

# LCRA Transmission Services Corporation

## Board Agenda

Wednesday, Sept. 22, 2021

Lakeway Resort

Vistas Ballroom

101 Lakeway Drive

Lakeway, TX 78734

Earliest start time: 9 a.m.

*(map on Page 2)*

### Items From the Chair

1. Comments From the Public ..... 4

### Consent Items

- \*2. Sale of Land in Kendall County ..... 5

### Action Items

3. Acquisition of Property in Burnet, Fayette and Travis Counties..... 8
4. Approval of an Amendment to the Facilities Contract With LCRA to Provide for Prepayment of all or a Portion of LCRA Transmission Services Corporation's Obligations Owed to LCRA ..... 14
5. Approve the LCRA Transmission Services Corporation Series 2021A Bonds Issue and Thirty-seventh Supplemental Resolution..... 15
6. Acquisition of Interests in Real Property – Use of Eminent Domain in Kerr and Gillespie Counties..... 18

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

### Executive Session

The Board may go into executive session for advice from legal counsel on any item listed above and discuss any real estate-related item listed above, pursuant to Chapter 551 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 [www.sos.state.tx.us/open](http://www.sos.state.tx.us/open).

## OVERVIEW OF LCRA TRANSMISSION SERVICES CORPORATION

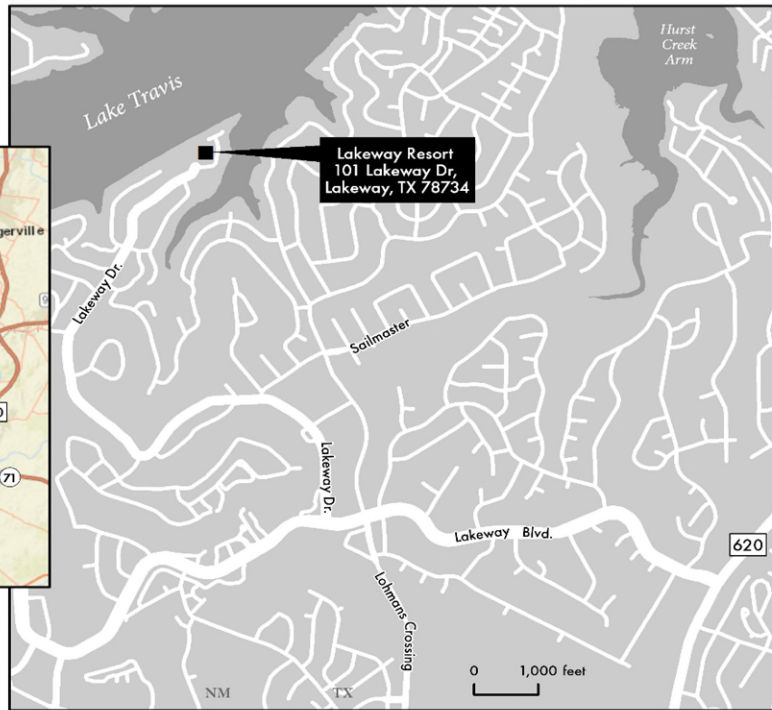
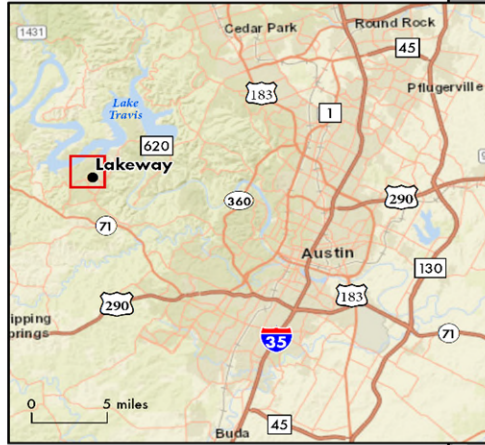
In connection with the implementation of retail competition in the electric utility industry in the state of Texas, LCRA was required by the Texas Legislature in its amendments to the Public Utility Regulatory Act (enacted in 1999 under state legislation known as Senate Bill 7, and referred to as SB 7) to unbundle its electric generation assets from its electric transmission and distribution assets. LCRA conveyed, effective Jan. 1, 2002, all of its existing electric transmission and transformation assets (collectively, the Transferred Transmission Assets) to the LCRA Transmission Services Corporation (LCRA TSC) pursuant to the terms of an Electric Transmission Facilities Contract (the Initial Contractual Commitment), dated Oct. 1, 2001.

LCRA TSC is a nonprofit corporation created by LCRA to act on LCRA's behalf pursuant to Chapter 152, Texas Water Code, as amended. After Jan. 1, 2002, LCRA TSC engaged in the electric transmission and transformation activities previously carried out by LCRA and assumed LCRA's obligation to provide, and the right to collect revenues for, electric transmission and transformation services. LCRA TSC is an electric transmission service provider (a TSP) under the state's open-access electric transmission regulatory scheme within the approximately 85% area of the state covered by the Electric Reliability Council of Texas (ERCOT). In such capacity, LCRA TSC is entitled to receive compensation from all electric distribution service providers using the electric transmission system within ERCOT. As a TSP in the ERCOT region of the state, the rates that LCRA TSC will charge for transmission services are regulated by the Public Utility Commission of Texas (PUC) and determined pursuant to transmission cost of service rate proceedings filed with and approved by the PUC.

Within the framework of SB 7, LCRA TSC implements the electric transmission business of LCRA, including the expansion of electric transmission services outside of LCRA's traditional electric service territory. LCRA personnel are responsible for performing all of LCRA TSC's activities pursuant to a services agreement between LCRA TSC and LCRA. This includes procuring goods and services on behalf of LCRA TSC and is reflected in the LCRA Board agenda contracts.

Under the LCRA Master Resolution, defined as the LCRA Board resolution governing LCRA's outstanding debt, and certain provisions of state law, the LCRA Board is required to exercise control over all operations of LCRA TSC. This control includes approval of LCRA TSC's business plan and of the sale or disposition of any significant assets of LCRA TSC. The Board of Directors of LCRA TSC (LCRA TSC Board) is appointed by and serves at the will of the LCRA Board. The current membership of LCRA TSC Board is made up entirely of the existing LCRA Board.

**Lakeway Resort  
101 Lakeway Drive  
Lakeway, TX 78734**



## **FOR DISCUSSION**

# **1. Comments From the Public**

### **Summary**

This part of the meeting is intended for comments from the public on topics under LCRA Transmission Services Corporation'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.

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.

**FOR ACTION (CONSENT)**

## **2. Sale of Land in Kendall County**

### **Proposed Motion**

Declare a 0.276-acre tract of land in Kendall County nonessential and authorize the president and chief executive officer or his designee to sell the property to the City of Boerne.

### **Board Consideration**

LCRA Transmission Services Corporation Board Policy T401 – Land Resources requires at least 12 members of the LCRA TSC Board to declare the land no longer necessary or beneficial to the business of LCRA TSC before conveyance. Additionally, LCRA TSC Board Policy T401 requires LCRA TSC Board approval of the terms of all land sales before conveyance.

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

The administrative costs associated with the sale of this land are contained in the fiscal year 2021 business plan. Proceeds from the sale of land will benefit LCRA TSC.

### **Summary**

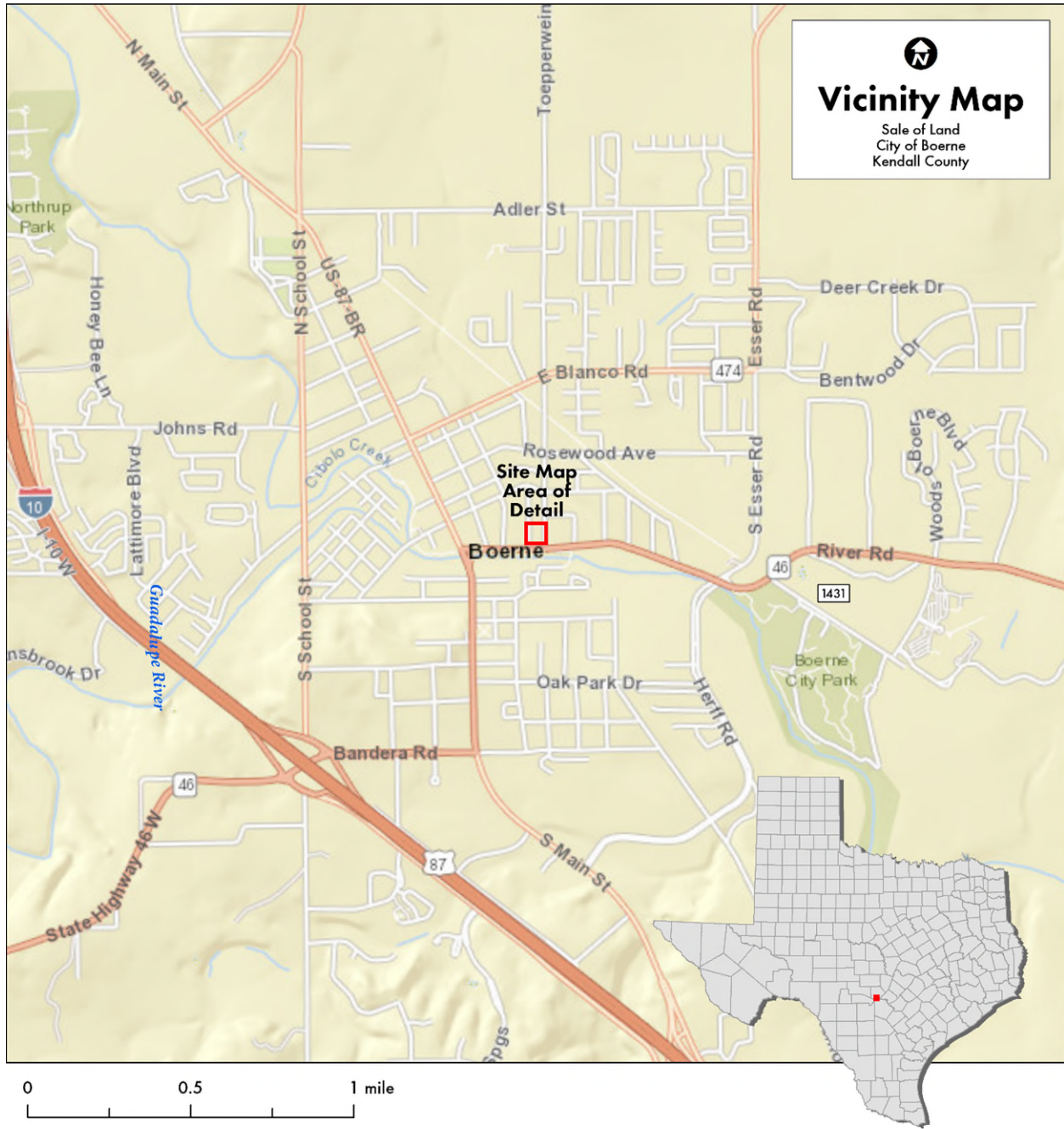
In 1972, LCRA acquired the 0.276-acre Boerne City Substation from the City of San Antonio. Prior to 2004, the substation was decommissioned and the equipment was removed. In 2005, LCRA TSC executed a 15-year lease of this tract to the City of Boerne for use as a public parking lot. The City of Boerne has requested to purchase this 0.276-acre tract and agreed to a sales price of \$400,000.

LCRA TSC representatives will complete environmental and cultural resource due diligence assessments in accordance with Board Policy T401.403 before the sale of the property.

### **Exhibit(s)**

- A – Vicinity Map
- B – Site Map

**EXHIBIT A**



**EXHIBIT B**



## **FOR ACTION**

### **3. Acquisition of Property in Burnet, Fayette and Travis Counties**

#### **Proposed Motion**

Authorize the president and chief executive officer, or his designee, to negotiate and purchase from LCRA three facilities within five parcels totaling about 126.53 acres of land in Burnet, Fayette and Travis counties. Additionally, authorize the chief executive officer to purchase an approximately 1.5-acre easement from LCRA for access to the Western Maintenance Facility.

#### **Board Consideration**

LCRA Transmission Services Corporation Board Policy T401 – Land Resources requires Board authorization for any land acquisition with a purchase price exceeding \$600,000.

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

- The project was not included in LCRA TSC's fiscal year 2022 capital plan.
- Staff seeks approval for a total lifetime budget of \$77.06 million, which staff expects to spend this fiscal year.
- Staff will monitor the capital spending forecast and will request a fiscal year budget increase if needed.
- The vice president and chief operating officer will release funds as needed.
- Project costs will be funded through LCRA TSC regulated rates, subject to approval by the Public Utility Commission of Texas.

#### **Summary**

The five parcels to be acquired by LCRA TSC are as follows:

- EMF-001, the Eastern Maintenance Facility, which contains about 16.27 acres located in Fayette County. The buildings have a total gross area of 33,303 square feet.
- A portion of JE-01, the Western Maintenance Facility, which contains about 14.4 acres located in Burnet County. The buildings have a total gross area of 39,645 square feet.
- Parcels SC-01, SC-02 and SC-03, the Dalchau Service Center, which contains about 95.86 acres located in Travis County. The buildings have a total gross area estimated to be between 450,000 and 500,000 square feet.

The three facilities currently are used for LCRA TSC-related operations, office space and meeting space.



The approximately 126.53 acres will be acquired subject to the following reservations and restrictions:

1. LCRA will reserve all presently held oil, gas and other mineral rights of every kind or character in, on and under the property, provided that LCRA shall not be permitted to drill or excavate for minerals on the surface of the property.
2. LCRA will reserve the Environmental Lab and Building T Fleet Services buildings.
3. LCRA will reserve easements for the Environmental Lab building, the Fleet Services building, and over the remainder of the tract for access and parking for these buildings.
4. LCRA will reserve a first right of refusal on the entirety of the approximately 126.53 acres being sold.

The sales price of \$77.06 million is based on appraisals performed by an independent licensed and certified third-party appraiser. Environmental and cultural resource due diligence will be conducted in accordance with Board Policy T401.401 – Land Acquisition.

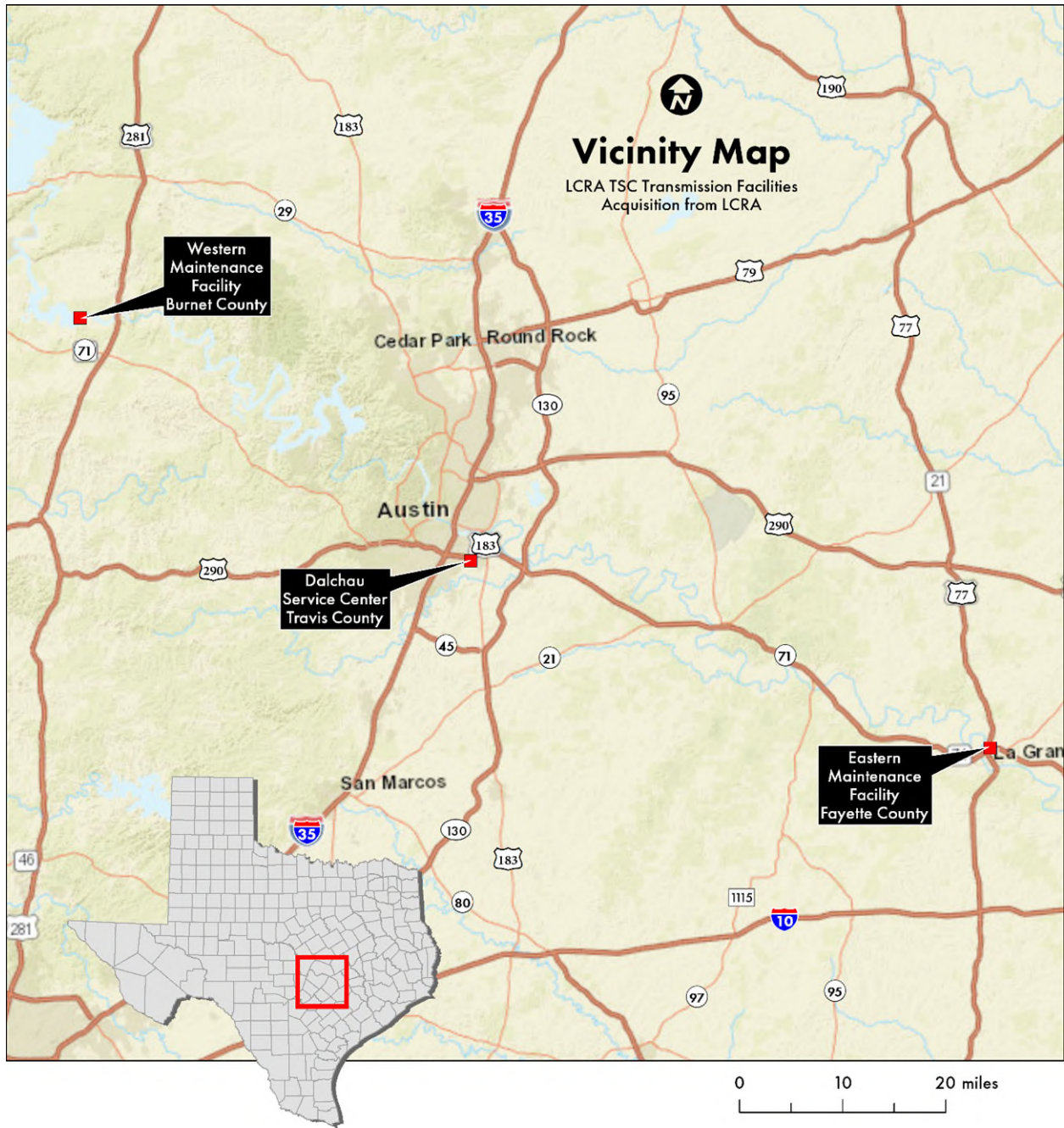
**Presenter(s)**

Jim Travis  
Treasurer and Chief Financial Officer

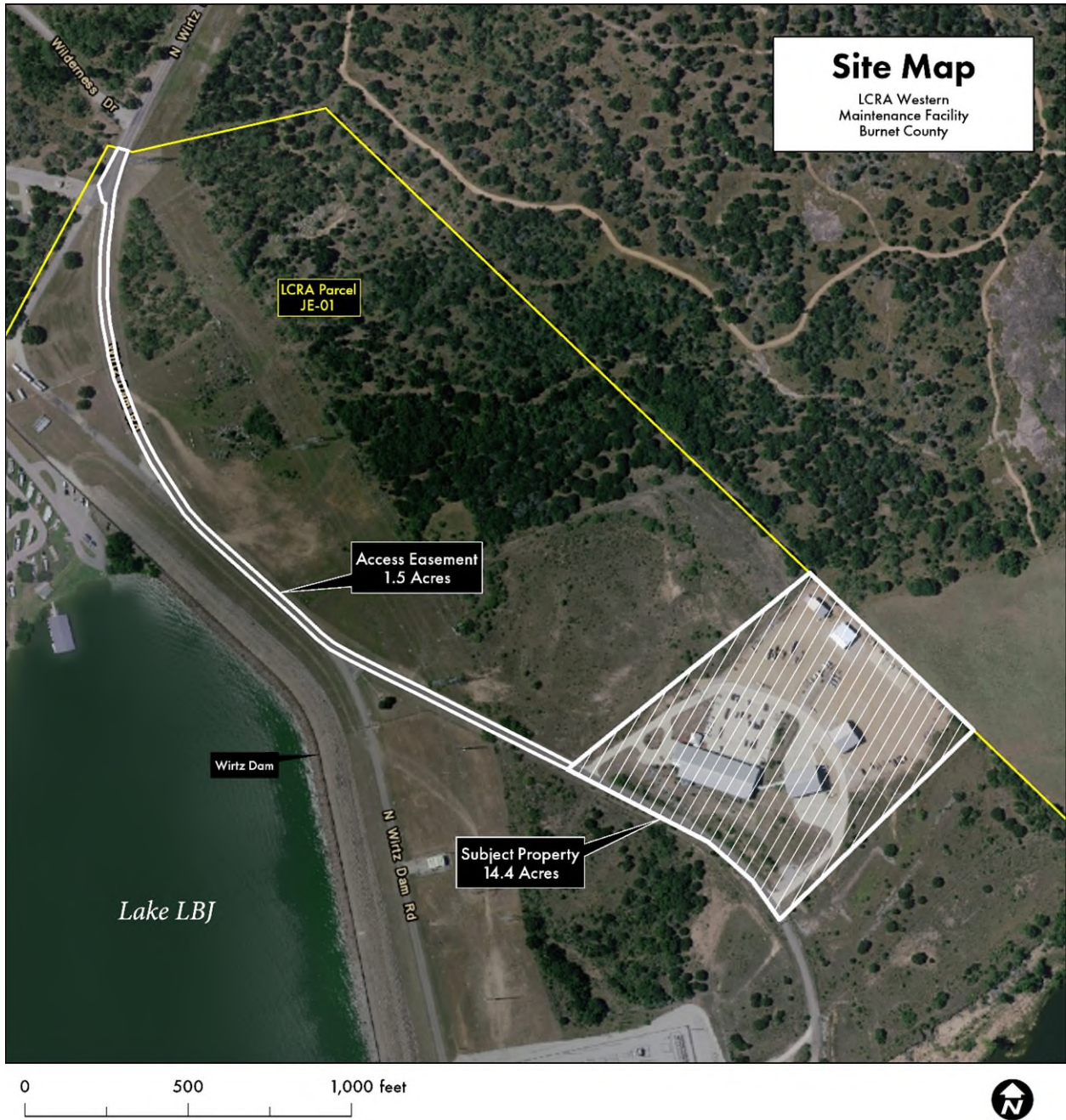
**Exhibit(s)**

- A – Vicinity Map
- B – Site Map, Western Maintenance Facility
- C – Site Map, Dalchau Service Center
- D – Site Map, Eastern Maintenance Facility

**EXHIBIT A**



**EXHIBIT B**



**EXHIBIT C**



**EXHIBIT D**



## **FOR ACTION**

### **4. Approval of an Amendment to the Facilities Contract With LCRA to Provide for Prepayment of all or a Portion of LCRA Transmission Services Corporation's Obligations Owed to LCRA**

#### **Proposed Motion**

Authorize the president and chief executive officer or his designee to negotiate and execute an amendment to the LCRA-LCRA Transmission Services Corporation Electric Transmission Facilities Contract (Contractual Commitment) with LCRA Transmission Services Corporation to provide for prepayment by LCRA TSC of all or a portion of its payments owed to LCRA and to do all things necessary to effectuate the amendment.

#### **Board Consideration**

The provisions of the Contractual Commitment require the LCRA Board and LCRA TSC Board to execute and deliver a supplement to the Contractual Commitment to effectuate any prepayments under the contract.

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

The fiscal year 2022 business plans of LCRA and LCRA TSC anticipate that LCRA TSC will provide for a prepayment of all or a portion of its payments owed to LCRA. Staff anticipates this action will allow for a more simplified structure between LCRA and LCRA TSC and provide savings to LCRA TSC.

#### **Summary**

As a result of Senate Bill 7, the Texas electric regulation legislation adopted in 1999, LCRA was required to unbundle its electric generation business from its electric transmission business by January 2002. In 2001, LCRA and LCRA TSC entered into the Contractual Commitment, which unbundled such businesses by transferring LCRA's electric transmission and transformation facilities to LCRA TSC. In return, LCRA TSC agreed to pay LCRA the annual debt service of the LCRA debt allocated to the transferred assets.

The remaining annual payments of LCRA TSC are in an aggregate amount of about \$65.4 million. LCRA and LCRA TSC will negotiate and execute a supplement to the Contractual Commitment to provide for the prepayment of all or a portion of such amounts. If all amounts owed under the Contractual Commitment are prepaid, the existing security interests securing such payments, including a deed of trust, will be released.

#### **Presenter(s)**

Jim Travis  
Treasurer and Chief Financial Officer

## **FOR ACTION**

# **5. Approve the LCRA Transmission Services Corporation Series 2021A Bonds Issue and Thirty-seventh Supplemental Resolution**

### **Proposed Motion**

Staff recommends the Board of Directors approve the adoption of the Thirty-seventh Supplemental Resolution (Thirty-seventh Supplement) to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program (Controlling Resolution) authorizing the issuance of Transmission Contract Refunding Revenue Bonds (LCRA Transmission Services Corporation Project), Series 2021A (Bonds) in an amount not to exceed \$250 million for the following purposes: (i) current refunding of portions of the 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) funding debt service reserve funds for the Bonds; and (iii) paying for issuance costs.

This motion also will:

1. Approve related documents, in substantially final form, including the escrow agreement, the paying agent/registrars agreement, the preliminary official statement and the Transmission Contract Revenue Debt Installment Payment Agreement Supplement Related to the Bonds (the 2021A Installment Payment Agreement Supplement). Bond counsel has prepared or reviewed all documents.
2. Delegate authority to the president and chief executive officer, and/or the treasurer and chief financial officer to:
  - a. Select all or a portion of LCRA TSC's outstanding debt to be refunded by the 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 Bonds;
  - c. Establish the terms of the Bonds as provided in the resolution (including issuing such bonds in one or more separate series (tax-exempt and/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 the Bonds to an underwriting team and execute a Bond purchase agreement.

