



Board Agenda

Wednesday, March 26, 2025
LCRA General Office Complex
Board Room – Hancock Building
3700 Lake Austin Blvd.
Austin, TX 78703
Earliest start time: 10:30 a.m.

Item From the Chair

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Item From the General Manager

- 2. Resolutions..... 5

Consent Items

- 3. LCRA Board Policies 201, 207, 209, 220, 221, 222, 223, 303, 308 and 602..... 7
- 4. Minutes of Prior Meeting..... 35

Action/Discussion Items

- 5. Basin Conditions Update 40
- *6. Oil and Gas Mineral Leases in Fayette County 41
- 7. Contracts and Contract Changes 46

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

Executive Session

- 1. Competitive Electric Matters
- 2. Litigation Update
- 3. Legal Advice on Legal Matters
- 4. Legislative Update

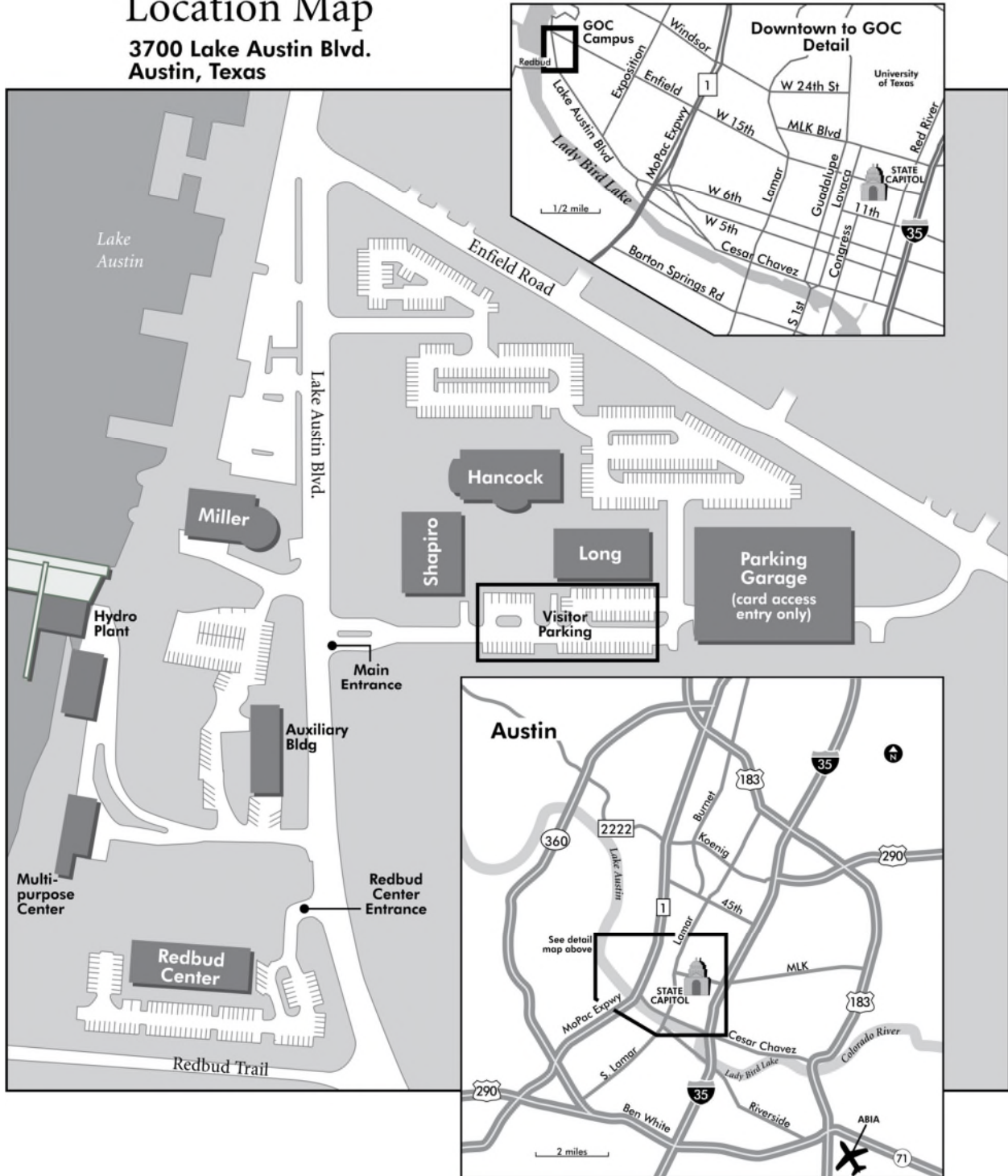
The Board also may go into executive session on any item listed above, pursuant to Chapter 551 of the Texas Government Code, including, but not limited to, sections 551.071, 551.072, 551.074, 551.076, 551.086, 551.089 and 418.183(f) of the Texas Government Code.

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 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.

Budget Status and Fiscal Impact

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 Carroll Cowan

Whereas, Carroll Cowan retired from the Lower Colorado River Authority on March 15, 2025, as a Navigation and Waterway Management supervisor after 25 years of service to LCRA; and

Whereas, Carroll began his career at LCRA on July 2, 1999, as a lake patrol helper in Environmental Field Services. His passion for safety and service led him to Water Surface Management, where he spent nearly his entire career working in different roles, including Water Surface Field Operations crew leader and Water Surface Management supervisor. He also had the opportunity to serve as a reserve Ranger on weekends and during holidays early in his career to help keep Hydroelectric facilities safe. While Carroll performed different tasks in each position he held, there always was one commonality, water; and

Whereas, Carroll was instrumental in developing LCRA's hazard and navigation marking program along the Highland Lakes to make public waterways safer. He designed deployment plans and oversaw the installation of mile and channel markers on lakes Buchanan and LBJ; developed, planned and installed barrier float lines at all of LCRA's dams and power plant cooling lakes; and managed navigation aids on LCRA-managed waterways while increasing the number of navigation aids on the Highland Lakes from 56 to 1,144. Carroll took the initiative to add hazard lights to LCRA's buoys as needed to increase public safety. Several groups – including the PGA – sought the expertise of Carroll and his team to help with water safety during Austin events; and

Whereas, Carroll's peers admire his dependability and willingness to help others. He could be counted on during difficult challenges, readily offered solutions to problems and took pride in serving the public. With the help of his U.S. Navy and law enforcement experience, Carroll always put safety first, expected the unexpected and strived for improvement. He also demonstrated LCRA's values daily to be a great example for others; and

Whereas, while Carroll's former co-workers will miss his friendship, knowledge and positive attitude, they are happy he will have more time to do the things he likes most – spending time with his family, volunteering at his church, deer hunting and enjoying his man cave;

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

Approved this 26th day of March 2025.

Timothy Timmerman, Board Chair

Phil Wilson, General Manager

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FOR ACTION (CONSENT)

3. LCRA Board Policies 201, 207, 209, 220, 221, 222, 223, 303, 308 and 602

Proposed Motion

Reaffirm, effective at the conclusion of this March 26, 2025, meeting, without substantive changes LCRA Board policies 201, 209 and 303; approve proposed revisions to LCRA Board policies 207, 220, 221, 222, 223, 308 and 602; and authorize the general counsel to approve minor, nonsubstantive or necessary conforming changes to Board policies throughout this project.

