

LCRA Transmission Services Corporation

Board Agenda

Wednesday, Jan. 18, 2023

LCRA General Office Complex
Board Room – Hancock Building

3700 Lake Austin Blvd.

Austin, TX 78703

Earliest start time: 11 a.m.

Items From the Chair

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Consent Items

3. Minutes of Prior Meeting..... 7

Action Items

4. Approve the LCRA Transmission Services Corporation Transmission Contract Refunding Revenue Bonds Issuance and Forty-First Supplemental Resolution..... 11
5. Acquisition of Interests in Real Property – Use of Eminent Domain in Gillespie County..... 14
6. Acquisition of Interests in Real Property – Use of Eminent Domain in Travis, Williamson and Kerr Counties..... 49

Executive Session

The Board 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>

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.

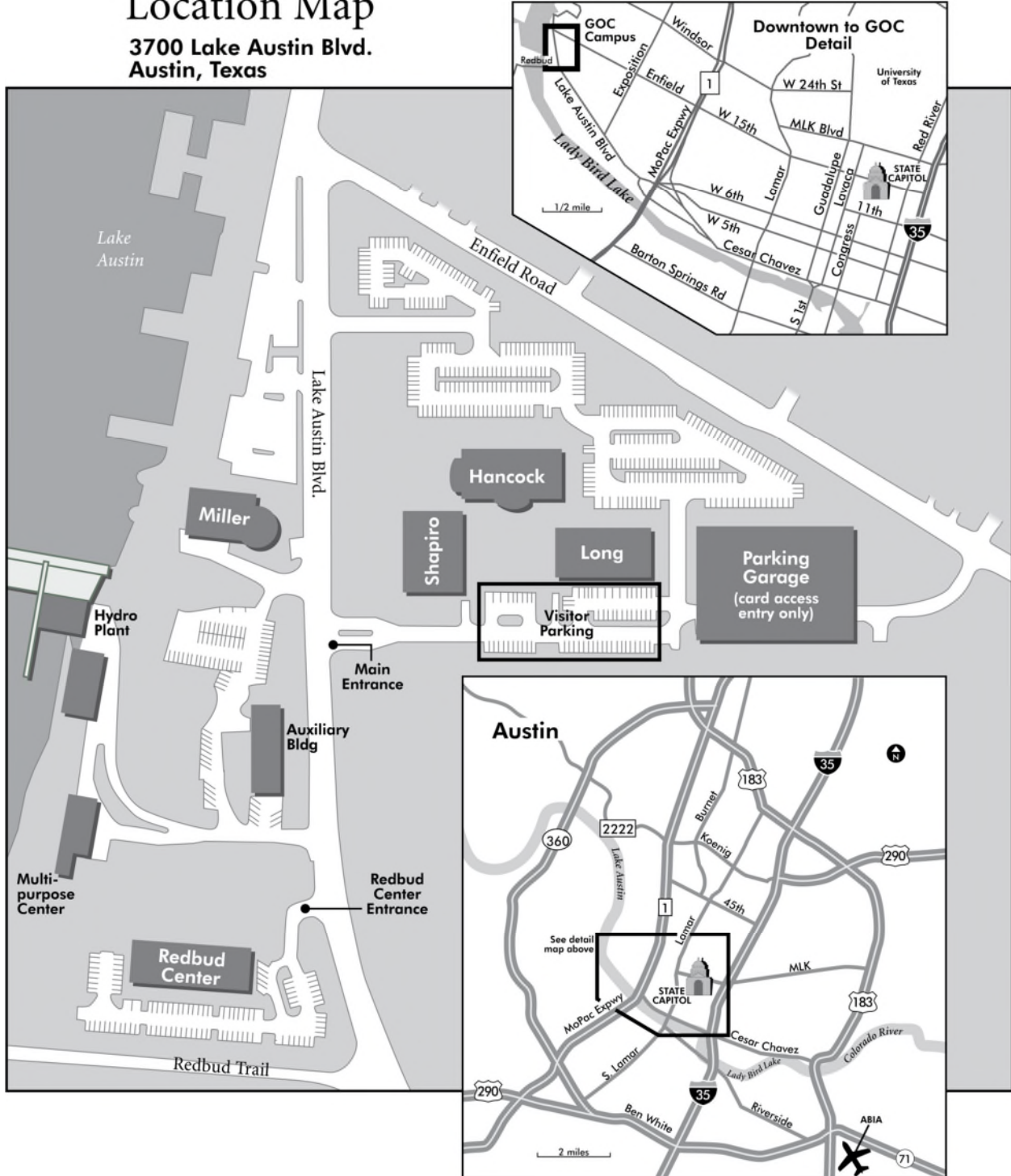
LCRA TSC is a nonprofit corporation created by LCRA to act on LCRA's behalf pursuant to Chapter 152, Texas Water Code, as amended. After Jan. 1, 2002, LCRA TSC engaged in the electric transmission and transformation activities previously carried out by LCRA and assumed LCRA's obligation to provide, and 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.

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 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 DISCUSSION

2. Financial Report

Summary

The financial report for LCRA Transmission Services Corporation covering the month and fiscal year to date.

Presenter(s)

Jim Travis

Treasurer and Chief Financial Officer

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LCRA Transmission Services Corporation
Financial Highlights
December 2022

LCRA Transmission Services Corporation
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Key term:

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

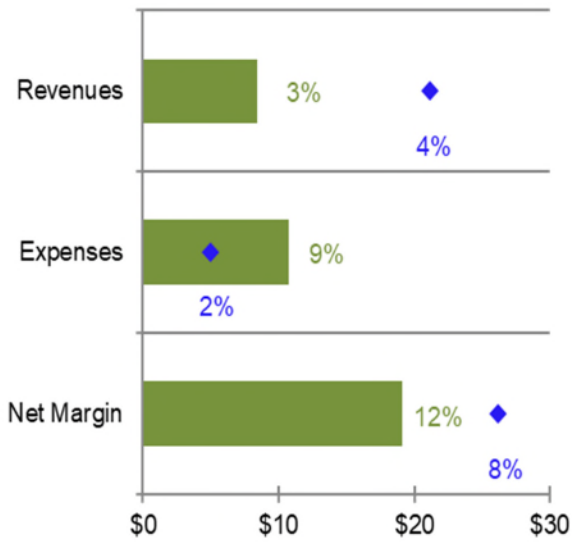
LCRA Transmission Services Corporation

Dec. 31, 2022

(Dollars in Millions)

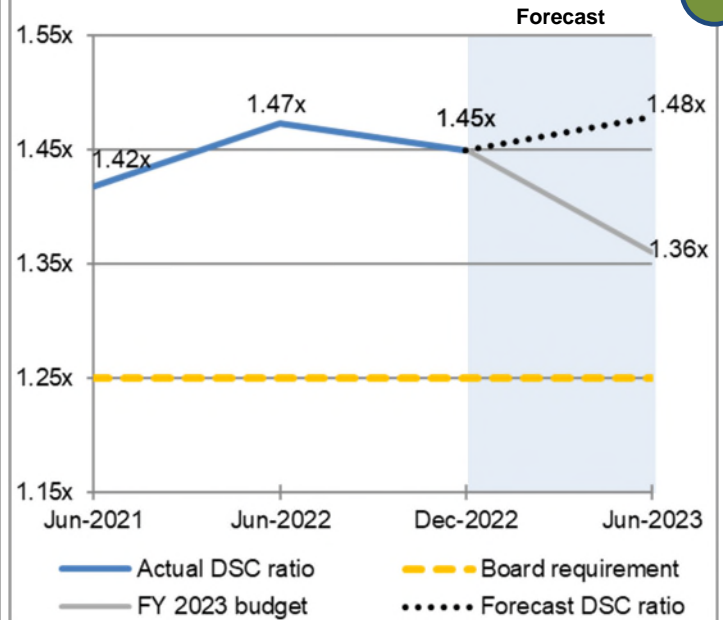
Budget-to-Actual Highlights

Net Margin Fiscal Year-to-Date Variances



% = Variance from budget ♦ FY 2023 fiscal year-end forecast

Debt Service Coverage



Key takeaways:

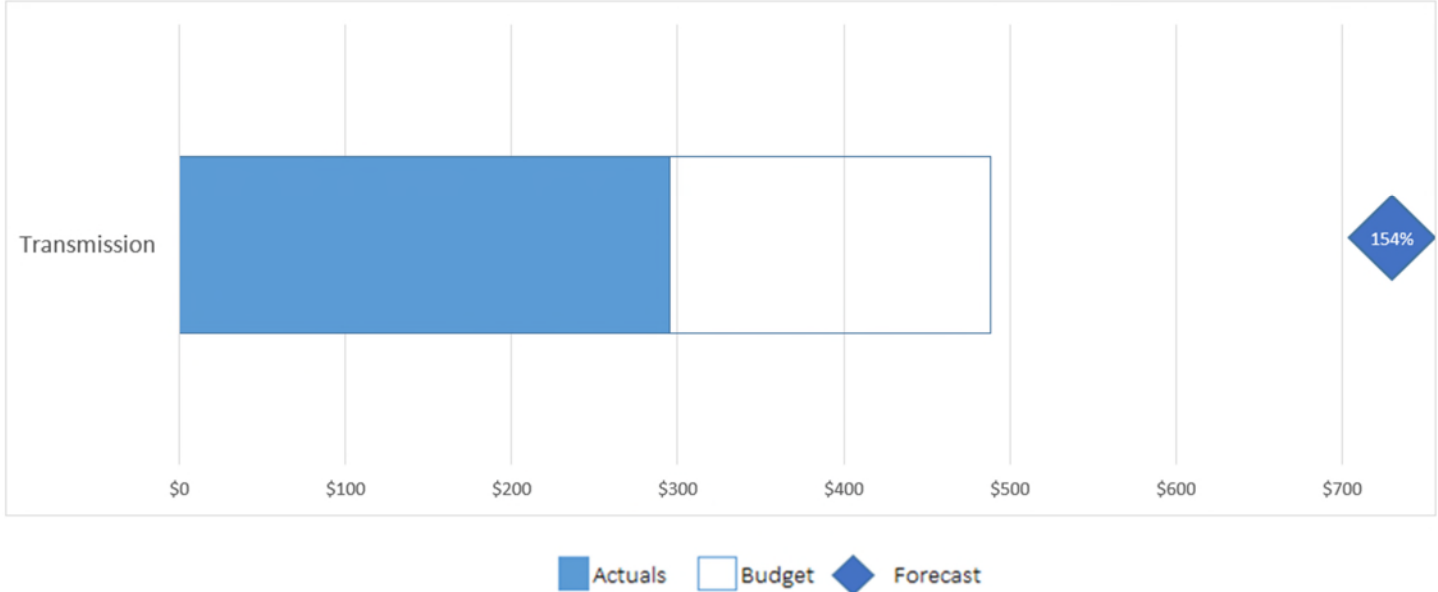
- Lower-than-budgeted expenses and higher-than-budgeted cost of service, interest income and other revenues primarily drove year-to-date performance.
- Higher-than-budgeted cost of service revenues and lower-than-budgeted expenses primarily drove the year-end forecast.
- The debt service coverage ratio is forecast to be higher than budgeted primarily due to a forecast of higher-than-budgeted cost of service revenues and lower-than-budgeted expenses and debt service.

