



Board Agenda

Wednesday, Jan. 22, 2025
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

Item From the General Manager

General Manager’s Update

Item From the Chief Financial Officer

- 2. Financial Report 5

Consent Items

- *3. Conveyance of Easement in Caldwell County 7
- 4. Directors’ Fees, Expenses 10
- 5. Minutes of Prior Meeting 11

Action Item

- 6. LCRA Interruptible Agricultural Water Rates for Garwood, Gulf Coast and Lakeside Agricultural Divisions 18
- 7. Contracts and Contract Changes 20

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

Executive Session

- 1. Enterprise Risk Management Update
- 2. Litigation Update
- 3. Legislative Update

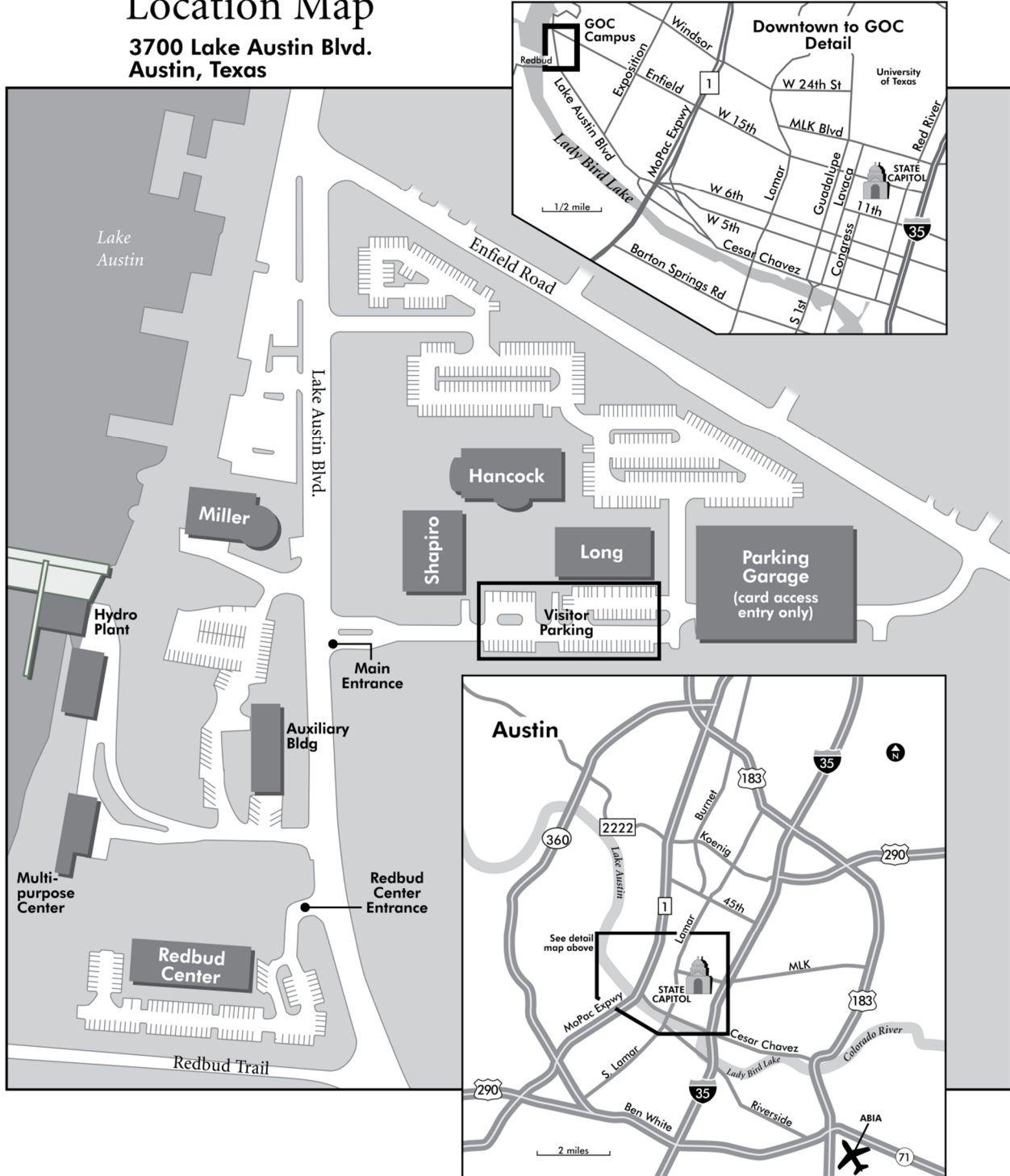
The Board also may go into executive session on any item listed above, pursuant to Chapter 551 of the Texas Government Code, including, but not limited to, sections 551.071, 551.072, 551.074, 551.076, 551.086, 551.089 and 418.183(f) of the Texas Government Code.

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 DISCUSSION

2. Financial Report

Summary

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

Presenter(s)

Jim Travis

Chief Financial Officer

THIS PAGE LEFT BLANK INTENTIONALLY

Lower Colorado River Authority
Financial Highlights
December 2024

Lower Colorado River Authority
Table of Contents

Budget-to-Actual Highlights..... 1

Capital Forecast 2

Board Metrics and Income Statement Trends 3

Condensed Balance Sheets 4

Condensed Statements of Revenues, Expenses and Changes in Equity 5

Condensed Statements of Cash Flows 6

Investments and Debt 7

Key term:

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

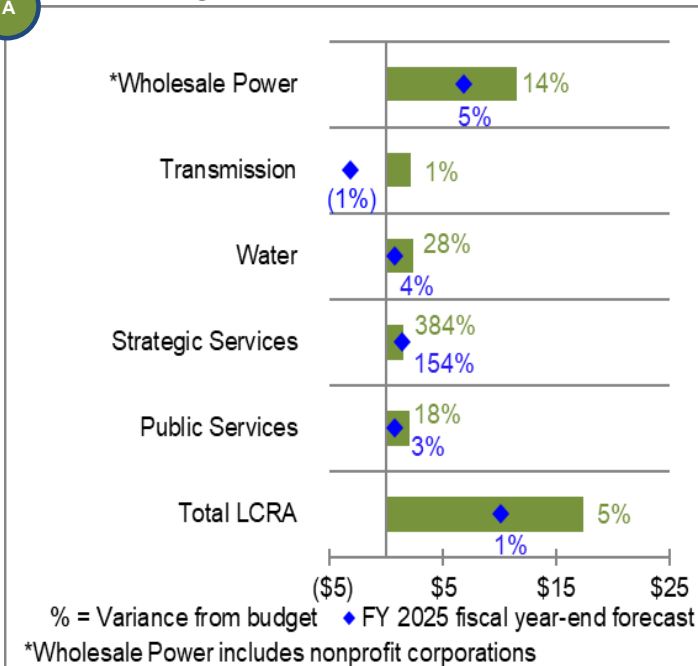
Lower Colorado River Authority

Dec. 31, 2024

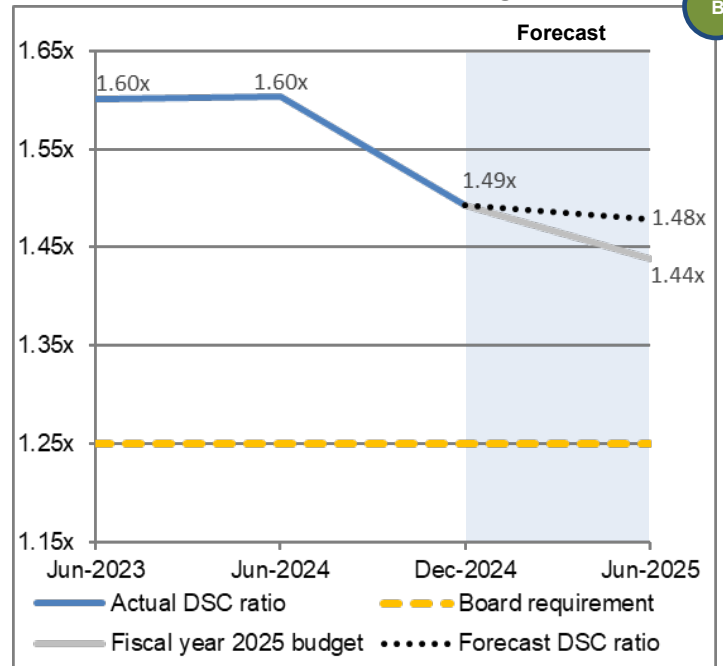
(Dollars in Millions)

Budget-to-Actual Highlights

Net Margin Fiscal Year-to-Date Variances



Debt Service Coverage



Key takeaways:

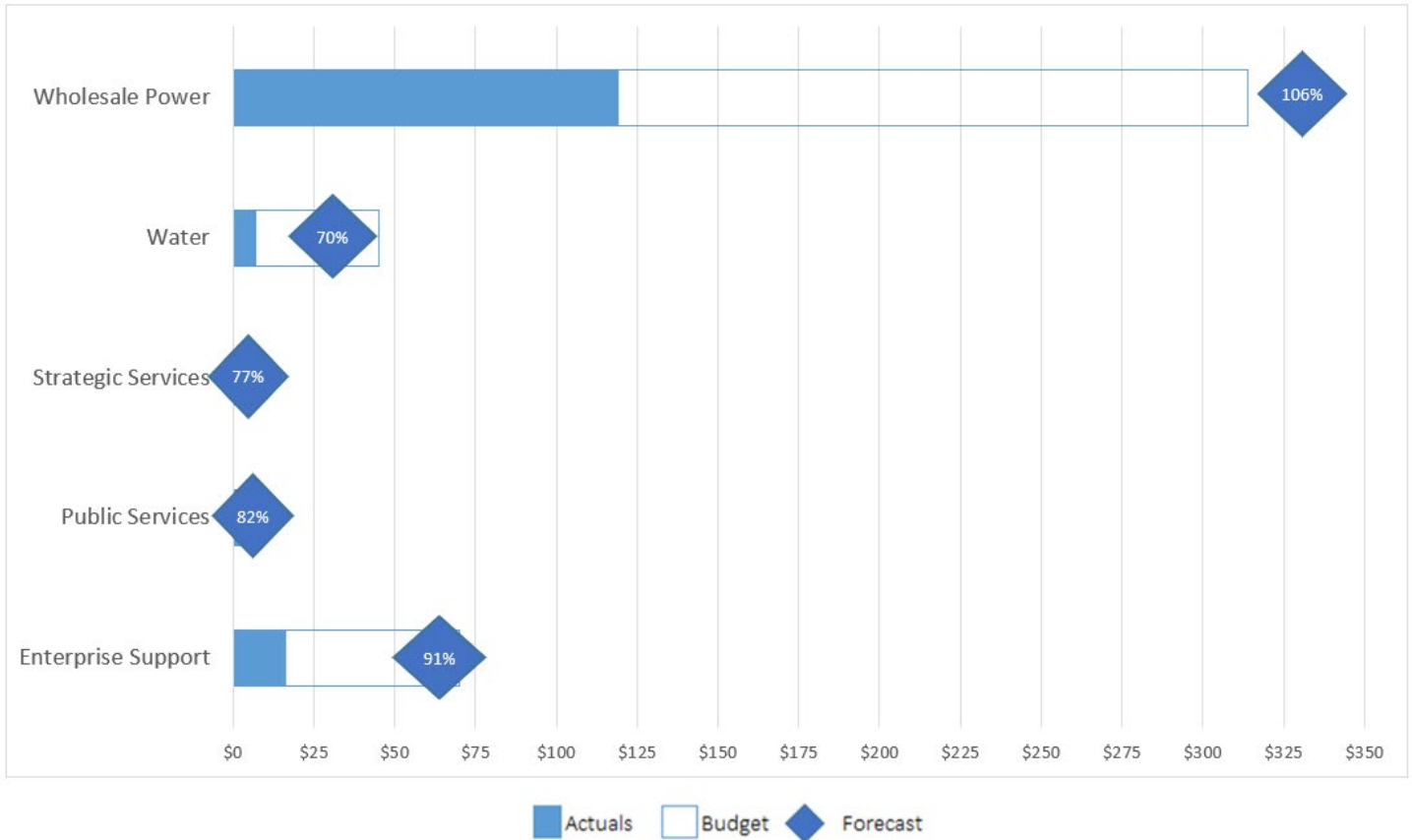
- Lower-than-budgeted nonfuel expenses primarily drove Wholesale Power's year-to-date performance. Higher-than-budgeted nonfuel revenues and interest income, partially offset by higher-than-budgeted nonfuel expenses, primarily drove Wholesale Power's year-end forecast.
- Higher-than-budgeted other revenues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