Board Consideration

All Board policies currently are under review. Board approval is required for any changes to policies.

Budget Status and Fiscal Impact

Approval of these items will have no budgetary or fiscal impact.

Summary

The Office of the General Counsel initiated a review of all Board policies and those of its nonprofit corporations in fall 2024 to streamline policies, update language, and provide for a higher level and more strategically directed set of policies for the Board. The 39 policies have been divided into groups and will be brought to the Board for review and consideration about every 2-3 months with the goal of completing the review by the end of 2025. The Board reviewed seven policies in December 2024 and further authorized the general counsel to approve minor, nonsubstantive or necessary conforming changes to policies throughout this project.

Staff has reviewed the following policies for this agenda item:

- LCRA Board Policy 201 – Employment Practices
- LCRA Board Policy 207 – Legal Matters and Alternative Dispute Resolution
- LCRA Board Policy 209 – Environmental Stewardship
- LCRA Board Policy 220 – Telecommunications
- LCRA Board Policy 221 – Auditors
- LCRA Board Policy 222 – Risk Management
- LCRA Board Policy 223 – Cybersecurity
- LCRA Board Policy 303 – Banking and Investments
- LCRA Board Policy 308 – Purchasing Contracts
- LCRA Board Policy 602 – LCRA Wholesale Power Customer Input

The Office of the General Counsel recommends affirmation of LCRA Board policies 201, 209 and 303 without substantive changes. The Office of the General Counsel recommends approval of the proposed amendments to Board policies 207, 220, 221, 222, 223, 308 and 602 as described below.

- Recommended changes to Board Policy 207 would align with current practice and provide clarity.
- Recommended changes to Board Policy 220 would reflect clarifying edits regarding availability of cost-sharing agreements for broadband and private long-term evolution services.
- Recommended changes to Board Policy 221 would reconfigure the policy to separate and clarify the independent audit and internal audit functions; clarify roles of the Board and internal auditor regarding the independent auditor; and remove and simplify language covered by other policies.
- Recommended changes to Board Policy 222 would align with current practice.
- Recommended changes to Board Policy 223 would add regulatory reporting and law enforcement coordination to the general manager's responsibilities and authority in the event of an active cyber event and make stylistic, clarifying edits.
- Recommended changes to Board Policy 308 would rename the policy to "Procurement," align thresholds for all contracts for goods and services, and simplify language regarding reporting.
- Recommended changes to Board Policy 602 would improve consistency with current obligations and practice.

Presenter(s)

Leigh Sebastian
General Counsel

Exhibit(s)

- A – LCRA Board Policy 201 – Employment Practices
- B – Proposed Amendments to LCRA Board Policy 207 – Legal Matters and Alternative Dispute Resolution
- C – LCRA Board Policy 209 – Environmental Stewardship
- D – Proposed Amendments to LCRA Board Policy 220 – Telecommunications
- E – Proposed Amendments to LCRA Board Policy 221 – Independent and Internal Auditors
- F – Proposed Amendments to LCRA Board Policy 222 – Risk Management
- G – Proposed Amendments to LCRA Board Policy 223 – Cybersecurity
- H – LCRA Board Policy 303 – Banking and Investments
- I – Proposed Amendments to LCRA Board Policy 308 – Procurement
- J – Proposed Amendments to LCRA Board Policy 602 – LCRA Wholesale Power Customer Input

EXHIBIT A

LCRA BOARD POLICY

201 – EMPLOYMENT PRACTICES

~~Sept. 21, 2016~~ March 26, 2025

201.10 PURPOSE

This policy establishes broad guidelines for equal opportunity employment and other employment matters.

201.20 POLICY

It is the policy of LCRA to provide equal employment opportunity to all persons regardless of age, color, national origin, citizenship status, physical or mental disability, race, religion, creed, gender, pregnancy, genetic information, sexual orientation, marital status, status as a veteran or disabled veteran, or any other characteristic protected by applicable federal, state or local law. In addition, LCRA will provide reasonable accommodations for otherwise qualified disabled individuals. LCRA will only employ individuals legally authorized to work in the United States.

Employment and advancement opportunities will be provided based on qualifications, educational background, experience and job requirements. Employees are entitled to fair pay, reasonable hours of work, training and development opportunities, a drug-free workplace, and safe working conditions.

201.30 REPORTING

The general manager/CEO annually will submit a report to the LCRA Board of Directors that describes the organization's efforts to accomplish the policy set out above.

EFFECTIVE: Dec. 31, 1984. Amended July 23, 1992; Oct. 20, 1999; June 20, 2012; and Sept. 21, 2016. Reaffirmed March 26, 2025.

EXHIBIT B

LCRA BOARD POLICY

207 – LEGAL MATTERS AND ALTERNATIVE DISPUTE RESOLUTION

~~Aug. 21, 2019~~ March 26, 2025

207.10 PURPOSE

This policy establishes requirements for the retention of outside legal counsel and related legal services, including retention of special counsel to the LCRA Board of Directors.

207.20 OUTSIDE LEGAL COUNSEL

207.201 Approval. ~~Except as provided in Section 207.30 below, t~~The general counsel is authorized to engage outside legal counsel when necessary to support the legal representation of LCRA; however, the general counsel will consider the expertise, the cost and the potential for conflicts of interest (as described in the Texas Disciplinary Rules of Professional Conduct) of any outside legal counsel firm or attorney being considered. No employee may request outside legal counsel or related legal services a written opinion from outside legal counsel or distribute copies of any such opinion outside legal counsel or related legal services work without prior approval from the general counsel or his or her designee.

207.202 Related Legal Services. When services other than outside legal counsel are necessary to support the legal representation of LCRA, the general counsel may engage such services ~~upon approval from the GM/CEO.~~

207.203 Written Agreements. No outside legal counsel or related legal services may be retained without a written contract.

207.204 Reporting to the Board. ~~Each time t~~The general counsel periodically ~~enters into a contract for outside legal or related services, he or she will report to the Board the name of the firm and will provide the Board with the names of outside legal counsel the general counsel has engaged, including a general description of~~ the type of work the outside legal counsel firm is hired to perform. ~~The report will be given no later than 30 days after the date of the contract.~~

207.30 SPECIAL COUNSEL TO THE BOARD

207.301 Special Counsel to the Board. The general counsel is the legal adviser to the Board, although the Board may at any time consult with or retain special counsel to the Board of their choice in the representation of the Board on any matter the Board

determines is warranted or advisable. The Board may consult with the general counsel in this regard, but such consultation is not required. Circumstances in which the Board may retain special counsel to the Board include but are in no way limited to circumstances in which the Board determines an independent legal review of any matter is merited or a conflict of interest exists or may exist between the interests of the Board and LCRA staff or one or more Board members and LCRA. Any Board member may consult directly with and request legal advice from special counsel to the Board relating to any matter for which special counsel has been retained.