LCRA Transmission Services Corporation

Dec. 31, 2022

(Dollars in Millions)

Capital Forecast



Key takeaways:

- LCRA TSC currently is projecting capital spending for FY 2023 will be \$265.4 million more than the capital plan budget of \$488.7 million.
- The variance primarily is driven by increased estimates on future projects, increased spending on active projects and generation interconnection projects. Staff anticipates seeking LCRA Board approval to increase the LCRA TSC capital plan later this fiscal year.

General manager project approvals:

- For any project not previously authorized by the Board in the capital plan, authority is delegated to the president and chief executive officer to approve any capital project with a lifetime budget not to exceed \$1.5 million, according to LCRA TSC Board Policy T301 – Finance. Additionally, the LCRA TSC Board delegated authority to the president and CEO to approve new generation interconnection projects and additional funding for capital projects expected to exceed their lifetime budgets by 10% and \$300,000. The president and CEO approved the following five budget resets this quarter:
 - Harper Road-Jack Furman Transmission Line Storm Hardening from \$5.8 million to \$14.3 million.
 - LCRA TSC Fiber Build-out FY 2019 Telecommunication Upgrade from \$51.1 million to \$66.7 million.
 - Mountain Home Substation and Transmission Line Addition from \$79.1 million to \$148.5 million.
 - Sandy Creek Autotransformer Upgrade from \$3.6 million to \$5.4 million.
 - Sim Gideon-Tahitian Village Transmission Line Storm Hardening from \$10.3 million to \$20.9 million.

The president and CEO approved the following seven new projects this quarter:

- Bakersfield Transmission Bus Substation Upgrade for \$600,000.
- Birdhouse Substation Addition for \$14.7 million.
- Columbus Area Easement Enhancement System Upgrade for \$1.5 million.
- Pinto Creek Circuit Breaker Addition for \$6.4 million.
- Single Tree Substation Addition for \$23 million.
- System Operations Control Center Data Center Consolidation Facilities Upgrade for \$1.4 million.
- Twin Buttes 345-kV Circuit Breaker Addition for \$7.8 million.

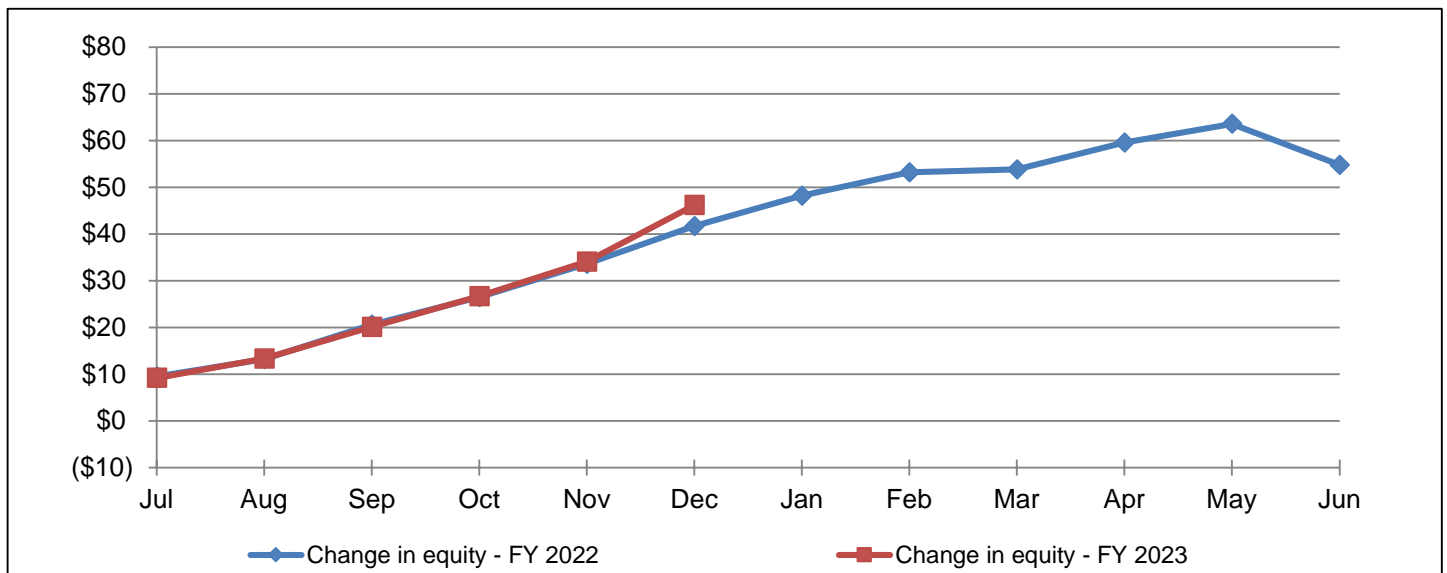
LCRA Transmission Services Corporation

Dec. 31, 2022
(Dollars in Millions)

Board Metrics

Board Metric	Description	Compliant
Equity Ratio	LCRA TSC will build equity that will maintain appropriate access to capital markets and is consistent with regulatory guidance. While LCRA TSC may be highly leveraged during periods of rapid growth, LCRA TSC business plans will specifically address the accumulation of equity to achieve and maintain a minimum long-term equity position of 20%.	✓
Debt Service Reserves	LCRA TSC will covenant debt service reserves in the amount of six months of maximum annual debt service requirements on outstanding debt. Debt service reserves may be collected through rates or met with proceeds from additional debt or through the use of a surety to mitigate rate impacts.	✓
Operating Reserves	LCRA TSC will build and maintain appropriate target levels of operating reserves as follows: six months of average debt service on all outstanding LCRA TSC debt and other obligations to LCRA; and two months of average operating and maintenance expenses, including those billed by LCRA. If at any time the reserves are less than the target levels set forth in this policy, the Board will promptly implement a plan, to be recommended by staff, to increase rates, reduce costs or otherwise cause there to be sufficient revenues to replenish the reserves to such target levels within 12 months.	✓

Income Statement Trends Cumulative Fiscal Year to Date



Key takeaway:

- Net income increased year over year due to increases in transmission revenue, partially offset by an increase in depreciation and amortization expense.

LCRA Transmission Services Corporation

Dec. 31, 2022

(Dollars in Millions)

Condensed Balance Sheets

	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>
Assets		
Cash and cash equivalents	\$ 136.5	\$ 281.1
Current assets	<u>235.1</u>	<u>220.3</u>
Total current assets	<u>371.6</u>	<u>501.4</u>
Capital assets	3,946.5	3,603.3
Long-term assets	<u>405.9</u>	<u>222.3</u>
Total long-term assets	<u>4,352.4</u>	<u>3,825.6</u>
Total Assets	<u>\$ 4,724.0</u>	<u>\$ 4,327.0</u>
Liabilities		
Bonds, notes and loans payable	\$ 394.8	\$ 251.9
Current liabilities	<u>157.4</u>	<u>211.5</u>
Total current liabilities	<u>552.2</u>	<u>463.4</u>
Bonds, notes and loans payable	3,085.2	2,908.8
Long-term liabilities	<u>154.6</u>	<u>82.1</u>
Total long-term liabilities	<u>3,239.8</u>	<u>2,990.9</u>
Equity		
Total equity	<u>932.0</u>	<u>872.7</u>
Total Liabilities and Equity	<u>\$ 4,724.0</u>	<u>\$ 4,327.0</u>

Key takeaway:

- Assets and liabilities are trending higher compared with December 2021 due to construction activities related to the capital plan.

LCRA Transmission Services Corporation

Dec. 31, 2022

(Dollars in Millions)

Condensed Statements of Revenues, Expenses and Changes in Equity

	Fiscal Year to Date	
	2023	2022
Operating Revenues		
Transmission	\$ 273.1	\$ 256.7
Transformation	8.7	8.7
Other	1.2	1.3
Total Operating Revenues	283.0	266.7
Operating Expenses		
Operations	76.6	76.2
Maintenance	8.4	6.7
Depreciation and amortization	56.8	46.5
Total Operating Expenses	141.8	129.4
Operating Income	141.2	137.3
Nonoperating Revenues (Expenses)		
Interest on debt	(49.2)	(45.5)
Other expenses	(45.8)	(50.1)
Total Nonoperating Revenues (Expenses)	(95.0)	(95.6)
Change in Equity	46.2	41.7
Equity - Beginning of Period	885.8	831.0
Equity - End of Period	\$ 932.0	\$ 872.7

LCRA Transmission Services Corporation

Dec. 31, 2022

(Dollars in Millions)

Condensed Statements of Cash Flows

	Fiscal Year to Date	
	2023	2022
Cash Flows From Operating Activities		
Received from customers	\$ 278.9	\$ 280.9
Payments	(90.9)	(95.5)
Net cash provided by operating activities	188.0	185.4
Cash Flows From Noncapital Financing Activities	(14.1)	(13.0)
Cash Flows From Capital and Related Financing Activities		
Purchase of property, plant and equipment	(290.5)	(170.4)
Debt principal payments	-	(1.2)
Other capital and financing activities	248.6	89.1
Net cash used in capital and financing activities	(41.9)	(82.5)
Cash Flows From Investing Activities		
Sale and maturity of investment securities	25.0	50.0
Purchase of investment securities	(134.7)	(89.4)
Note payments and interest received	1.2	(0.4)
Net cash used in investing activities	(108.5)	(39.8)
Net Increase in Cash and Cash Equivalents	23.5	50.1
Cash and Cash Equivalents - Beginning of Period	177.7	231.2
Cash and Cash Equivalents - End of Period	\$ 201.2	\$ 281.3