### **Board Consideration**

In 2003, the LCRA Board, at the request of LCRA TSC, adopted an amended and restated Controlling Resolution establishing a contract revenue financing program whereby LCRA issues Bonds on behalf of LCRA TSC that are secured by a lien on and a pledge of revenues paid by LCRA TSC to LCRA. The amended and restated Controlling Resolution requires the Board to deliver a resolution to LCRA approving the Bonds.

## **Budget Status and Fiscal Impact**

The fiscal year 2022 LCRA TSC business plan anticipates the refunding of a portion of the short-term debt. Based on current market conditions and historically low interest rates, the refunding will be advantageous, increase flexibility on the timing of future financings and provide low-cost and long-term funds. The FY 2022 LCRA TSC business plan anticipates the issuance of about \$340 million of short-term obligations to fund LCRA TSC's ongoing capital plan in FY 2022.

## **Summary**

With this action, the Board will approve the Bonds issued for the purpose of current refunding of certain LCRA TSC commercial paper and revolving notes in an amount not to exceed \$250 million, establishing one or more debt service reserve funds for the Bonds, and paying for the issuance costs related to the Bonds. The Board also will approve the execution of documents necessary for the sale of the Bonds further described below.

## **Background**

The Thirty-seventh Supplement is a supplemental resolution to the Controlling Resolution adopted by the Board in 2001 and readopted in 2003. The Thirty-seventh Supplement authorizes the Bonds, approves the forms of the ancillary agreements relating to such Bonds and delegates to the president and chief executive officer, and/or the treasurer and chief financial officer, authority to set the specific terms of such Bonds (including maturity, amortization, interest rates, redemption provisions, etc.) according to parameters set forth in the resolution. The Thirty-seventh Supplement also requires an officer of LCRA TSC to agree to the specific terms of the Bonds. The Controlling Resolution, the Thirty-seventh Supplement, and the pricing certificate of the LCRA officer and the LCRA TSC officer establishing the terms of the Bonds together constitute the authorization of such Bonds.

The 2021A Installment Payment Agreement Supplement is a supplemental agreement to the Transmission Installment Payment Agreement between LCRA and LCRA TSC executed in 2003. The supplemental agreement provides for the arms-length obligation of LCRA TSC to pay LCRA the debt service associated with the Bonds and further provides for LCRA TSC's ownership of the projects financed or refinanced with the proceeds of the Bonds.

The bond purchase agreement is the contract among LCRA, LCRA TSC and the underwriters of the Bonds that establishes the terms of the sale and delivery of such Bonds from LCRA to such underwriters. This agreement provides for the conditions for closing on the Bonds, including required legal opinions, and provides for certain limited events that may terminate LCRA's obligation to deliver and/or the underwriters' obligation to accept the Bonds at closing.

The paying agent/registrars agreement is the contract between LCRA and The Bank of New York Mellon Trust Company NA setting forth the rights, duties and obligations of the two parties under which such bank will act as the paying agent and registrar for the Bonds. The bank will provide paying agent and transfer agent services, maintain registration books, and facilitate providing certain notices for the Bonds, among other services.



The official statement is the document that provides disclosure to prospective investors regarding the terms of the Bonds, security, risk factors, and financing and operating information of LCRA TSC.

**Use of Proceeds**

Proceeds from the Bonds will be used to refund certain LCRA TSC commercial paper notes and revolving notes, establish a debt service reserve fund for the Bonds, and pay for issuance costs.

LCRA and LCRA TSC have authorized the issuance of commercial paper and revolving notes under programs backed by three separate credit facilities. Periodically, staff recommends refunding short-term, variable-rate debt with long-term, fixed-rate debt when market conditions are favorable and the short-term debt credit facilities approach their maximum capacity. In addition, staff periodically recommends refunding existing long-term debt with new long-term debt to capture interest rate savings and/or adjust the debt structure to benefit LCRA TSC customers.

Staff currently expects the Bonds to be sold and delivered in the fall of 2021, subject to the approving opinions of the Office of the Attorney General and bond counsel.

**Presenter(s)**

Jim Travis

Treasurer and Chief Financial Officer

## **FOR ACTION**

# **6. Acquisition of Interests in Real Property – Use of Eminent Domain in Kerr and Gillespie Counties**

### **Proposed Motion**

I move that the Board of Directors of LCRA Transmission Services Corporation adopt the attached resolution; that the Board authorize by record vote the use of the power of eminent domain to acquire rights in the properties described in Exhibit 1 to the resolution for the acquisition of easements for the Mountain Home Substation and Transmission Line Addition project to provide for the reliable transmission of electric energy and, on behalf of LCRA and at LCRA's expense, to provide for communications and to facilitate broadband services on the Mountain Home to Hunt (T677) and Headwaters to Mountain Home (T678) transmission lines; and that the first record vote applies to all units of property to be condemned.

### **Board Consideration**

LCRA Transmission Services Corporation Board Policy T401 – Land Resources and Section 2206.053 of the Texas Government Code require Board authorization prior to the initiation of eminent domain proceedings.

Section 2206.053 of the Texas Government Code provides that if two or more Board members object to adopting a single resolution for all units of property, a separate record vote must be taken for each unit of property. If two or more units of real property are owned by the same person, those units may be treated as one unit of property.

LCRA utilizes LCRA Transmission Services Corporation to provide LCRA with fiberoptic communications and broadband services at LCRA's expense pursuant to LCRA Board Policy 220.20 and Section 8503.032 of the Special District Local Laws Code.

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

The acquisition costs were included in the Board-approved budget for the Mountain Home Substation and Transmission Line Addition project.

### **Summary**

LCRA TSC proposes to acquire transmission line easements in Kerr and Gillespie counties for the Mountain Home Substation and Transmission Line Addition project. Kokel-Oberrender-Wood Appraisals performed independent appraisals of the interests in real properties to be acquired to determine just compensation to the landowners.

Staff made initial offers to acquire the necessary interests in real property voluntarily from the landowners listed on Exhibit C, as required by Section 21.0113 of the Texas Property Code. Staff will continue to negotiate for the purchase of the interests in real property. Staff seeks Board authorization to proceed with condemnation if agreements cannot be reached with the landowners.

Staff has provided to the Board a description of the specific properties to be acquired and will attach the description to the resolution.

LCRA TSC representatives performed environmental and cultural due diligence studies and did not identify any concerns. Staff requests the Board adopt the resolution in Exhibit D authorizing the initiation of condemnation proceedings on the first record vote for all units of property.

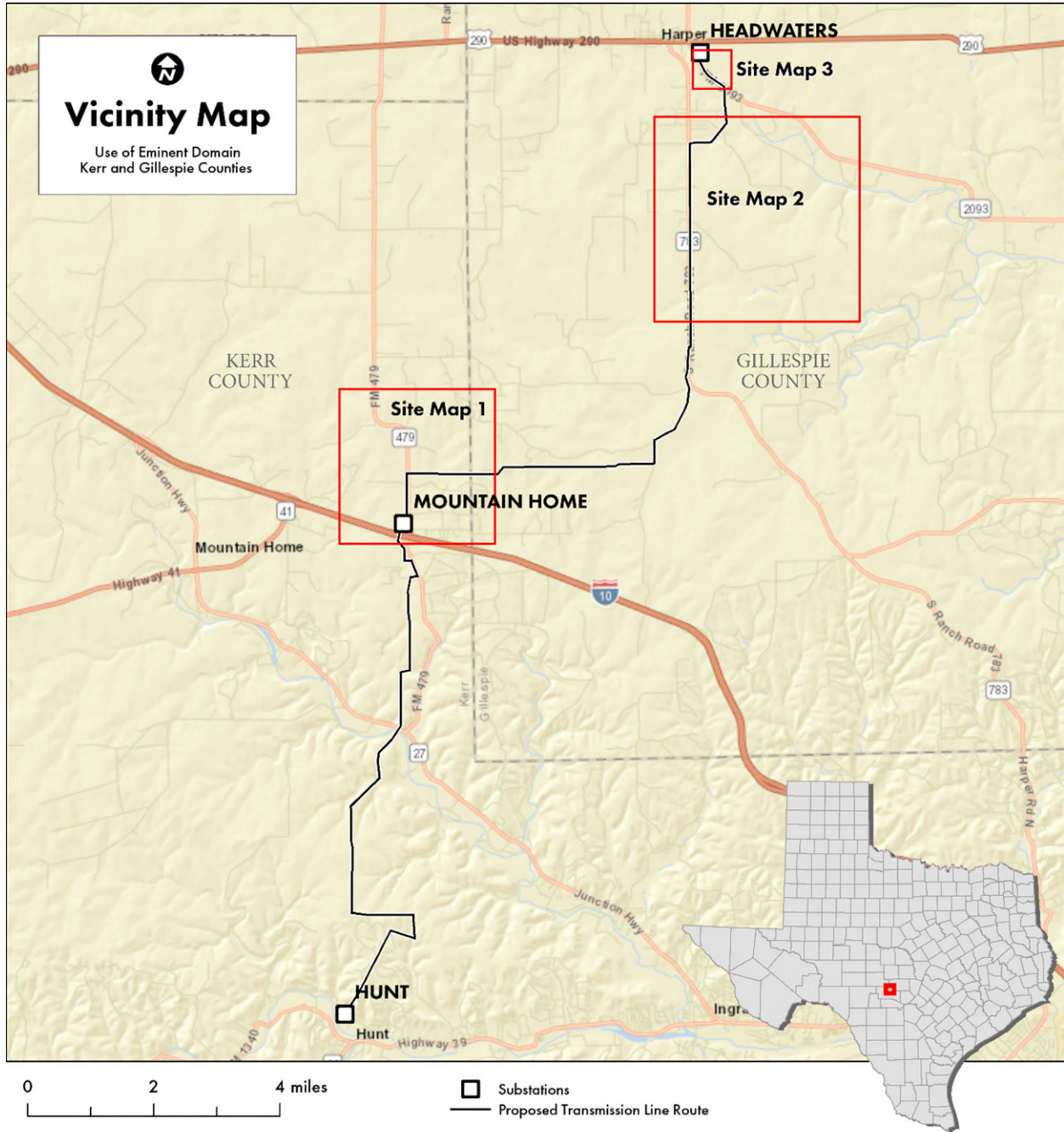
**Presenter(s)**

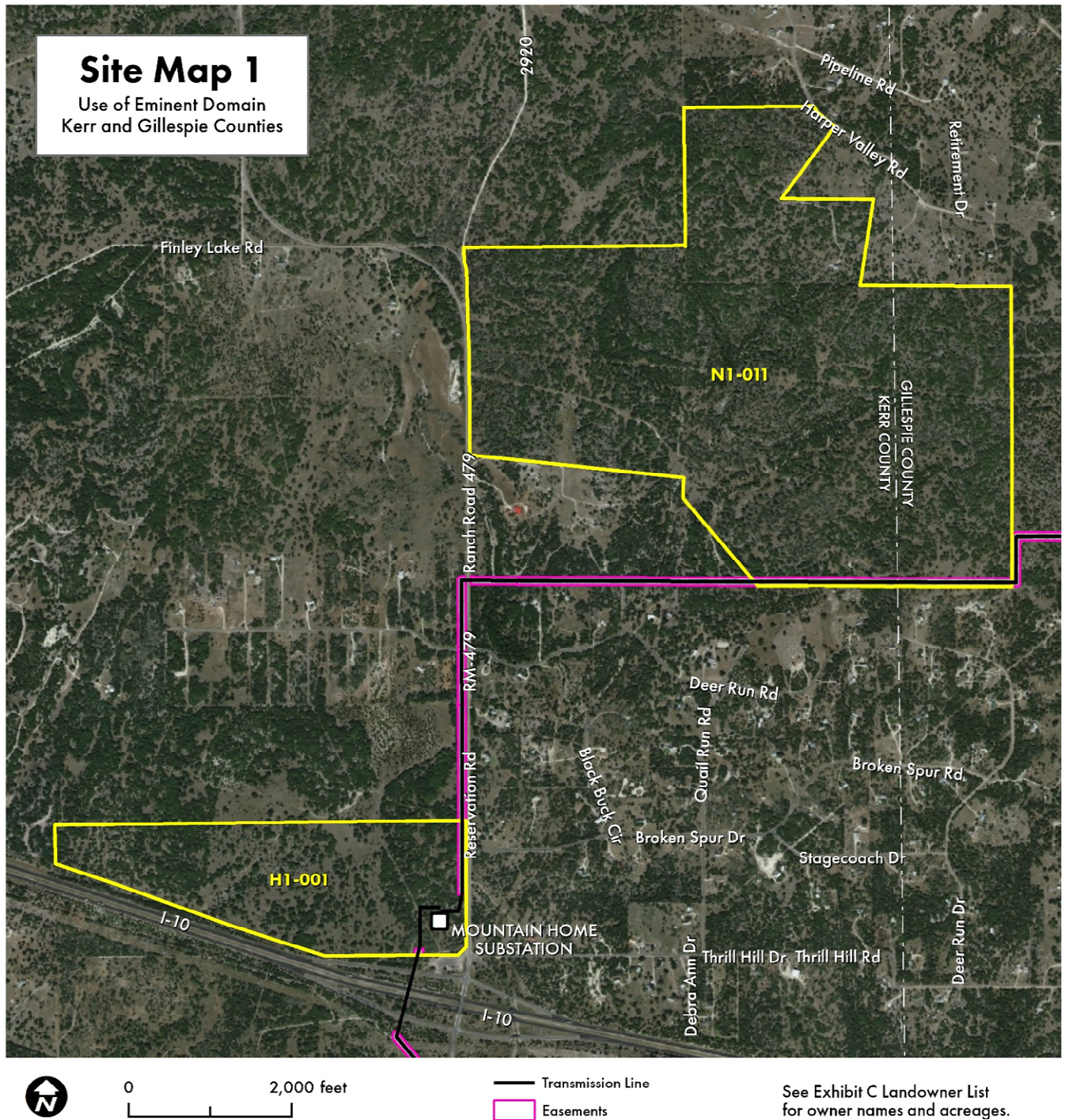
Mark Sumrall  
Director, Real Estate Services

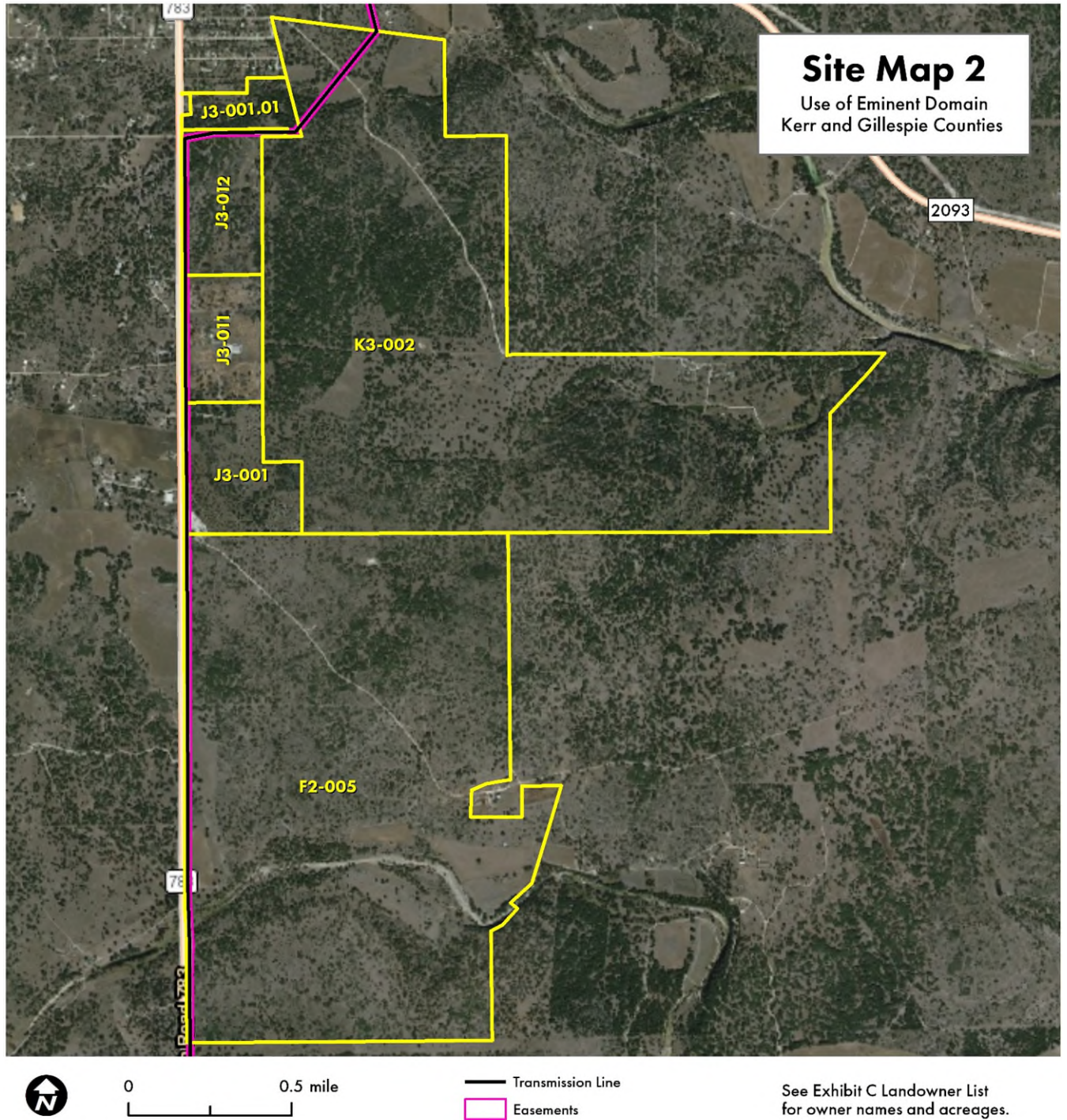
**Exhibit(s)**

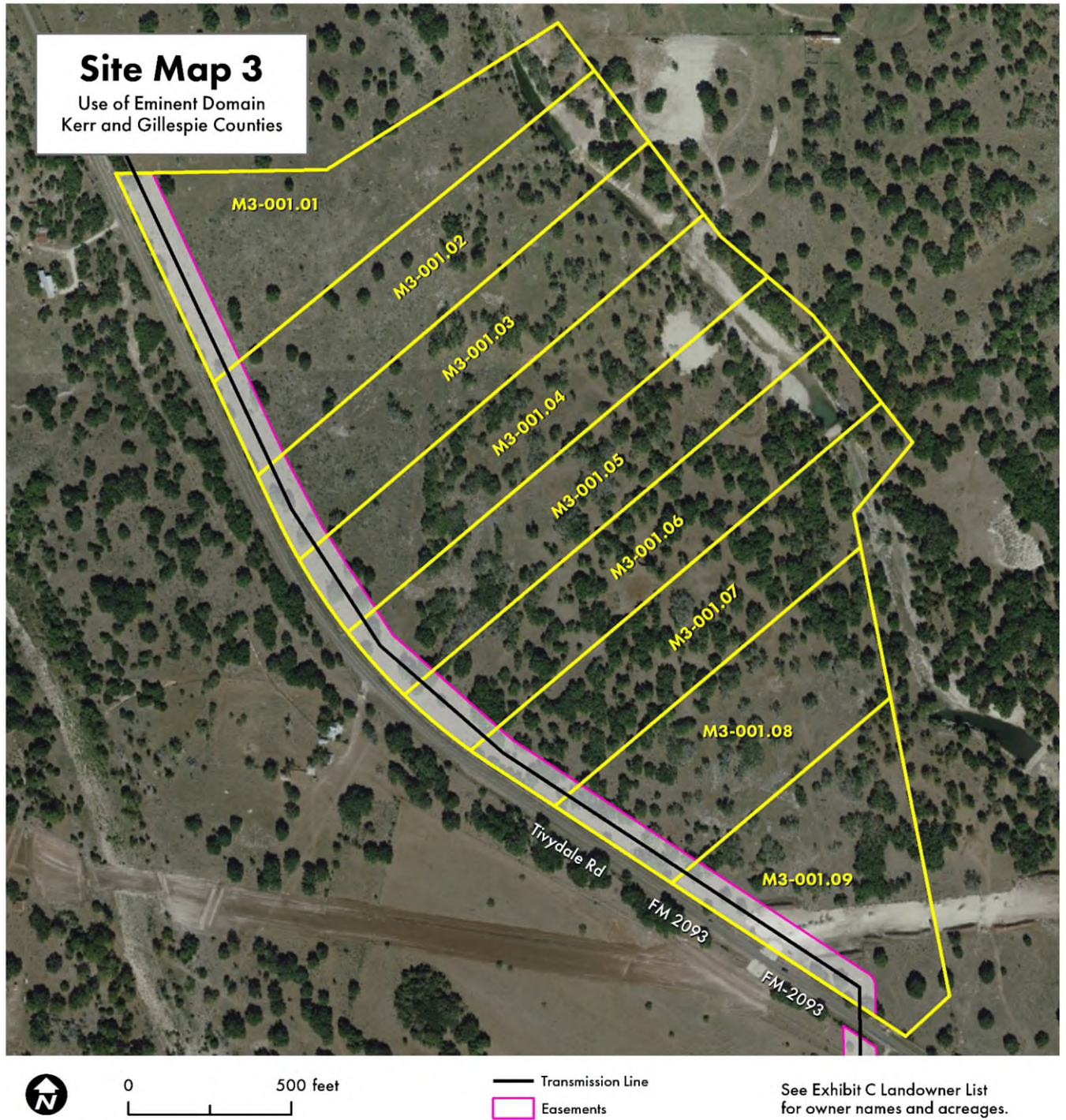
- A – Vicinity Map
- B – Site Maps
- C – Landowner List
- D – Resolution
- 1 – Description of the Specific Properties

**EXHIBIT A**









**EXHIBIT C**

Page 1 of 1

<b>Parcel ID</b>	<b>Landowners</b>	<b>Approximate Parent Tract Acreage</b>	<b>Land Rights</b>	<b>Approximate Acquisition Acreage</b>	<b>County</b>	<b>Approximate Value</b>
H1-001	Lehmann, David A.	147.38 acres	Fee Simple Easement	10 acres 2.28 acres	Kerr	\$400,000
N1-011	TX7 Land, LLC	589.08 acres	Easement Temporary Easement	7.33 acres 0.34 acre	Kerr	\$120,000
F2-005	Drittelgeboren Limited	997.60 acres	Easement	18.97 acres	Gillespie	\$360,000
J3-001	Staudt, Sherwin R.	160 acres	Easement	4.90 acres	Gillespie	\$120,000
J3-011	Hollender, Victor H.	61 acres	Easement	4.74 acres	Gillespie	\$115,000
J3-012	The Dortha Fae Staudt Revocable Management Trust	71.4 acres	Easement Temporary Easement	8.91 acres 0.12 acre	Gillespie	\$145,000
J3-001.01	Staudt, Sherwin R. & Dortha Fae Staudt	50 acres	Easement Temporary Easement	0.60 acre 0.31 acre	Gillespie	\$35,000
K3-002	Pecan Springs Ranch, LLC	1028 acres	Easement Temporary Easement	4.56 acres 0.87 acre	Gillespie	\$230,000
M3-001.09	Valley Financing, LLC	10.01 acres	Easement Temporary Easement	1.61 acres 0.54 acre	Gillespie	\$45,000
M3-001.08	Notes Etc, LLC	10.00 acres	Easement	0.98 acre	Gillespie	\$40,000
M3-001.07	John Jackson McClelland, Jr.	10.2 acres	Easement	0.71 acre	Gillespie	\$55,000
M3-001.06	J&DMC Investments, LLC	10.06 acres	Easement	0.69 acre	Gillespie	\$55,000
M3-001.05	J&DMC Properties, LLC	10.23 acres	Easement	0.65 acre	Gillespie	\$50,000
M3-001.04	J&DMC Management, LLC	10.26 acres	Easement	0.71 acre	Gillespie	\$50,000
M3-001.03	Gentry Creek Ranches, LP	10.33 acres	Easement	0.68 acre	Gillespie	\$50,000
M3-001.02	Gentry Capital, LLC	10.32 acres	Easement	0.73 acre	Gillespie	\$53,000
M3-001.01	McClelland, Denise	11.50 acres	Easement	1.54 acres	Gillespie	\$80,000



**EXHIBIT D**

Page 1 of 2

**PROPOSED MOTION**

**I MOVE THAT THE BOARD OF DIRECTORS OF LCRA TRANSMISSION SERVICES CORPORATION ADOPT THE ATTACHED RESOLUTION; THAT THE BOARD AUTHORIZE BY RECORD VOTE THE USE OF THE POWER OF EMINENT DOMAIN TO ACQUIRE RIGHTS IN THE PROPERTIES DESCRIBED IN EXHIBIT 1 TO THE RESOLUTION FOR THE ACQUISITION OF EASEMENTS FOR THE MOUNTAIN HOME SUBSTATION AND TRANSMISSION LINE ADDITION PROJECT TO PROVIDE FOR THE RELIABLE TRANSMISSION OF ELECTRIC ENERGY AND, ON BEHALF OF LCRA AND AT LCRA'S EXPENSE, TO PROVIDE FOR COMMUNICATIONS AND TO FACILITATE BROADBAND SERVICES ON THE MOUNTAIN HOME TO HUNT (T677) AND HEADWATERS TO MOUNTAIN HOME (T678) TRANSMISSION LINES; AND THAT THE FIRST RECORD VOTE APPLIES TO ALL UNITS OF PROPERTY TO BE CONDEMNED.**

