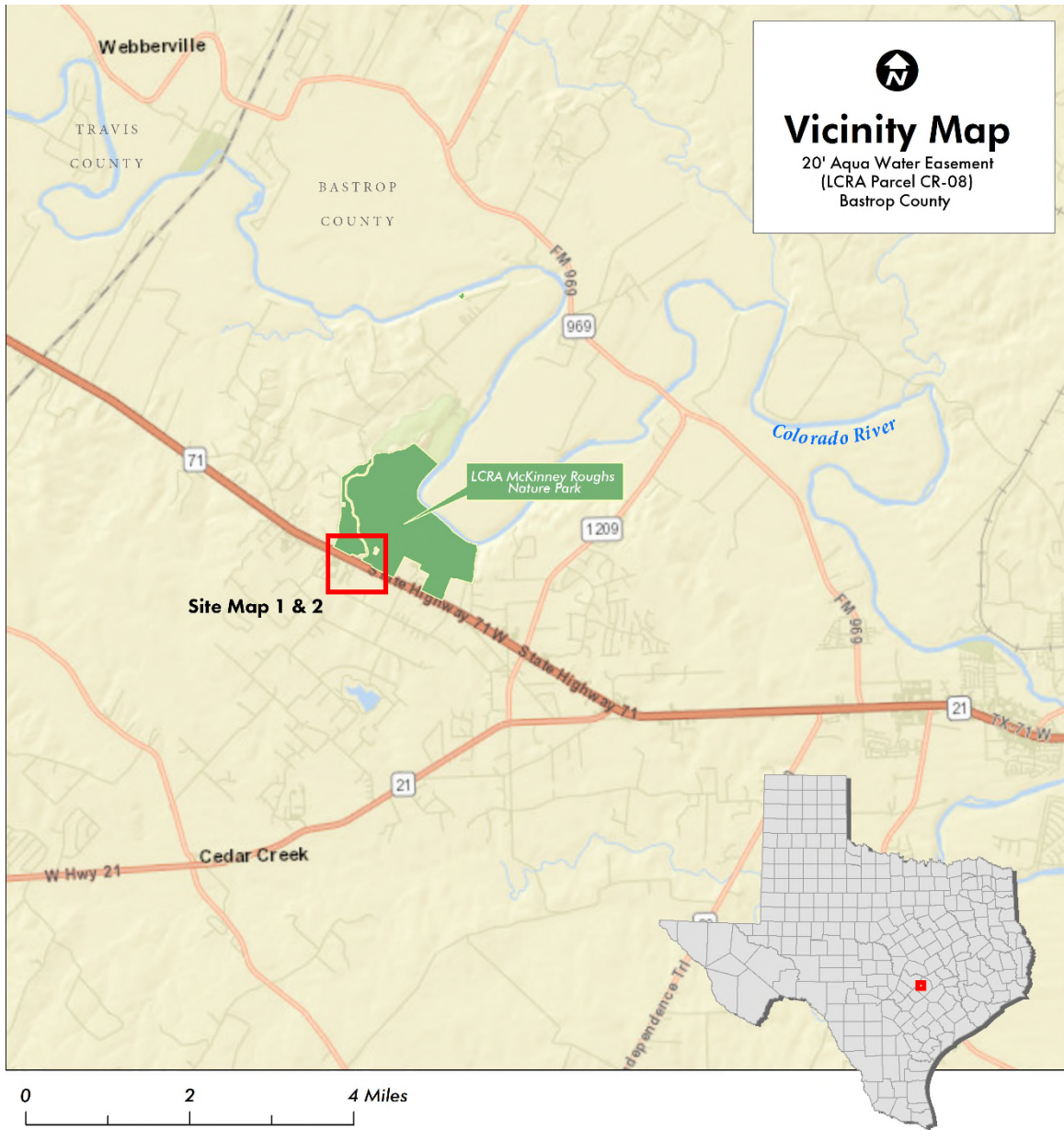
Due to a Texas Department of Transportation road project along Highway 71, Aqua Water has requested to relocate water lines onto LCRA land. The requested easements are a 0.598-acre permanent water line easement with an adjacent 0.596-acre temporary workspace easement, as well as a 0.126-acre permanent water line easement with an adjacent 0.158-acre temporary workspace easement, all within LCRA Parcel CR-08. An easement price of \$21,107 has been accepted based on an appraisal performed by an independent and certified third-party appraiser.

LCRA representatives will complete environmental and cultural resource due diligence in accordance with Board Policy 401.403 – Land Disposition prior to conveying the easements.