LCRA Transmission Services Corporation

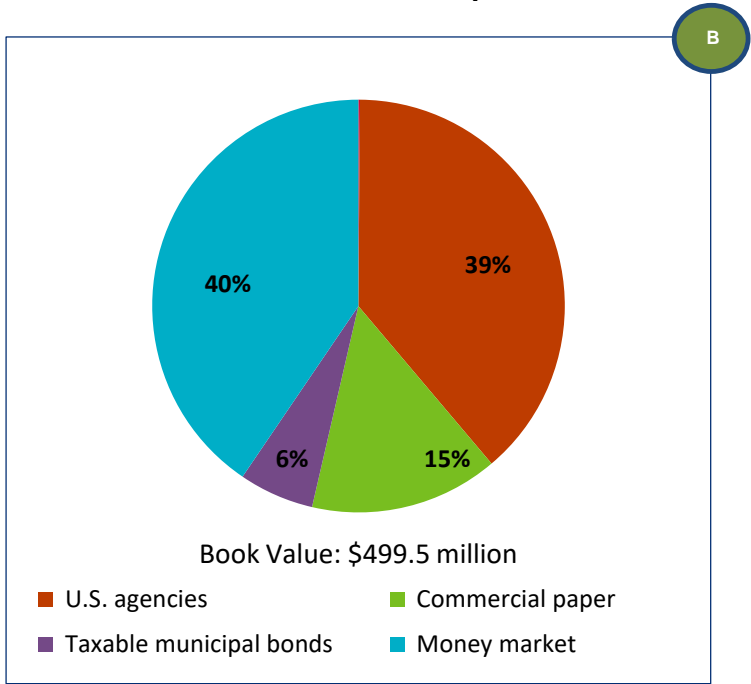
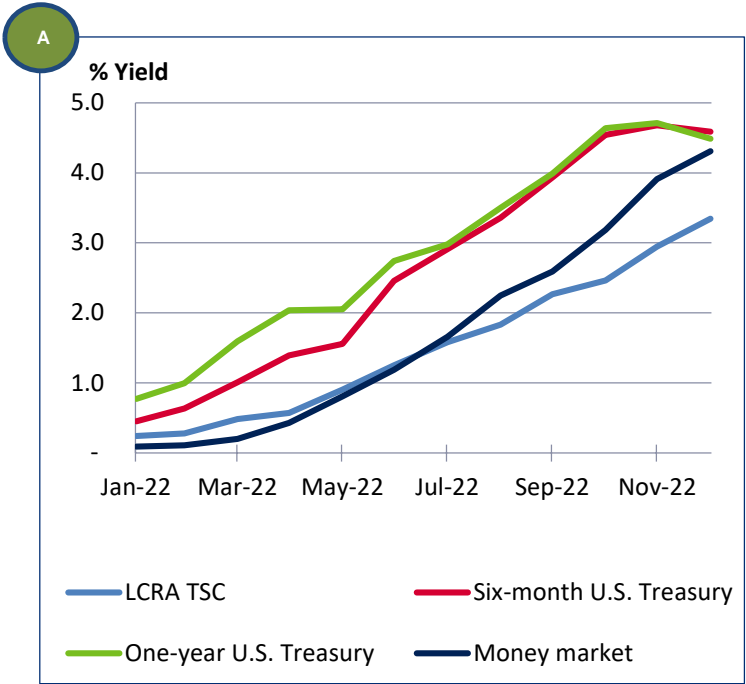
Dec. 31, 2022

(Dollars in Millions)

Investments and Debt

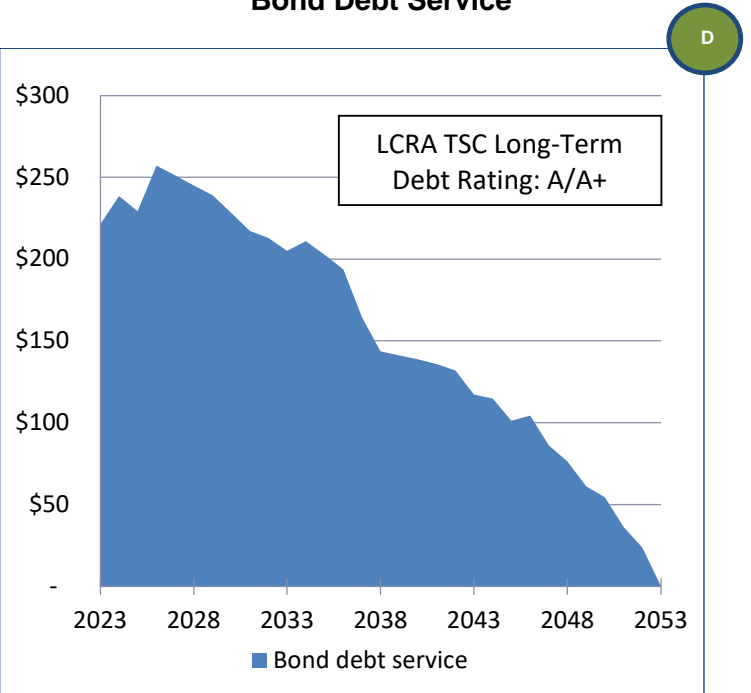
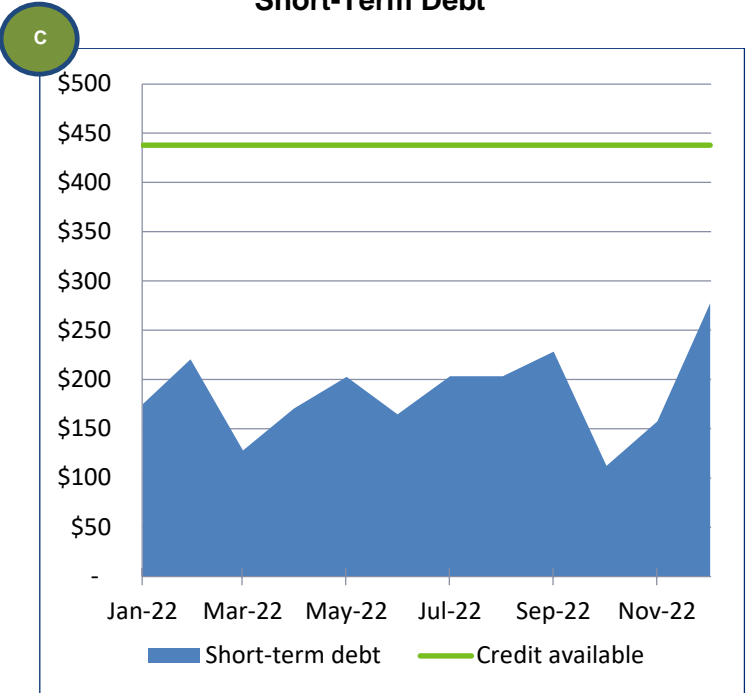
Investment Portfolio Yield

Investment Portfolio Composition



Short-Term Debt

Bond Debt Service



Key takeaways:

- The Federal Open Market Committee reiterated its intention to keep raising interest rates to combat inflation into 2023.
- Interest rates were raised seven times during 2022.
- The federal funds rate range is 4.25%-4.50%.
- LCRA TSC Series 2022A bonds for about \$194 million closed in October 2022.

FOR ACTION (CONSENT)

3. Minutes of Prior Meeting

Proposed Motion

Approve the minutes of the Dec. 13, 2022, meeting.

Board Consideration

Section 4.06 of the LCRA Transmission Services Corporation bylaws requires the secretary to keep minutes of all meetings of the Board of Directors.

Budget Status and Fiscal Impact

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

Summary

Staff presents the minutes of each meeting to the Board for approval.

Exhibit(s)

A – Minutes of Dec. 13, 2022, meeting

EXHIBIT A

Minutes Digest
Dec. 13, 2022

- 22-39 Approval of the minutes of the Nov. 16, 2022, meeting.
- 22-40 Approval of the Capital Improvement Project Authorization Request for the Energy Management System – FY 2023 System Upgrade project.
- 22-41 Adoption of a resolution authorizing the use of the power of eminent domain in Burnet, DeWitt, Kerr, Guadalupe and Karnes counties to acquire rights in the properties described in Exhibit 1 to the resolution for the acquisition of easement rights for the LCRA Broadband Program project to provide, on behalf of LCRA and at LCRA's expense, for communications and to facilitate broadband services on the Ferguson to Sherwood Shores (T187), Yoakum City to Cuero (T198), Turtle Creek to Rim Rock (T270), Clear Springs to Geronimo (T505) and Helena to Milton (T630) transmission lines.

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF
LCRA TRANSMISSION SERVICES CORPORATION
Cedar Creek, Texas
Dec. 13, 2022

Pursuant to notice posted in accordance with the Texas Open Meetings Act, the Board of Directors (Board) of LCRA Transmission Services Corporation (LCRA TSC) convened in a regular meeting at 2:12 p.m. Tuesday, Dec. 13, 2022, in the Wildflower Hall at McKinney Roughs Nature Park, 1884 State Highway 71 West, Cedar Creek, Bastrop County, Texas. The following directors were present, constituting a quorum:

Timothy Timmerman, Chair
Stephen F. Cooper, Vice Chair
Michael L. "Mike" Allen
Melissa K. Blanding
Joseph M. "Joe" Crane
Laura D. Figueroa
Carol Freeman
Raymond A. "Ray" Gill Jr.
Thomas L. "Tom" Kelley
Robert "Bobby" Lewis
Thomas Michael Martine
Margaret D. "Meg" Voelter
Martha Leigh M. Whitten
Nancy Eckert Yeary

Absent: Matthew L. "Matt" Arthur

Chair Timmerman convened the meeting at 2:12 p.m.

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

The Board next took action on the consent agenda.

22-39 Upon motion by Director Crane, seconded by Director Voelter, the Board unanimously approved the minutes of the Nov. 16, 2022, meeting [Consent Item 2] by a vote of 14 to 0.

22-40 Vice President of Transmission Asset Optimization Kristian M. Koellner presented for consideration a staff recommendation, described in Agenda Item 3 [attached hereto as Exhibit A], that the Board approve the Capital Improvement Project Authorization Request for the Energy Management System – FY 2023 System Upgrade project. Upon motion by Director Lewis, seconded by Director Whitten, the recommendation was unanimously approved by a vote of 14 to 0.

Staff provided an update on the LCRA TSC capital plan forecast.