**RESOLUTION  
AUTHORIZING ACQUISITION OF INTERESTS IN REAL PROPERTY  
BY CONDEMNATION IN GILLESPIE AND KERR COUNTIES FOR  
TRANSMISSION LINE EASEMENTS.**

**WHEREAS**, LCRA Transmission Services Corporation has determined the need to acquire the interests in real property necessary for the public purposes of construction, operation and maintenance of electric transmission lines, communication lines and appurtenances thereto in Gillespie and Kerr counties;

**WHEREAS**, an independent, professional appraisal of the subject properties will be submitted to LCRA Transmission Services Corporation, and an amount will be established to be just compensation for the interests in real property to be acquired;

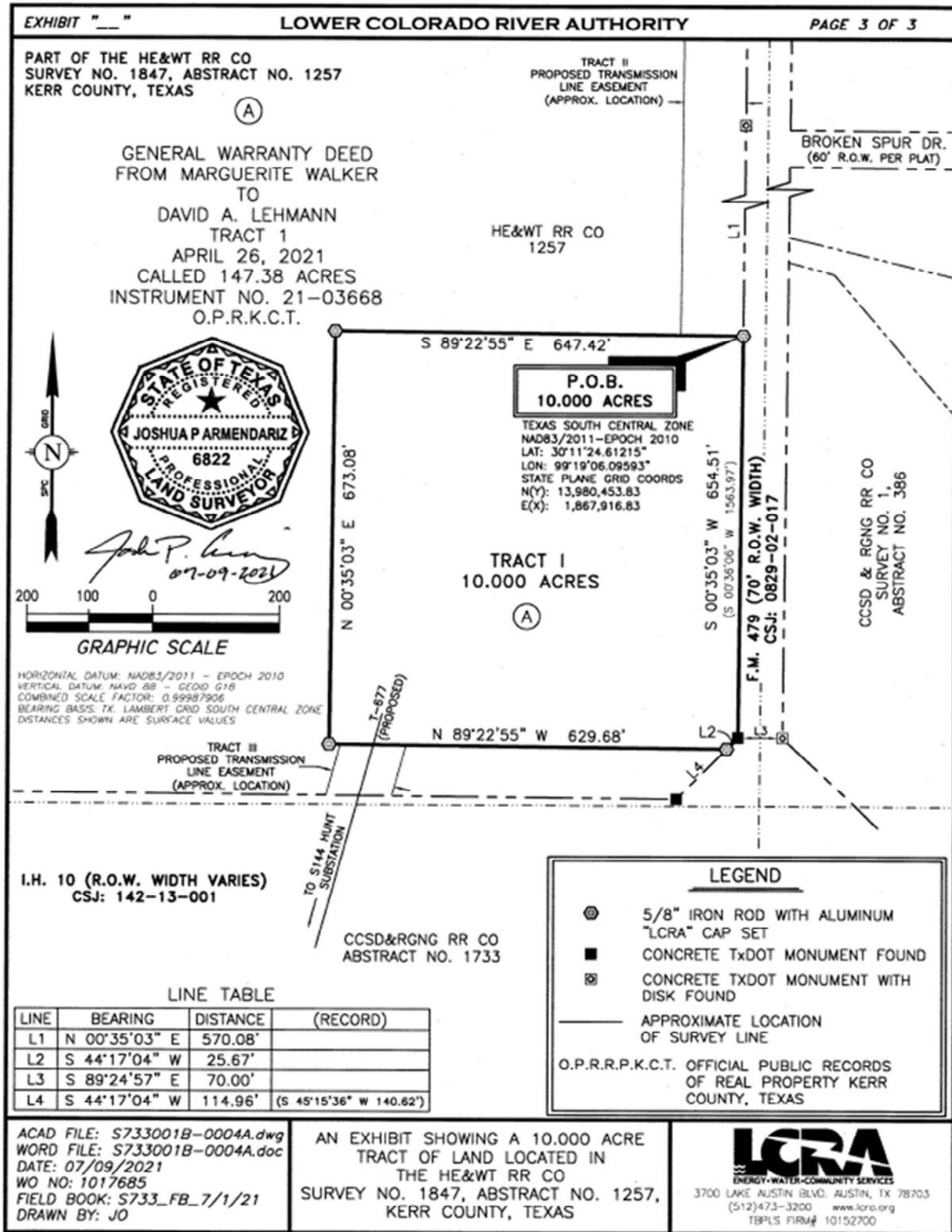
**NOW, THEREFORE, BE IT RESOLVED** that the president and chief executive officer or his designee is authorized to purchase the interests in real property from the landowner(s) listed in the attached Exhibit C for the Mountain Home Substation and Transmission Line Addition project, with the description of the location of and interest in the properties that LCRA Transmission Services Corporation seeks to acquire being more particularly described in maps provided to the Board and attached to this Resolution as Exhibit 1; that the public convenience and necessity requires the acquisition of the above-stated interests in real property; that the public necessity requires the condemnation of the interests in real property in order to acquire them for such purposes; that LCRA Transmission Services Corporation does not intend to acquire rights to groundwater or surface water in the land; that LCRA Transmission Services Corporation will make a bona fide offer to acquire the interests in real property from the landowner(s) voluntarily as required by Section 21.0113 of the Texas Property Code; and that at such time as LCRA Transmission Services Corporation has

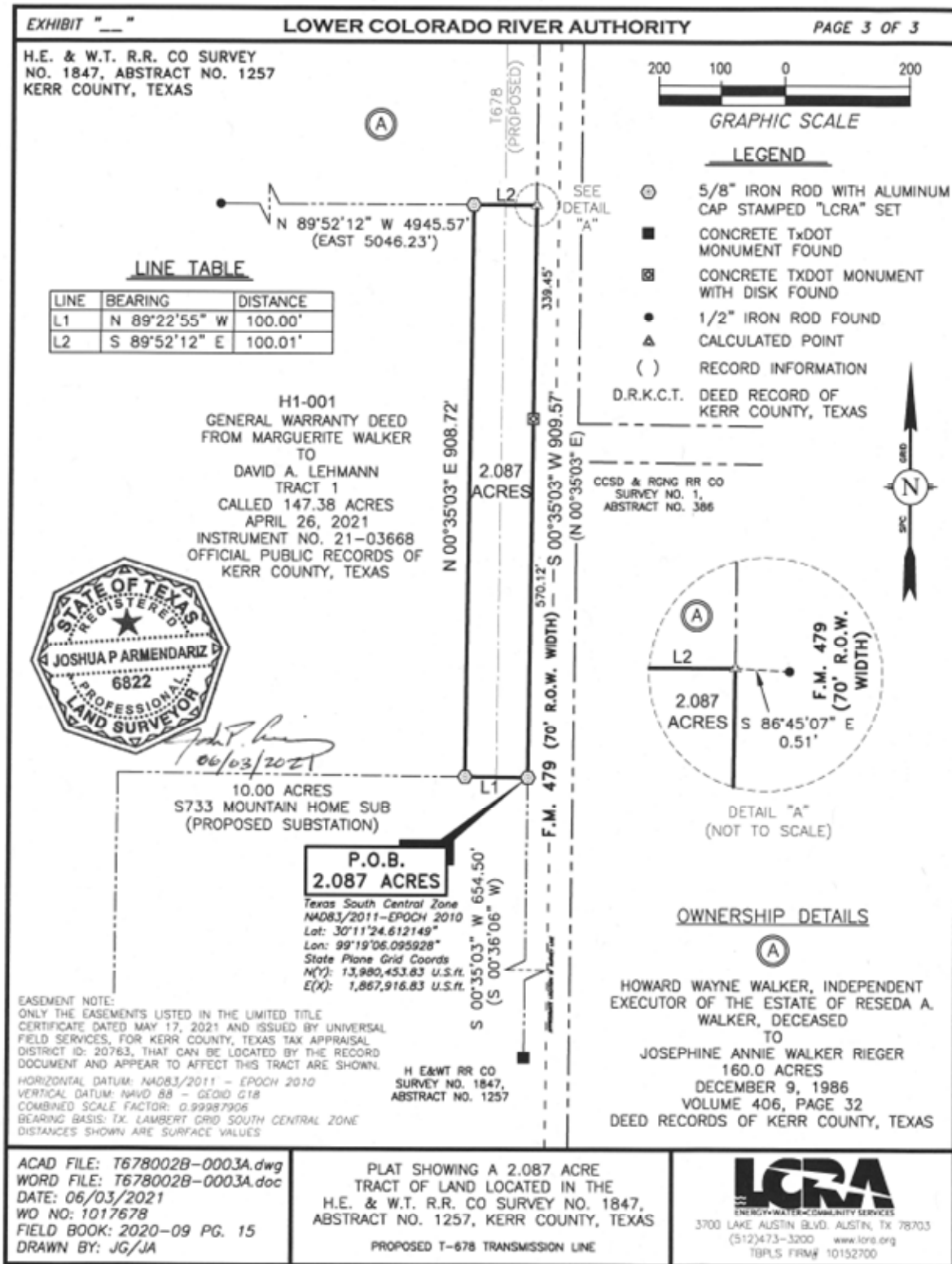
## **EXHIBIT D**

Page 2 of 2

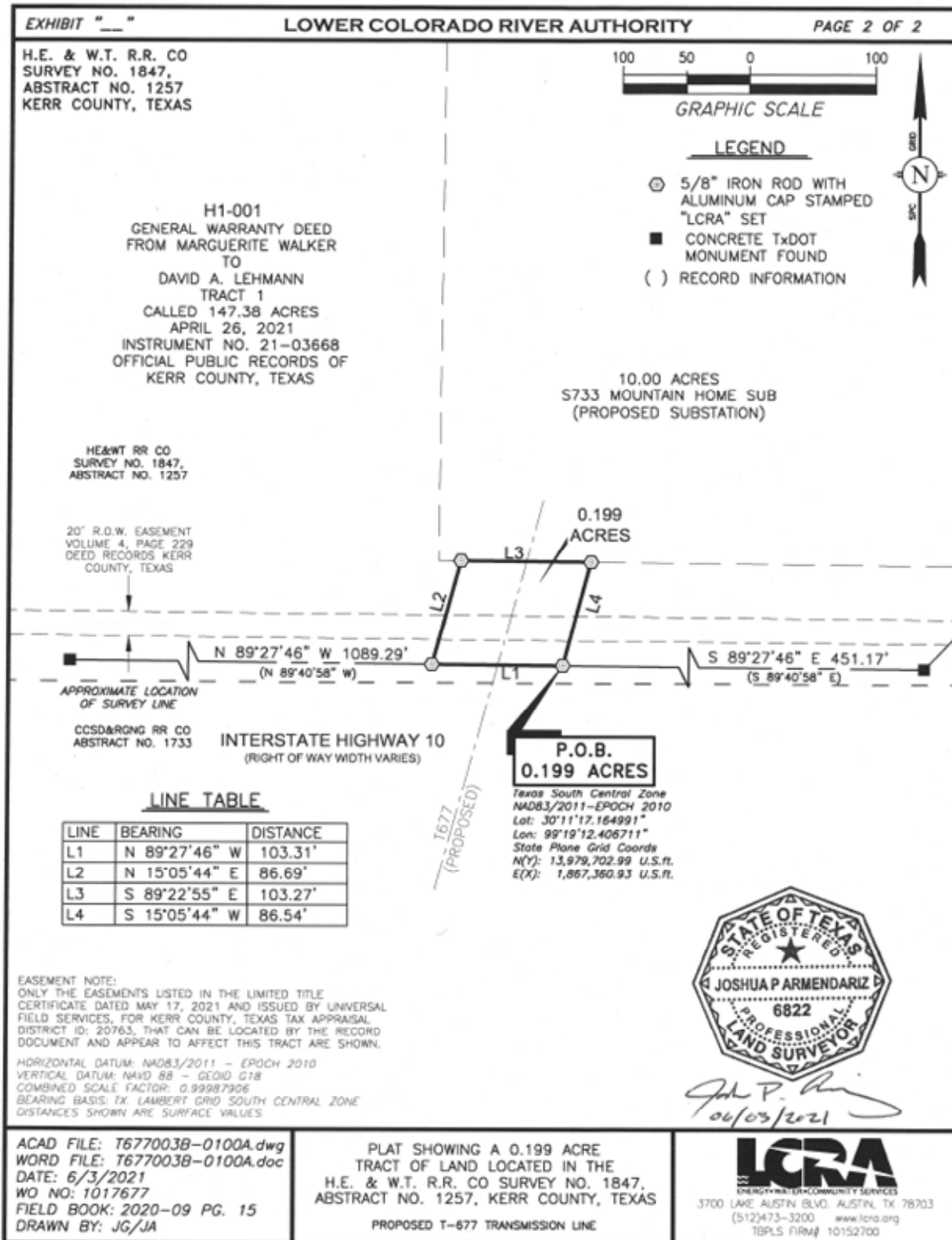
determined that the landowner(s) and LCRA Transmission Services Corporation will be unable to reach an agreement on the fair market value of the subject interests in real property and that it should appear that further negotiations for settlement with the landowner(s) would be futile, then the president and chief executive officer or his designee is authorized and directed to initiate condemnation proceedings against the owner(s) of the property, and against all other owners, lien holders, and other holders of an interest in the property, in order to acquire the necessary interests in real property; and that this resolution take effect immediately from and after its passage;

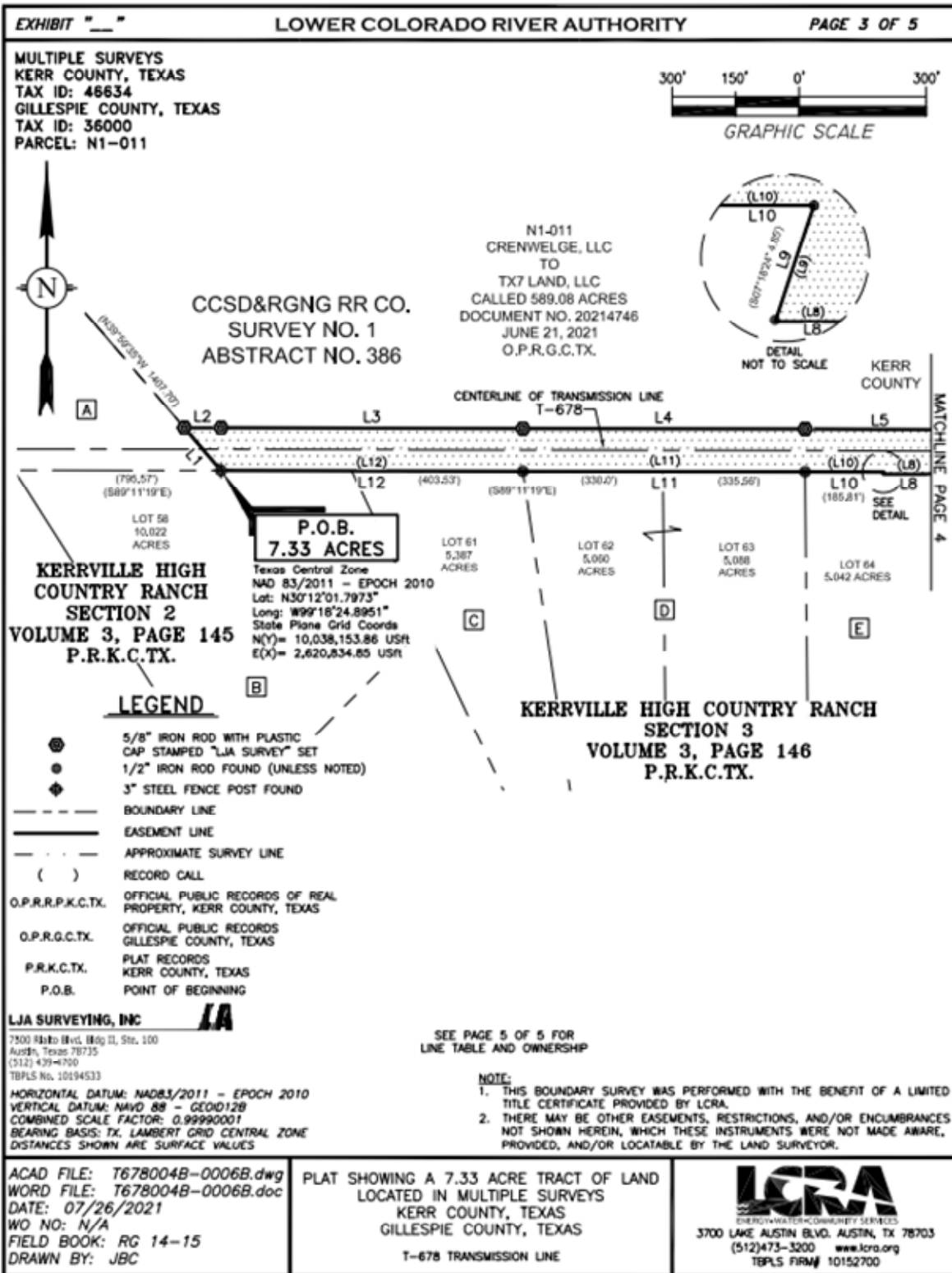
**BE IT FURTHER RESOLVED** that the president and chief executive officer or his designee is hereby authorized to do all things necessary and proper to carry out the intent and purpose of this resolution, including determination and negotiation of the interest in real property that are proper and convenient for the operation of the electric transmission line.