207.302 Approval. Special counsel to the Board must be approved by a majority vote of the Board at a regular or special Board meeting, or if the Board chair determines that it is not practical to wait for a Board meeting, the chair may retain special counsel to the Board at any time subject to approval by the Board at the next scheduled Board meeting.

207.303 Conflicts. Special counsel to the Board promptly will disclose to the chair any conflicts or potential conflicts of interest between special counsel to the Board and LCRA. Special counsel to the Board also will consult with the general counsel regarding potential conflicts with LCRA. The Board may either waive any existing or potential conflict or terminate the representation.

207.304 Written Agreements. Special counsel to the Board may not be retained without a written agreement. After approval of the Board, or if the chair determines it is not practical to wait for a Board meeting, the chair will execute a written agreement regarding the representation. Except as otherwise provided by this Board policy or by the written agreement, special counsel to the Board must comply with the general terms of the standard ~~engagement letter and LCRA Guidelines for Outside Counsel typically~~ written contract used for retention of outside legal counsel under Section 207.20 above.

207.305 Reporting to the Board. Unless the written agreement with special counsel to the Board provides otherwise, special counsel to the Board will be supervised by the chair, or another Board member as authorized by the Board, and invoices and other administrative matters relating to special counsel to the Board will be routed through the general auditor. The general auditor will report the compensation and expenses paid for special counsel to the Board for each calendar quarter in which the special counsel has provided legal service to the Board.

207.40 ALTERNATIVE DISPUTE RESOLUTION

207.401 Policy. It is the policy of LCRA to encourage the use of appropriate alternative dispute resolution (ADR) procedures under Chapter 2009, Texas Government Code, to assist in the resolution of internal and external disputes under LCRA's jurisdiction.

207.402 Procedures. The general manager (GM)/CEO is directed to coordinate the implementation of this policy and shall ensure that appropriate procedural guidelines are developed, maintained and followed for the review of disputes on a case-by-case basis

to determine the appropriateness of ADR measures. The GM/CEO periodically shall provide the Board an update on the use of ADR procedures.

207.50 AUTHORITY

LCRA enabling legislation, Texas Special District Local Laws Code, Chapter 8503
LCRA Bylaws, Section 3.04

EFFECTIVE: Feb. 16, 2011. Amended Aug. 15, 2012; June 19, 2013; Sept. 21, 2016;
~~and~~ Aug. 21, 2019; and March 26, 2025.

EXHIBIT C

LCRA BOARD POLICY

209 – ENVIRONMENTAL STEWARDSHIP

~~Sept. 21, 2016~~ March 26, 2025

209.10 PURPOSE

The purpose of this policy is to affirm LCRA's long-standing commitment to environmental stewardship. LCRA recognizes that its mission to enhance the quality of life of the Texans we serve through water stewardship, energy and community service must be balanced with its responsibilities to preserve and protect natural resources. Accordingly, this policy directs LCRA to execute its responsibilities and perform its activities in full compliance with all applicable environmental laws and regulations.

209.20 POLICY

LCRA will use its authority to protect the Colorado River, its tributaries and other natural resources within LCRA's statutory district.

209.30 PROCEDURES

The general manager/CEO will take necessary and appropriate actions to implement this policy and will develop management practices intended to fully comply with all applicable environmental laws and regulations.

209.40 AUTHORITY

LCRA enabling legislation

EFFECTIVE: May 23, 2001. Amended Sept. 21, 2016. Reaffirmed March 26, 2025.

EXHIBIT D

LCRA BOARD POLICY

220 – TELECOMMUNICATIONS

~~May 19, 2021~~ March 26, 2025

220.10 PURPOSE

To fulfill its statutory mission, LCRA requires reliable and secure telecommunications systems to cost-effectively support the delivery of electric services, flood control and communications for its day-to-day operations. Telecommunications technology also is an essential element of economic development and other public service goals. This policy establishes the framework for providing telecommunications services to LCRA and the customers and communities it serves.

220.20 POLICY

LCRA will satisfy its telecommunications requirements in the most cost-effective manner and may upgrade or construct new telecommunications systems as technology and business demands change.

If it will not interfere with LCRA's internal telecommunications needs, LCRA may provide capacity in its telecommunications systems to its customers, communities, utilities, electric transmission and distribution service providers, governmental entities, nonprofit organizations, internet service providers, and other third parties.

It is the policy of LCRA to use its resources to help satisfy a need for enhanced broadband connectivity within Texas. LCRA may provide fiber capacity and facilities for the purpose of facilitating broadband service connectivity but may not provide broadband service directly to retail customers. Fiber capacity and facilities only will be offered on a reasonable and nondiscriminatory basis.

LCRA may make available, on an individual contract and cost-shared basis, excess telecommunications system capacity ~~_, other than broadband,~~ to the extent no legal constraints exist; except that broadband and private long-term evolution services shall not be subject to the cost-shared basis requirement.

LCRA may contract with LCRA Transmission Services Corporation and other third parties for use of LCRA TSC or other third-party facilities to enable LCRA to fulfill its telecommunications goals.

LCRA will not offer telecommunications or broadband services as a common carrier.

220.30 STRATEGIC FOCUS

To help ensure LCRA implements its telecommunications policy effectively, LCRA will maintain a strategic plan for telecommunications infrastructure required to support LCRA's and LCRA's ~~nonprofit affiliated~~ corporation transmission, generation, water and other activities, as well as the infrastructure required to implement LCRA's third-party broadband and radio programs. The plan will include requirements to help ensure LCRA's telecommunications systems use appropriate technologies and methods to achieve, in a cost-effective manner, the appropriate levels of reliability and security.

220.40 AUTHORITY

Texas Special District Local Laws Code, Sections 8503.004 and 8503.032
Texas Water Code, Section 152.301

EFFECTIVE: April 20, 1995. Amended Aug. 6, 1998; Sept. 22, 1999; April 18, 2012; Sept. 21, 2016; ~~and~~ May 19, 2021; and March 26, 2025.

EXHIBIT E

LCRA BOARD POLICY

221 – INDEPENDENT AND INTERNAL AUDITORS

~~Nov. 17, 2021~~ March 26, 2025

221.10 PURPOSE

This policy defines the relationship of LCRA's Board of Directors to both the independent auditors and the internal audit function.

221.20 POLICY

Independent auditors will be approved and retained by the Board of Directors, with the advice and recommendations of the Board's Audit and Risk Committee ~~and the general auditor~~. Following retention, the independent auditor will function in cooperation with, but independent of, executive management, the general auditor and staff.

Auditing Services is LCRA's internal audit function and consists of a general auditor, who is LCRA's chief audit executive, and audit personnel employed and/or contracted under the general auditor's supervision. To provide for the objectivity of its work, Auditing Services will report functionally to the LCRA Board and administratively to the general manager (GM)/CEO and maintain independence from any other department or office within LCRA.

221.30 INDEPENDENT AUDITOR

221.301 Scope of Services

The independent auditor is engaged to conduct an examination of the financial statements of LCRA in accordance with generally accepted auditing standards and to express an opinion as to the fairness of the financial statements in conformity with generally accepted accounting principles.