22-41 Vice President of Real Estate Services Mark Sumrall presented for consideration a staff recommendation, described in Agenda Item 4 – Acquisition of Interests in Real Property – Use of Eminent Domain in Burnet, DeWitt, Kerr, Guadalupe and Karnes counties [attached hereto as Exhibit B]. Director Allen moved, seconded by Director Kelley, that the Board adopt a resolution authorizing 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 easement rights for the LCRA Broadband Program project to provide, on behalf of LCRA and at LCRA's expense, for communications and to facilitate broadband services on the Ferguson to Sherwood Shores (T187), Yoakum City to Cuero (T198), Turtle Creek to Rim Rock (T270), Clear Springs to Geronimo (T505) and Helena to Milton (T630) transmission lines; and that the first record vote applies to all units of property to be condemned. The Board unanimously approved the motion by a record vote of 13 to 0. [Director Martine recused himself from this item.]

Chair Timmerman declared the meeting to be in executive session at 2:29 p.m., pursuant to sections 551.071, 551.072, 551.074, 551.076, 551.086, 551.089 and 418.183(f) of the Texas Government Code. Executive session ended, and Chair Timmerman declared the meeting to be in public session at 3:01 p.m.

There being no further business to come before the Board, the meeting was adjourned at 3:01 p.m.

Leigh Sebastian
Secretary
LCRA Transmission Services Corporation
Approved: Jan. 18, 2023

FOR ACTION

4. Approve the LCRA Transmission Services Corporation Transmission Contract Refunding Revenue Bonds Issuance and Forty-First Supplemental Resolution

Proposed Motion

Staff recommends the Board of Directors approve the adoption of the Forty-First Supplemental Resolution (Forty-First 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) in one or more series (a Series of Bonds) in an aggregate amount not to exceed \$950 million for the following purposes: (i) current refunding of certain LCRA Transmission Contract Revenue Commercial Paper Notes (LCRA Transmission Services Corporation Project) Tax-Exempt Series and any series of LCRA Transmission Contract Revenue Revolving Notes (LCRA Transmission Services Corporation Project); (ii) currently refund certain long-term Transmission Contract Debt (bonds); (iii) funding debt service reserve funds for a Series of Bonds; and (iv) paying for issuance costs.

This motion also will:

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

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 debt on behalf of LCRA TSC that is 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 2023 LCRA TSC business plan anticipates the refunding of LCRA TSC Series 2013A bonds and 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 2023 LCRA TSC business plan anticipates the issuance of about \$400 million of short-term obligations to fund LCRA TSC's ongoing capital plan in FY 2023.

Summary

With this action, the Board will approve one or more Series of Bonds issued for the purpose of current refunding of certain LCRA TSC commercial paper, revolving notes and bonds in an amount not to exceed \$950 million, establishing one or more debt service reserve funds for a particular Series of Bonds, and paying for the issuance costs related to such bonds. The Board also will approve the execution of documents necessary for the sale of each Series of Bonds further described below.

Background

The Forty-First Supplement is a supplemental resolution to the Controlling Resolution adopted by the Board in 2001 and readopted in 2003. The Forty-First Supplement authorizes the Bonds to be issued in one or more Series of 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 each such Series of Bonds (including obligations to be refunded, maturity, amortization, interest rates, redemption provisions, etc.) according to parameters set forth in the Forty-First Supplement. State law authorized the Forty-First Supplement to delegate authority to sell and deliver multiple Series of Bonds within the parameters set forth in such supplement at different times during a 12-month period. The Forty-First Supplement also requires an officer of LCRA TSC to agree to the specific terms of each Series of Bonds. The Controlling Resolution, the Forty-First Supplement, and the relevant pricing certificate of the LCRA officer and the LCRA TSC officer establishing the terms of the particular Series of Bonds together constitute the authorization of such Series of Bonds.

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

A bond purchase agreement is the contract among LCRA, LCRA TSC and the underwriters of the Series of Bonds that establishes the terms of the sale and delivery of such Series of Bonds from LCRA and LCRA TSC to such underwriters. This agreement

provides for the conditions for closing on the Series of 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 Series of Bonds at closing.

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

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

Use of Proceeds

Proceeds from each Series of Bonds will be used to refund certain LCRA TSC commercial paper notes, revolving notes and bonds, establish a debt service reserve fund for the particular Series of 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 (such as the LCRA TSC Series 2013A bonds) 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 two Series of Bonds, the first in the spring of 2023 and the second in the summer of 2023, 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

5. Acquisition of Interests in Real Property – Use of Eminent Domain in Gillespie County

Proposed Motion

I move that the LCRA Transmission Services Corporation Board of Directors 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 easement amendments for the Peach to Headwaters Transmission Line Addition project to provide for the reliable transmission of electric energy and communications and to facilitate broadband services on the Peach to Headwaters (T288) transmission line; 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 fiber optic communications and broadband services pursuant to LCRA Board Policy 220 – Telecommunications 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 easement amendments in Gillespie County for the Mountain Home Substation and Transmission Line Addition project. Allen Williford and Seale LLC 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 descriptions of the specific properties to be acquired and will attach the descriptions to the resolution.

Staff will perform environmental and cultural due diligence studies. 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.

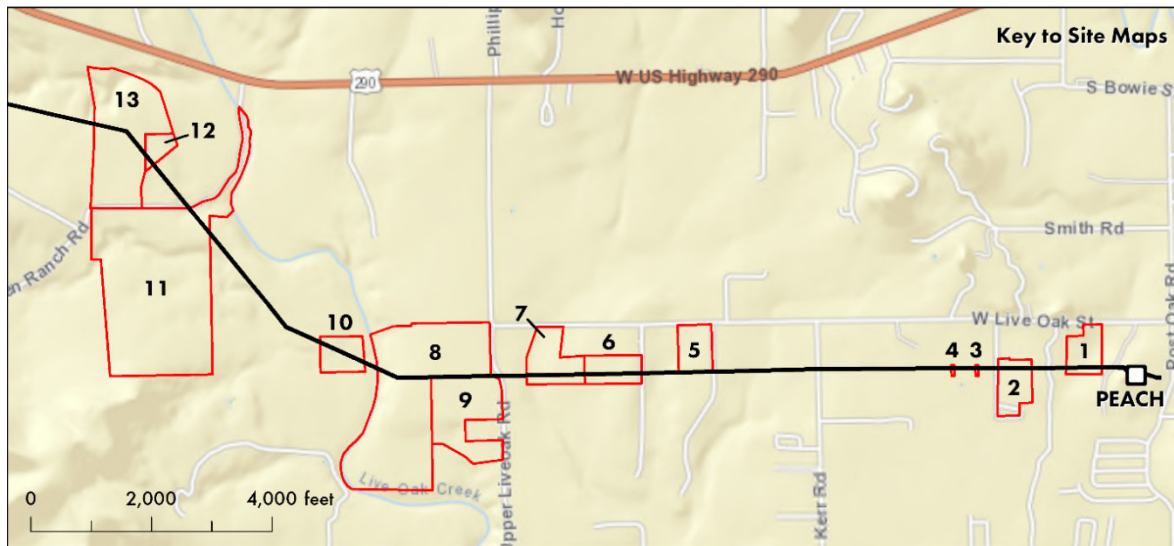
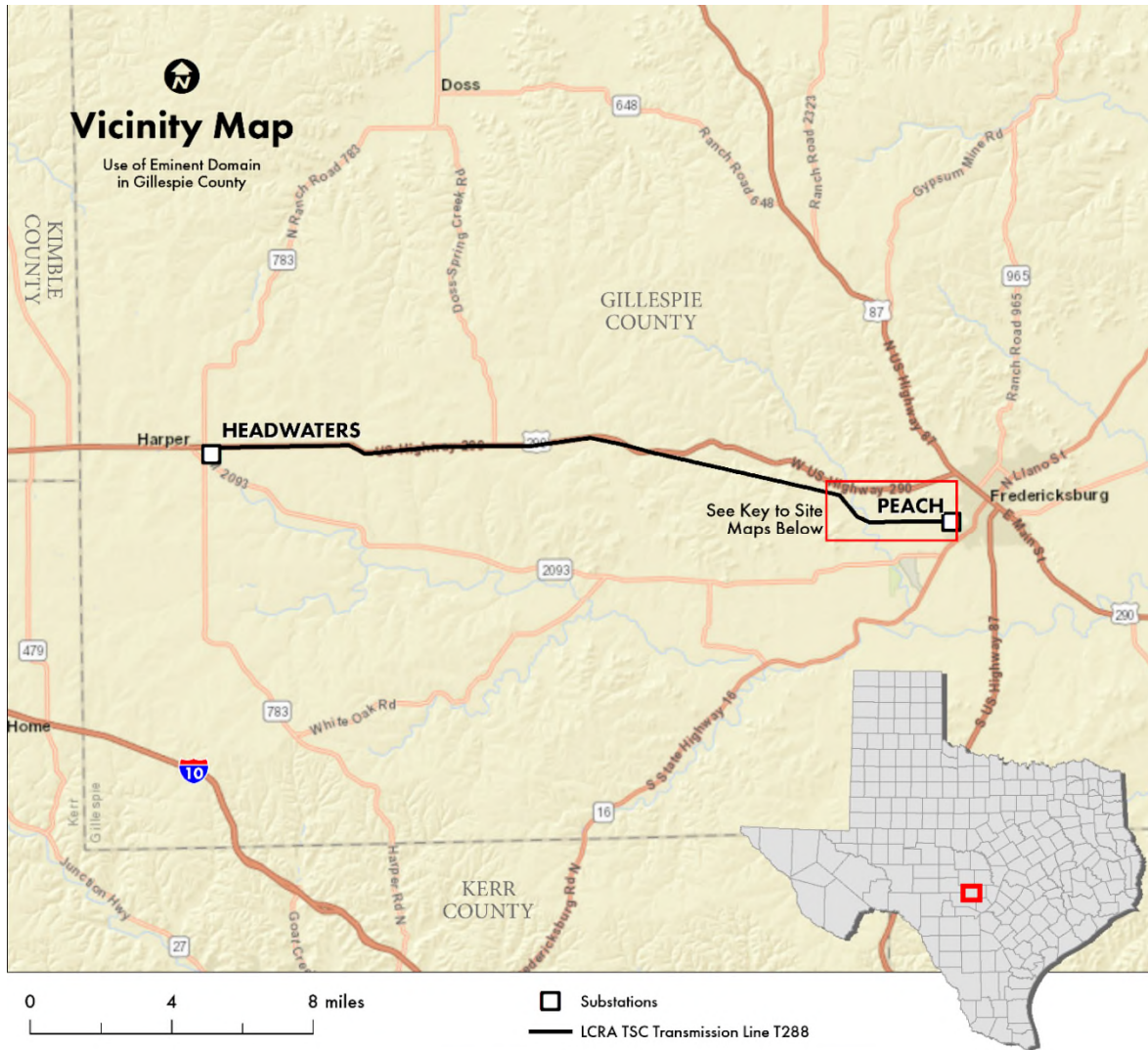
Presenter(s)