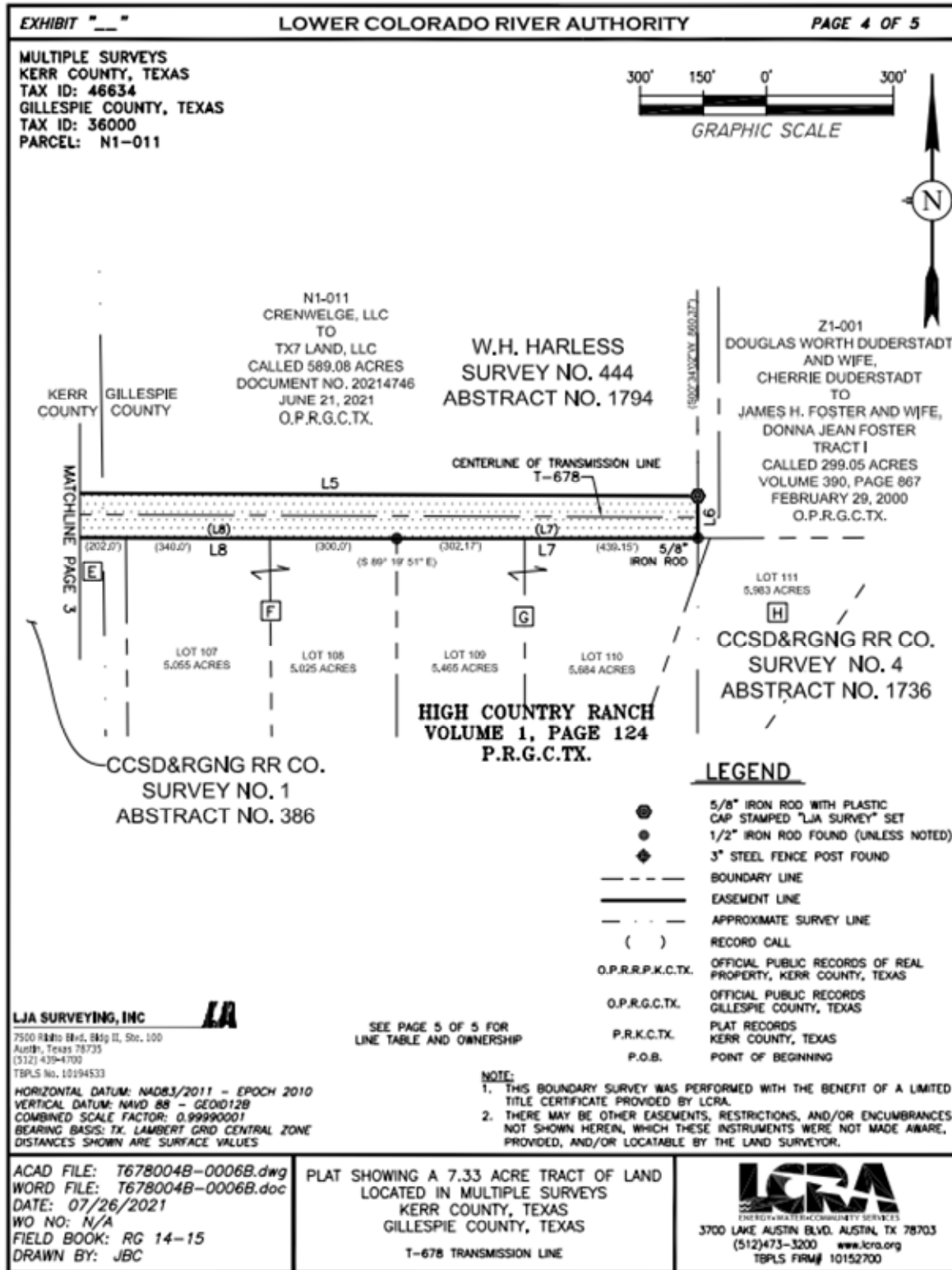


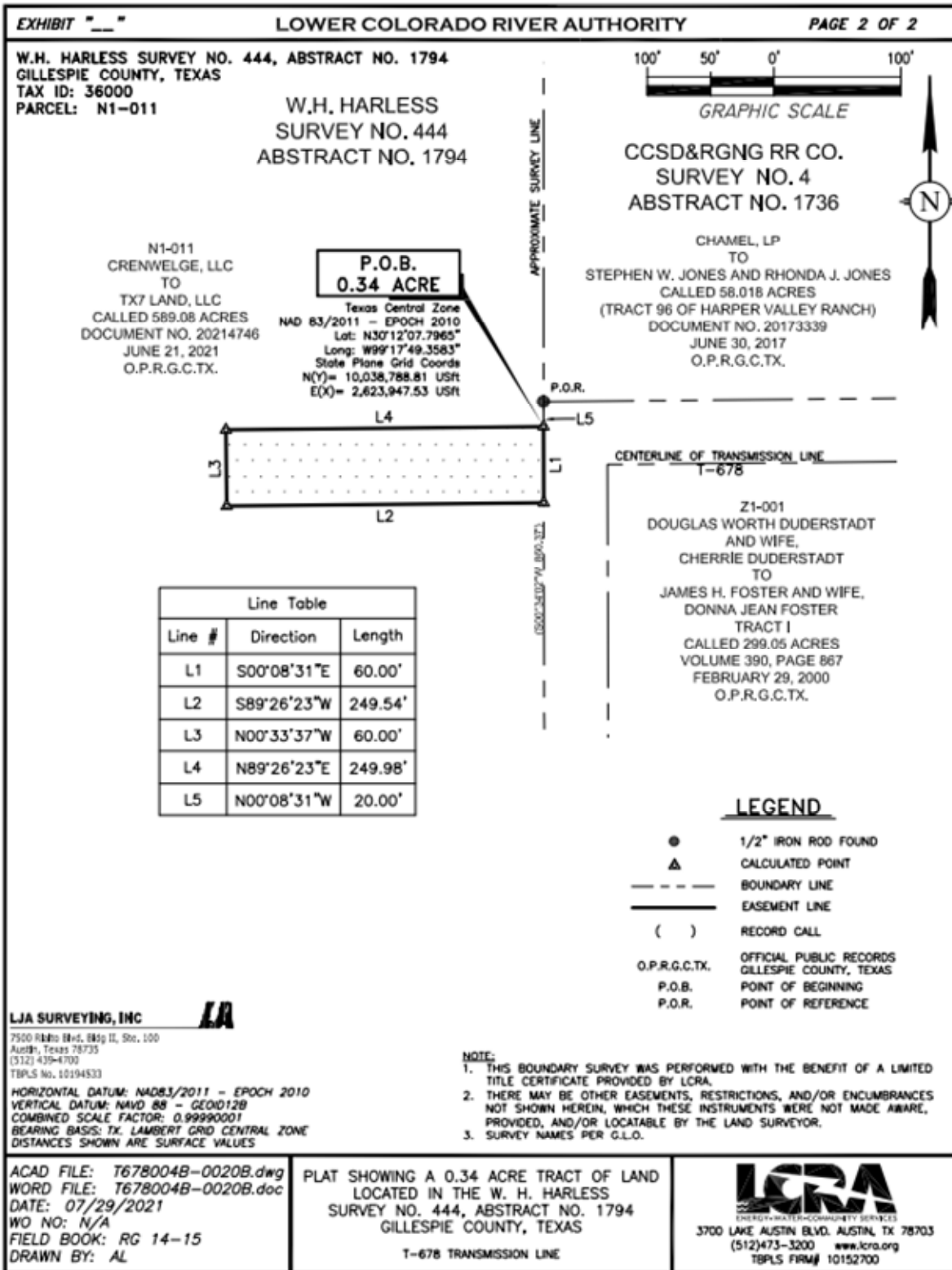


**EXHIBIT 1**  
Page 3 of 39



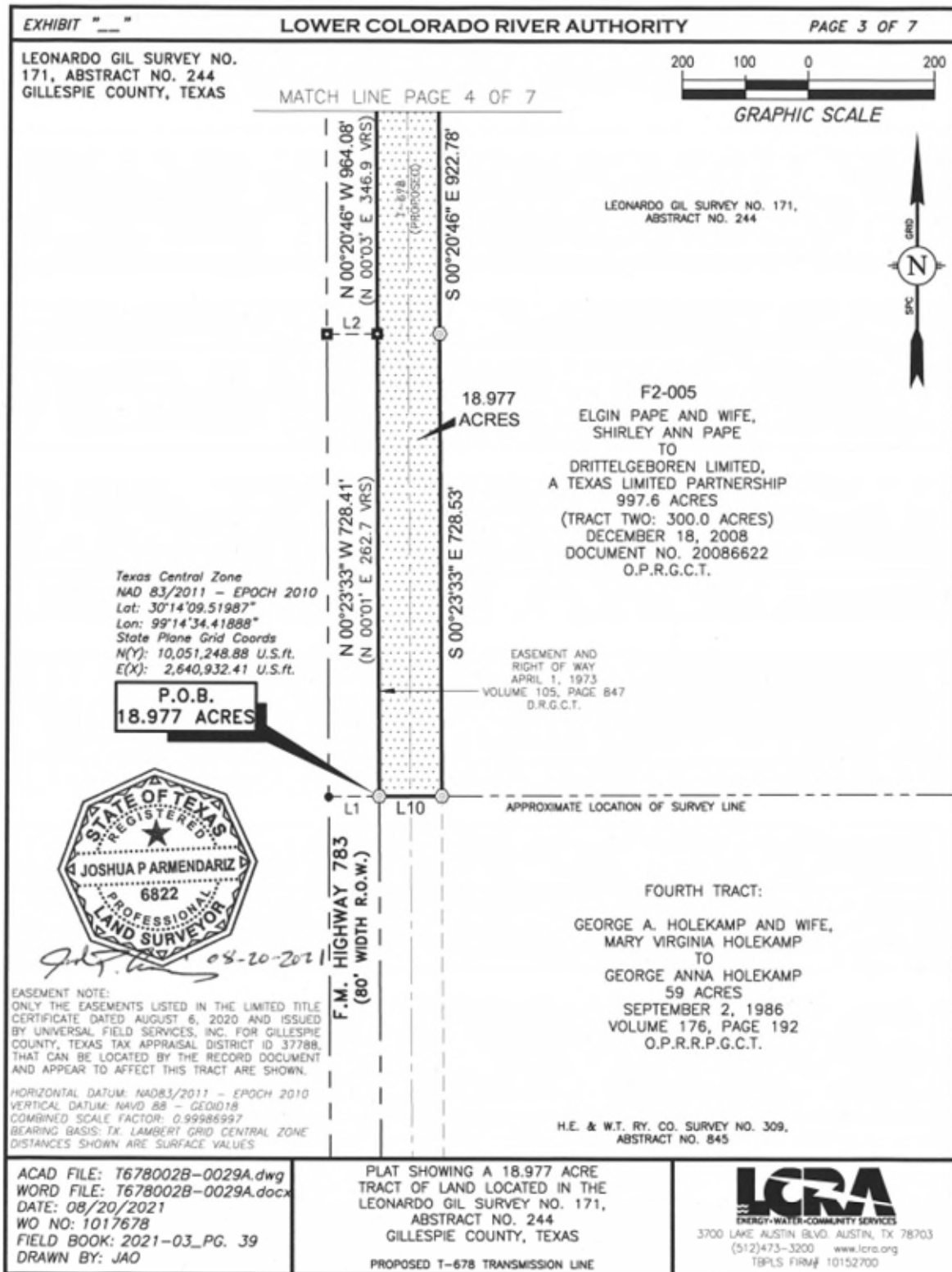




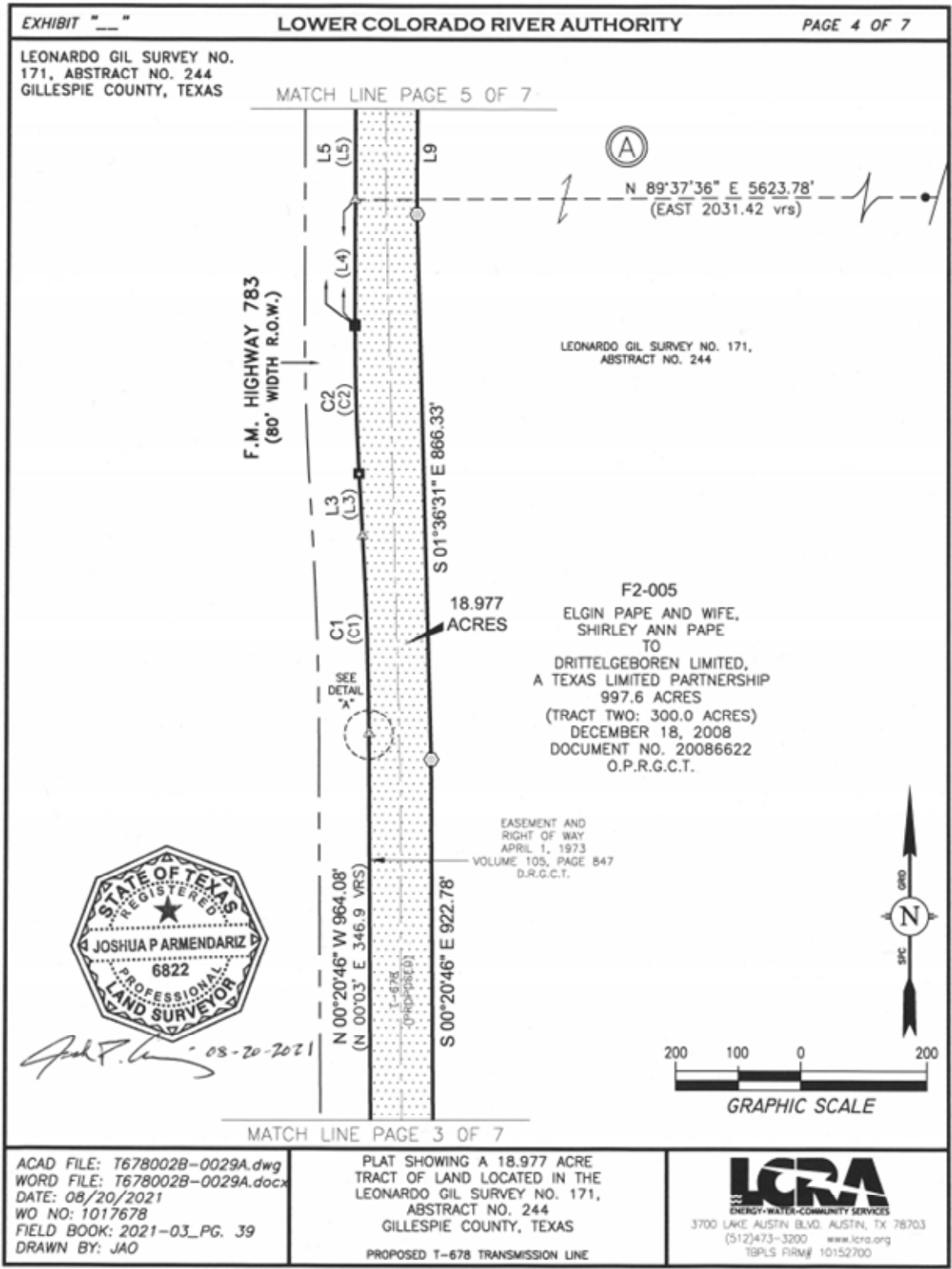


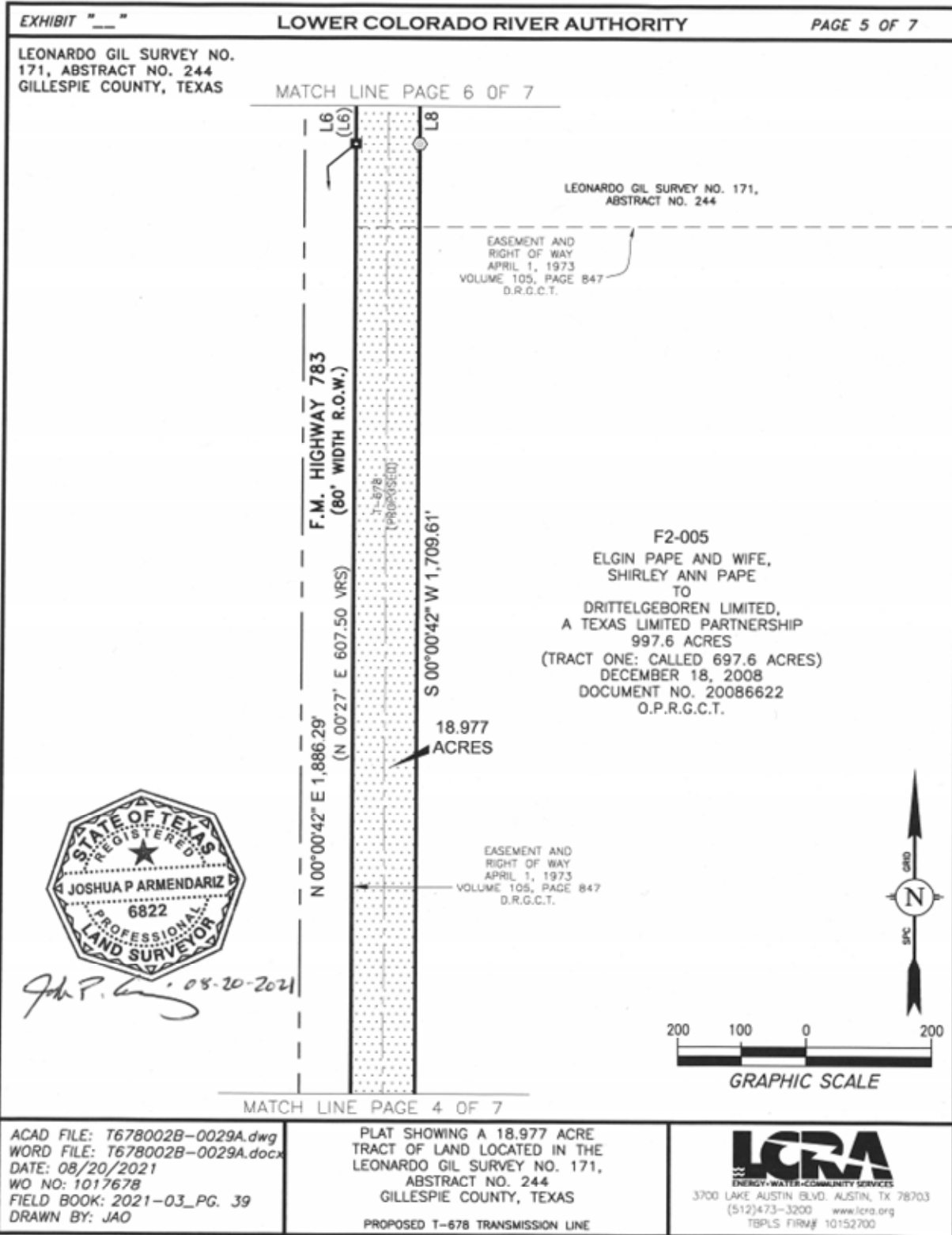


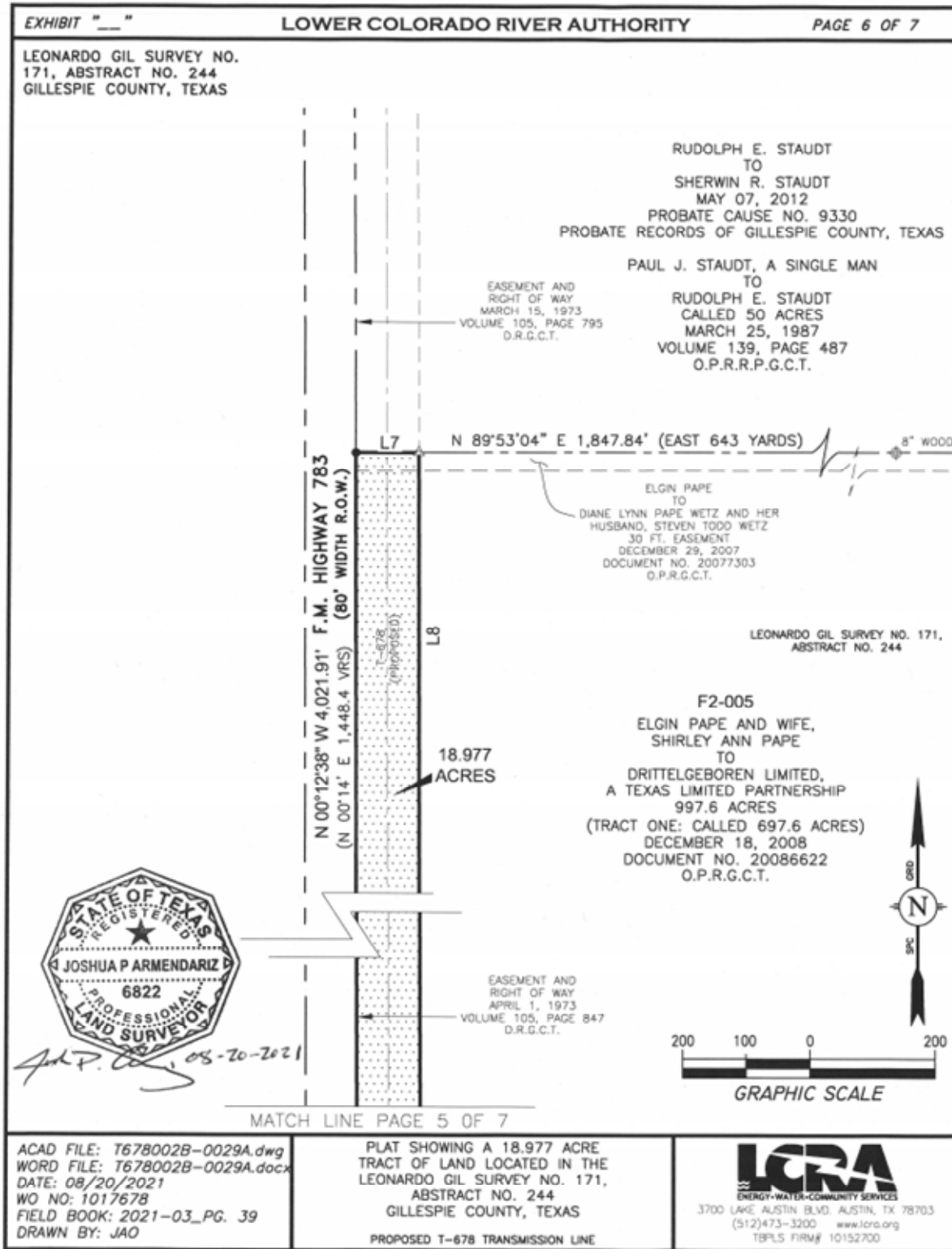
**EXHIBIT 1**  
Page 7 of 39

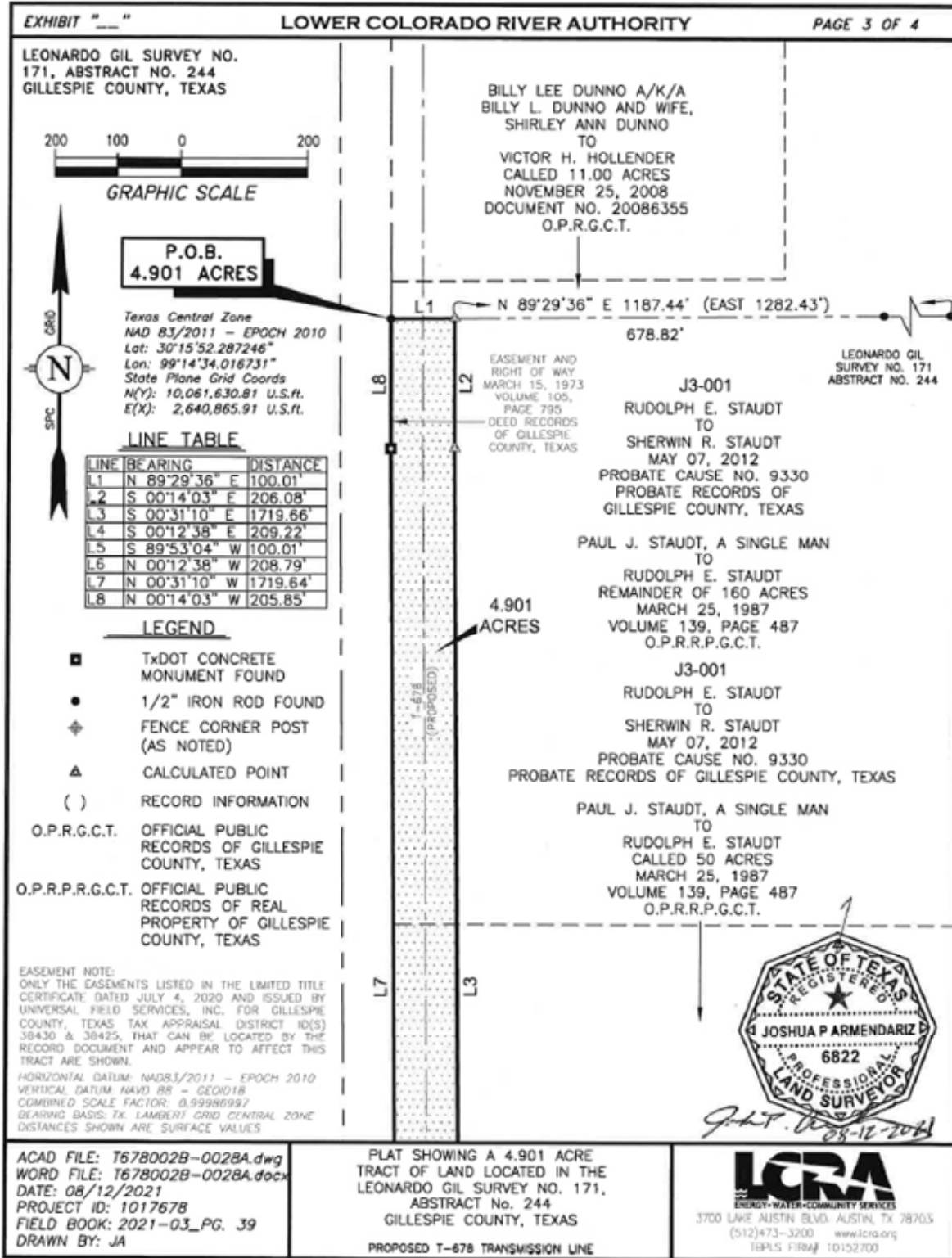


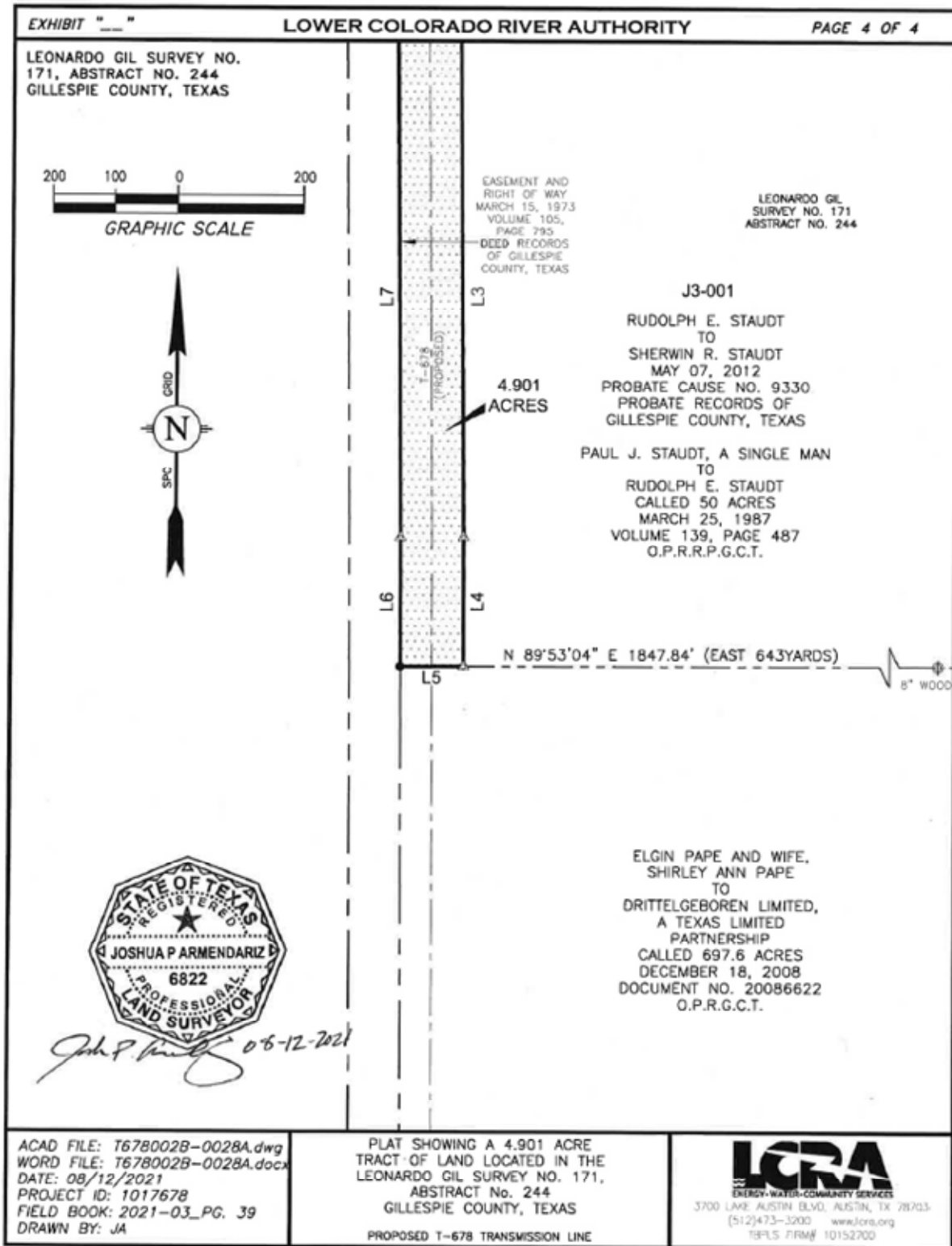
**EXHIBIT 1**  
Page 8 of 39