The independent auditor will meet with the Audit and Risk Committee at least ~~twice each year~~ annually to discuss the audit plan, audit results and other related matters.

The independent auditor also may be engaged to perform other audit and consulting and advisory services, unless those additional services would adversely impact the independent auditor's obligation of independence. To the extent these additional services are requested by and performed at management's request, the Audit and Risk Committee

must approve such engagements before the work is assigned. Audit and Risk Committee approval is not required for the use of the independent auditor for co-sourced or outsourced services or for services required for the issuance of LCRA debt.

221.302 Term of Service

~~The independent auditor will be appointed or reappointed annually by the Board. The Board may, at any time, choose to evaluate the performance of the independent auditor, and may consider selecting and appointing a new independent auditor. The Board may decide it is in LCRA's best interest to do so even if the current independent auditor is performing satisfactorily. In any engagement contract with the independent auditor, LCRA will retain the right to terminate the engagement at any time.~~

~~Auditing Services' purpose is to assist the LCRA Board, the GM/CEO, management and employees in the effective discharge of their responsibilities by providing audits, analyses, recommendations, counsel and information regarding whether LCRA's network of risk management, control and governance processes, as designed and represented by management, is adequate and functioning.~~

221.40 TERM OF SERVICE GENERAL AUDITOR

221.401 Scope of Services

~~Auditing Services' purpose is to assist the LCRA Board, the GM/CEO, management and employees in the effective discharge of their responsibilities by providing audits, analyses, recommendations, counsel and information regarding whether LCRA's network of risk management, control and governance processes, as designed and represented by management, is adequate and functioning.~~

221.402 Term of Service

~~The general auditor will be hired by the LCRA Board in consultation with the GM/CEO. Review of the general auditor will be conducted in accordance with Board Policy 107 and the general auditor may be discharged only upon a majority vote of the Board following consultation with the GM/CEO.~~

~~The independent auditor will be evaluated and appointed annually by the Board. LCRA will retain the right to terminate the engagement at any time following due notice.~~

~~In connection with the annual evaluation, the Board may consider selecting and appointing a new independent auditor. The Board may decide it is in LCRA's best interest to do so even if the current independent auditor is performing satisfactorily.~~

~~The general auditor will be hired by the LCRA Board in consultation with the GM/CEO. The general auditor may be discharged only upon a majority vote of the Board following consultation with the GM/CEO. The Board will approve and make any adjustment to the~~

~~general auditor's compensation and will review his or her performance.~~ The general auditor may meet with the Board, Audit and Risk Committee or other designee without other LCRA staff present. The Board, or the Audit and Risk Committee to the extent delegated by the Board, will have final authority to review, discuss, require changes to, and approve the Auditing Services charter, resource plan, annual audit plan and all significant changes to the plan. The Audit and Risk Committee will have oversight of the Auditing Services budget. ~~The Board will make appropriate inquiries of management and the general auditor to determine whether there is inappropriate scope or resource limitations.~~

EFFECTIVE: November 1985. Republished March 19, 1987. Amended Oct. 22, 1992; June 21, 2000; April 16, 2008; and Aug. 25, 2010. Reaffirmed April 20, 2011. Amended Sept. 21, 2016; and Nov. 17, 2021. Amended and renamed March 26, 2025.

EXHIBIT F

LCRA BOARD POLICY

222 – RISK MANAGEMENT

~~Sept. 21, 2016~~ March 26, 2025

222.10 PURPOSE

This policy establishes risk management objectives for LCRA.

222.20 POLICY

LCRA will maintain a comprehensive risk management program that identifies, assesses, monitors and manages material risks to LCRA's mission and objectives. LCRA will pursue operational excellence and accept normal business risks while complying with all applicable laws and regulations, protecting the environment under its stewardship, and preserving its reputation.

222.30 OBJECTIVES

The objectives of LCRA's risk management program are to:

- A. Manage financial, market and business risks to ensure the financial integrity of LCRA;
- B. Manage, develop, use and protect LCRA assets to provide reliable, cost-effective services for its customers; and
- C. Manage LCRA operations in a manner to reduce or mitigate, to the extent feasible, the conditions, hazards and practices that may cause losses.

222.40 RESPONSIBILITIES

The general manager/CEO will design and implement a risk management program to meet the policy and objectives set out above and will provide to the LCRA Board of Directors an update on the program twice per year. At least one of these updates may be provided to the Audit and Risk Committee, with a copy of the update made available to the Board.

222.50 AUTHORITY

LCRA enabling legislation, Texas Special Districts Local Laws Code, Section 8503.004
Texas Government Code, Section 2259.001 et seq.

EFFECTIVE: August 1987. Amended Oct. 18, 1990; Feb. 20, 1992; Nov. 17, 1999; Sept. 23, 2009; March 23, 2011; ~~and~~ Sept. 21, 2016; and March 26, 2025.

EXHIBIT G

LCRA BOARD POLICY

223 – CYBERSECURITY

~~Aug. 23, 2023~~ March 26, 2025

223.10 PURPOSE

This policy establishes cybersecurity objectives for LCRA. LCRA recognizes that the integrity and security of digital assets are critical to accomplishing LCRA's goals and discharging LCRA's primary customer and public service responsibilities. This policy provides guidance to LCRA and the LCRA Board of Directors regarding cybersecurity responsibilities.

223.20 POLICY

LCRA will maintain a comprehensive cybersecurity program to reduce the risk of a material impact on LCRA's safety, finances, operations and reputation due to a cyberattack. LCRA will develop and implement an enterprise-level, risk-based cybersecurity program designed to facilitate operational excellence, mitigate risk and build organizational resiliency.

223.30 OBJECTIVES

The objectives of LCRA's cybersecurity program are to reduce risk and protect LCRA's information systems, operational technology and data through the use of technical tools, organizational training and awareness, and the development and enforcement of sound security policies.

223.40 RESPONSIBILITIES

The general manager (GM)/CEO will ensure staff designs and implements a cybersecurity program to meet the policy and objectives set out above and will ensure LCRA provides to the LCRA Board of Directors an update on the program annually.

The Board of Directors delegates to the GM/CEO the authority to take all actions necessary to respond to an active cybersecurity incident or imminent cybersecurity threat ~~in the GM/CEO's discretion~~, including incident mitigation, response, regulatory reporting, law enforcement coordination, emergency expenditures and purchasing. The GM/CEO will provide ongoing updates as permitted by circumstances to the Board of Directors

during any active or imminent cybersecurity event and any recovery operations, until the GM/CEO determines that LCRA has sufficiently recovered to return to normal operations.

In addition to the required annual program updates, the GM/CEO or his or her designee will update the LCRA Board of Directors, or a committee with appropriate oversight, with information related to LCRA's cybersecurity that he or she determines to be necessary for the directors to fulfill their duties and responsibilities, including updates regarding emerging cybersecurity threats to LCRA and/or new or significant cybersecurity risks within LCRA.