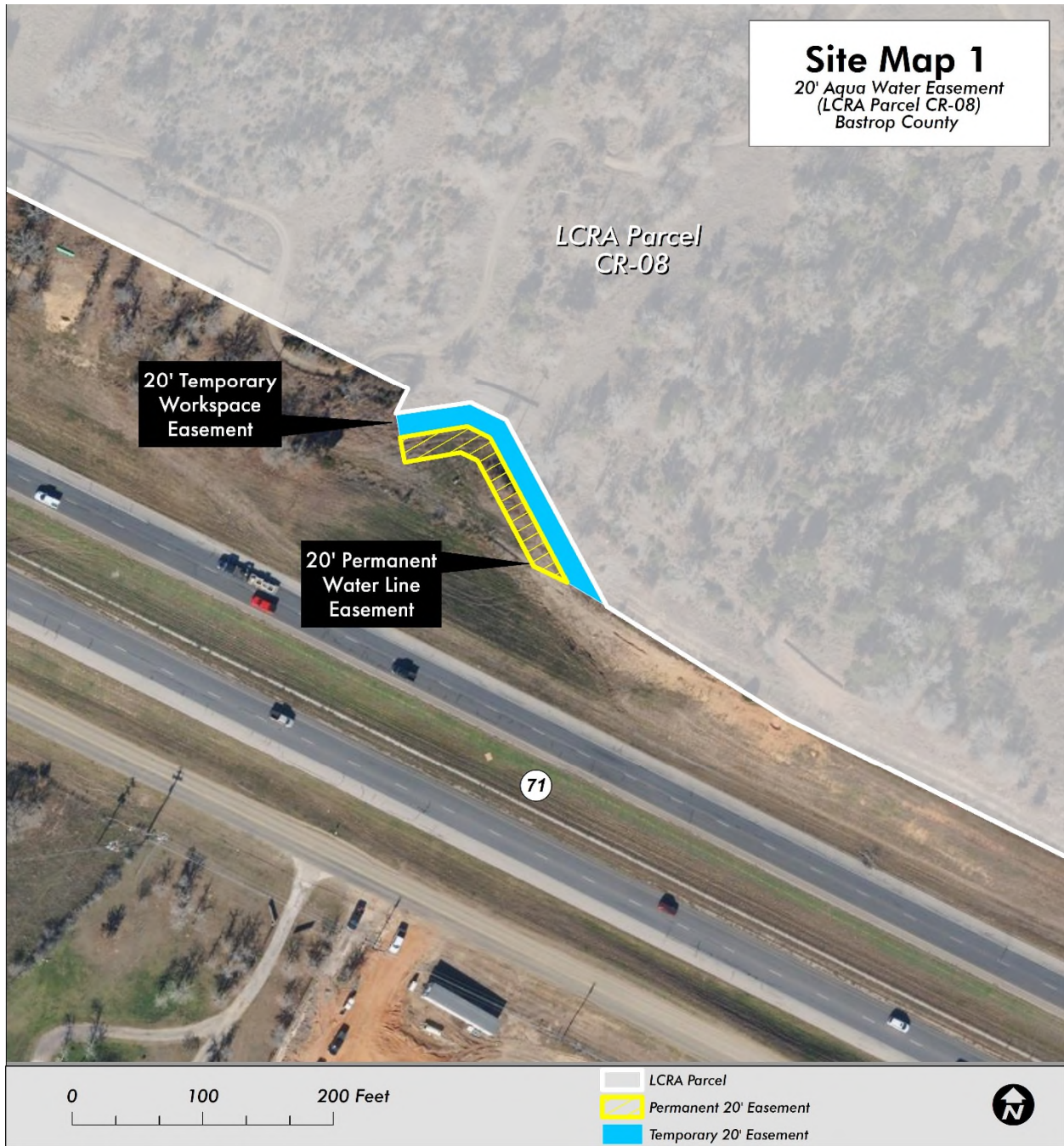
### **Exhibit(s)**

- A – Vicinity Map
- B – Site Maps

**EXHIBIT A**











**FOR ACTION (CONSENT)**

## **6. Auditing Services Fiscal Year 2025 Resource and Audit Plan**

**Proposed Motion**

Approve the Auditing Services fiscal year 2025 resource and audit plan.

**Board Consideration**

LCRA Board Policy 221 – Auditors requires the Board of Directors to approve the Auditing Services resource plan and annual audit plan.

**Budget Status and Fiscal Impact**

The Board previously approved the budget for Auditing Services as part of the fiscal year 2025 business plan.

**Summary**

LCRA staff gave the Audit and Risk Committee an overview of Auditing Services' proposed budget, resource plan and annual audit plan for fiscal year 2025. Auditing Services' resource plan and annual audit plan are attached as Exhibit A. The Audit and Risk Committee has reviewed and approved the proposed plan. The Audit and Risk Committee and staff recommend approval of the proposed fiscal year 2025 Auditing Services resource and audit plan.