Lower Colorado River Authority

Dec. 31, 2024

(Dollars in Millions)

Capital Forecast



Key takeaway:

- LCRA currently is projecting capital spending for FY 2025 will be \$930,000 less than the capital plan budget of \$434.6 million.

General manager project approval:

- 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 did not approve any new projects this quarter.

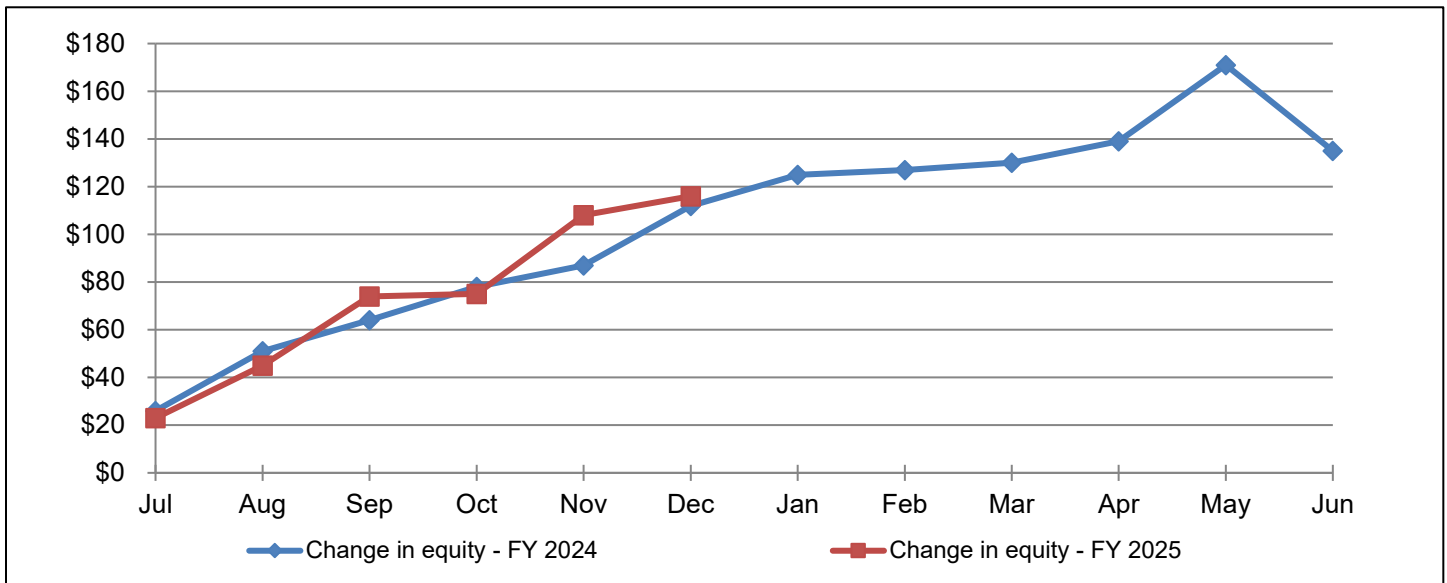
Lower Colorado River Authority

Dec. 31, 2024
(Dollars in Millions)

Board Metrics

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

Income Statement Trends Cumulative Fiscal Year to Date



Key takeaway:

- Net income increased primarily due to an increase in transmission revenue, partially offset by increases in interest on debt and loss on disposition of property.

Lower Colorado River Authority

Dec. 31, 2024

(Dollars in Millions)

Condensed Balance Sheets

	Dec. 31, 2024	Dec. 31, 2023
Assets		
Cash and cash equivalents	\$ 422	\$ 300
Current assets	587	508
Total current assets	1,009	808
Capital assets	7,310	6,439
Noncurrent assets	1,062	1,112
Total noncurrent assets	8,372	7,551
Total Assets	\$ 9,381	\$ 8,359
Liabilities		
Bonds and notes payable	\$ 720	\$ 1,329
Current liabilities	359	289
Total current liabilities	1,079	1,618
Bonds and notes payable	5,388	3,962
Pension liability	182	215
Noncurrent liabilities	515	486
Total noncurrent liabilities	6,085	4,663
Equity		
Total equity	2,217	2,078
Total Liabilities and Equity	\$ 9,381	\$ 8,359

Key takeaway:

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

Lower Colorado River Authority

Dec. 31, 2024

(Dollars in Millions)

Condensed Statements of Revenues, Expenses and Changes in Equity

	Fiscal Year	
	2025	2024
Operating Revenues		
Electric	\$ 731	\$ 710
Water and irrigation	19	21
Other	44	23
Total Operating Revenues	<u>794</u>	<u>754</u>
Operating Expenses		
Fuel and purchased power	214	244
Operations	191	174
Maintenance	30	35
Depreciation, depletion and amortization	127	110
Total Operating Expenses	<u>562</u>	<u>563</u>
Operating Income	<u>232</u>	<u>191</u>
Nonoperating Income (Expenses)		
Interest on debt	(104)	(85)
Other nonoperating income (expenses)	(12)	6
Total Nonoperating Expenses	<u>(116)</u>	<u>(79)</u>
Change in Equity	116	112
Equity - Beginning of Period	<u>2,101</u>	<u>1,966</u>
Equity - End of Period	<u>\$ 2,217</u>	<u>\$ 2,078</u>