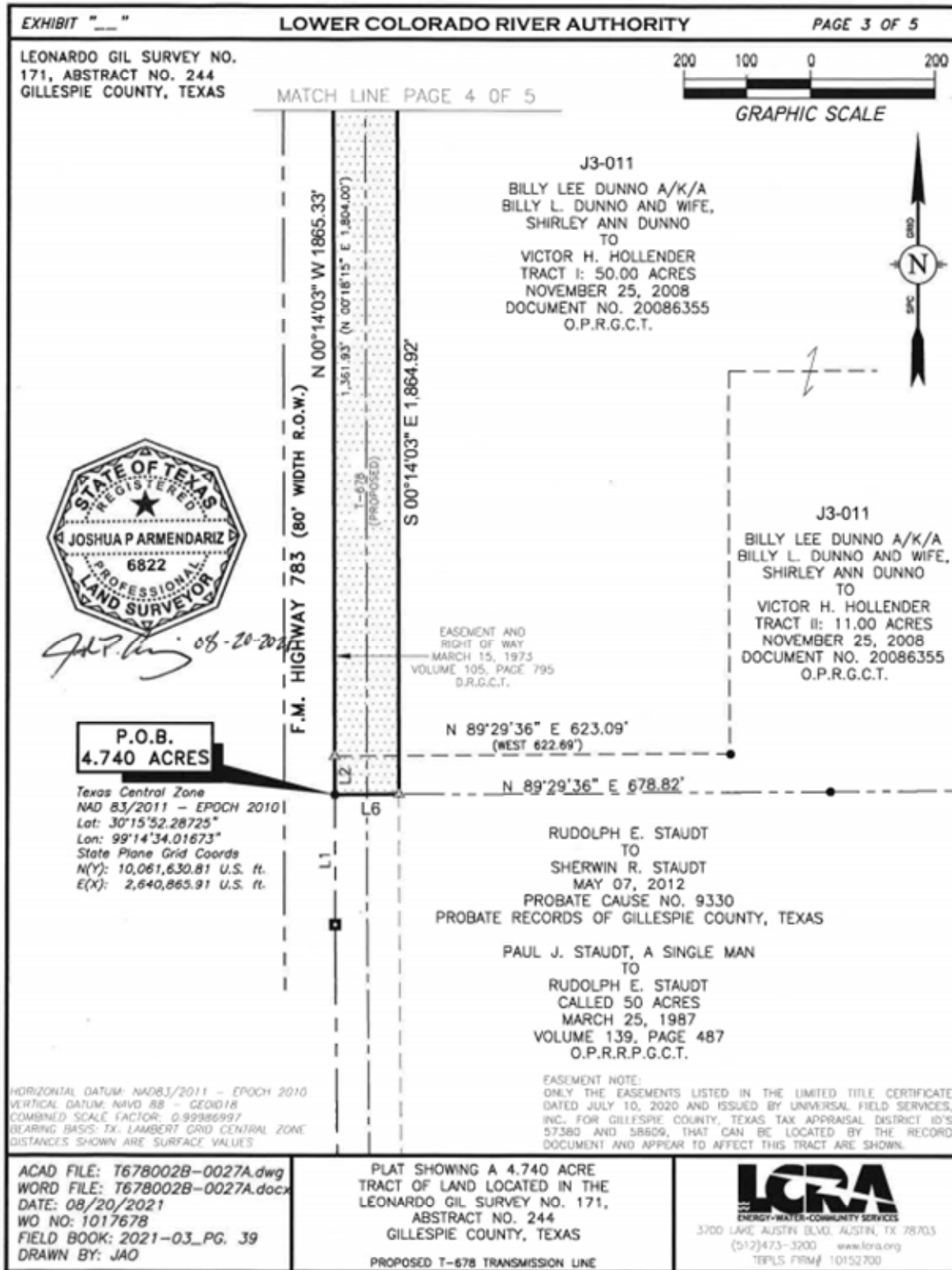




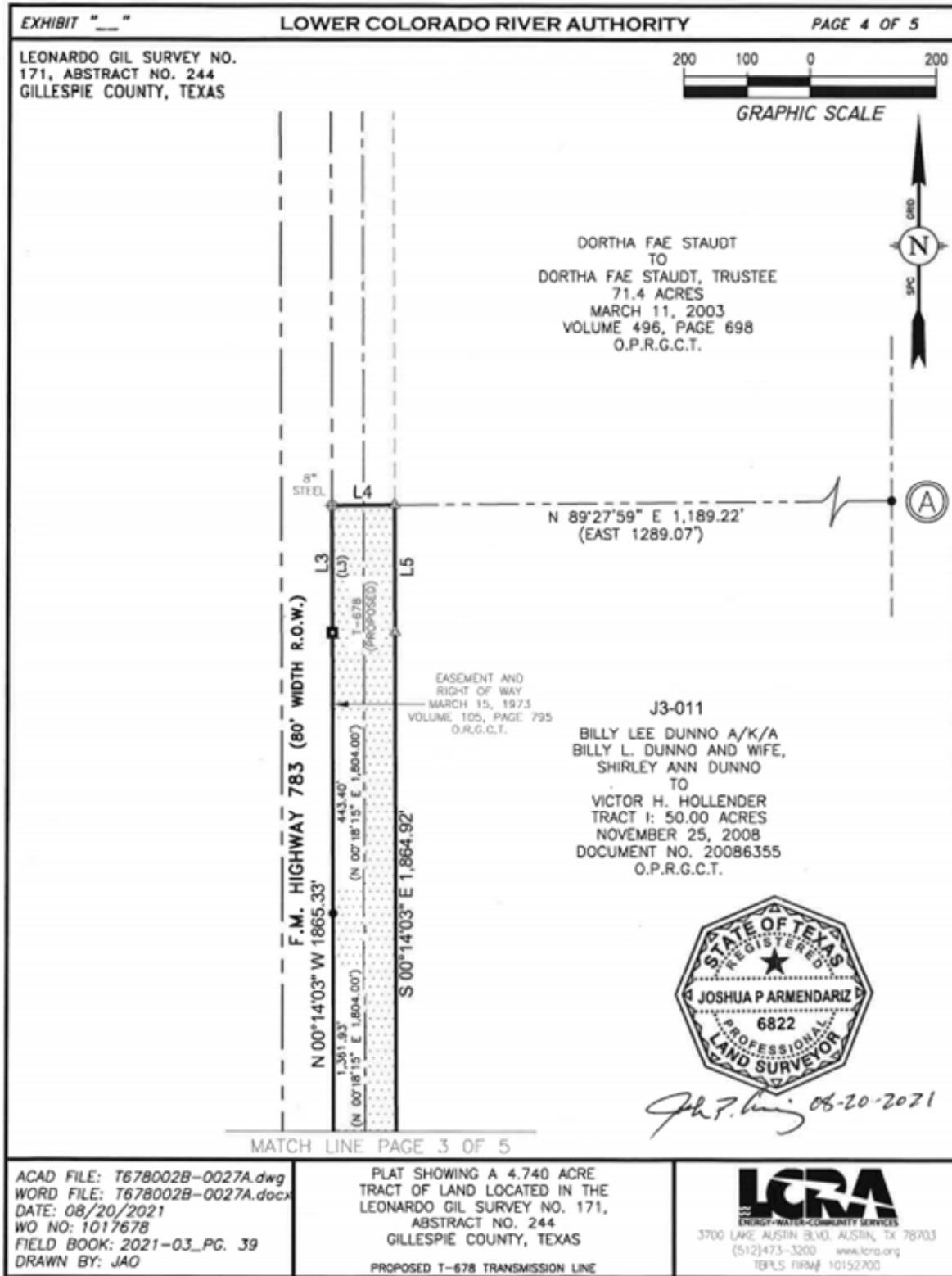






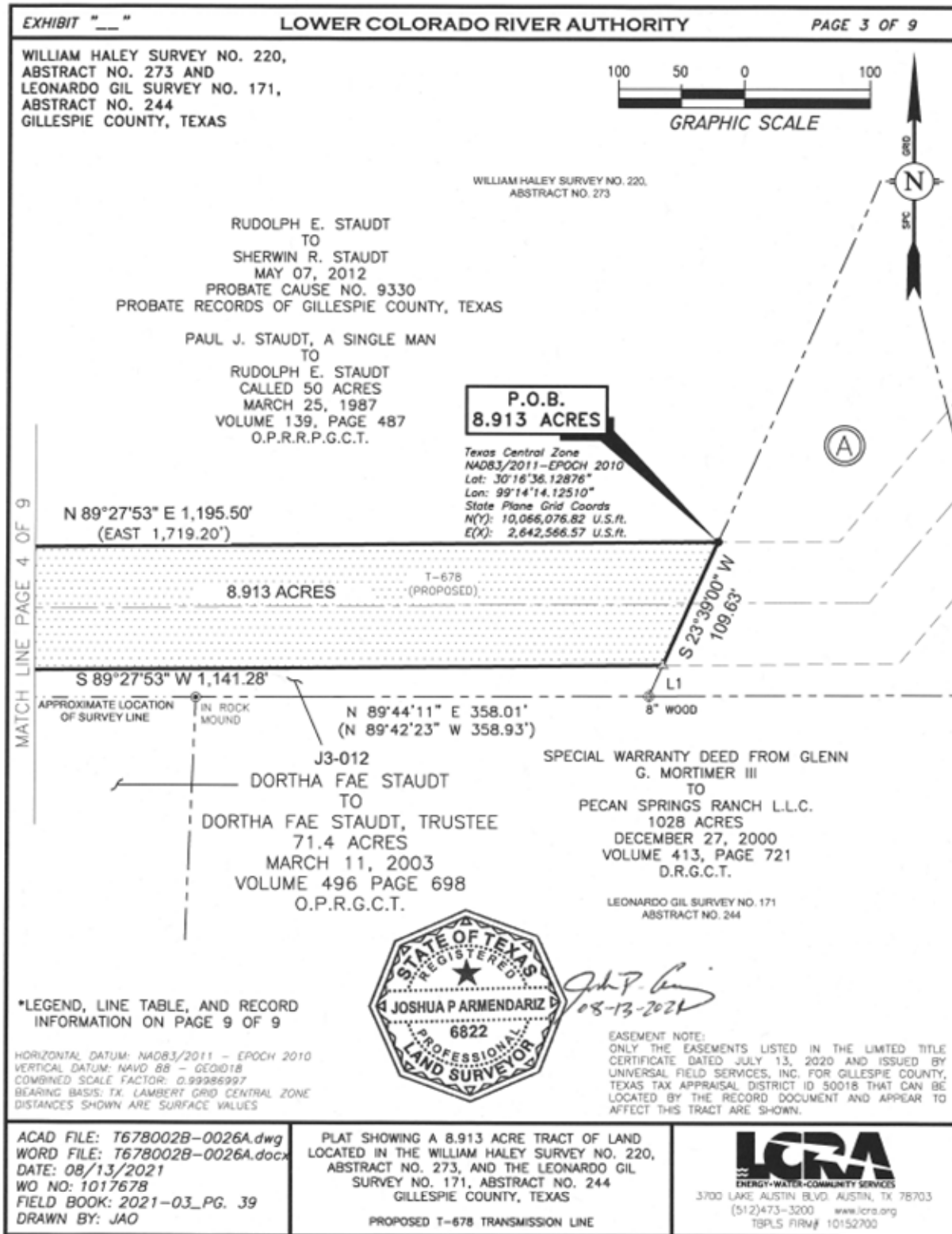


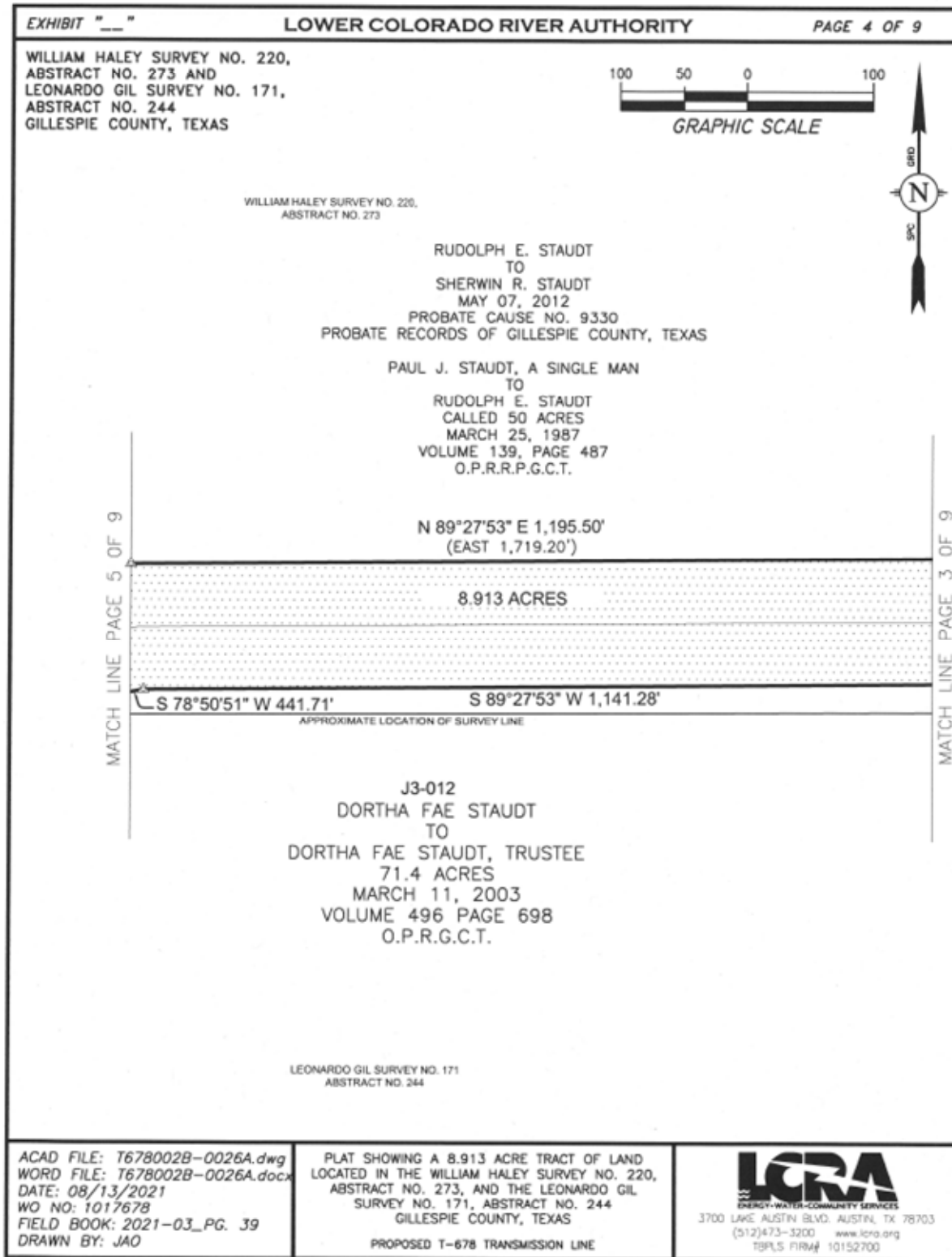
**EXHIBIT 1**  
Page 14 of 39



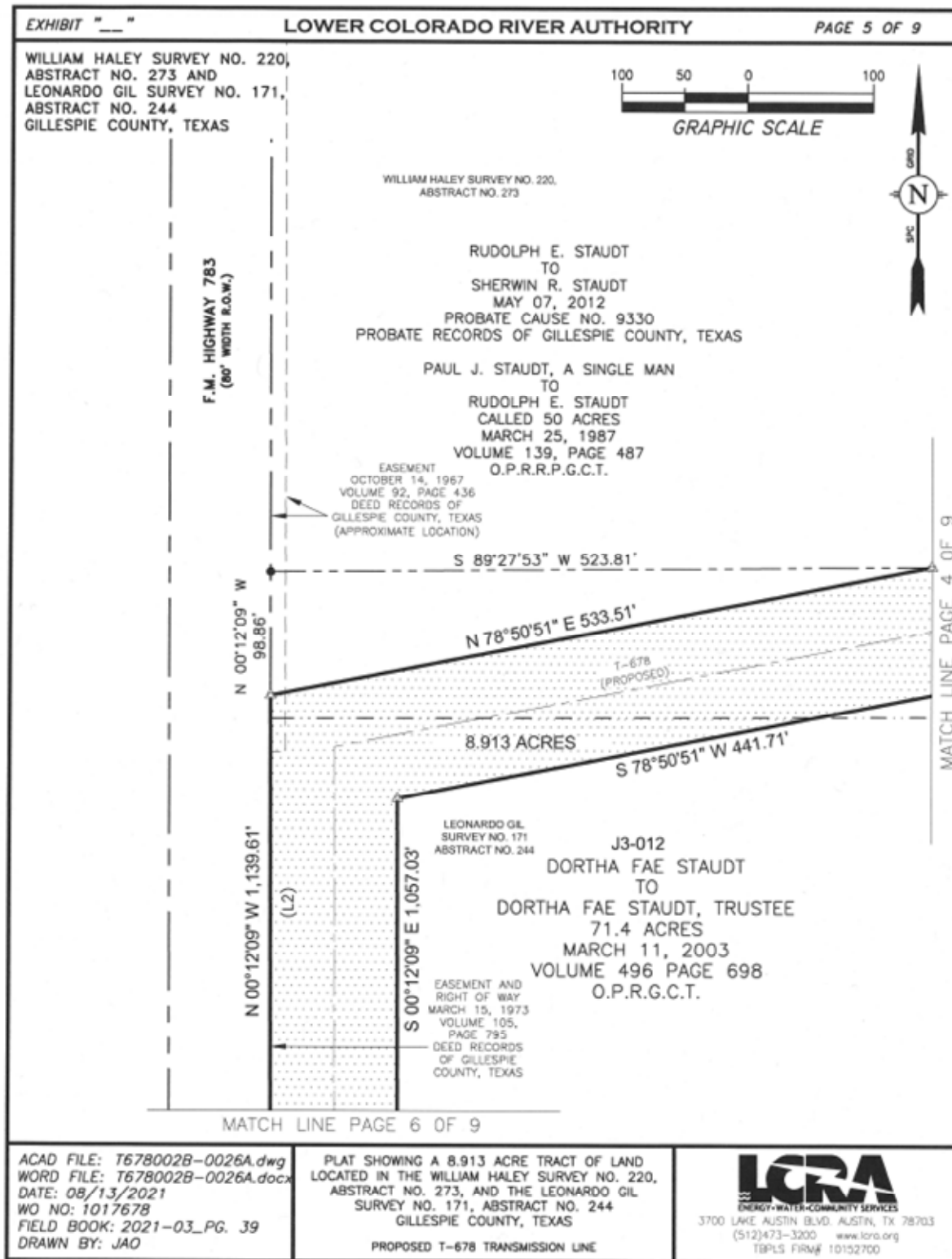


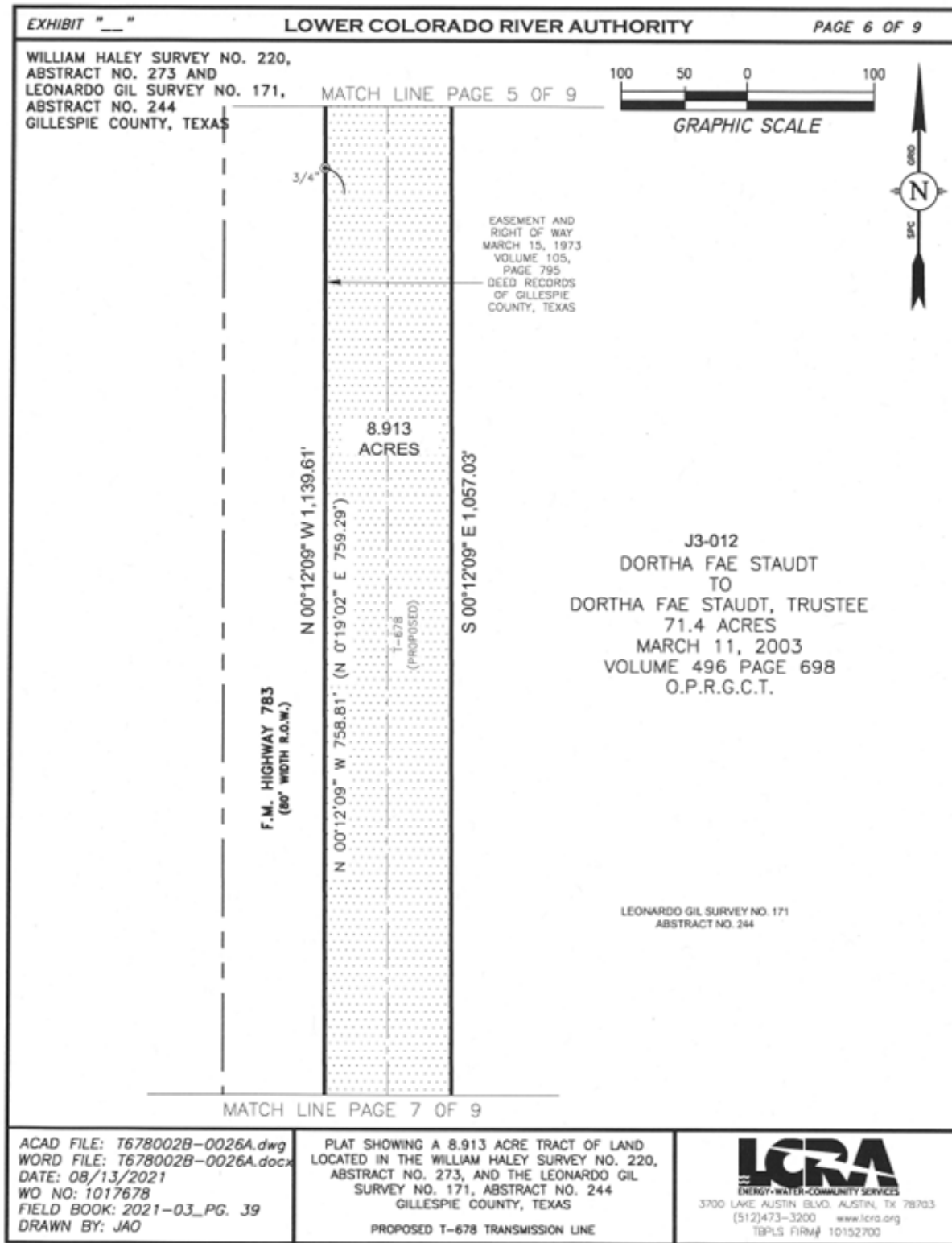
**EXHIBIT 1**  
Page 15 of 39



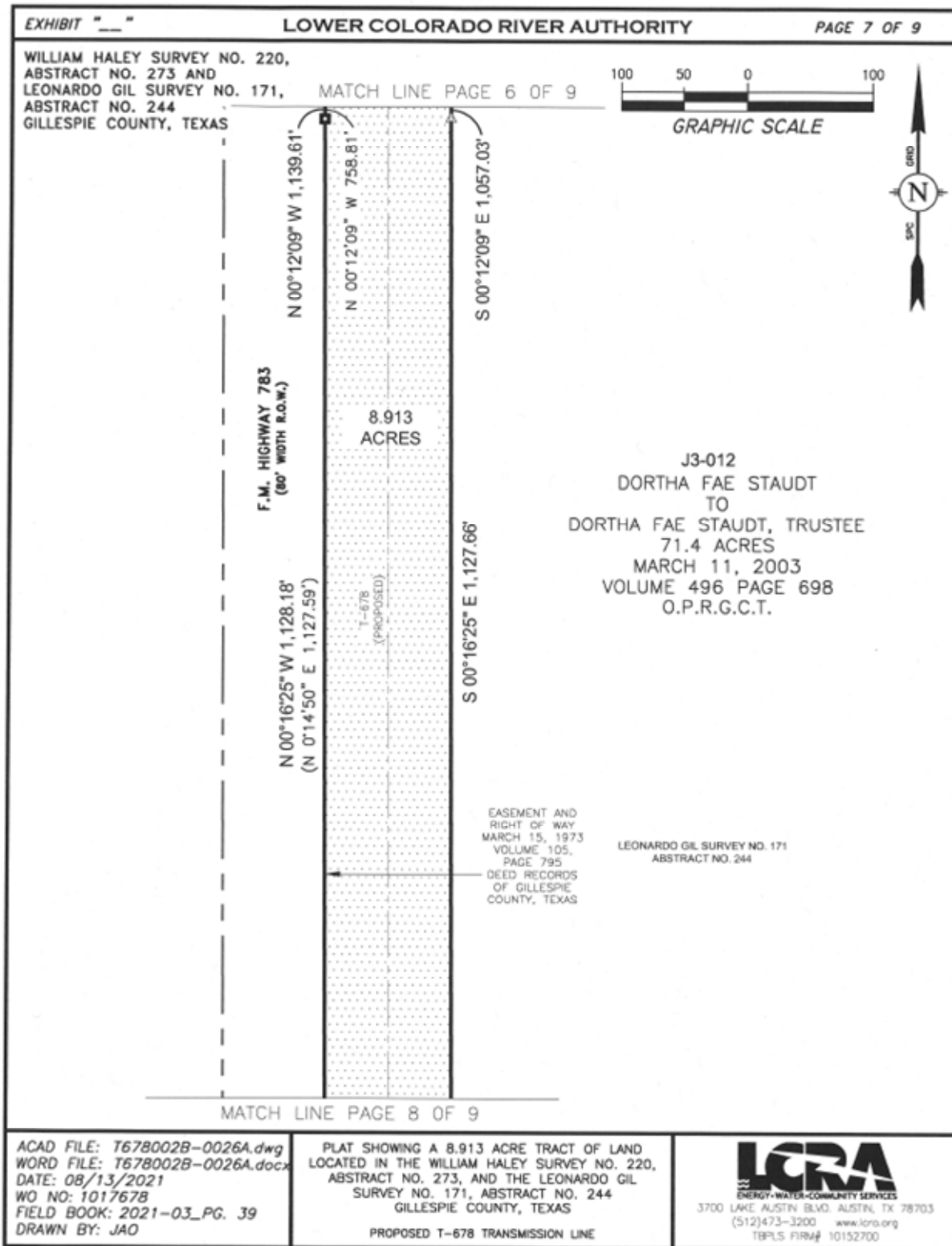


**EXHIBIT 1**  
Page 17 of 39