**Exhibit(s)**

A – Auditing Services fiscal year 2025 resource and audit plan

**EXHIBIT A**

**Auditing Services Fiscal Year 2025 Resource and Audit Plan**

Resource plan:

Outsourced staff – tailored to scope with flexible schedule (agile auditing)

Audit plan\*

Risks Addressed	Audit Project	Scope Summary	Timing
Operational	Field Equipment and Training Certification Review	Ensure timely and comprehensive completion	First Half FY 2025
Operational, Third Party	Contractor/Supplier Safety Onboarding	Review compliance to LCRA expectations	First Half FY 2025
Cybersecurity, Third Party	Third-/Fourth-Party Supplier Cybersecurity Assessment	Evaluate risk management and process effectiveness	First Half FY 2025
Operational	Single Point of Failure Follow-up	Refresh FY 2022 project for next operational levels	First Half FY 2025
Financial, Fraud	Surplus Materials Disposition	Test controls over asset removal and cost recovery	First Half FY 2025
Operational, Reputational	Standard Contract Clauses and Change Order Compliance	Process review of key LCRA contract terms – <b>deep dive</b>	Second Half FY 2025
Technology, Operational	Information Technology and Artificial Intelligence Governance	Alignment of approach and execution with business goals	Second Half FY 2025
Technology	System Implementation Reviews	Specific system will be identified at advance planning	Second Half FY 2025
Financial, Operational	Risk Management (Hedging) Compliance, Best Practices	Control review for effectiveness and design	Second Half FY 2025
Financial, Fraud	Construction Contract Review – <b>deep dive</b>	Assess risk and review for potential cost recovery	Throughout FY 2025
Technology, Fraud	Collaborative Analytics	General Ledger, Maximo, Human Resources, Payroll	Throughout FY 2025

\*A number of the proposed reports in the audit plan will be confidential or attorney-client privileged.

**FOR ACTION (CONSENT)**

## **7. LCRA Board Policy 303 – Banking and Investments**

**Proposed Motion**

Review and approve LCRA Board Policy 303 – Banking and Investments as shown in Exhibit A.

**Board Consideration**

Chapter 2256 of the Texas Government Code, Public Funds Investment Act, requires that a governing body of an investing entity review and adopt its investment policy and investment strategies annually.

**Budget Status and Fiscal Impact**

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

**Summary**

The Board of Directors will fulfill its statutory requirements under the Texas Public Funds Investment Act for the annual review and adoption of the LCRA investment policy. Staff recommends approval of the policy as it currently stands, with changes made to Appendix A, amending staff authorized to purchase and sell securities and with changes made to Appendix B, amending approved brokers/dealers.

**Exhibit(s)**

A – LCRA Board Policy 303 – Banking and Investments

## EXHIBIT A

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### LCRA BOARD POLICY

#### 303 – BANKING AND INVESTMENTS

~~Aug. 23, 2023~~ Aug. 21, 2024

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##### **303.10 PURPOSE**

This policy establishes procedures for authorizing employees to disburse, transfer and invest LCRA funds in accordance with the LCRA enabling act, LCRA bylaws and other legal requirements. It states objectives and guidelines for investing LCRA funds and defines the types of investments in which LCRA may invest. The policy applies to activity involving LCRA funds, excluding the LCRA Retirement Benefits Plan and the LCRA 401(k) and Deferred Compensation Plans, which are not LCRA funds.

##### **303.20 POLICY**

LCRA will maintain reasonable internal control and approval procedures for the disbursement, transfer and investment of funds consistent with legal requirements.

LCRA's investments will be made in accordance with applicable laws, the LCRA enabling legislation, the LCRA bylaws, Board policies and current LCRA bond resolutions. Selection of securities firms or financial institutions must be approved by the LCRA Board of Directors. All such firms must provide certification forms asserting they have read and are familiar with the LCRA investment policy and reasonable procedures and controls have been implemented to preclude unauthorized transactions. Effective cash management is recognized as a foundation of this policy. The chief financial officer is responsible for implementing and ensuring compliance with this policy.

##### **303.30 Banking Procedures**

**303.301 Signature Authority.** In establishing any bank account, signature authority on the account must be provided to the bank in writing with a specimen signature for each officer and employee authorized. Any check, draft or other instrument that authorizes the disbursement or transfer of funds from any account may be signed without countersignature unless countersignatures are required by the general manager/CEO and chief financial officer. Designation of positions with authority to countersign will be made in writing and approved by the GM/CEO and chief financial officer.

A complete file of authorized signatures pursuant to the requirements of this policy and facsimile signature impressions for each active demand account will be maintained by the treasurer at all times.

**303.302 General Manager/Chief Executive Officer and Chief Financial Officer Designations for Disbursement and Transfer of Funds, and Check Signers.** The GM/CEO and chief financial officer will designate the individuals authorized to disburse and transfer funds and to sign checks. Written authorization may be in the form of certificates of incumbency, signature cards or other bank documentation enabling designated individuals to perform fund movement activities. Designations will include limitations as to dollar amounts authorized to the designees to ensure reasonable controls over financial transactions.

**303.303 Facsimile Signatures.** The use of facsimile signatures, in lieu of manual signatures, for bank transactions is authorized for the chief financial officer and the treasurer without countersignature, except as otherwise required. An authorized copy of the manual signature and the facsimile signature will be furnished to each bank from which checks will be drawn.