223.50 AUTHORITY

LCRA enabling legislation, Chapter 8503, Texas Special Districts Local Laws Code

EFFECTIVE: Aug. 23, 2023. Amended March 26, 2025.

EXHIBIT H

LCRA BOARD POLICY

303 – BANKING AND INVESTMENTS

~~Aug-21, 2024~~ March 26, 2025

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, LCRA bylaws, LCRA Board of Directors policies and current LCRA bond resolutions. Selection of securities firms or financial institutions must be approved by the LCRA Board. 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 (GM)/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; Aug. 23, 2023; and Aug. 21, 2024.
Reaffirmed March 26, 2025.

APPENDIX A

AUTHORIZATION TO PURCHASE AND SELL SECURITIES

**STAFF AUTHORIZED TO PURCHASE AND SELL SECURITIES:
AS OF ~~Aug. 21, 2024~~March 26, 2025**

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

APPENDIX B

APPROVED BROKERS/DEALERS
AS OF ~~Aug. 21, 2024~~ March 26, 2025

<u>Name of Firm</u>	<u>Headquarters</u>	<u>LCRA Trading Office</u>
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	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
PNC Capital Markets LLC	Pittsburgh	Pittsburgh

APPENDIX C
APPROVED INVESTMENTS OF PUBLIC FUNDS
AS OF ~~Aug. 21, 2024~~ March 26, 2025
(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 (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

EXHIBIT I

LCRA BOARD POLICY

308 – ~~PURCHASING CONTRACTS~~PROCUREMENT

~~Jan. 18, 2023~~March 26, 2025

308.10 PURPOSE

This policy establishes requirements for ~~procuring contracts for the purchase of~~ goods, ~~and services, construction and software~~. This policy does not apply to ~~contracts transactions~~ authorized or addressed in Board Policy 603 – Energy Transactions or Board Policy 207 – Legal Matters and Alternative Dispute Resolution; contracts authorized and entered pursuant to Board Policy 301 – Finance or Board Policy 303 – Banking and Investments; and matters delegated by the LCRA Board of Directors to the LCRA Retirement Benefits Board of Trustees.

308.20 POLICY

It is the policy of LCRA that all procurement and contracting for ~~the purchase of~~ goods ~~and~~ services, ~~construction and software will~~ take place in accordance with applicable legal requirements in a cost-effective, fair, competitive, ethical and inclusive manner.

308.30 BOARD APPROVAL REQUIREMENTS

Board approval is required for:

- ~~1. Any contract for consulting services with projected expenditures exceeding \$250,000, whether under the original contract or as a result of a change; and~~
- ~~2. Any contract for goods, or services (excluding consulting services), (including construction or software) with projected expenditures exceeding \$5 million, whether under the original contract or as a result of a change.~~

308.40 PROCEDURES

The general manager (GM)/CEO will ensure appropriate procurement and contracting procedures are developed and implemented.

308.50 REPORTING TO THE BOARD

The GM/CEO will provide an annual ~~expenditure procurement~~ report to the Board ~~that gives an overview of supplier expenditures on all contracts exceeding \$250,000.~~

308.60 DISPOSAL OF SURPLUS MATERIALS

Materials no longer necessary, convenient or beneficial to LCRA may be sold, transferred or conveyed by the GM/CEO in accordance with applicable legal requirements and LCRA policies, and in a fair and ethical manner.

308.70 AUTHORITY

~~Texas Government Code, Chapter 2254~~

Texas Water Code, sections 49.211-49.232

Texas Health and Safety Code, Section 361.426 (Vernon's Supp. 1992)

LCRA enabling legislation

~~LCRA bylaws, sections 3.02, 3.04, 6.01 and 6.02~~

~~30 Texas Administrative Code, Section 292.13(4)~~

EFFECTIVE: July 1, 2002. Amended June 5, 2007; May 20, 2009; Feb. 16, 2011; Sept. 21, 2016; Dec. 15, 2020; and Jan. 18, 2023.; Amended and renamed March 26, 2025. Combined from Board Policy 209 – Purchasing effective April 1986. Amended March 19, 1987 (republished); Dec. 14, 1989; April 23, 1992; Feb. 18, 1993; Sept. 22, 1994; May 18, 1995; Oct. 20, 1999; and June 21, 2000; and Board Policy 204 – Contract Services effective Sept. 19, 1985. Republished June 23, 1988. Amended Dec. 12, 1991; May 20, 1993; Sept. 22, 1994; and March 22, 2000.

EXHIBIT J

LCRA BOARD POLICY

602 – LCRA WHOLESALE POWER CUSTOMER INPUT

~~Sept. 21, 2016~~ March 26, 2025

602.10 PURPOSE

This policy establishes requirements for involving LCRA's wholesale power customers on actions that impact wholesale power service and prices charged by LCRA for such service and for collaboration between LCRA staff and wholesale power customers.

602.20 POLICY

602.201 Customer Input. LCRA will share information with its wholesale power customers, through the Rates and Resources Council (RRC) or individually, and work collaboratively with them on matters affecting wholesale power service and prices, either in accordance with the foundational agreement between LCRA and the RRC or to including the following:

- A. The acquisition, construction, major expansion~~sale, transfer, assignment~~ or retirement of generation assets;
- B. Purchased power agreements with a term of ~~three~~10 years or longer;
- C. The impact on the rates by the addition by LCRA of a new wholesale electric customer;
- D. The preparation and adoption of budgets and business plans;
- E. Anticipated costs for fuel and related activities; and
- F. Cost allocation and rate design decisions affecting rates.

602.30 AUTHORITY

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

EFFECTIVE: Nov. 19, 2008. Amended March 21, 2012; ~~and~~ Sept. 21, 2016; and March -26, 2025.

FOR ACTION (CONSENT)

4. Minutes of Prior Meeting

Proposed Motion

Approve the minutes of the Feb. 19, 2025, LCRA Board of Directors meeting.

Board Consideration

Section 2.04 of the LCRA bylaws requires the secretary to keep minutes of all meetings of the Board.

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 Feb. 19, 2025, LCRA Board meeting

EXHIBIT A

LCRA Board of Directors
Minutes Digest
Feb. 19, 2025

- 25-06 Approval of the minutes of the Jan. 22, 2025, LCRA Board meeting.
- 25-07 Approval of the expenditure of up to \$500,000 from the Agricultural Water Conservation Fund for the land leveling recertification cost-share program and associated administration of the program.
- 25-08 Adoption of the Forty-eighth Supplemental Resolution to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program to authorize the LCRA Transmission Contract Revenue Notes, Series F and Taxable Series F (collectively, Series F Notes), and a note purchase agreement (the Series F Agreement) among LCRA, LCRA Transmission Services Corporation and Frost Bank for the Series F Notes for a term not to exceed four years, and authorization for the general manager, chief financial officer or treasurer to negotiate and execute such Series F Agreement and any related documents, setting forth the terms and conditions governing the issuance of the Series F Notes in an amount up to \$100 million, and authorization of any other necessary agreements.
- 25-09 Authorization for the general manager or his designee to negotiate and execute the following contracts and contract changes: Contract No. 6748 (NextEdge Networks Holdings LLC); Contract No. 6746 (Deep South Communications LLC); Contract No. 6750 (C A Bass Ventures); Contract No. 6740 (Burns & McDonnell Engineering Company, Inc.); Contract No. 6742 (Mott MacDonald USA LLC); Contract No. 6743 (Power Engineers, Inc.); Contract No. 6741 (Ulteig Operations LLC); Contract No. 6757 (ILJIN Electric USA, Inc.); Contract No. 6751 (PWC US Consulting LLP); and Contract No. 6393 (Alan Plummer and Associates, Inc.).