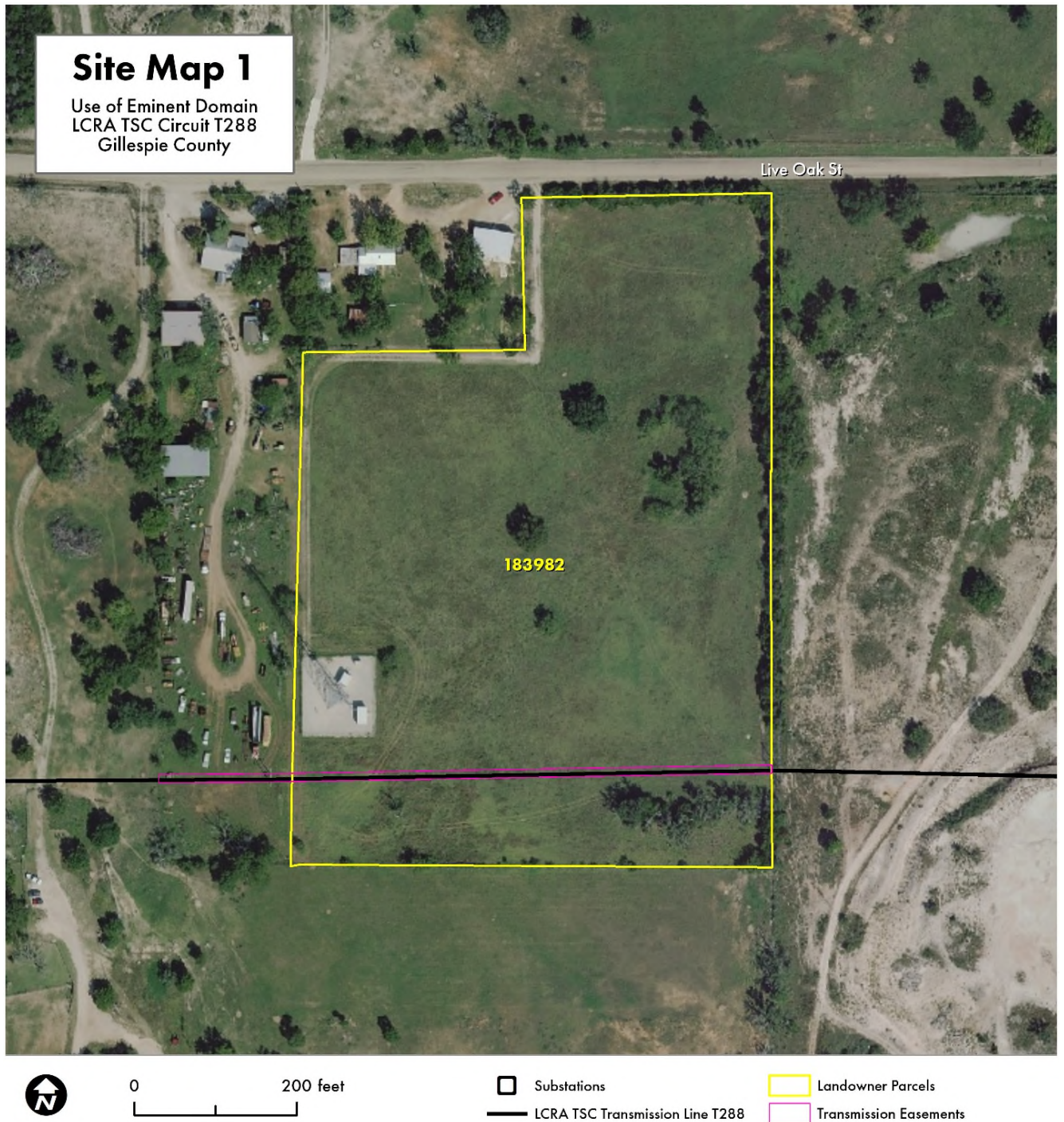
Mark Sumrall
Vice President, Real Estate Services

Exhibit(s)

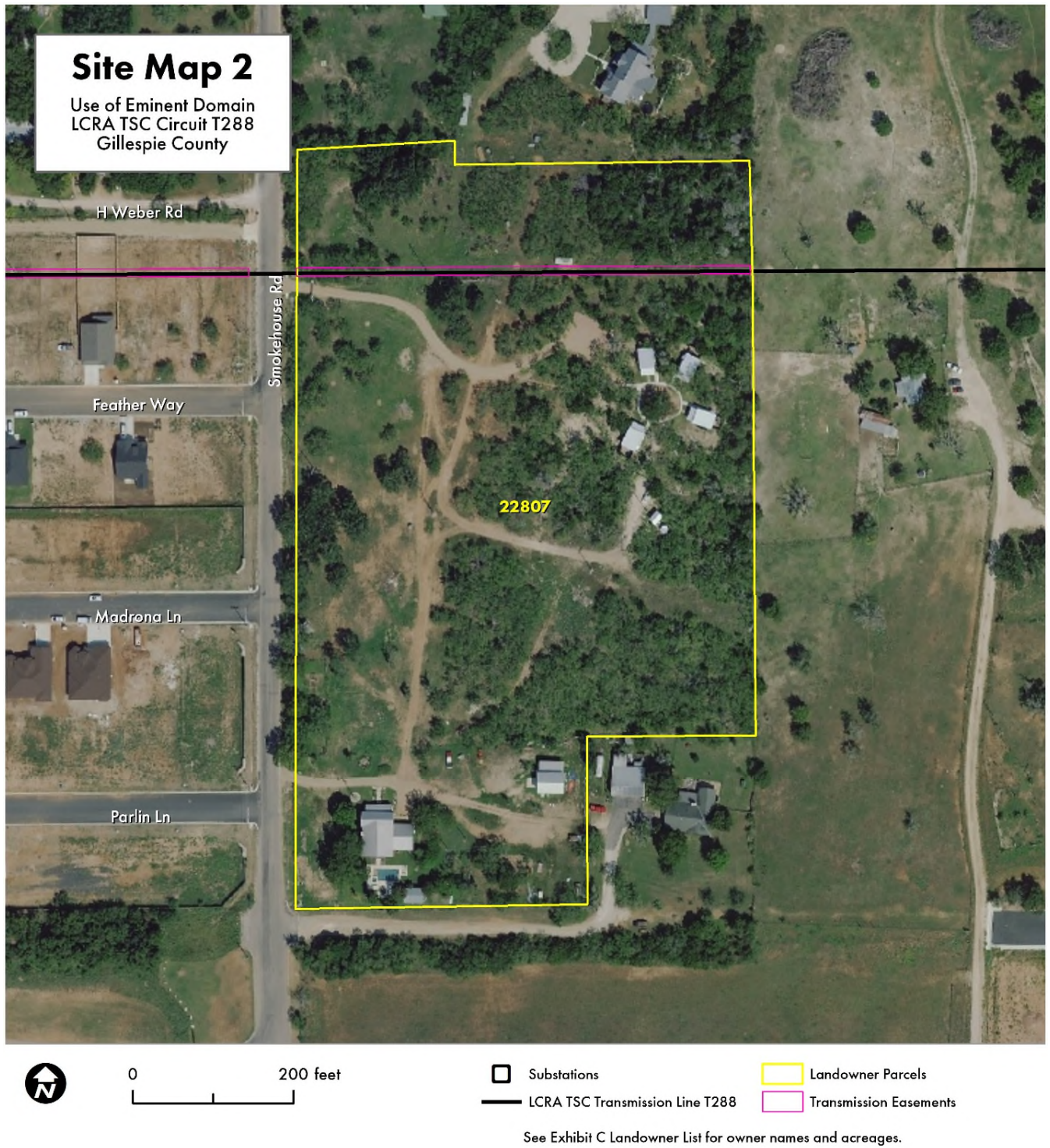
- A – Vicinity Map
- B – Site Maps
- C – Landowner List
- D – Resolution
- 1 – Property Descriptions

EXHIBIT A





See Exhibit C Landowner List for owner names and acreages.