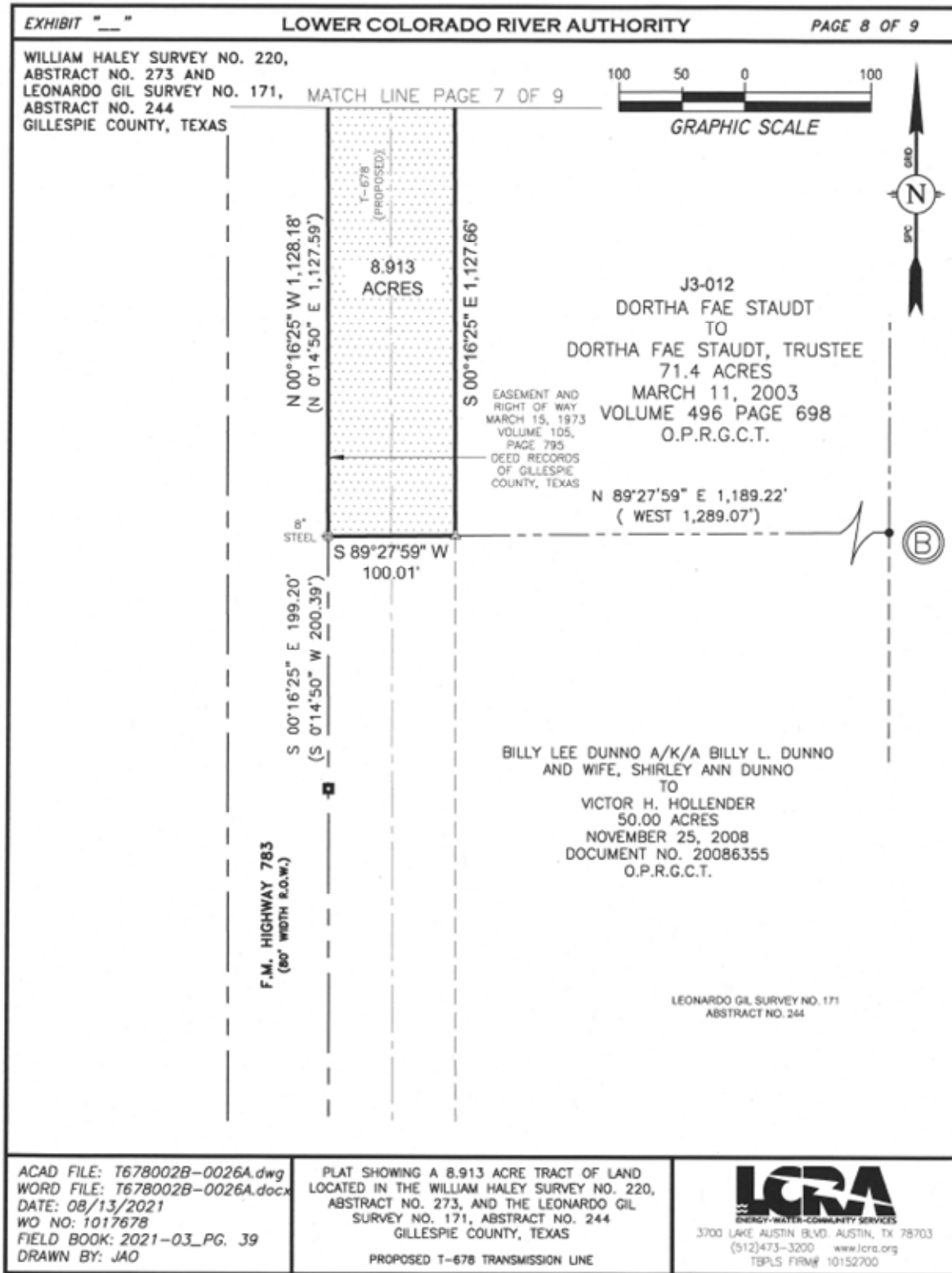




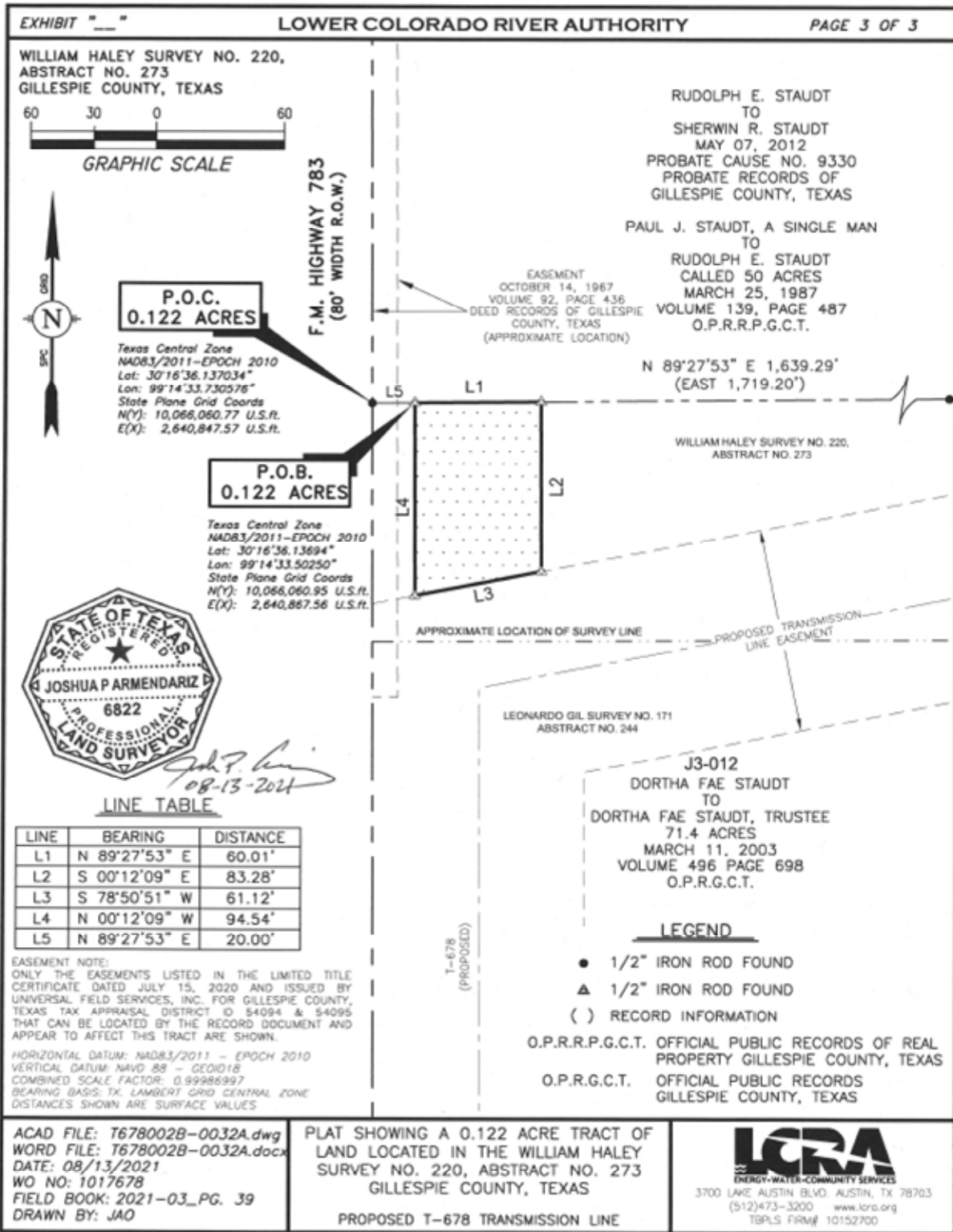
**EXHIBIT 1**  
Page 19 of 39

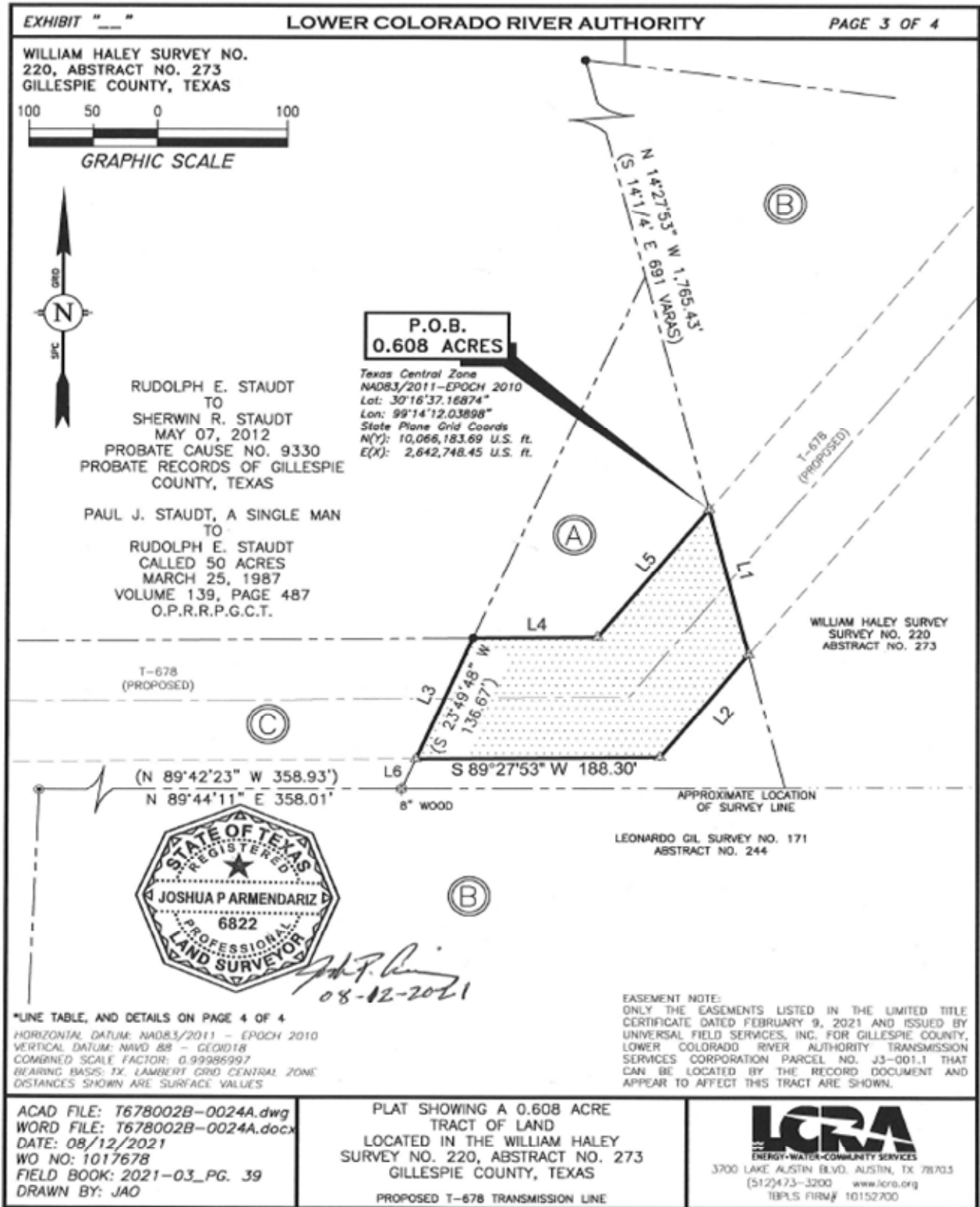


**EXHIBIT 1**  
Page 20 of 39

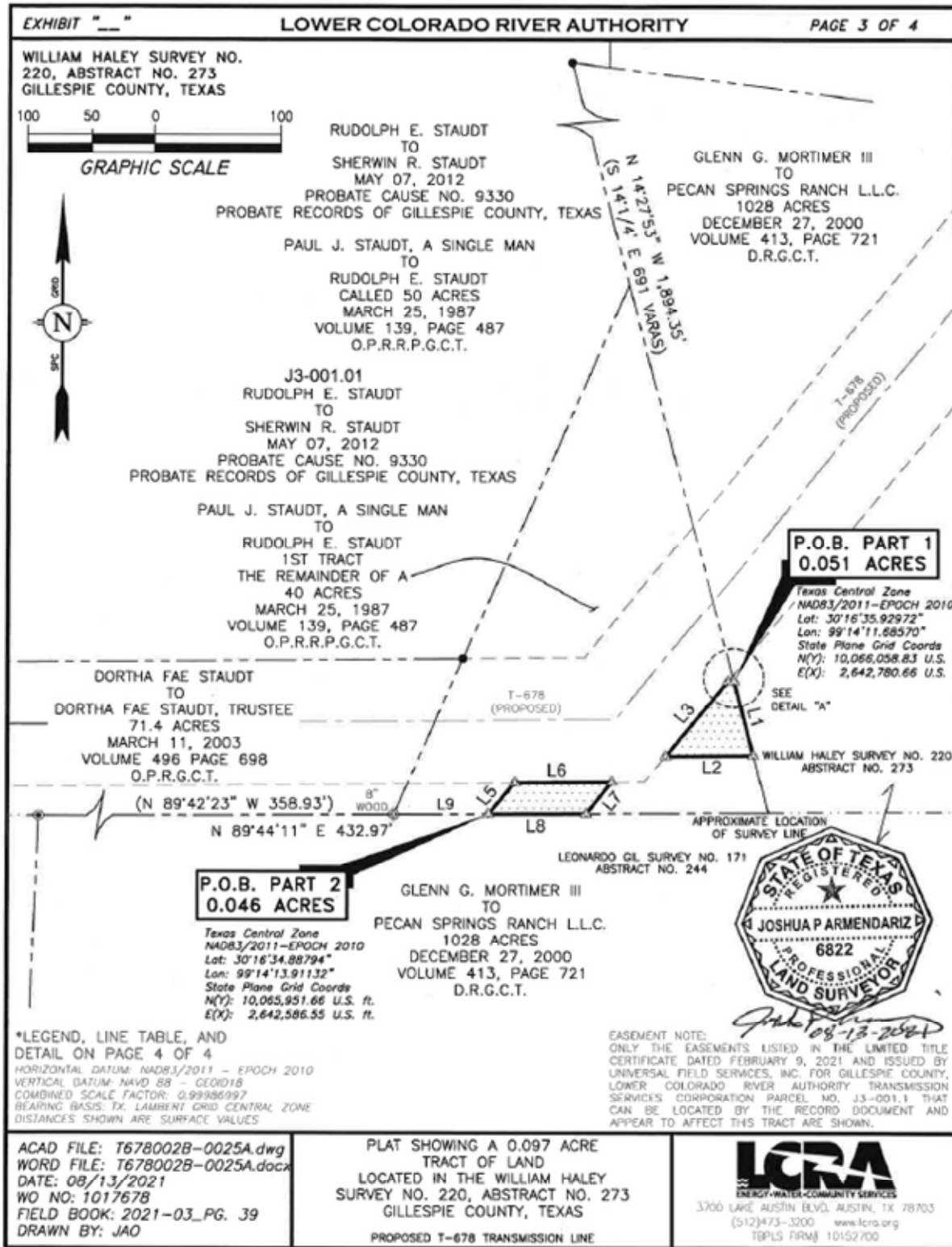


**EXHIBIT 1**  
Page 21 of 39

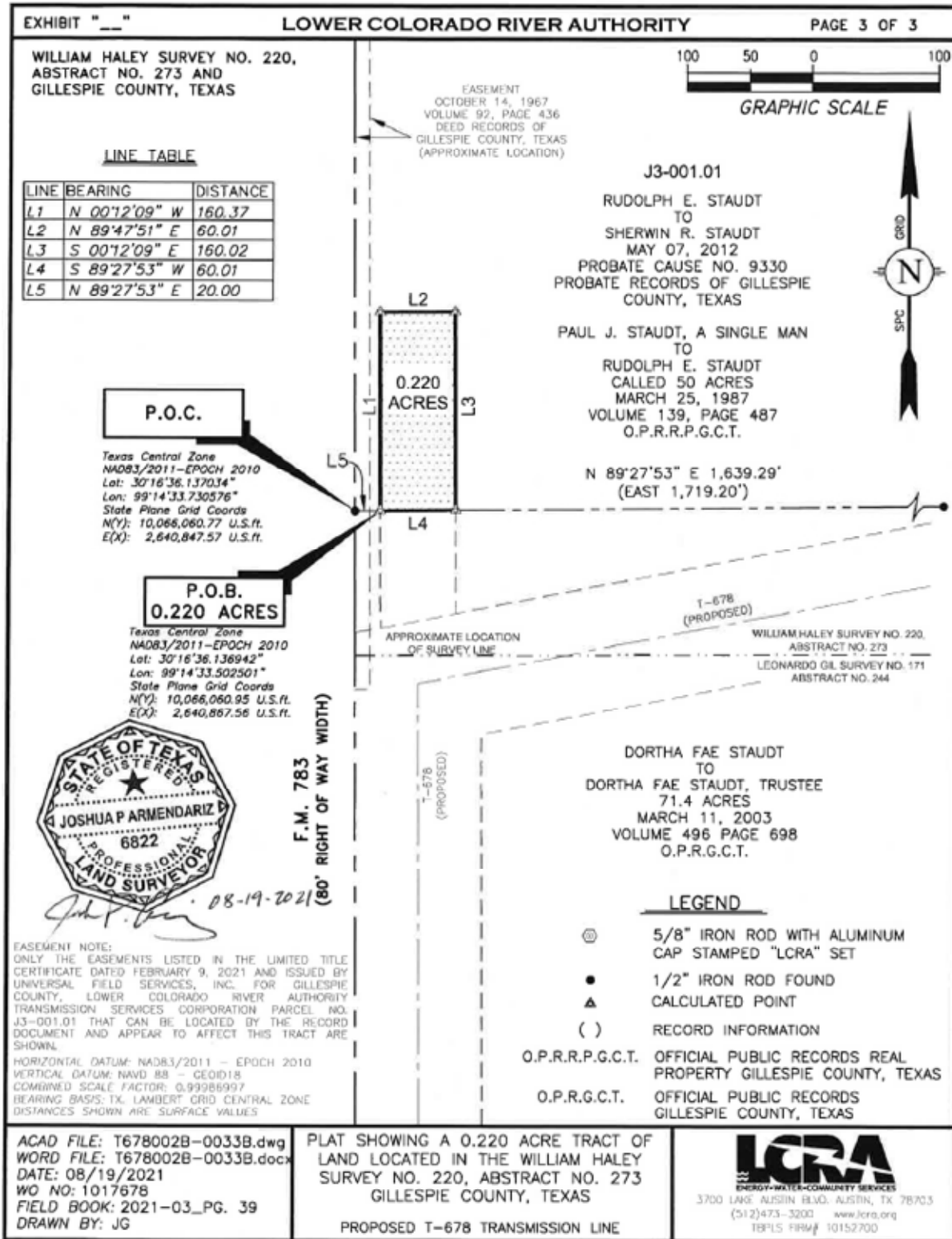




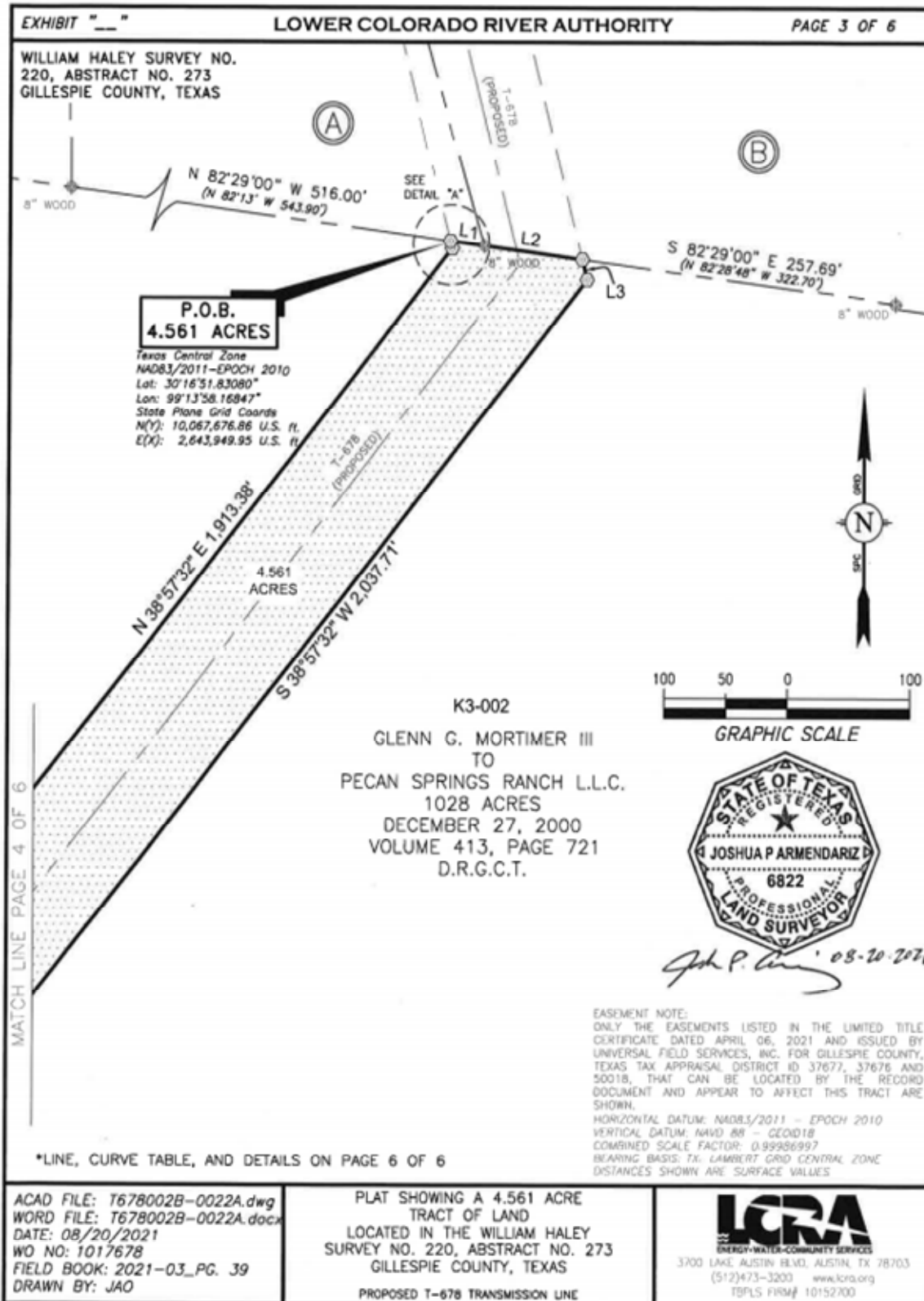




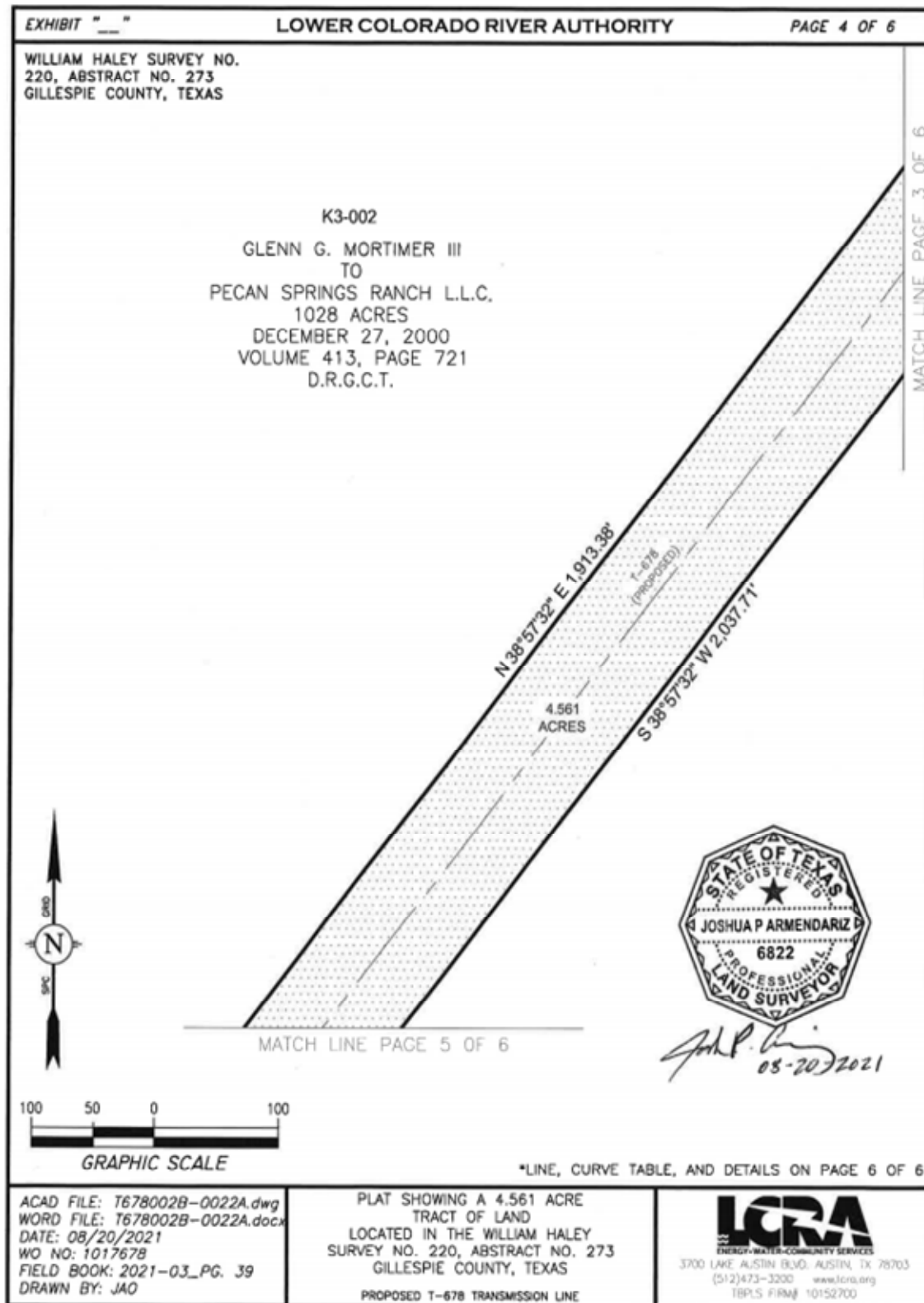
**EXHIBIT 1**  
Page 24 of 39