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE
LOWER COLORADO RIVER AUTHORITY
Austin, Texas
Feb. 19, 2025

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 12:37 p.m. Wednesday, Feb. 19, 2025, 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
Nancy Eckert Yeary

Chair Timmerman convened the meeting at 12:37 p.m.

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

The Board next took action on the consent agenda.

25-06 Upon motion by Director Kelley, seconded by Director Crane, the Board unanimously approved the minutes of the Jan. 22, 2025, LCRA Board meeting [Consent Item 2] by a vote of 14 to 0.

General Counsel Leigh Sebastian gave an update on the review and recommended changes to the following LCRA Board policies [Discussion Item 3]: 201 – Employment Practices; 207 – Legal Matters and Alternative Dispute Resolution; 209 – Environmental Stewardship; 220 – Telecommunications; 221 – Auditors; 222 – Risk Management; 223 – Cybersecurity; 303 – Banking and Investments; 308 – Purchasing Contracts; and 602 – LCRA Wholesale Power Customer Input. Sebastian discussed proposed amendments to Board policies 221 and 308.

25-07 Vice President of Water Resources Monica Masters presented for consideration a staff recommendation, described in Agenda Item 4 [attached hereto as Exhibit A], that the Board approve the expenditure of up to \$500,000 from the Agricultural Water Conservation Fund for the land leveling recertification cost-share program and associated administration of the program. [Staff discussed this item with the Water Operations Committee earlier in the day.] Upon motion by Director Martine, seconded by Director Crane, the recommendation was unanimously approved by a vote of 14 to 0.

25-08 Chief Financial Officer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 5 [attached hereto as Exhibit B], that the Board adopt the Forty-eighth Supplemental Resolution to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program to authorize the LCRA Transmission Contract Revenue Notes, Series F and Taxable Series F (collectively, Series F Notes), and a note purchase agreement (the Series F Agreement) among LCRA, LCRA Transmission Services Corporation and Frost Bank for the Series F Notes for a term not to exceed four years, and authorize the general manager, chief financial officer or treasurer to negotiate and execute such Series F Agreement and any related documents, setting forth the terms and conditions governing the issuance of the Series F Notes in an amount up to \$100 million, and authorize any other necessary agreements. Upon motion by Director Allen, seconded by Director Willmann, the recommendation was unanimously approved by a vote of 14 to 0.

25-09 Senior Vice President of Supply Chain Matt Chavez presented for consideration a staff recommendation, described in Agenda Item 6 [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. 6748 (NextEdge Networks Holdings LLC); Contract No. 6746 (Deep South Communications LLC); Contract No. 6750 (C A Bass Ventures); Contract No. 6740 (Burns & McDonnell Engineering Company, Inc.); Contract No. 6742 (Mott MacDonald USA LLC); Contract No. 6743 (Power Engineers, Inc.); Contract No. 6741 (Ulteig Operations LLC); Contract No. 6757 (ILJIN Electric USA, Inc.); Contract No. 6751 (PWC US Consulting LLP); and Contract No. 6393 (Alan Plummer and Associates, Inc.). Upon motion by Director Lewis, seconded by Director Whitten, the recommendation was unanimously approved by a vote of 14 to 0.

Chair Timmerman declared the meeting to be in executive session at 12:58 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 2:32 p.m.

There being no further business to come before the Board, the meeting adjourned at 2:32 p.m.

Joseph M. Crane
Secretary
LCRA Board of Directors

Approved: March 26, 2025

FOR DISCUSSION

5. Basin Conditions Update

Summary

Staff will present an update on basin conditions.

Presenter(s)

Kelly D. Payne
Vice President, Water Operations

FOR ACTION

6. Oil and Gas Mineral Leases in Fayette County

Proposed Motion

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

Board Consideration

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

Budget Status and Fiscal Impact

The administrative costs associated with the execution of these leases are contained within the fiscal year 2025 business plan. The lease bonuses and royalties, if produced, will be credited to LCRA's Wholesale Power business unit. The lifetime revenue for the three properties is projected to be up to \$1.1 million.

Summary

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

Staff will ensure that only the highest and best bid is accepted and may reject all bids if the highest and best bid is not deemed adequate. Pursuant to Texas Natural Resources Code, Chapter 71, the lease must provide for a one-eighth royalty interest and a primary term of 10 years or less. LCRA will require a one-fourth cost-free royalty interest and a three-year primary term. LCRA does not own the surface for the three properties.

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

Presenter(s)

Glenn Williams
Senior Vice President, Commercial Operations

Exhibit(s)