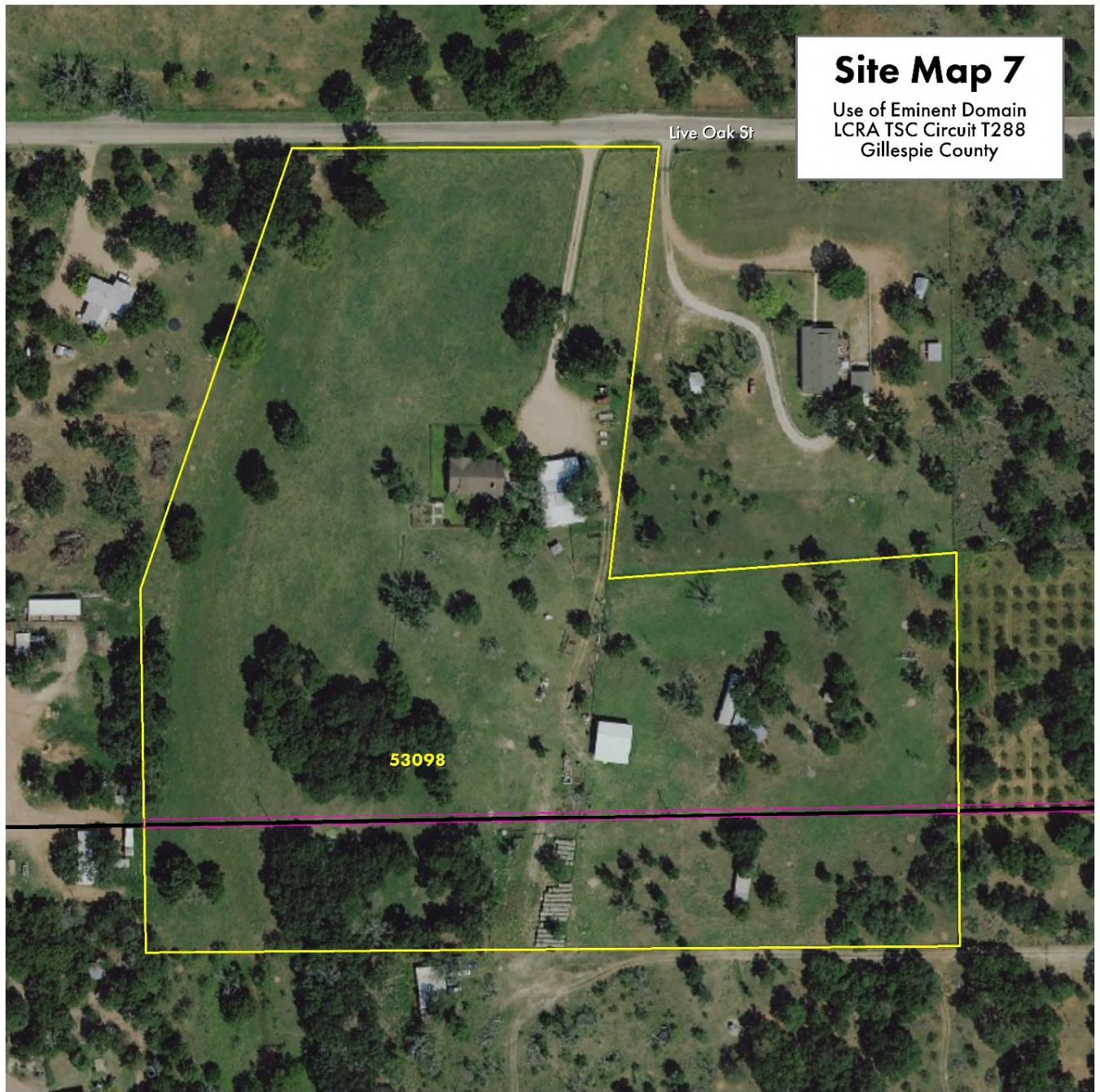












0 200 feet



Substations

LCRA TSC Transmission Line T288



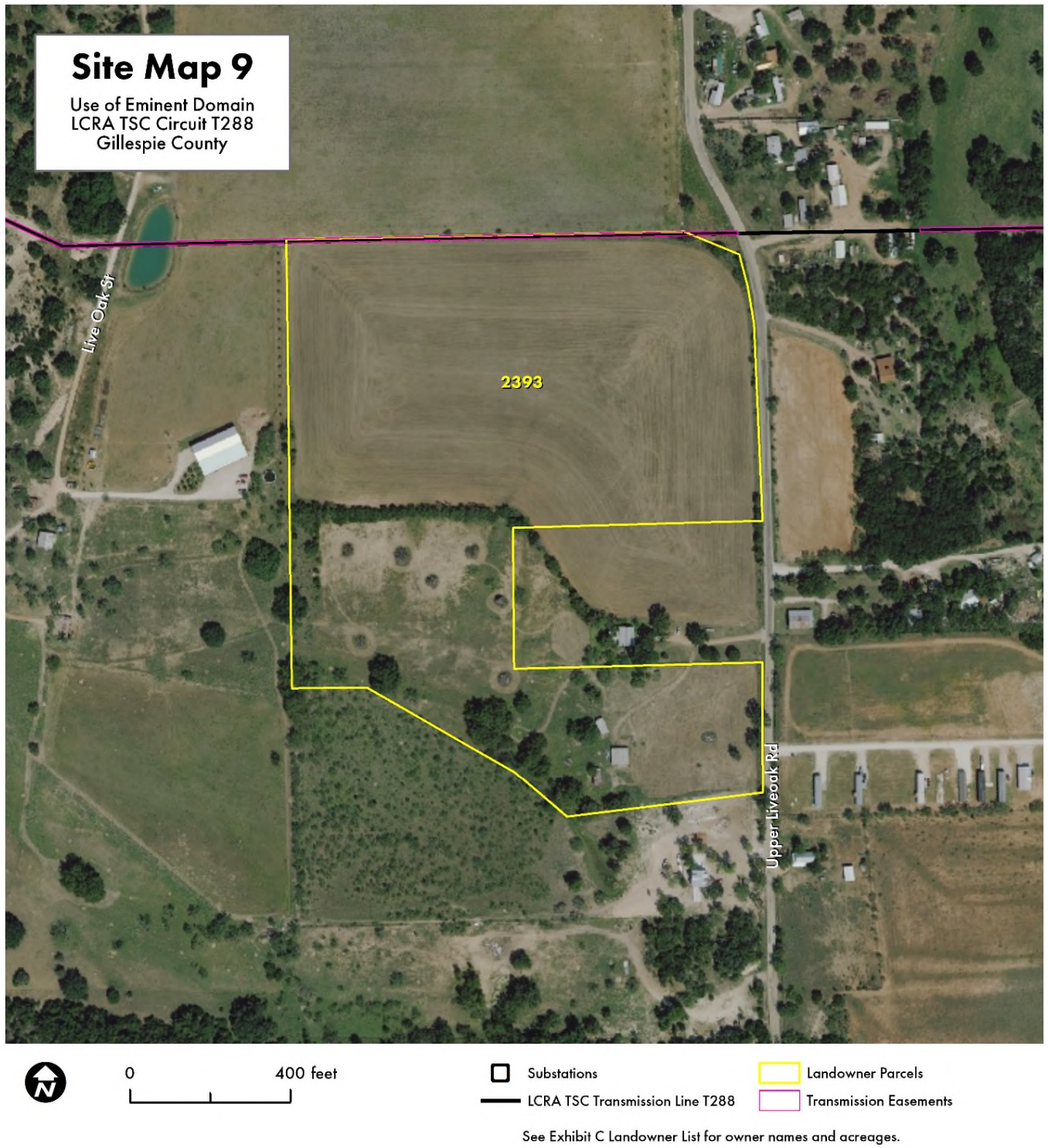
Landowner Parcels

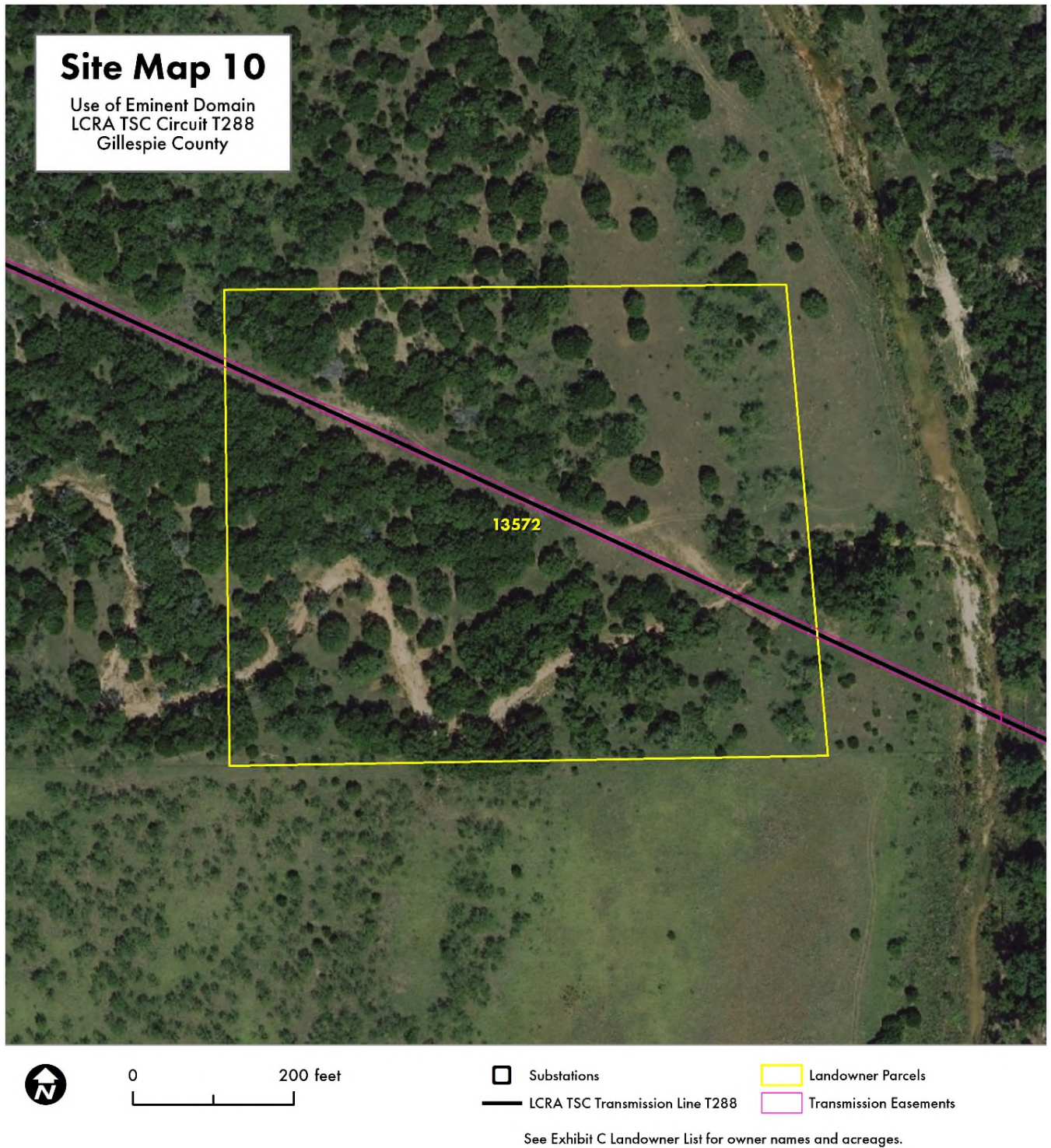