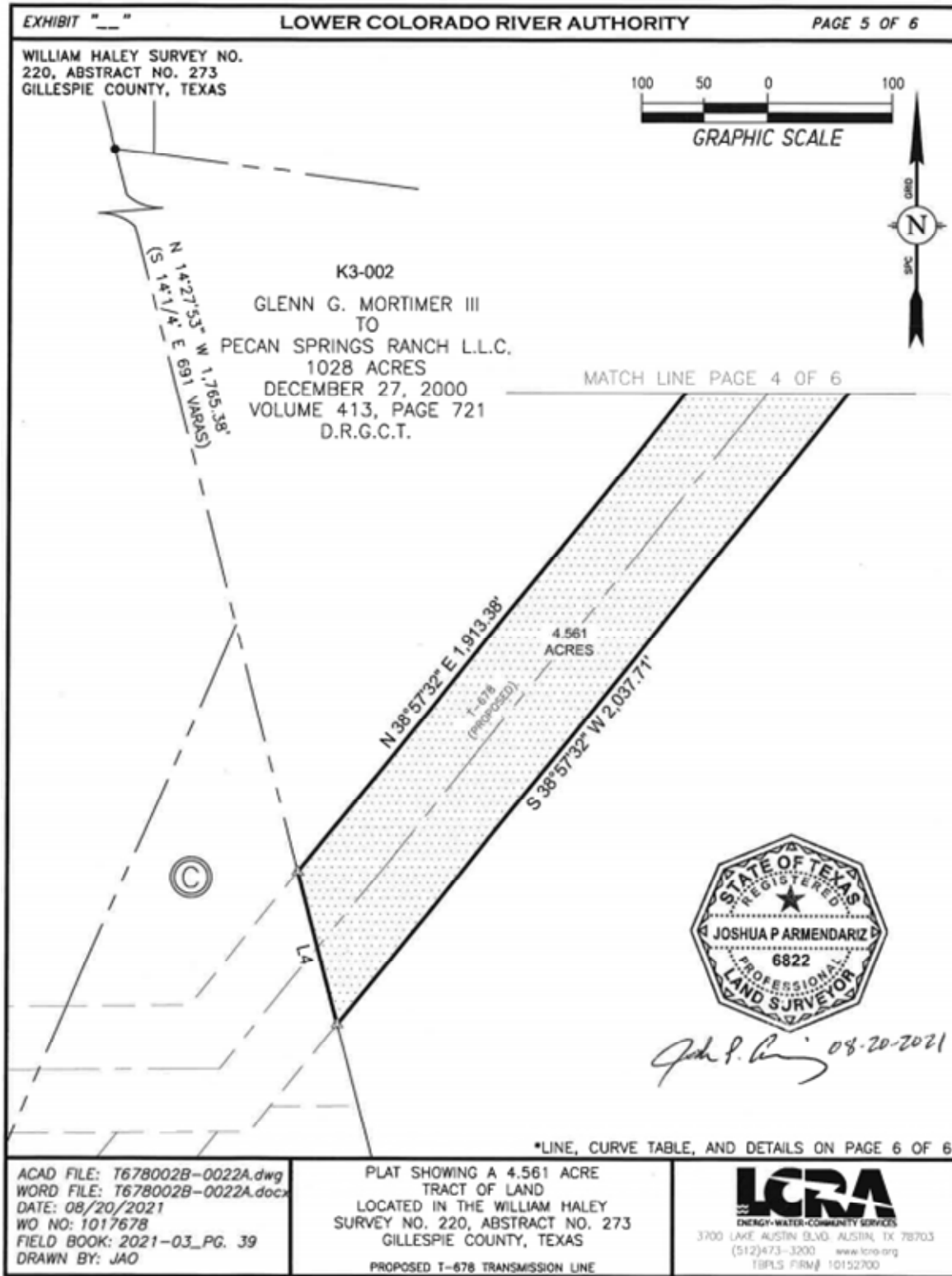
**EXHIBIT 1**  
Page 25 of 39

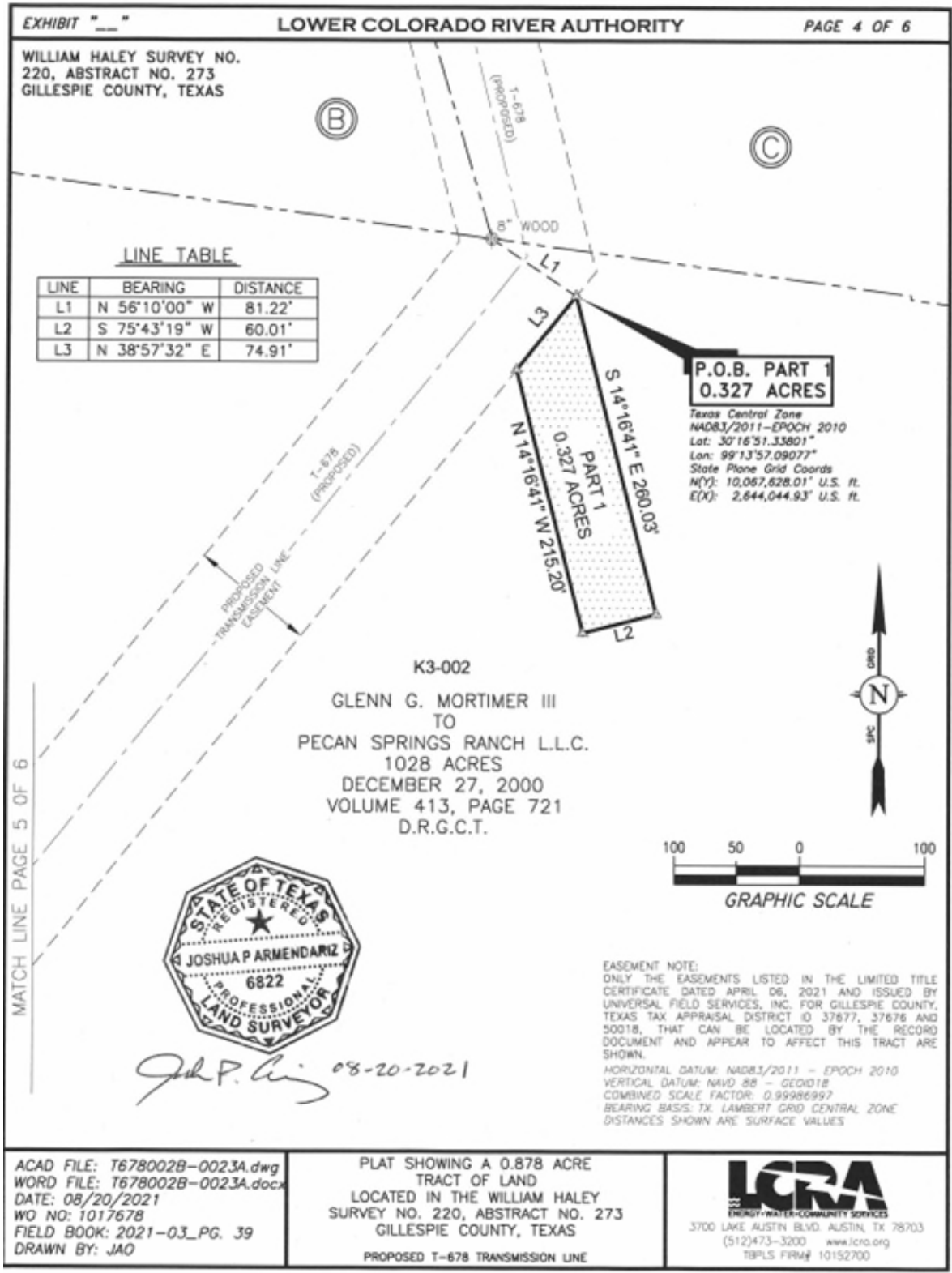


**EXHIBIT 1**  
Page 26 of 39

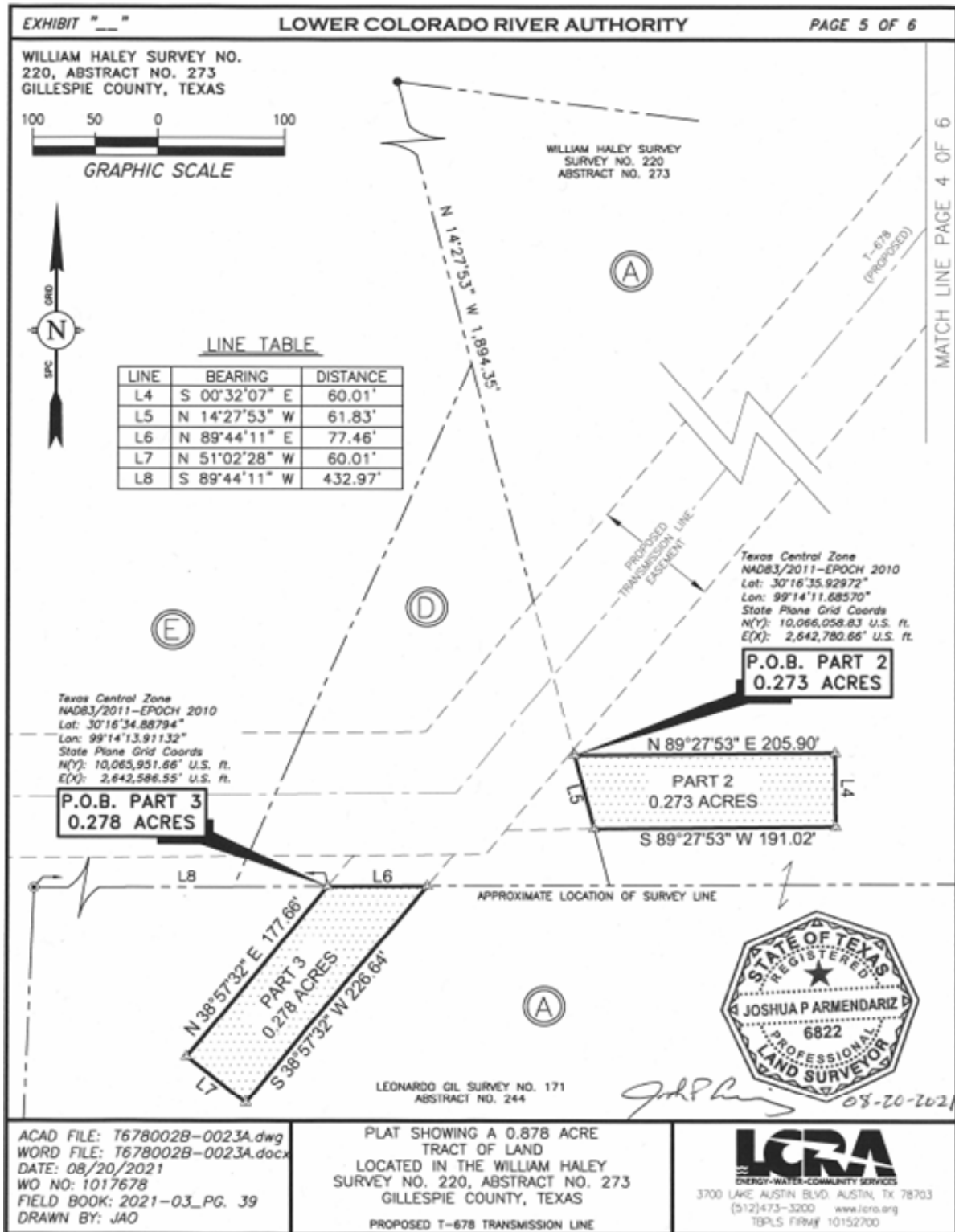


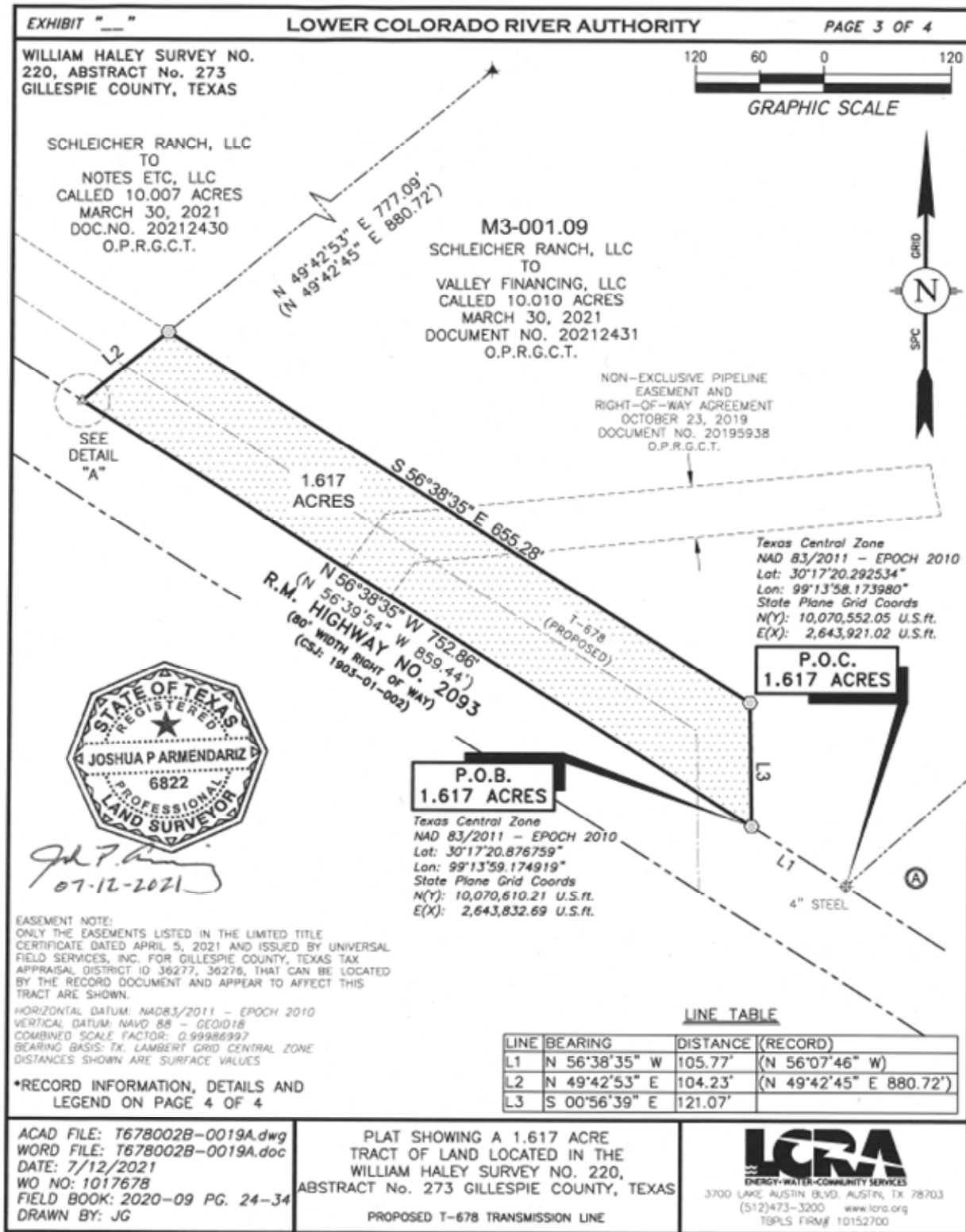
**EXHIBIT 1**  
Page 27 of 39



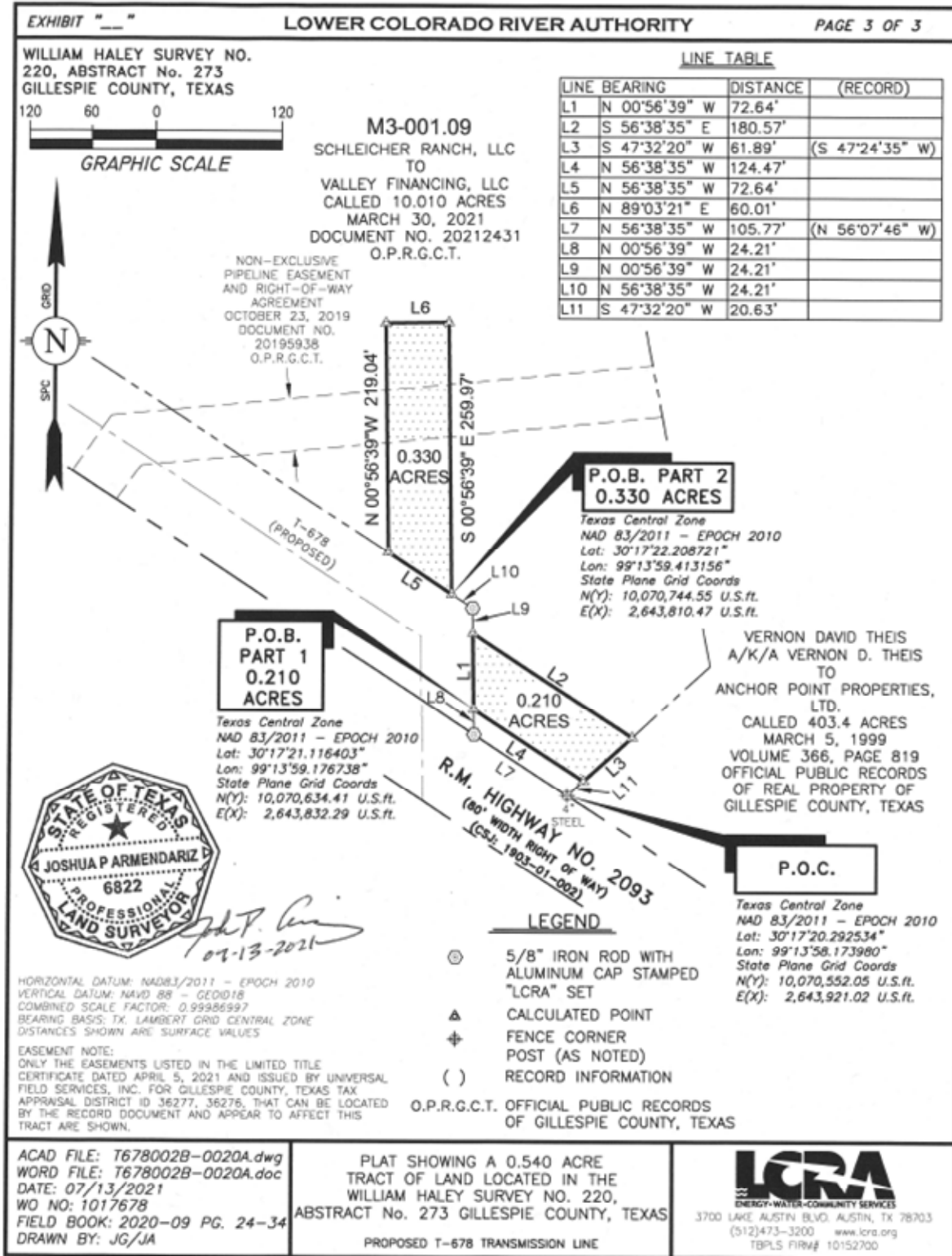


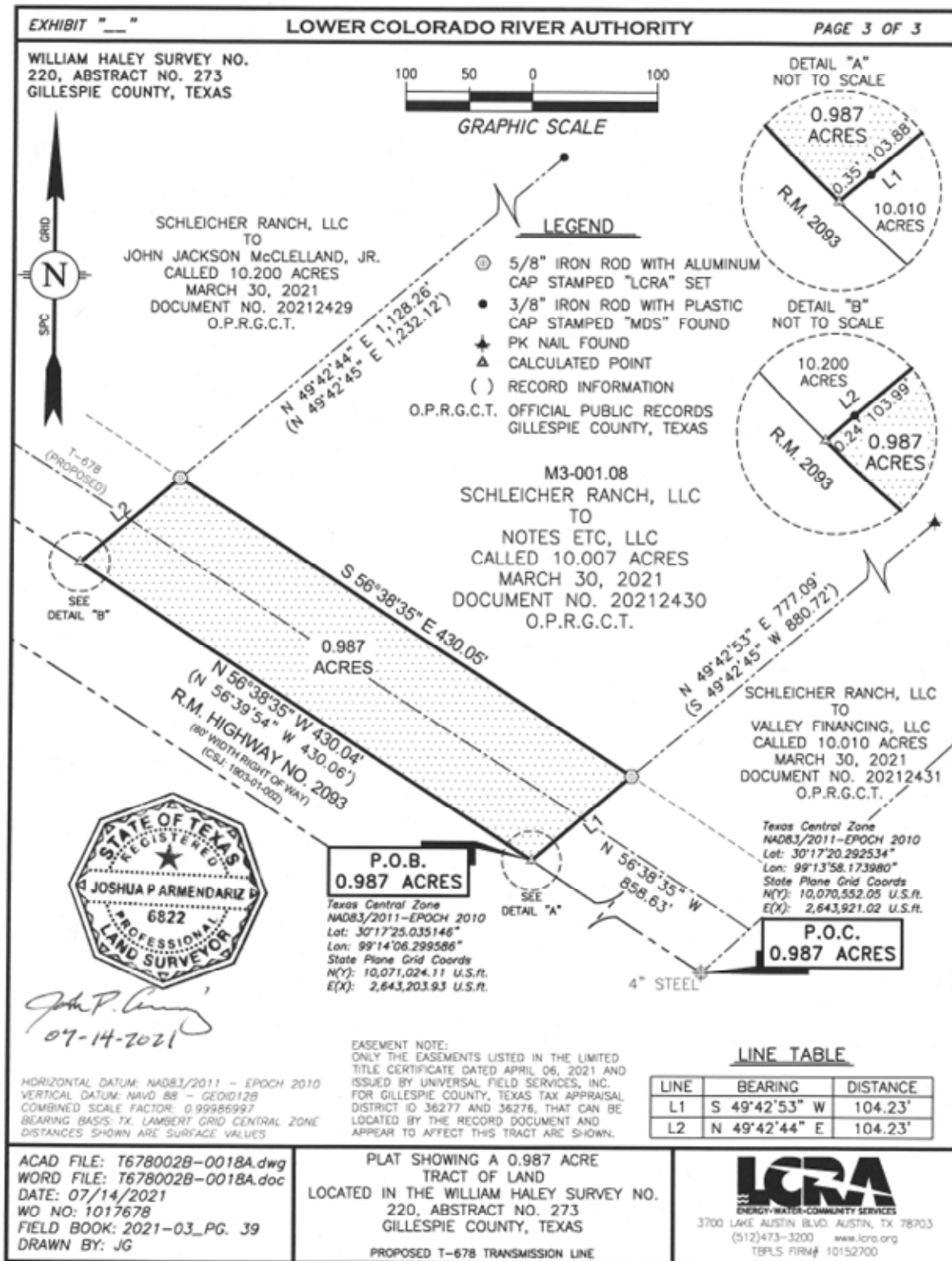
**EXHIBIT 1**  
Page 29 of 39



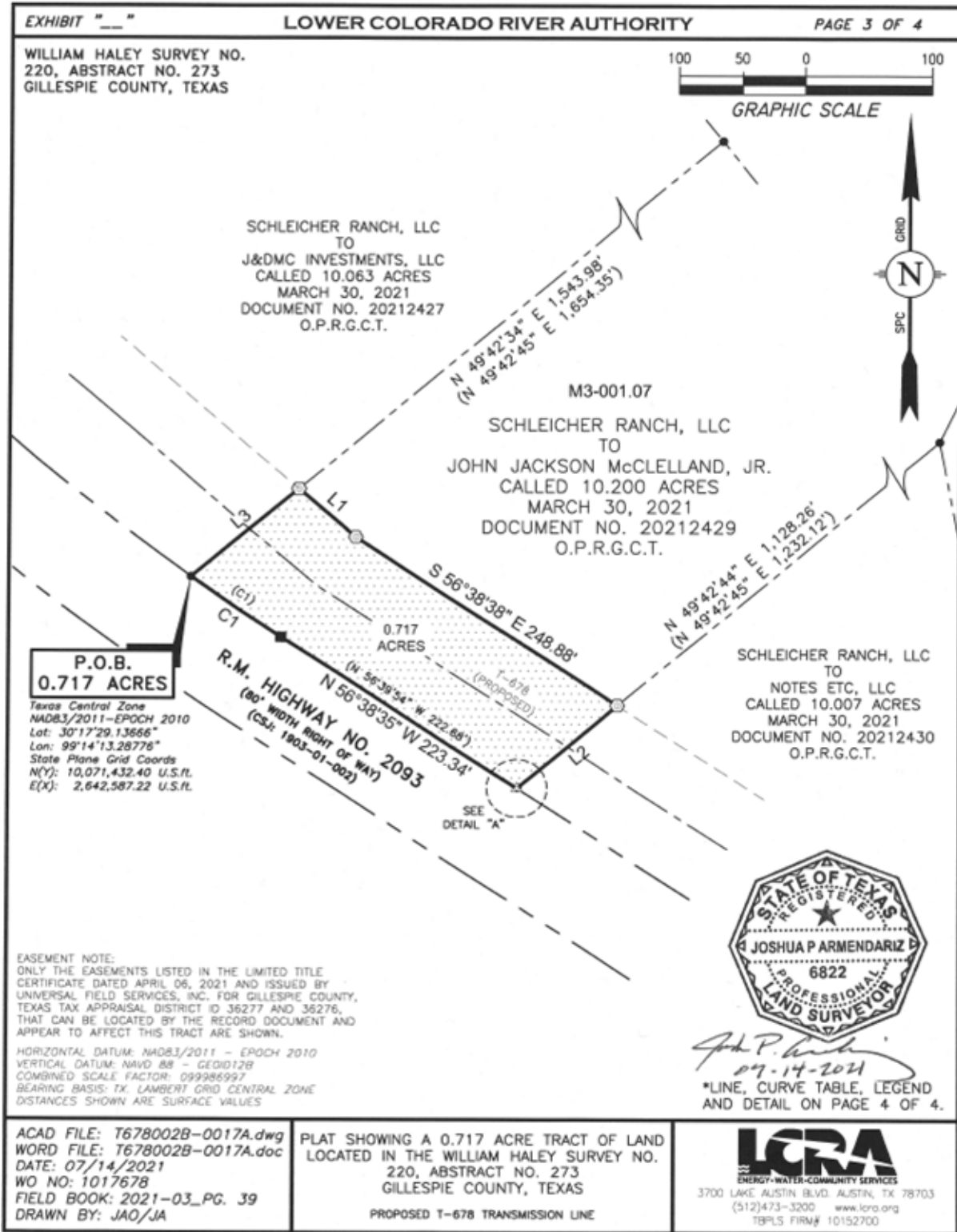