### **303.40 Investment Procedures**

**303.401 Investment Objectives.** The LCRA investment portfolio will be managed in compliance with Chapter 2256 of the Texas Government Code, as amended (the Public Funds Investment Act or TPFIA), primarily to be consistent with LCRA's responsibilities as a steward of the public trust and to take advantage of investment interest as a source of income for all funds.

LCRA will emphasize the following objectives, listed in order of importance:

Standard of care – LCRA will ensure that all LCRA personnel involved in the investment process act responsibly as custodians of the public trust in the preservation of LCRA capital. LCRA investments will be made with the exercise of judgment and care, under circumstances then prevailing, that persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of principal, as well as the probable income to be derived.

Suitability – LCRA will ensure the suitability of the investment to LCRA's financial requirements.

Safety – LCRA will give priority to ensuring the preservation and safety of principal.

Liquidity – LCRA will maintain sufficient liquidity to provide adequate and timely availability of funds necessary to pay obligations as they become due.

Marketability – LCRA will consider its ability to liquidate an investment prior to maturity.

Diversification – LCRA will diversify its investments on the basis of maturity, type of instruments, financial institutions and securities firms.

Return on investment – LCRA will optimize return on investments within the constraints of safety and liquidity.

Maturity – LCRA will invest its funds in maturities sufficiently diverse and, in consideration of maximum maturity limits, to achieve safety of principal and adequate liquidity.

**303.402 Individuals Authorized to Invest Funds.** The GM/CEO and chief financial officer will submit to the Board a list designating the individuals authorized to purchase and sell securities. The Board will approve the list of designated persons and their respective dollar limits. The approved list will be attached as Appendix A. Each investment transaction must be reviewed for compliance with this policy by a person other than the individual executing the trade. The investment transaction will be in accordance with specified dollar limits determined by the GM/CEO and chief financial officer.

**303.403 Authorized Instruments and Securities Firms.** LCRA will purchase, from securities firms or financial institutions approved by the Board and listed in Appendix B, only those investment instruments authorized under this policy and listed in Appendix C, such list being from the TPFIA as periodically amended, with LCRA maximum maturities.

**303.404 Designated Investment Officers.** Responsibility for LCRA's investments and investing activity, as provided for in this policy, will be the responsibility of the designated investment officers: the chief financial officer and the treasurer of LCRA.

**303.405 Officer Training.** All designated investment officers, as well as all personnel responsible for executing investment transactions, must attend an investment training session not less than once each state fiscal biennium (the state fiscal year runs Sept. 1-Aug. 31), from an independent source approved by the Board and receive not less than 10 training hours as required in the TPFIA. Training must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the TPFIA. LCRA employees must take training provided by the University of North Texas Center for Public Management, the Government Treasurers' Organization of Texas, [North Central Texas Council of Governments](#), the Government Finance Officers Association of Texas, Texas Municipal League or Texas State University.

**303.406 Disclosure of Personal Business Relationships.** All designated investment officers, as well as all personnel responsible for executing investment transactions, who have a personal business relationship, as defined in the TPFIA, or are related within the second degree by affinity (marriage) or by consanguinity (descended from the same ancestor), as defined in Texas Government Code Chapter 573, with any representative offering to engage in an investment transaction with LCRA, will file a statement disclosing that personal business interest or relationship with the Texas Ethics Commission and the Board.

**303.407 Safekeeping of Investments.** LCRA will maintain safekeeping procedures to protect against potential loss or misapplication of investments. The chief financial officer



or his or her designee will be responsible for procedures that secure LCRA assets. All investment activity will be accomplished on a “delivery-versus-payment” basis. Investment instruments will be held in the name of LCRA and the LCRA fund being invested.

**303.408 Collateralization.** To the extent not insured by federal agencies that secure deposits, LCRA funds must be secured by collateral securities as stated in the Texas Public Funds Collateral Act, as amended. The total market value of the collateral securities will be an amount at least equal to the amount of the deposits of public funds, increased by the amount of any accrued interest and reduced to the extent that the deposits are insured by an agency or instrumentality of the United States government. Notwithstanding the foregoing, securities described in Section 2256.009(b), Texas Government Code, may not be used to secure deposits of LCRA funds.

A collateral depository agreement will be executed by any bank anticipated to hold LCRA funds in excess of federal deposit insurance and by any collateral safekeeping bank. Safekeeping receipts will be furnished by the safekeeping bank indicating the pledge of the securities to LCRA.

**303.409 Depository Restrictions and Security of Funds.** Other than for paying agent purposes, LCRA will use as depositories for its funds and investments only federal- or state-chartered banks or trust companies with their main office or branch located in Texas in which deposits up to the maximum allowable limit are insured by federal agencies. Such depositories will be approved by the Board.

**303.410 Periodic Reporting.** Investment reports will be made as required by the TPFIA and will be provided to the Board as follows:

<u>General Context of Report</u>	<u>Schedule</u>
Investment portfolio summary	Quarterly
Portfolio composition and performance (investment yield versus benchmarks)	Quarterly
External financial audit (investment holdings, compliance)	Annually

All designated investment officers must sign the quarterly reports.