Lower Colorado River Authority

Dec. 31, 2024

(Dollars in Millions)

Condensed Statements of Cash Flows

	Fiscal Year	
	2025	2024
Cash Flows From Operating Activities		
Received from customers	\$ 809	\$ 799
Payments	(545)	(539)
Net cash provided by operating activities	264	260
Cash Flows From Noncapital Financing Activities	(2)	1
Cash Flows From Capital and Related Financing Activities		
Purchase of property, plant and equipment	(500)	(446)
Other capital and financing activities	344	117
Net cash used in capital and financing activities	(156)	(329)
Cash Flows From Investing Activities		
Sale and maturity of investment securities	89	79
Purchase of investment securities	(223)	(165)
Note payments and interest received	20	17
Net cash used in investing activities	(114)	(69)
Net Decrease in Cash and Cash Equivalents	(8)	(137)
Cash and Cash Equivalents - Beginning of Period	470	498
Cash and Cash Equivalents - End of Period	<u>\$ 462</u>	<u>\$ 361</u>

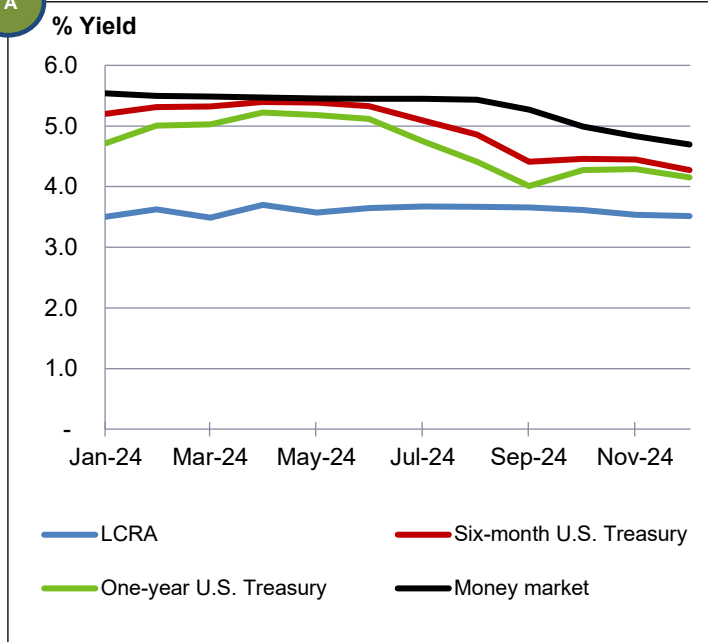
Lower Colorado River Authority

Dec. 31, 2024

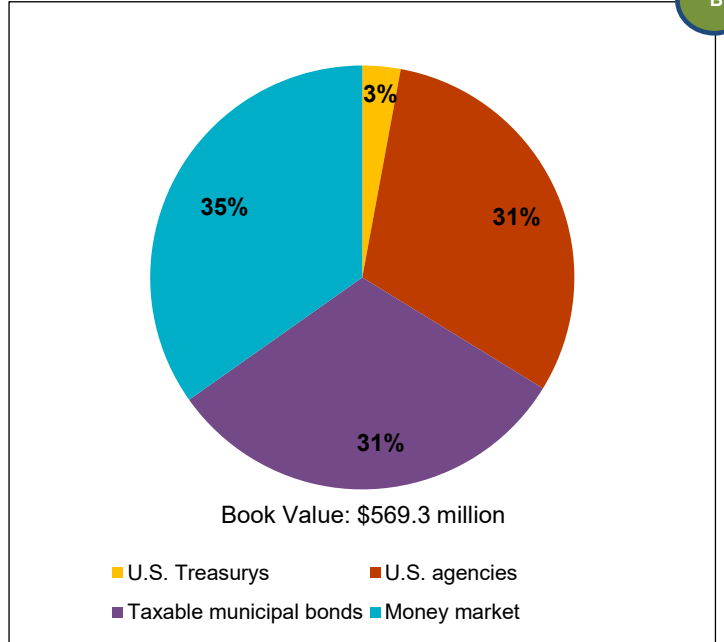
(Dollars in Millions)