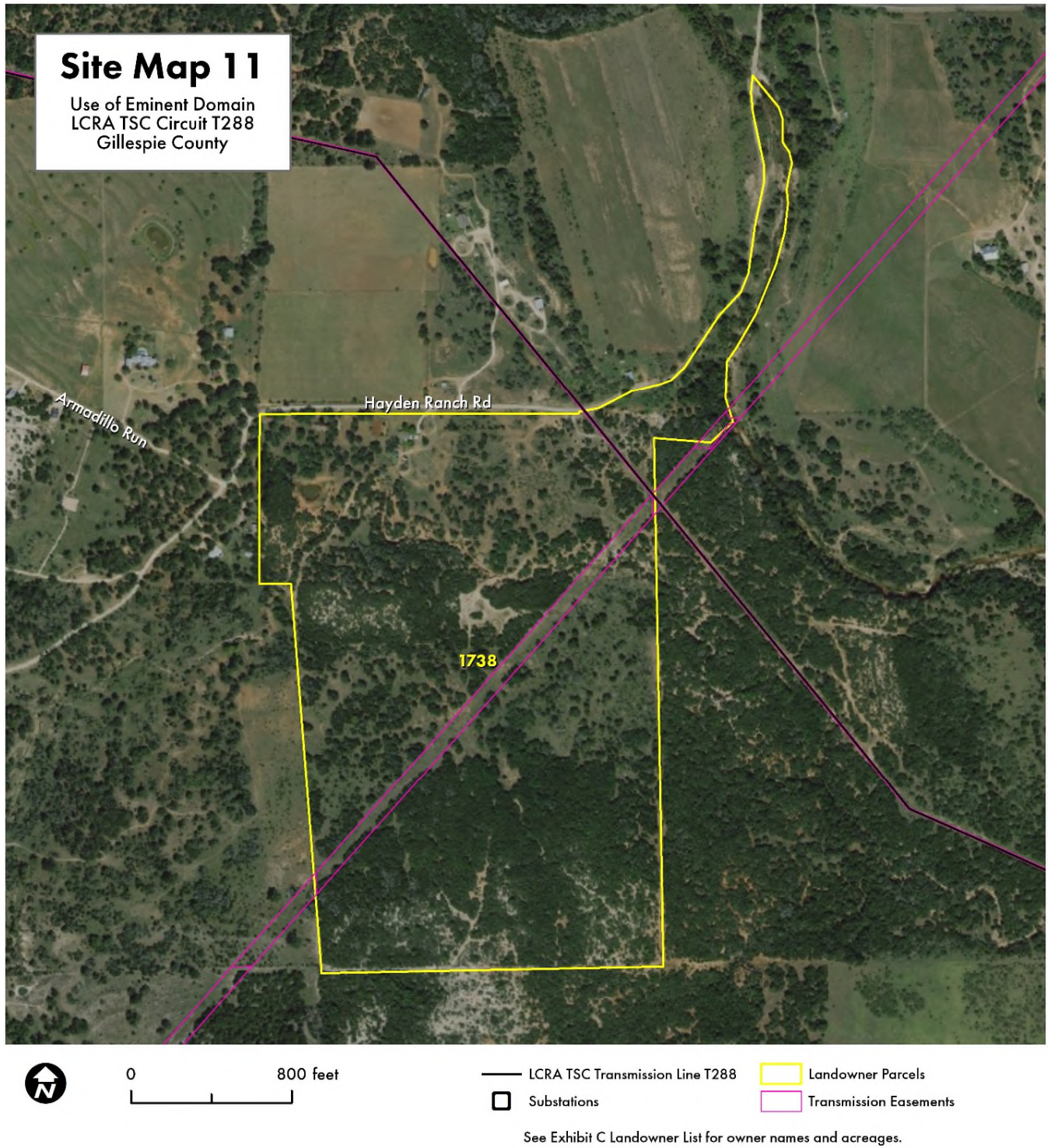
Transmission Easements

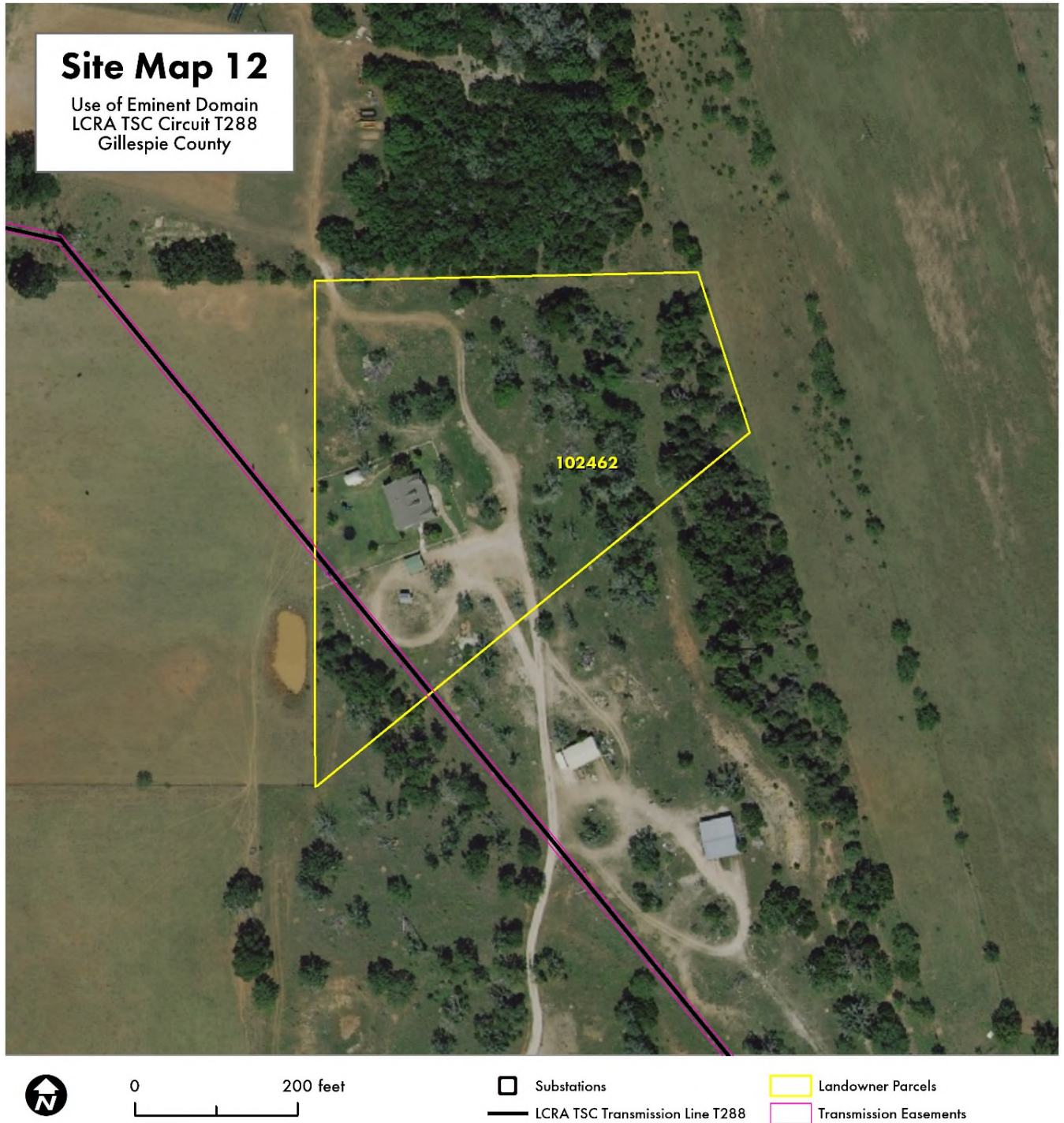
See Exhibit C Landowner List for owner names and acreages.











See Exhibit C Landowner List for owner names and acreages.