A report on changes to the TPFIA that affect LCRA will be made to the Board within 180 days after the last day of the regular session of the Texas Legislature.

**303.411 Investment Strategies.** In addition to the above LCRA corporate investment objectives and guidelines, the following detailed investment strategies are provided to address various LCRA funds on issues, including the following:

Revenue Funds – The Revenue Funds will include investments suitable for funds requiring a high degree of liquidity, and will be limited to an average maturity no greater

than five years. Due to their short-term nature, involuntary investment liquidations are unlikely for the Revenue Funds; however, should they be necessary, the short-term nature of the instruments would make material losses highly unlikely. Revenue Funds investments will be compared against appropriately competitive and reasonable benchmarks, including money market funds of similar makeups and maturities.

Construction Funds – The Construction Funds will include investments suitable to meet construction payment requirements for which the related funds were acquired. Investment maturities will be structured to meet construction payment requirements and will comply with federal tax regulations on spending terms. These short-term investments are benchmarked by the same process as the Revenue Funds investments.

Debt Service Reserve Funds – The Debt Service Reserve Funds will include investments suitable to provide reserves to meet any shortfalls in funds available to make required debt service payments. As Debt Service Reserve Funds are not to be used except in the case of insufficient revenues, average maturities in these funds can range from six months to 10 years. However, in no instance should an investment maturity exceed the latest established debt service requirement/payment date. Debt Service Reserve Funds investments will be structured to achieve the most competitive yields attainable given appropriate diversification and safety requirements, and will be compared against appropriately competitive and reasonable benchmarks, considering limitations on yield provided by federal tax law.

**303.412 Monitoring Market Prices.** Monitoring will be done monthly and more often as economic conditions warrant by using appropriate reports, indices or benchmarks for the type of investment. Information sources may include financial/investment publications and electronic media, software for tracking investments, depository banks, investment banks, financial advisers, and representatives/advisers of investment pools or money market funds. Monitoring of credit ratings will be done on a regular, ongoing basis and as often as economic conditions, market news or credit rating agency news releases warrant review of any specific security, type of security or security issuer. If a credit rating for a security or security issuer falls below the minimum allowable rating set by the TPFIA, LCRA will take all prudent measures that are consistent with its investment policy and TPFIA Section 2256.021 to liquidate the security.

**303.413 Required Policy Compliance Audits.** A compliance audit of management controls and adherence to this policy as it relates to LCRA's investments and investing activity will be performed on an annual basis in conjunction with the organization's financial audit. The compliance audit also will cover LCRA's depository or custodian with respect to investment securities and records for pledged collateral, as required in Chapter 2257 of the Texas Government Code, as amended (the Public Funds Collateral Act).

**303.414 Periodic Review and Approval of Policy.** This investment policy and its investment strategies will be reviewed and approved by the Board on at least an annual basis, as required by the TPFIA. The Board will record in writing its approval of existing policy and any changes to the LCRA investments policy and investment strategies.

### **303.50      AUTHORITY**

LCRA enabling legislation, Chapter 8503, Special District Local Laws Code  
Public Funds Investment Act, Chapter 2256, Texas Government Code  
Public Funds Collateral Act, Chapter 2257, Texas Government Code

**EFFECTIVE:** December 1986. Amended March 19, 1987 (republished); Dec. 14, 1991; Oct. 22, 1992; Oct. 17, 1995; Oct. 23, 1997; Oct. 22, 1998; Aug. 18, 1999; Dec. 13, 2000; June 13, 2001; Nov. 20, 2002; Nov. 19, 2003; Oct. 20, 2004; Nov. 16, 2005; Nov. 15, 2006; Nov. 14, 2007; Dec. 17, 2008; Dec. 16, 2009; Dec. 15, 2010; Oct. 19, 2011; Nov. 14, 2012; Nov. 20, 2013; Nov. 19, 2014; and Dec. 16, 2015. Amended and combined with Board Policy 306 Sept. 21, 2016. Amended Nov. 16, 2016; Oct. 18, 2017; April 18, 2018; Oct. 17, 2018; Dec. 11, 2018; Oct. 23, 2019; Jan. 22, 2020; Jan. 20, 2021; Jan. 19, 2022; Aug. 17, 2022; ~~and Aug. 23, 2023;~~ and Aug. 21, 2024.