Investments and Debt

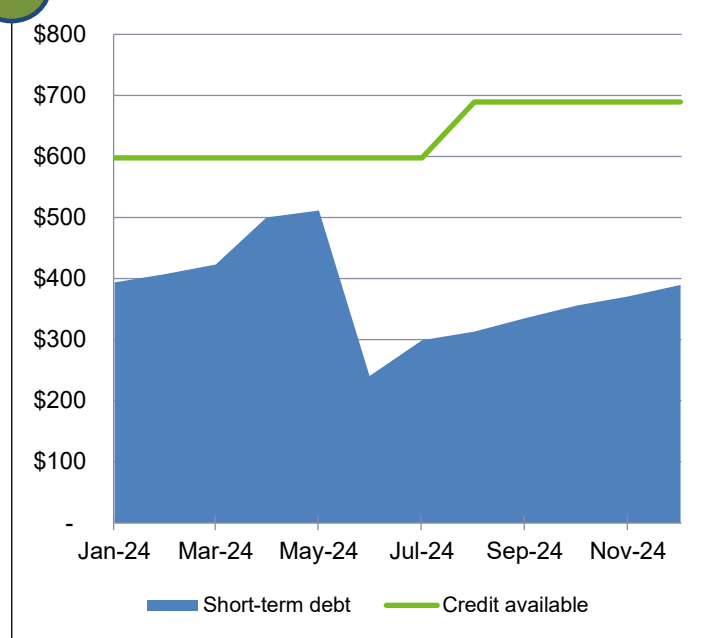
Investment Portfolio Yield



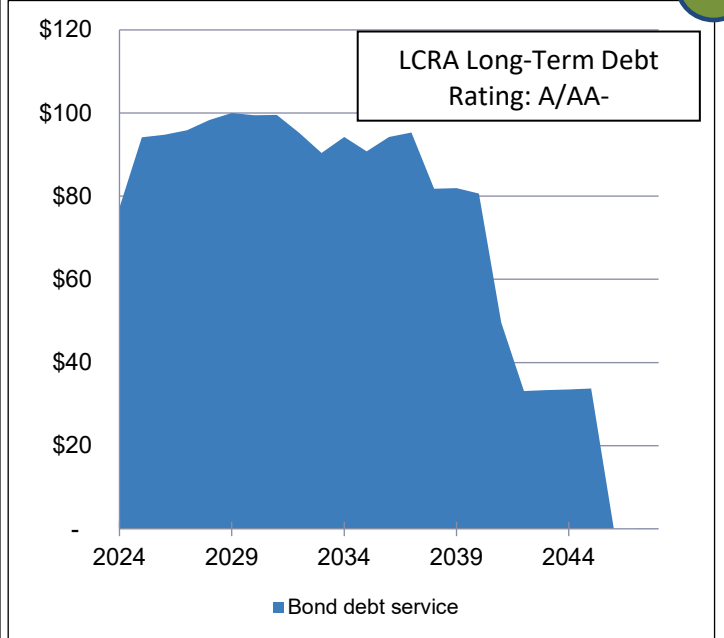
Investment Portfolio Composition



Short-Term Debt



Bond Debt Service



Key takeaways:

- The Federal Open Market Committee eased its monetary policy in December 2024 by cutting the federal funds target rate by 25 basis points.
- The federal funds rate range is 4.25%-4.50%.
- The Consumer Price Index (year over year) as of November 2024 was at 2.7%, an increase of 0.1% from October 2024.

THIS PAGE LEFT BLANK INTENTIONALLY

FOR ACTION (CONSENT)

3. Conveyance of Easement in Caldwell County

Proposed Motion

Authorize the general manager or his designee to convey a transmission line easement over LCRA Parcel MPP-01 in Caldwell County to LCRA Transmission Services Corporation for the John Dumas Substation.

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 this easement. The proceeds from this easement will be credited to LCRA Generation Strategic Reserve.

Summary

LCRA acquired Parcel MPP-01 in February 2023 for the construction of Timmerman Power Plant. LCRA is seeking approval to convey to LCRA TSC an approximately 2.47-acre point-of-interconnect transmission line easement to be used to develop the John Dumas Substation.

LCRA TSC will pay LCRA \$122,265 for the easement, which is based on the fair market value of the property. LCRA representatives will complete environmental and cultural resource due diligence in accordance with Board Policy 401.403.

Exhibit(s)