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

EXHIBIT A

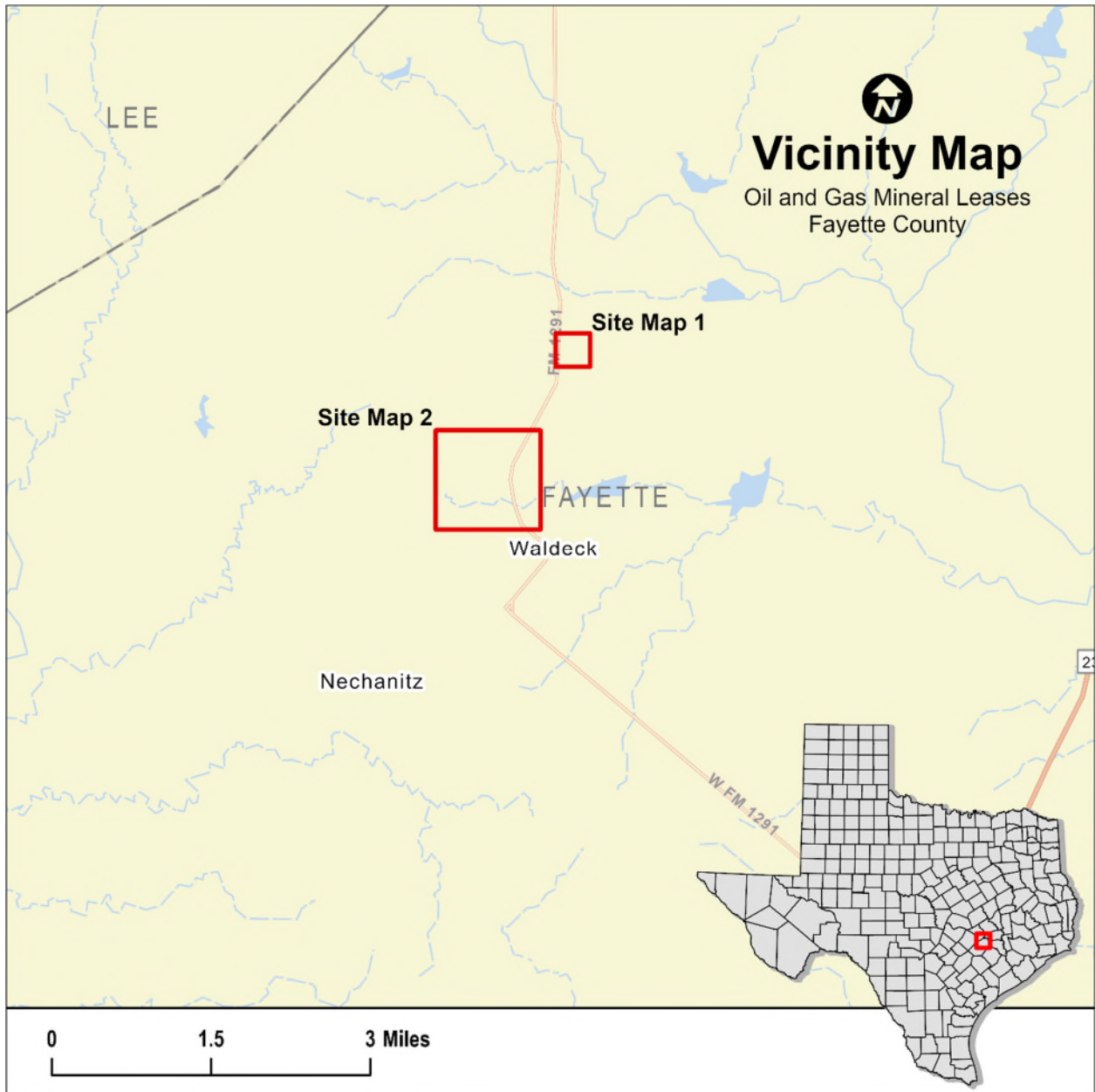


EXHIBIT B

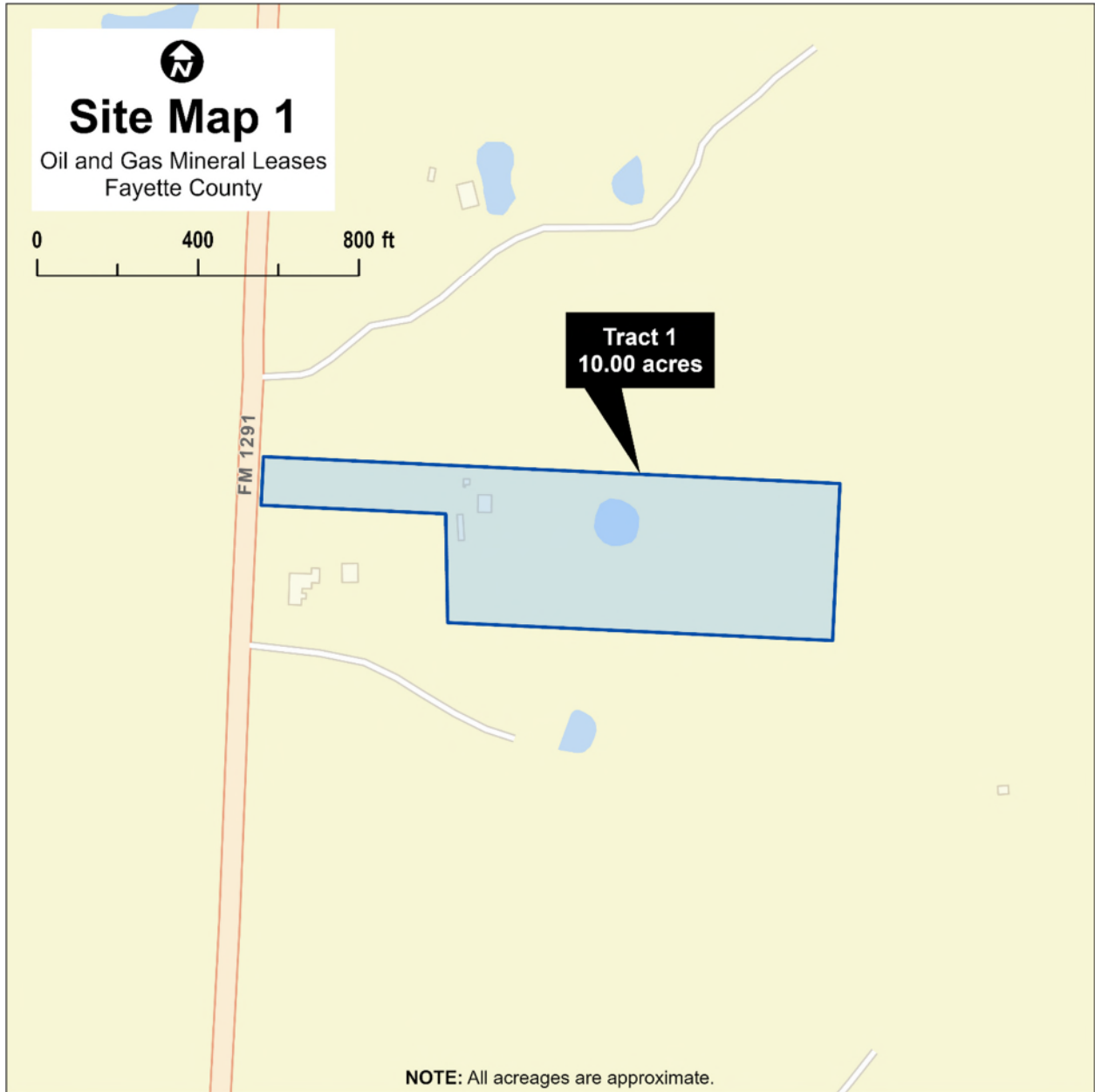
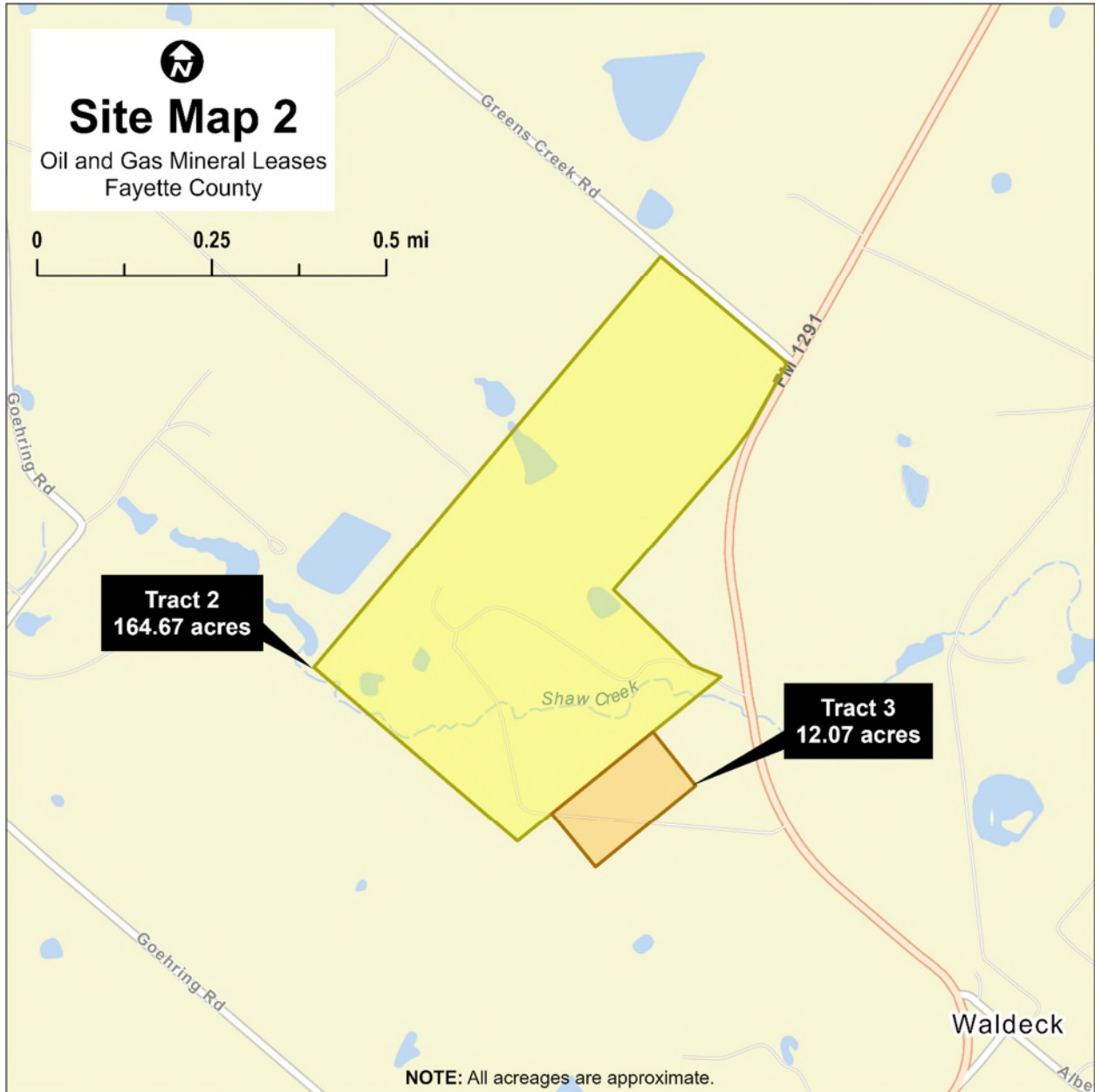