APPENDIX A

AUTHORIZATION TO PURCHASE AND SELL SECURITIES

STAFF AUTHORIZED TO PURCHASE AND SELL SECURITIES:  
AS OF ~~Aug. 23, 2023~~ Aug. 21, 2024

Chief Financial Officer (Unlimited)	James D. Travis
Treasurer (\$100 million per day)	David J. Smith
Treasury <del>Manager</del> <u>Supervisor</u> (\$75 million per day)	Keri J. Whipple
Treasury Analyst (\$75 million per day)	Tom Bowen
Treasury Analyst (\$75 million per day; Money Market trades only)	Sara Zamora-Trevino
<u>Treasury Analyst (\$75 million per day; Money Market trades only)</u>	<u>Ryan Vickery</u>

**APPENDIX B**

**APPROVED BROKERS/DEALERS  
AS OF ~~Aug. 23, 2023~~ Aug. 21, 2024**

<b><u>Name of Firm</u></b>	<b><u>Headquarters</u></b>	<b><u>LCRA Trading Office</u></b>	
Stifel Nicolaus & Company Inc.	St. Louis	Houston	
RBC Capital Markets LLC	New York	Chicago	
BofA Securities Inc.	Charlotte	Chicago	
Raymond James & Associates Inc.	Memphis	Richmond	
Wells Fargo Securities LLC	San Francisco	Dallas	
Cantor Fitzgerald & Co/ <del>Debt Capital Markets</del>		New York	Dallas
U.S. Bank N.A.	Minneapolis	Milwaukee	
Jefferies LLC	New York	Atlanta	
FHN Financial Capital Markets	Memphis	Houston	
JP Morgan Securities LLC	New York	Chicago	
<del>Citigroup Global Markets Inc.</del>	<del>New York</del>	<del>New York</del>	
<del>PNC Capital Markets LLC</del>	<del>Pittsburgh</del>	<del>Pittsburgh</del>	

**APPENDIX C**  
**APPROVED INVESTMENTS OF PUBLIC FUNDS**  
**AS OF ~~Aug. 23, 2023~~ Aug. 21, 2024**  
**(SECTION 2256, PUBLIC FUNDS INVESTMENT ACT OF 1987, AMENDED)**

**DESCRIPTION**

1. Obligations of, or guaranteed by, Governmental Entities (Section 2256.009 of the Texas Public Funds Investment Act) Maturity Limit: 30 years
2. Certificates of Deposit and Share Certificates (Section 2256.010 of the Texas Public Funds Investment Act) Maturity Limit: three years
3. Repurchase and/or Reverse Repurchase Agreements (Section 2256.011 of the Texas Public Funds Investment Act) Maturity Limit: one year
4. Securities Lending Program (Section 2256.0115 of the Texas Public Funds Investment Act) Maturity Limit: one year
5. Banker's Acceptances – Rating/Definition (Section 2256.012 of the Texas Public Funds Investment Act) Maturity Limit: 270 days
6. Commercial Paper – Rating/Definition (Section 2256.013 of the Texas Public Funds Investment Act) Maturity Limit: 365 days
7. Money Market Mutual Funds – Permissions/Restrictions (Section 2256.014 (a) of the Texas Public Funds Investment Act) Maturity Limit: 90 days
8. Guaranteed Investment Contracts (GICs) (Section 2256.015 of the Texas Public Funds Investment Act) Maturity Limit: three years
9. Investment Pools (Section 2256.016 of the Texas Public Funds Investment Act) Maturity Limit: 90 days

**FOR ACTION (CONSENT)**

## **8. 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 LCRA Board approval for directors' fees and expenses.

**Budget Status and Fiscal Impact**

Directors' fees and expenses are included 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)**

## **9. Minutes of Prior Meeting**

**Proposed Motion**

Approve the minutes of the June 18, 2024, Board 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 June 18, 2024, Board meeting



## **EXHIBIT A**

LCRA Board of Directors  
Minutes Digest  
June 18, 2024

- 24-43 Approval of the minutes of the May 22, 2024, Board meeting.
- 24-44 Approval of an amendment to the fiscal year 2024 LCRA Transmission Services Corporation capital plan to increase authorization for capital spending in FY 2024 from \$759.7 million to up to \$790 million.
- 24-45 Approval of an amendment to the fiscal year 2024 LCRA business plan to increase authorization for spending in fiscal year 2024 from \$564.6 million to \$590.6 million.
- 24-46 Authorization for the general manager or his designee to negotiate and execute the following contracts and contract changes: Contract No. 6522 (ERP Analysts, Inc.); Contract No. 4537 (Convergint Technologies LLC); Contract No. 6067 (McCurley Enterprises, Inc.); Contract No. 6068 (Power Engineers Inc.); Contract No. 5101 (Saber Power Services); and Contract No. 5351 (Irby Construction Inc.).
- 24-47 Adoption and approval of the Forty-fifth 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 \$500 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) current refunding of certain long-term Transmission Contract Debt; (iv) funding a debt service reserve fund for a Series of Bonds; and (v) paying for issuance costs.
- 24-48 Authorization for the general manager or his designee to negotiate and execute the telecommunications master contract, as discussed in executive session, for equipment, operational support systems and business support systems required for the deployment of a private long-term evolution wireless broadband network.

MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF THE  
LOWER COLORADO RIVER AUTHORITY  
Austin, Texas  
June 18, 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 11:43 a.m. Wednesday, June 18, 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  
Joseph M. “Joe” Crane, Secretary  
Michael L. “Mike” Allen  
Matthew L. “Matt” Arthur  
Melissa K. Blanding  
Thomas L. “Tom” Kelley  
Thomas Michael Martine  
Margaret D. “Meg” Voelter  
Martha Leigh M. Whitten  
David R. Willmann  
Nancy Eckert Yeary

Absent: Carol Freeman  
Robert “Bobby” Lewis

Chair Timmerman convened the meeting at 11:43 a.m.

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

General Manager Phil Wilson gave the Board an update. He discussed the importance of summertime safety, including safety tips for employees working outside in the heat. He commented on the recent rain, drought conditions and stressed continued water conservation. He gave an update on the preparation of LCRA’s Wholesale Power and Transmission operations for the hot summer weather. He highlighted the fiscal year 2025 LCRA business and capital plans, including investment in key capital projects. Wilson concluded his update by sharing two Colorado Commitment stories – examples of employees making every LCRA endeavor outstanding. He commended LCRA employees who helped organize or spoke at the recent Texas Public Power Corridor Emerging Technology Symposium. He also thanked employees who contributed to the work completed during the scheduled outage for LCRA’s Lost Pines Power Park.

The Board next took action on the consent agenda.

24-43 Upon motion by Director Voelter, seconded by Director Kelley, the Board unanimously approved the minutes of the May 22, 2024, Board meeting [Consent Item 2] by a vote of 12 to 0.

Shannon Hamilton, executive director of Central Texas Water Coalition, commented about the recent rain, drought, basin conditions [Agenda Item 3] and the need for continued water conservation. Hamilton and Dave Lindsay, CTWC Board Member, commented on the small pond study presentation [Agenda Item 4], expressed they looked forward to hearing the results of the study, and thanked LCRA for focusing on the issue.

Vice President of Water Operations Kelly D. Payne presented an update on basin conditions [Agenda Item 3].

Vice President of Water Resources Monica Masters presented a study on small pond identification in the Highland Lakes Watershed using satellite imagery [Agenda Item 4].

24-44 Executive Vice President and Chief Operating Officer of Transmission Kristen Senechal presented for consideration a staff recommendation, described in Agenda Item 5 [attached hereto as Exhibit A], that the Board approve an amendment to the fiscal year 2024 LCRA Transmission Services Corporation capital plan to increase authorization for capital spending in FY 2024 from \$759.7 million to up to \$790 million. Upon motion by Director Willmann, seconded by Director Yeary, the recommendation was unanimously approved by a vote of 10 to 0. [Directors Allen and Whitten were absent for voting on this item.]

24-45 Chief Financial Officer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 6 [attached hereto as Exhibit B], that the Board approve an amendment to the fiscal year 2024 LCRA business plan to increase authorization for spending in fiscal year 2024 from \$564.6 million to \$590.6 million. Upon motion by Vice Chair Cooper, seconded by Director Voelter, the recommendation was unanimously approved by a vote of 10 to 0. [Directors Allen and Martine were absent for voting on this item.]

[The Board next took up Agenda Item 8.]

24-46 Vice President of Supply Chain Matt Chavez presented for consideration a staff recommendation, described in Agenda Item 8 [attached hereto as Exhibit C], that the Board authorize the general manager or his designee to negotiate and execute the following contracts and contract changes: Contract No. 6522 (ERP Analysts, Inc.); Contract No. 4537 (Convergint Technologies LLC); Contract No. 6067 (McCurley Enterprises, Inc.); Contract No. 6068 (Power Engineers Inc.); Contract No. 5101 (Saber Power Services); and Contract No. 5351 (Irby Construction Inc.). Upon motion by

Director Willmann, seconded by Director Allen, the recommendation was unanimously approved by a vote of 12 to 0.

24-47 Chief Financial Officer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 7 [attached hereto as Exhibit D], that the Board adopt and approve the Forty-fifth 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 \$500 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) current refunding of 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/registrar agreement, a preliminary and final official statement, and a Transmission Contract Revenue Debt Installment Payment Agreement Supplement related to the Series of Bonds (Installment Payment Agreement Supplement). 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-fifth 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 Director Allen, seconded by Director Kelley, the recommendation was unanimously approved by a vote of 12 to 0.

Chair Timmerman declared the meeting to be in executive session at 12:51 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. Executive session ended, and Chair Timmerman declared the meeting to be in public session at 1:50 p.m.

24-48 Director Crane moved, seconded by Director Whitten, that the Board authorize the general manager or his designee to negotiate and execute the telecommunications master contract, as discussed in executive session, for equipment, operational support systems and business support systems required for the deployment of a private long-term evolution wireless broadband network. The Board unanimously approved the motion by a vote of 11 to 0. [Director Arthur was absent for voting on this item.]

There being no further business to come before the Board, the meeting adjourned at 1:51 p.m.