- A – Vicinity Map
- B – Site Map

EXHIBIT A

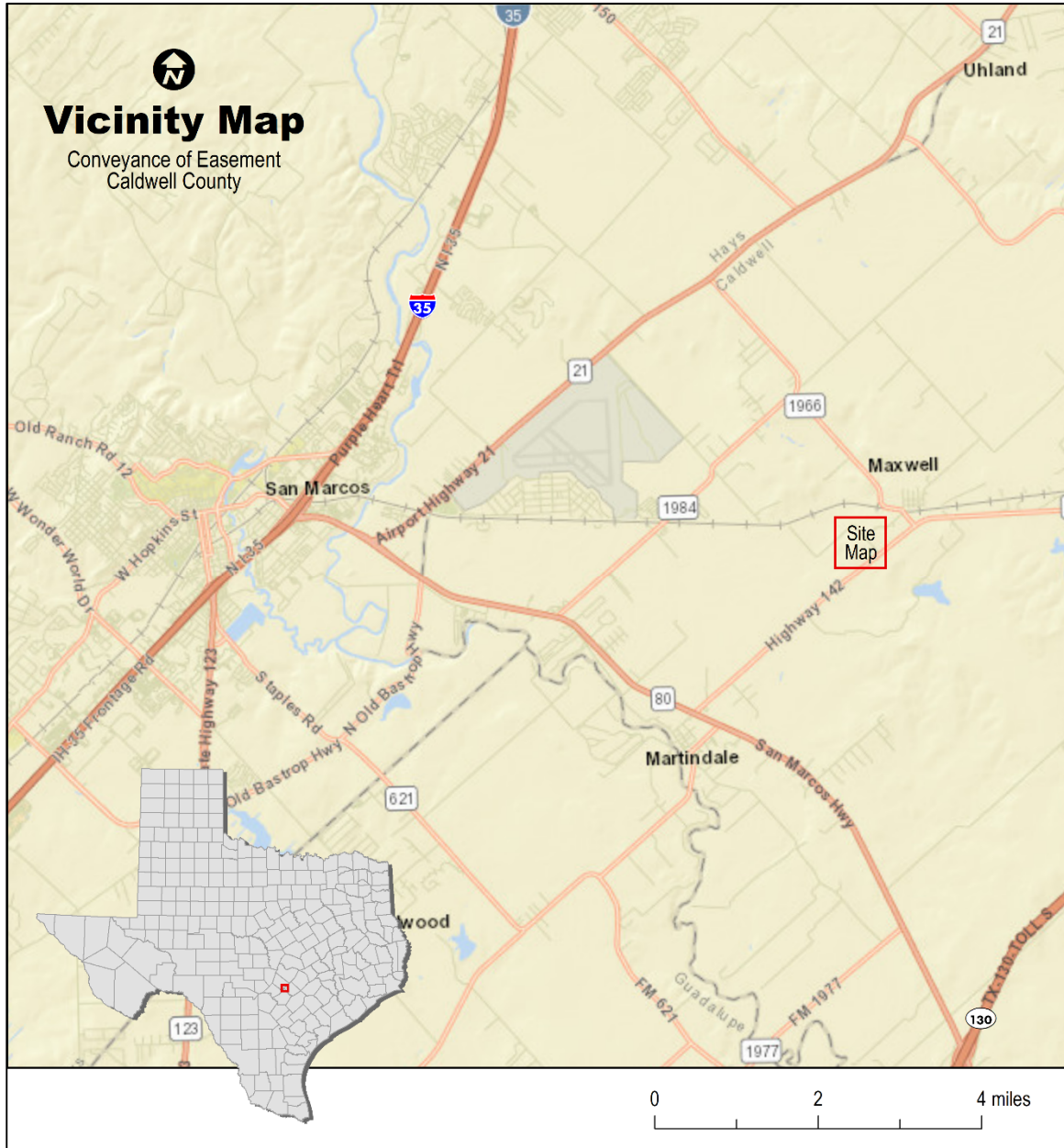
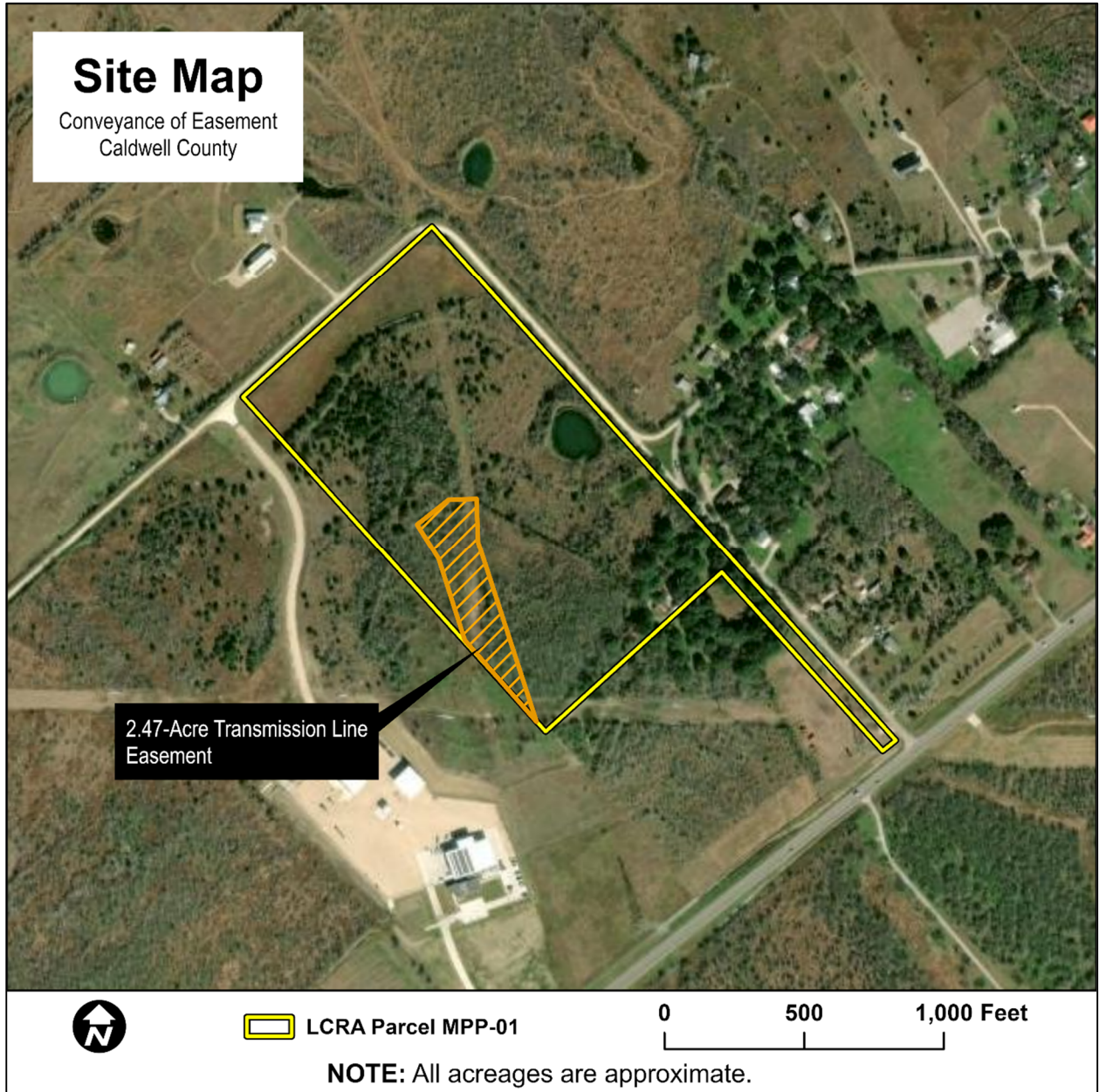


EXHIBIT B



FOR ACTION (CONSENT)

4. Directors' Fees, Expenses

Proposed Motion

Approve directors' fees and expense reports.