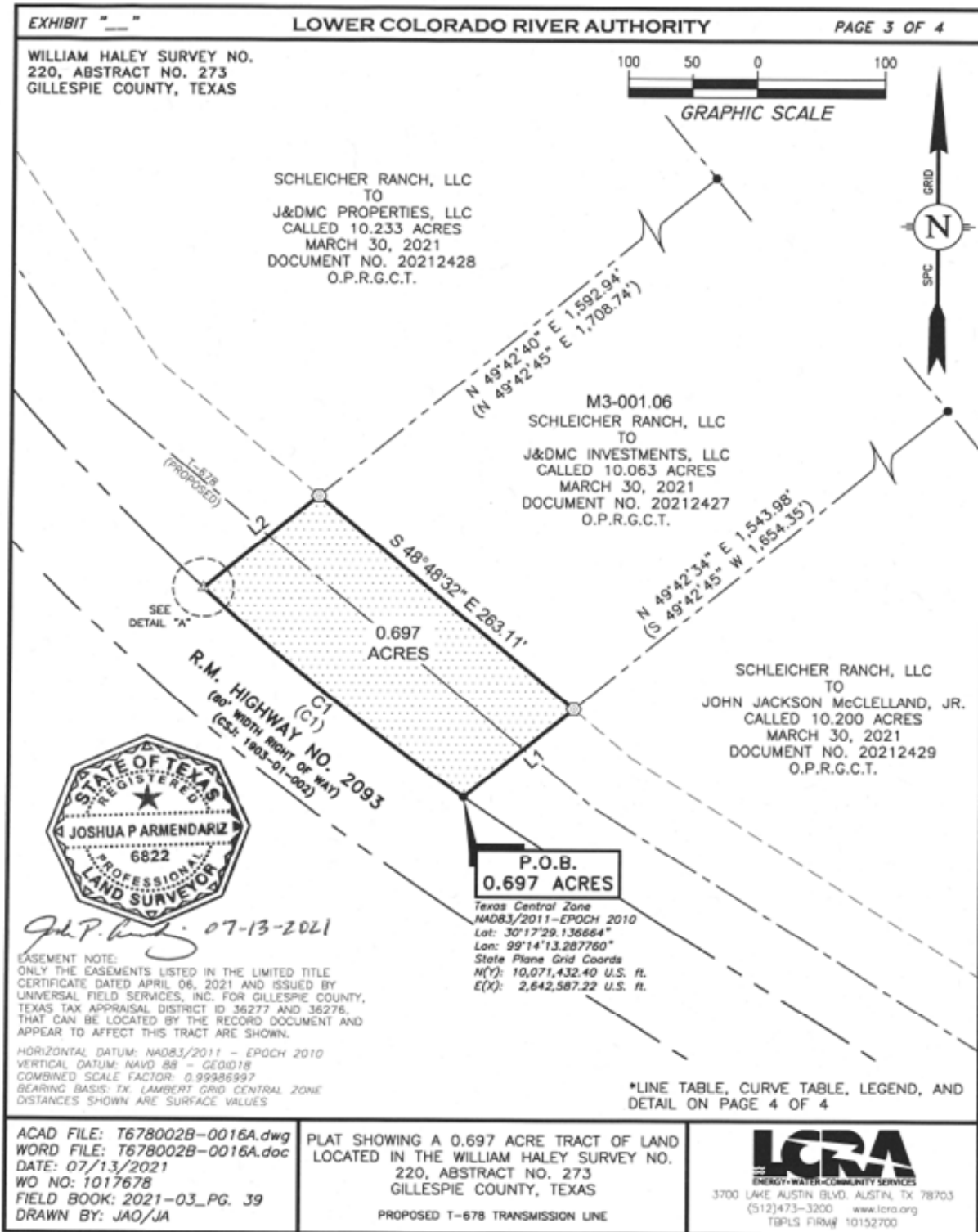




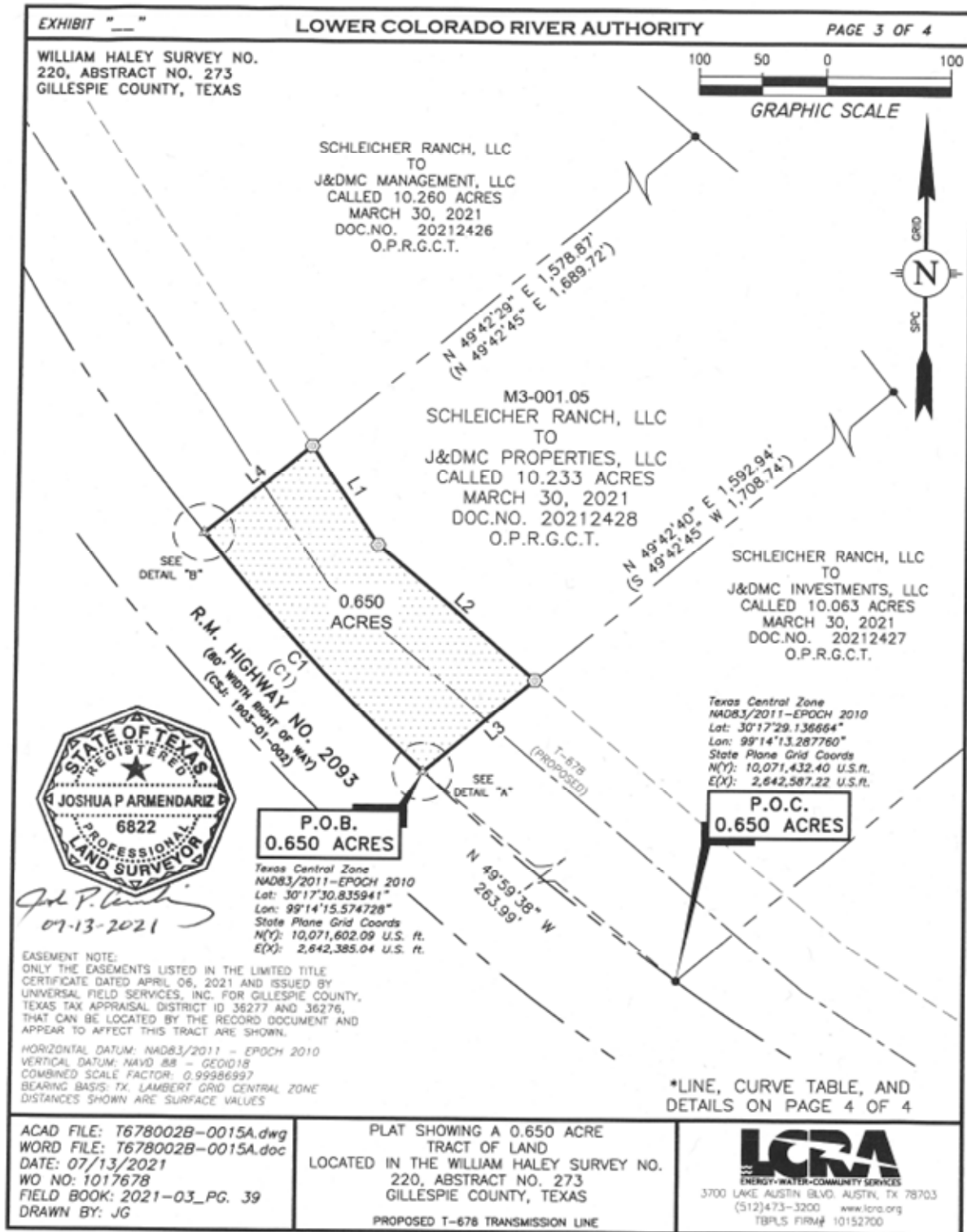


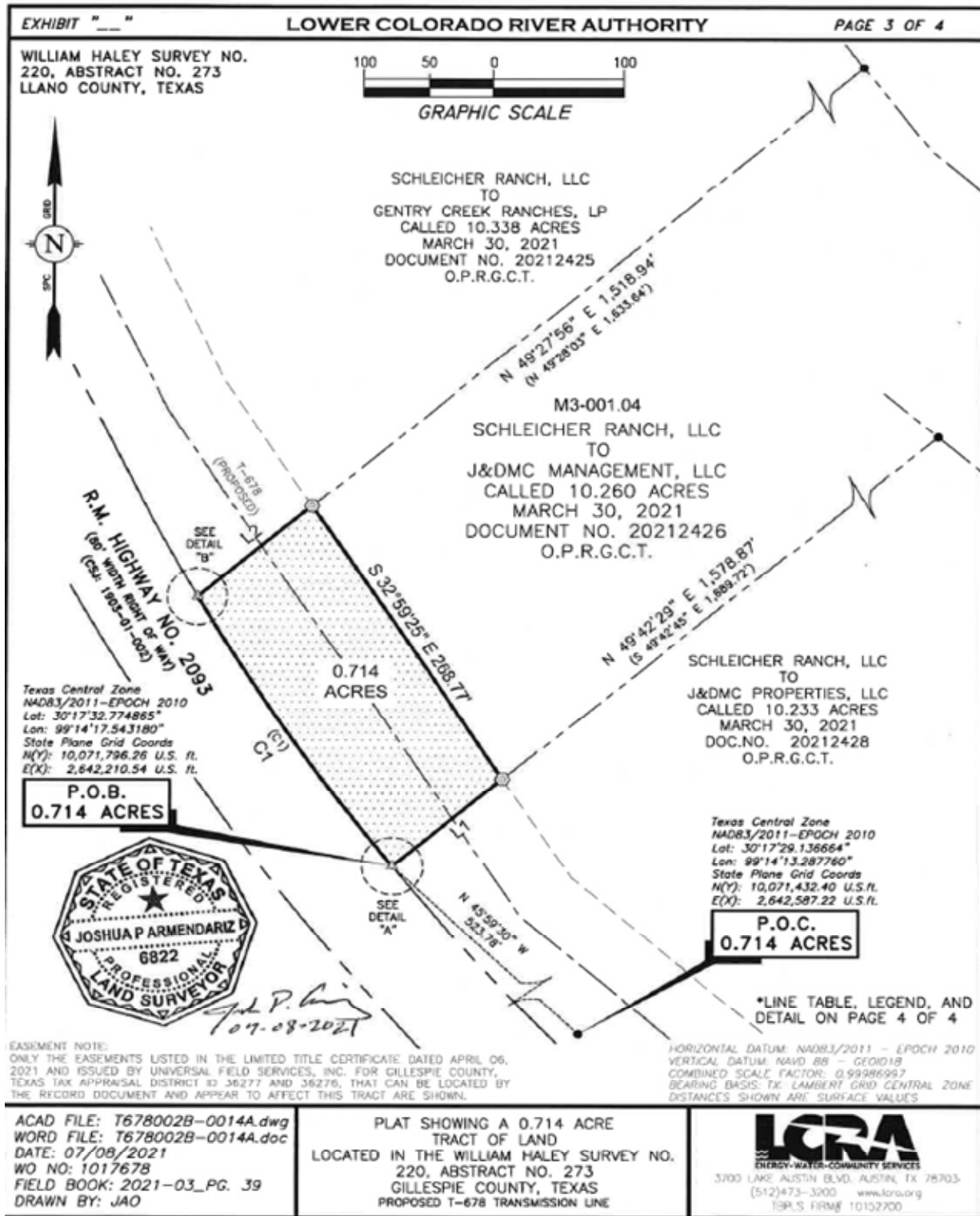
**EXHIBIT 1**  
Page 33 of 39

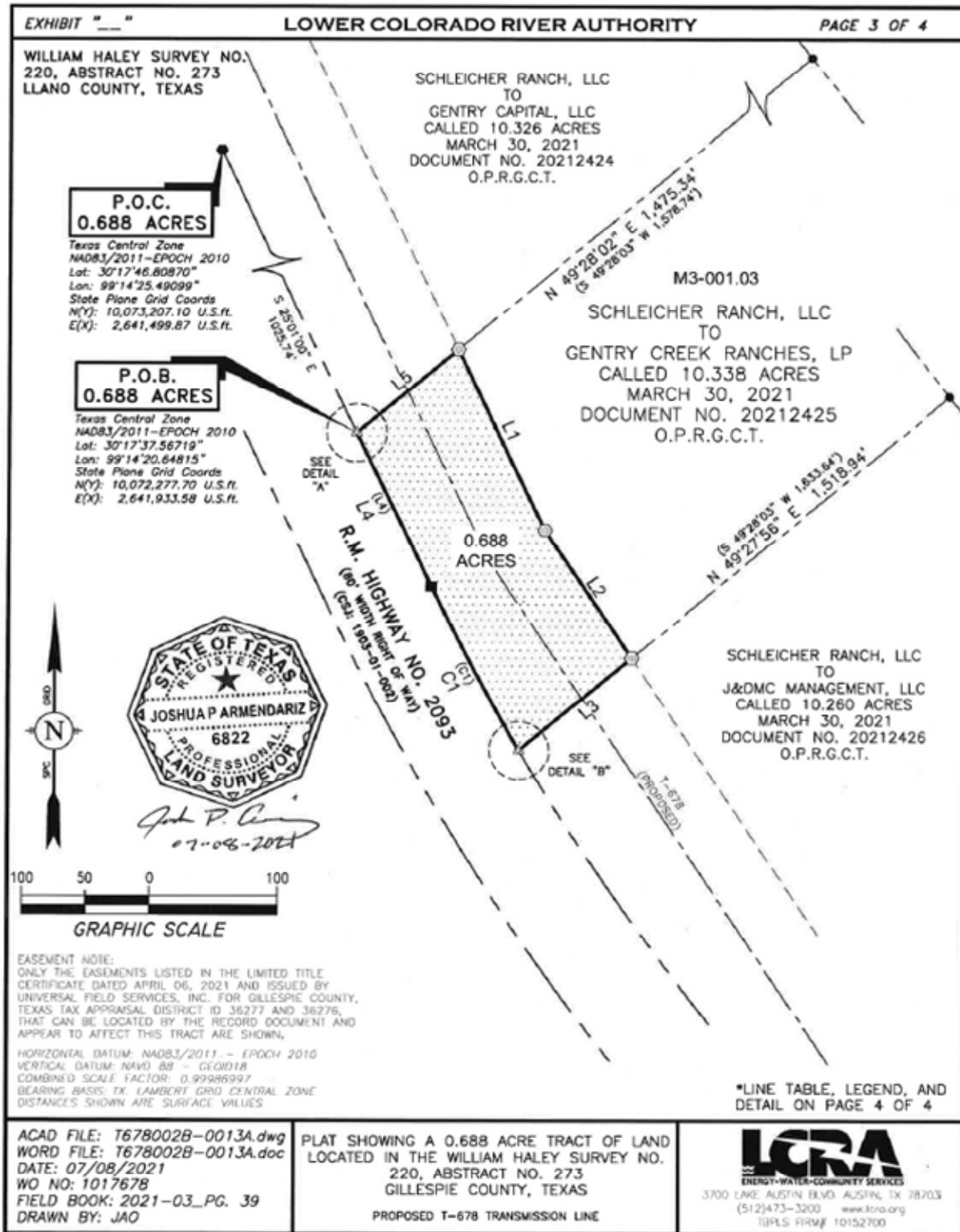


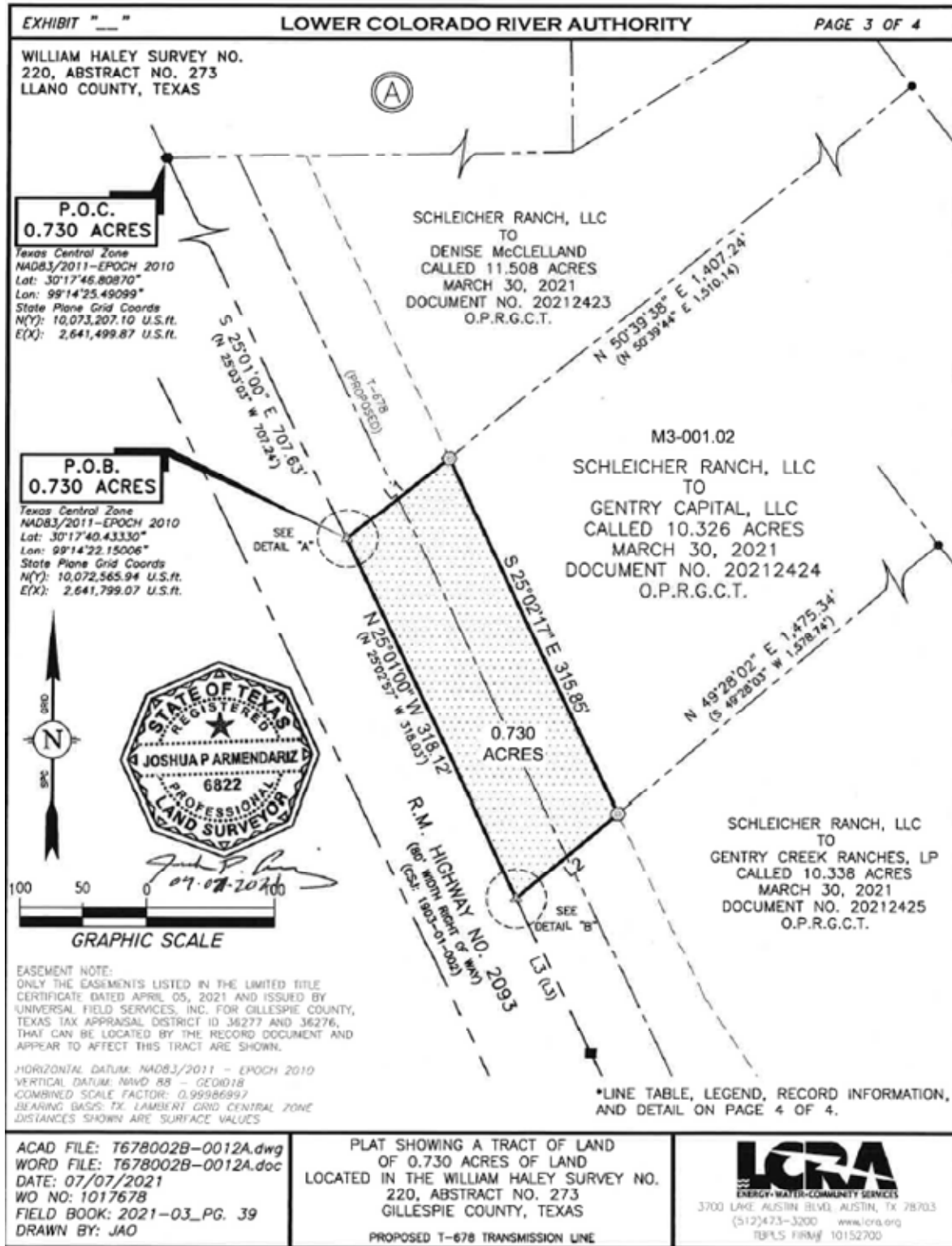


**EXHIBIT 1**  
Page 35 of 39



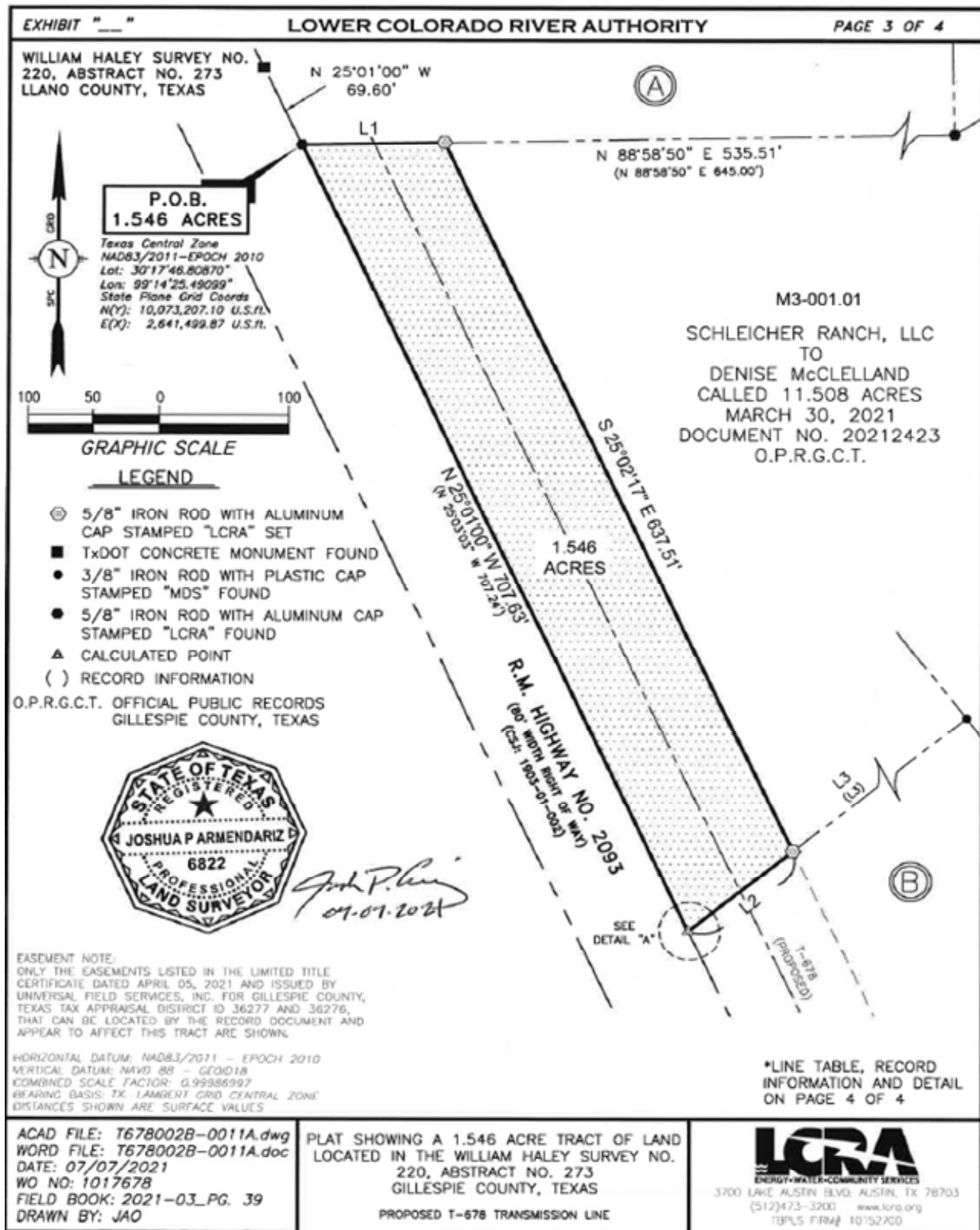








**EXHIBIT 1**  
Page 39 of 39



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