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

**FOR ACTION**

## **10. Contracts and Contract Changes**

### **Proposed Motion**

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

### **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 Changes

## EXHIBIT A

### New Contracts

**Contract Number:** 6528

**Supplier Name:** Burns & McDonnell Engineering Company Inc

**Contract Amount:** \$15 million

**Description:** This master contract will provide engineering services used by Telecommunications for telecom design, private long-term evolution network radio transport, civil and structural, and all-dielectric self-supporting design. The term of the contract is for one year with annual automatic renewal periods up to a total of five years. Historical contract expenditures for this category are about \$8.5 million under existing five-year contracts. Total projected contract expenditures are forecast to increase from prior years due to the growth of the new PLTE network as well as an overall increase to the capital plan.

**Contract Number:** 6527

**Supplier Name:** SGV International LLC

**Contract Amount:** \$10 million

**Description:** This master contract will serve as an additional provider of engineering services used by Telecommunications for telecom design and private long-term evolution network radio transport as described in the prior item, Contract No. 6528. The term of the contract is for one year with annual automatic renewal periods up to a total of five years.

**Contract Number:** 6526

**Supplier Name:** Black & Veatch Corporation

**Contract Amount:** \$5 million

**Description:** This master contract will serve as an additional provider of engineering services used by Telecommunications for telecom design, private long-term evolution network radio transport and all-dielectric self-supporting design as described in the prior item, Contract No. 6528. The term of the contract is for one year with annual automatic renewal periods up to a total of five years.

**Contract Number:** 6519

**Supplier Name:** Freese and Nichols

**Contract Amount:** \$6 million

**Description:** This long-term contract covers the primary engineering services for dam safety, dam design and Water Resources. The term for this contract is five years. Historical contract expenditures for these categories of spend were \$2.03 million under existing five-year contracts.

**Contract Number:** 6534

**Supplier Name:** HDR, Inc.

**Contract Amount:** \$5 million

**Description:** This long-term contract covers the engineering services for dam safety and dam design as described in the prior item, Contract No. 6519. The term for this contract is five years. Historical contract expenditures for these categories of spend were \$1.4 million under existing five-year contracts.

**Contract Number:** 6536

**Supplier Name:** Structural Integrity

**Contract Amount:** \$8 million

**Description:** This long-term contract covers the primary engineering services for nondestructive engineering, metallurgical analysis and critical piping. The term for this contract is five years. Historical contract expenditures for these categories of spend were \$4.76 million under existing five-year contracts.

**Contract Number:** 6549

**Supplier Name:** Mistras Group, Inc.

**Contract Amount:** \$5 million

**Description:** This long-term contract covers the engineering services for nondestructive engineering as described in the prior item, Contract No. 6536. The term for this contract is five years. Historical contract expenditures for these categories of spend were \$4 million under existing five-year contracts.

**Contract Number:** 6540

**Supplier Name:** United Restoration

**Contract Amount:** \$20 million

**Description:** This one-time contract is to add a second contractor to the Buchanan Dam Arch Spalling Repairs project. The additional contractor will increase production, which in turn will shorten the project schedule and provide long-term savings for LCRA.

**Contract Number:** 6622

**Supplier Name:** United Healthcare Insurance Company

**Contract Amount:** \$258 million

**Description:** This master contract is for medical insurance third-party administration and pharmacy benefits services. The term of the contract is for three years with the option to extend up to a total of six years. Historical contract expenditures for this category of spend were \$206 million under existing six-year contract. Total projected contract expenditures are forecast to increase from prior years due to the rise in medical and pharmacy costs, additional programming, and medical stop-loss insurance coverage.



**Contract Number:** 6637

**Supplier Name:** Cajun Industries, LLC

**Contract Amount:** \$20 million

**Description:** This contract will provide construction services for the relief project at Arbuckle Reservoir.

## **EXHIBIT B**

### **Contract Changes**

**Contract Number:** 4921

**Supplier Name:** Irby Construction Company

**Current Approved Contract Amount:** \$1.3 billion

**Requested Change:** \$310 million

**New Contract Amount:** \$1.61 billion

**Description:** This master contract provides external transmission line construction services used by LCRA Transmission Services Corporation for maintenance, construction and emergency response operations. Expenditures under this contract to date are \$1.2 billion. Due to higher-than-forecast external transmission line construction and larger lines, staff is requesting Board approval to add an additional \$310 million to the existing approved contract amount to cover construction needs through the next calendar year while this category is being re-sourced for new contracts.

**Contract Number:** 5450

**Supplier Name:** Electroswitch

**Current Approved Contract Amount:** \$3.5 million

**Requested Change:** \$3 million

**New Contract Amount:** \$6.5 million

**Description:** This master contract was originally established in December 2019 to provide control switches and lockout relays for LCRA TSC. Expenditures under this contract to date are \$1.85 million. Due to Electroswitch's unique and highly reliable design, and existing use of this equipment throughout LCRA, staff recommends adding five years to the term of the contract and is requesting Board approval to add an additional \$3 million to the existing approved contract amount to cover forecast use through the end of the extended term in December 2029.