Board Consideration

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

Budget Status and Fiscal Impact

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

Summary

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

FOR ACTION (CONSENT)

5. Minutes of Prior Meeting

Proposed Motion

Approve the minutes of the Dec. 10, 2024, LCRA 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 Dec. 10, 2024, LCRA Board meeting

EXHIBIT A

LCRA Board of Directors
Minutes Digest
Dec. 10, 2024

- 24-79 Approval of a resolution honoring Marcus Ollington, LCRA retiree.
- 24-80 Appointment of Baker Tilly US, LLP, as LCRA's independent auditor to perform the external audits of the fiscal year 2025 financial statements of LCRA and its nonprofit corporations.
- 24-81 Authorization for the general manager or his designee to convey a 20-foot-wide easement over LCRA Parcel MPP-01 in Caldwell County to Maxwell Special Utility District.
- 24-82 Reaffirmation without substantive changes of LCRA Board policies 101 (LCRA Mission Statement), 102 (Authority and Responsibilities) and 104 (Communication on Legislation); approval of proposed revisions to LCRA Board policies 103 (Public Information and Communication to the Board, and Executive Session), 105 (Directors' Fees and Expense Reimbursement), 106 (Ethics) and 107 (Process of Evaluating the General Manager/Chief Executive Officer and General Auditor); and authorization for the general counsel to approve minor, nonsubstantive or necessary conforming changes to Board policies throughout this (Board policy review) project.
- 24-83 Approval of directors' attendance at seminars or conferences for calendar year 2025.
- 24-84 Approval of the minutes of the Nov. 13, 2024, LCRA Board meeting.
- 24-85 Approval of the Forty-Seventh 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 \$750 million for the following purposes: (i) current refunding of certain LCRA Transmission Contract Revenue Commercial Paper Notes (LCRA Transmission Services Corporation Project) Tax-Exempt Series and any series of LCRA Transmission Contract Revenue Revolving Notes (LCRA Transmission Services Corporation Project); (ii) currently refund certain long-term Transmission Contract Debt; (iii) funding a debt service reserve fund for a Series of Bonds; and (iv) paying for issuance costs.

- 24-86 Authorization for the general manager or his designee to negotiate, execute and do all things necessary for a contract with Grid Solutions (US) LLC for the design and construction of the Bakersfield Dynamic Reactive Substation Upgrade.
- 24-87 (1) Approval of the Capital Improvement Project Authorization Request for the LTE Spectrum Expansion project, and (2) authorization for the general manager or his designee to negotiate, execute and take all necessary actions to close on a license purchase agreement.

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE
LOWER COLORADO RIVER AUTHORITY
Austin, Texas
Dec. 10, 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 2:24 p.m. Tuesday, Dec. 10, 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
Carol Freeman
Thomas L. "Tom" Kelley
Robert "Bobby" Lewis
Thomas Michael Martine
Margaret D. "Meg" Voelter
Martha Leigh M. Whitten
David R. Willmann

Absent: Nancy Eckert Yeary

Chair Timmerman convened the meeting at 2:24 p.m.

The Board heard public comments [Agenda Item 1]. Michael Moore, a resident of Spicewood, commented on the increase in residential development, the importance of managing water supply and potable reuse as a potential solution to help meet future water needs.

General Manager Phil Wilson gave an update on safety, including tips for holiday driving safety and decorating safety. Wilson also highlighted examples of LCRA employee giving and volunteering during the holidays.

24-79 General Manager Phil Wilson presented for consideration a staff recommendation that the Board approve a resolution [attached hereto as Exhibit A] honoring Marcus Ollington for his service to LCRA. Upon motion by Vice Chair Cooper, seconded by Director Whitten, the recommendation was unanimously approved by a vote of 13 to 0.

The Board next took action on the consent agenda. Upon motion by Director Voelter, seconded by Director Whitten, the Board unanimously approved consent items 3, 4, 5, 6 and 7 by a vote of 13 to 0 as follows:

24-80 Appointment of Baker Tilly US, LLP, as LCRA's independent auditor to perform the external audits of the fiscal year 2025 financial statements of LCRA and its nonprofit corporations, as recommended in Consent Item 3 [attached hereto as Exhibit B].

24-81 Authorization for the general manager or his designee to convey a 20-foot-wide easement over LCRA Parcel MPP-01 in Caldwell County to Maxwell Special Utility District, as recommended by staff in Consent Item 4 [attached hereto as Exhibit C].

24-82 Reaffirmation without substantive changes of LCRA Board policies 101 (LCRA Mission Statement), 102 (Authority and Responsibilities) and 104 (Communication on Legislation); approval of proposed revisions to LCRA Board policies 103 (Public Information and Communication to the Board, and Executive Session), 105 (Directors' Fees and Expense Reimbursement), 106 (Ethics) and 107 (Process of Evaluating the General Manager/Chief Executive Officer and General Auditor); and authorization for the general counsel to approve minor, nonsubstantive or necessary conforming changes to Board policies throughout this (Board policy review) project, as recommended by staff in Consent Item 5 [attached hereto as Exhibit D].

24-83 Approval of directors' attendance at seminars or conferences for calendar year 2025, as recommended in Consent Item 6 [attached hereto as Exhibit E].

24-84 Approval of the minutes of the Nov. 13, 2024, LCRA Board meeting [Consent Item 7].

Vice President of Water Operations Kelly D. Payne presented proposed interruptible water rate changes for calendar year 2025 [Agenda Item 8].

24-85 Chief Financial Officer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 9 [attached hereto as Exhibit F], that the Board approve the Forty-Seventh 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 \$750 million for the following purposes: (i) current refunding of certain LCRA Transmission Contract Revenue Commercial Paper Notes (LCRA Transmission Services Corporation Project) Tax-Exempt Series and any series of LCRA Transmission Contract Revenue Revolving Notes (LCRA Transmission Services Corporation Project); (ii) currently refund certain long-term Transmission Contract Debt; (iii) funding a debt service reserve fund for a Series of Bonds; and (iv) paying for issuance costs.

The resolution also will:

1. Approve related documents, in substantially final form, including, if required, an escrow agreement, a paying agent/registrars agreement, a preliminary and final official statement, and a Transmission Contract Revenue Debt Installment Payment Agreement Supplement related to the Series of Bonds (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. Select all or a portion of LCRA TSC's outstanding debt to be refunded by the particular Series of Bonds and provide for appropriate notices of redemption/prepayment/defeasance;
 - b. Approve any final changes to said documents necessary to facilitate proper issuance of such Series of Bonds;
 - c. Establish the terms of each Series of Bonds as provided in the Forty-Seventh Supplement (including issuing such bonds in one or more separate Series of Bonds, issuing the Series of Bonds as tax-exempt or taxable, principal amounts and maturity schedules, interest rates, redemption provisions, and terms of any reserve funds); and
 - d. Approve the terms of the sale of each Series of Bonds to an underwriting team and execute a bonds purchase agreement for such Series of Bonds.