EXHIBIT C



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: 6665

Supplier Name: Irby Construction Company

Contract Amount: \$1 billion

Description: This master contract provides transmission line and substation construction and maintenance services used by LCRA Transmission Services Corporation. The term of this contract is for one year, with annual options to extend up to a total of six years. Projected contract expenditures are forecast to increase from prior years due to the continued growth of the LCRA TSC capital plan.

Contract Number: 6766

Supplier Name: Power Standard, LLC

Contract Amount: \$300 million

Description: This master contract provides transmission line construction and maintenance services used by LCRA Transmission Services Corporation. The term of this contract is for one year, with annual options to extend up to a total of six years. Projected contract expenditures are forecast to increase from prior years due to the continued growth of the LCRA TSC capital plan.

Contract Number: 6767

Supplier Name: Saber Power Services, LLC

Contract Amount: \$500 million

Description: This master contract provides substation construction and maintenance services used by LCRA Transmission Services Corporation. The term of this contract is for one year, with annual options to extend up to a total of six years. Projected contract expenditures are forecast to increase from prior years due to continued growth of the LCRA TSC capital plan.

Contract Number: 6782

Supplier Name: Burns and McDonnell Engineering Company, Inc.

Contract Amount: \$200 million

Description: This master contract provides substation construction and maintenance services used by LCRA Transmission Services Corporation. The term of this contract is for one year, with annual options to extend up to a total of six years. Projected contract expenditures are forecast to increase from prior years due to continued growth of the LCRA TSC capital plan.

Contract Number: 6783

Supplier Name: Zapalac/Reed Construction Company, LP

Contract Amount: \$25 million

Description: This one-time contract provides construction services for a new, approximately 40,000-square-foot, multiuse office building at the Dalchau Service Center to support increasing staff and labor needs driven by LCRA Transmission Services Corporation's anticipated growth. Construction of building J will include site water and sewer utility upgrades; parking lot expansion following the demolition of the old fueling station between the System Operations Control Center and Telecommunications Operations Control Center buildings; and relocation of covered vehicle and equipment storage. The term of this contract is until project completion.

EXHIBIT B

Contract Changes

Contract Number: 6289

Supplier Name: Locweld, Inc.

Current Approved Contract Amount: \$40 million

Requested Change: \$90 million

New Contract Amount: \$130 million

Description: This master contract originally was approved by the LCRA Board in August 2023 to provide lattice steel towers used by LCRA Transmission Services Corporation for transmission line projects. Projected contract expenditures are anticipated to increase due to one of LCRA's lattice suppliers halting its lattice line of business; refinement of forecasts after completion of designs for two large projects; market price fluctuations; and potential import tariffs. Staff is requesting Board approval to add \$90 million to the existing approved contract amount to cover planned projects.

Contract Number: 5839

Supplier Name: Hyundai Electric America Corporation

Current Approved Contract Amount: \$120 million

Requested Change: \$200 million

New Contract Amount: \$320 million

Description: This master contract originally was approved by the LCRA Board in August 2021 to provide power transformers and small megavolt-ampere autotransformers used by LCRA Transmisison Services Corporation. Due to the growth of the LCRA TSC capital plan, extended lead times, production capacity being booked through 2031, increased scope and costs, and favorable contract terms in LCRA's existing contract, staff intends to amend the term of the contract for a total of 11 years to extend it to 2032 and add \$200 million to the existing approved contract amount to cover the additional term.

Contract Number: 5747

Supplier Name: TESSCO, Inc.

Current Approved Contract Amount: \$7 million

Requested Change: \$13 million

New Contract Amount: \$20 million

Description: The LCRA Board originally approved this master contract in January 2021 to provide telecommunications equipment for networking, microwave, fiber, cabling and related materials for LCRA's telecommunications system. Due to the expected higher use of this contract to support the new private long-term evolution – PLTE – wireless broadband network, staff is requesting Board approval to add \$13 million to the existing contract amount to cover additional materials and services needed through the end of the contract term in March 2028.

Contract Number: 5798

Supplier Name: McGriff Insurance Services, Inc.

Current Approved Contract Amount: \$34 million

Requested Change: \$10 million

New Contract Amount: \$44 million

Description: This master contract originally was approved by the LCRA Board in October 2020 to provide property and casualty insurance broker services. Staff is requesting Board approval to add \$10 million to the existing approved contract amount to cover one more renewal cycle as this will be re-sourced in fiscal year 2026.