Upon motion by Director Lewis, seconded by Vice Chair Cooper, the recommendation was unanimously approved by a vote of 12 to 0. [Director Crane was absent for voting on this item.]

Chair Timmerman declared the meeting to be in executive session at 3:16 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 3:48 p.m.

24-86 Director Crane moved, seconded by Vice Chair Cooper, that the Board authorize the general manager or his designee to negotiate, execute and do all things necessary for a contract with Grid Solutions (US) LLC for the design and construction of the Bakersfield Dynamic Reactive Substation Upgrade, consistent with the legal advice provided in executive session. The Board unanimously approved the motion by a vote of 13 to 0.

24-87 Director Voelter moved, seconded by Director Arthur, that the Board (1) approve the Capital Improvement Project Authorization Request for the LTE Spectrum Expansion project, and (2) authorize the general manager or his designee to negotiate, execute and take all necessary actions to close on a license purchase agreement. The Board unanimously approved the motion by a vote of 13 to 0.

There being no further business to come before the Board, the meeting adjourned at 3:50 p.m.

Joseph M. Crane
Secretary
LCRA Board of Directors
Approved: Jan. 22, 2025

FOR ACTION

6. LCRA Interruptible Agricultural Water Rates for Garwood, Gulf Coast and Lakeside Agricultural Divisions

Proposed Motion

Approve updated interruptible agricultural water rates for the Garwood, Gulf Coast and Lakeside agricultural divisions.

Board Consideration

Consistent with LCRA Board Policy 501 – Water Resources and Section 8503.011 of the Texas Special District Local Laws Code, the LCRA Board of Directors is required to approve water rates.

Budget Status and Fiscal Impact

The proposed rates have no impact on the fiscal year 2025 budget.

The proposed interruptible rates are based on full cost recovery of the physical delivery of water through LCRA's canal system for each division, with an adjustment to the Gulf Coast and Lakeside rates to mitigate the degree of rate increase in those divisions. The rates for Gulf Coast and Lakeside include a portion of river management costs that represents the full share of river management costs attributed to these interruptible customers.

The full cost recovery rate for Garwood is consistent with the 1998 Purchase Agreement between LCRA and Garwood Irrigation Company.

Summary

As in prior years, the proposed rates vary by division and reflect the unique costs associated with operating each division. The proposed surcharge rates for higher water use would continue to be tiered with rates that are 40%, 80% and 150% of the volumetric rate for the respective division. The proposed rates are shown as Exhibit A.

Following Board action on this item, staff will update the water contract forms for the agricultural divisions to reflect the approved changes consistent with Board policies and rules. The proposed rates were available for comment through the LCRA website, and LCRA in December 2024 met with interruptible water customers to discuss the upcoming crop year.

Presenter(s)

Kelly D. Payne
Vice President, Water Operations

Exhibit(s)

A – Proposed Calendar Year 2025 Interruptible Water Rates

EXHIBIT A

**Proposed Calendar Year 2025 Interruptible Water Rates
(per acre-foot)**

Division	Rice/Turf and Supplemental	Excess Use Surcharge		
		Tier 1	Tier 2	Tier 3
Gulf Coast	\$77.79	\$31.12	\$62.23	\$116.69
Lakeside	\$77.79	\$31.12	\$62.23	\$116.69
Garwood – one lift	\$43.47	\$17.39	\$34.78	\$65.21
Garwood – two lifts	\$51.53			

Gulf Coast and Lakeside agricultural divisions: Minimum charge of \$35.01 per acre-foot of interruptible stored water allocated under contract (45% of the interruptible water rate).

Garwood Agricultural Division: Minimum charge of \$25 per acre of rice under contract.

Minimum charges at all divisions are applicable to first season contracts and second season contracts.

Application fee: \$100 per contract applicable to supplemental use only

Irrigation coordinator cost recovery fee: \$75 per hour

Canceled order surcharge: \$5 per acre applicable to the individual field for which water was ordered

Early drainage surcharge: \$10 per acre

Groundwater delivery fee: \$30 per day for first structure; \$15 per day for each additional structure

FOR ACTION

7. 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
Senior Vice President, Supply Chain

Exhibit(s)

A – New Contracts
B – Contract Changes

EXHIBIT A

New Contracts

Contract Number: 6717

Supplier Name: DevBot, LLC

Contract Amount: \$5 million

Description: This master contract provides system development, configuration and administrative support services for LCRA enterprise systems, including Water applications, SharePoint, Power Platform and LCRA's mobile application for Substation Automated Check-in Check-out. DevBot will provide end-to-end application support under this agreement, including issue resolution, custom solution design, database management, application administration, report writing, integration and system configuration. The contract term is for one year with annual options to extend up to a total of five years.

Contract Number: 6736

Supplier Name: OneLayer, Inc

Contract Amount: \$9 million

Description: This master contract provides a comprehensive security and subscriber identity module provisioning solution for LCRA Telecommunications' new private long-term evolution network. OneLayer will provide device-level security, network segmentation, a zero-trust security model and SIM provisioning for all devices connected to LCRA's private LTE infrastructure. The contract term is 10 years, aligning with the duration of LCRA's existing agreement with Ericsson, which underpins the network's core solution.

EXHIBIT B

Contract Changes

Contract Number: 4107

Supplier Name: Exterro

Current Approved Contract Amount: \$2.5 million

Requested Change: \$2.5 million

New Contract Amount: \$5 million

Description: This master contract was executed in March 2015 and is for Exterro Data Risk Management software. Historical expenditures for this contract are about \$2 million under the existing 10-year contract. Staff is requesting an additional \$2.5 million to cover a five-year extension to the existing contract term, as well as additional connector installs, licenses and reporting functionality of the solution that will increase productivity and effectiveness of its workflow.