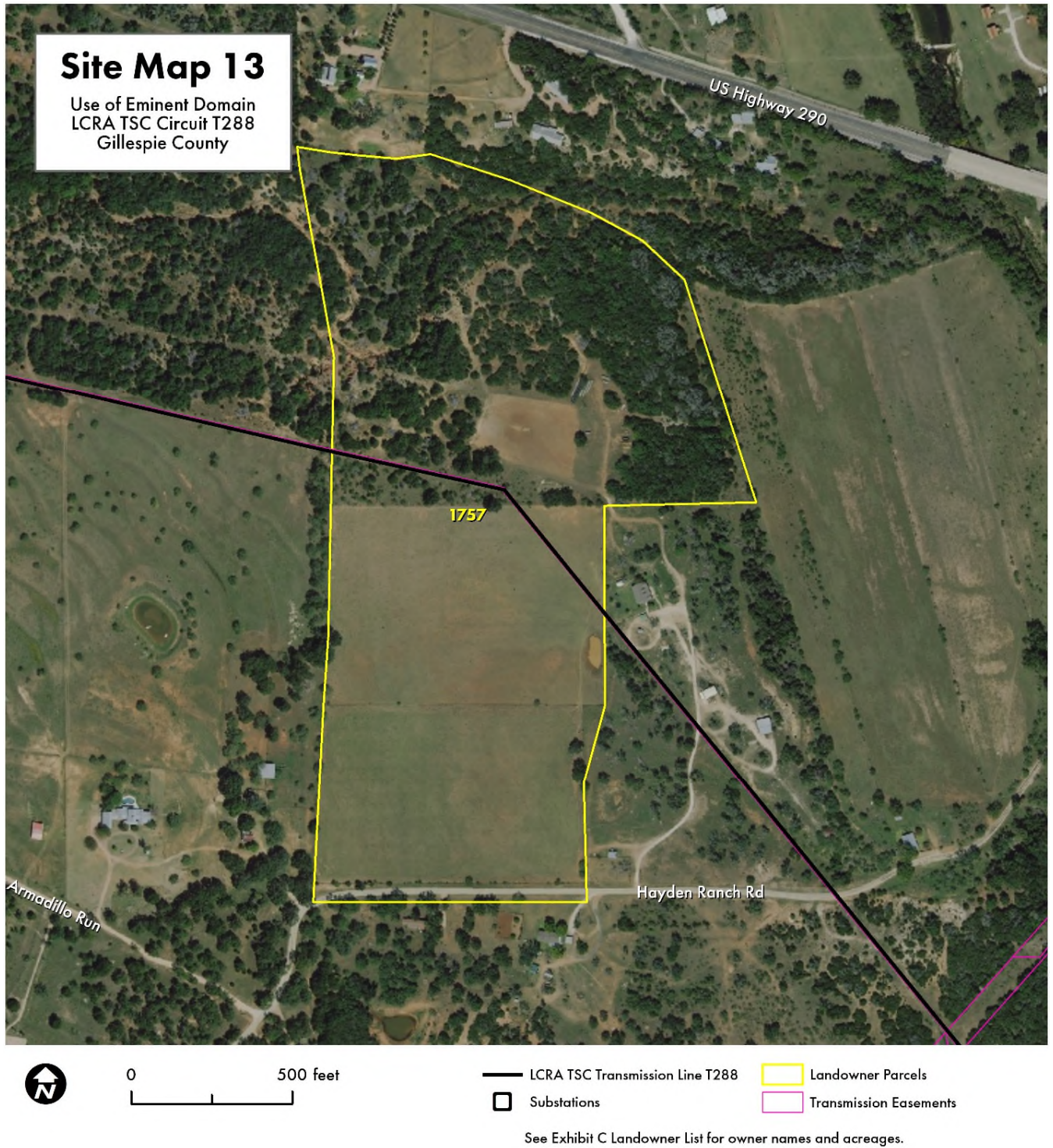


EXHIBIT C

Parcel ID	Landowners	Approximate Parent Tract Acreage	Land Rights	Approximate Acquisition Acreage	County	Approximate Value
171_183982	Zill Properties and Investments LLC	9.99 acres	Easement Amendment	1.10 acres	Gillespie	\$8,277
171_22807	Daniel and Jill Elliott	15.38 acres	Easement Amendment	1.05 acres	Gillespie	\$7,948
171_183001	Loth, Deborah S Irrevocable Trust	0.20 acre	Easement Amendment	0.09 acre	Gillespie	\$4,500
171_182993	Bartrei Properties LLC	0.21 acre	Easement Amendment	0.09 acre	Gillespie	\$4,500
171_24256	Michael Smith	10.09 acres	Easement Amendment	0.53 acre	Gillespie	\$3,510
171_1347	Danny and Linda Kneese	9.9 acres	Easement Amendment	1.68 acres	Gillespie	\$9,863
171_53098	Alicia Frantzen	15.56 acres	Easement Amendment	1.78 acres	Gillespie	\$6,732
171_26882	Steven and Nichole Arnold	83.08 acres	Easement Amendment	2.58 acres	Gillespie	\$3,817
171_2393	Borchers-Marek Properties LTD	30.86 acres	Easement Amendment	0.98 acre	Gillespie	\$3,411
171_13572	Frederick Burgess	159.50 acres	Easement Amendment	6.73 acres	Gillespie	\$8,762
171_1738	Judy Philp	125.10 acres	Easement Amendment	1.04 acres	Gillespie	\$1,388
171_102462	Broc and Humbertina Thiele	4.91 acres	Easement Amendment	0.41 acre	Gillespie	\$2,241
171_1757	Joyce Thiele	109.24 acres	Easement Amendment	3.52 acres	Gillespie	\$6,258

EXHIBIT D

Page 1 of 2

PROPOSED MOTION

I MOVE THAT THE LCRA TRANSMISSION SERVICES CORPORATION BOARD OF DIRECTORS 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 EASEMENT AMENDMENTS FOR THE PEACH TO HEADWATERS TRANSMISSION LINE ADDITION PROJECT TO PROVIDE FOR THE RELIABLE TRANSMISSION OF ELECTRIC ENERGY AND COMMUNICATIONS AND TO FACILITATE BROADBAND SERVICES ON THE PEACH TO HEADWATERS (T288) TRANSMISSION LINE; 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 COUNTY FOR
TRANSMISSION LINE EASEMENT AMENDMENTS.**

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 County; and

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 Peach to Headwaters 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 require 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; that at such time as LCRA Transmission Services Corporation has determined that the landowner(s) and

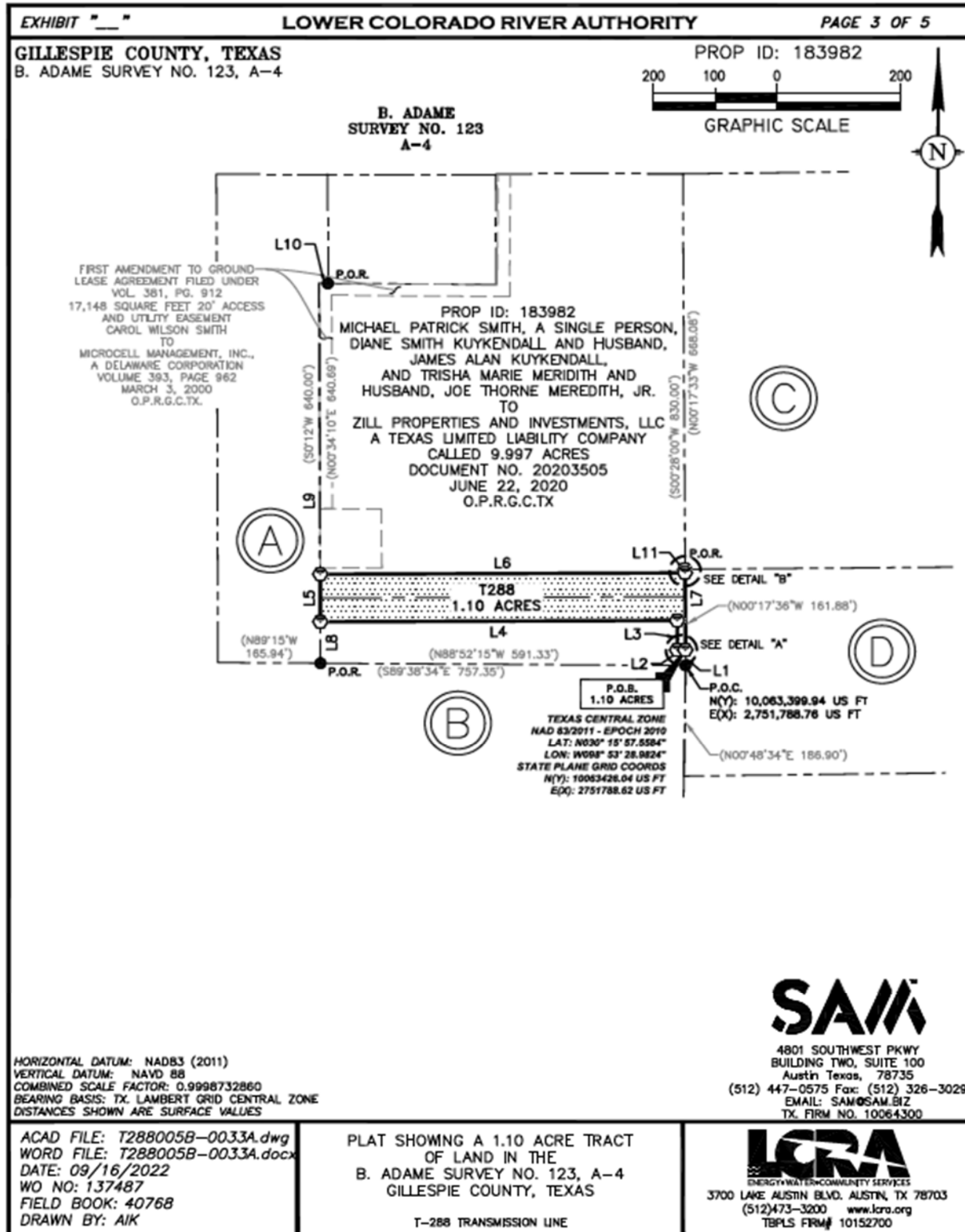
EXHIBIT D

Page 2 of 2

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 1 of 16



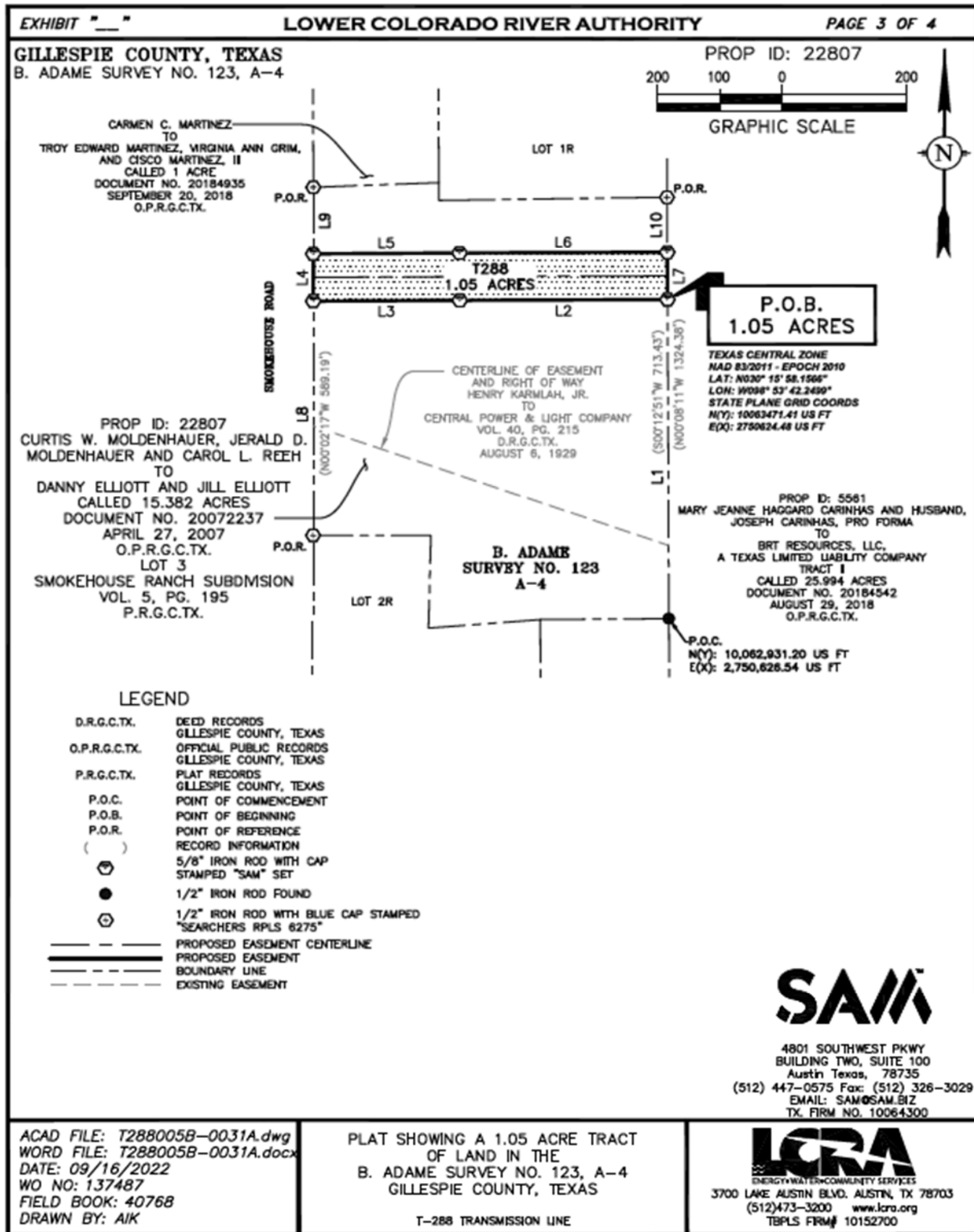


EXHIBIT 1
Page 3 of 16

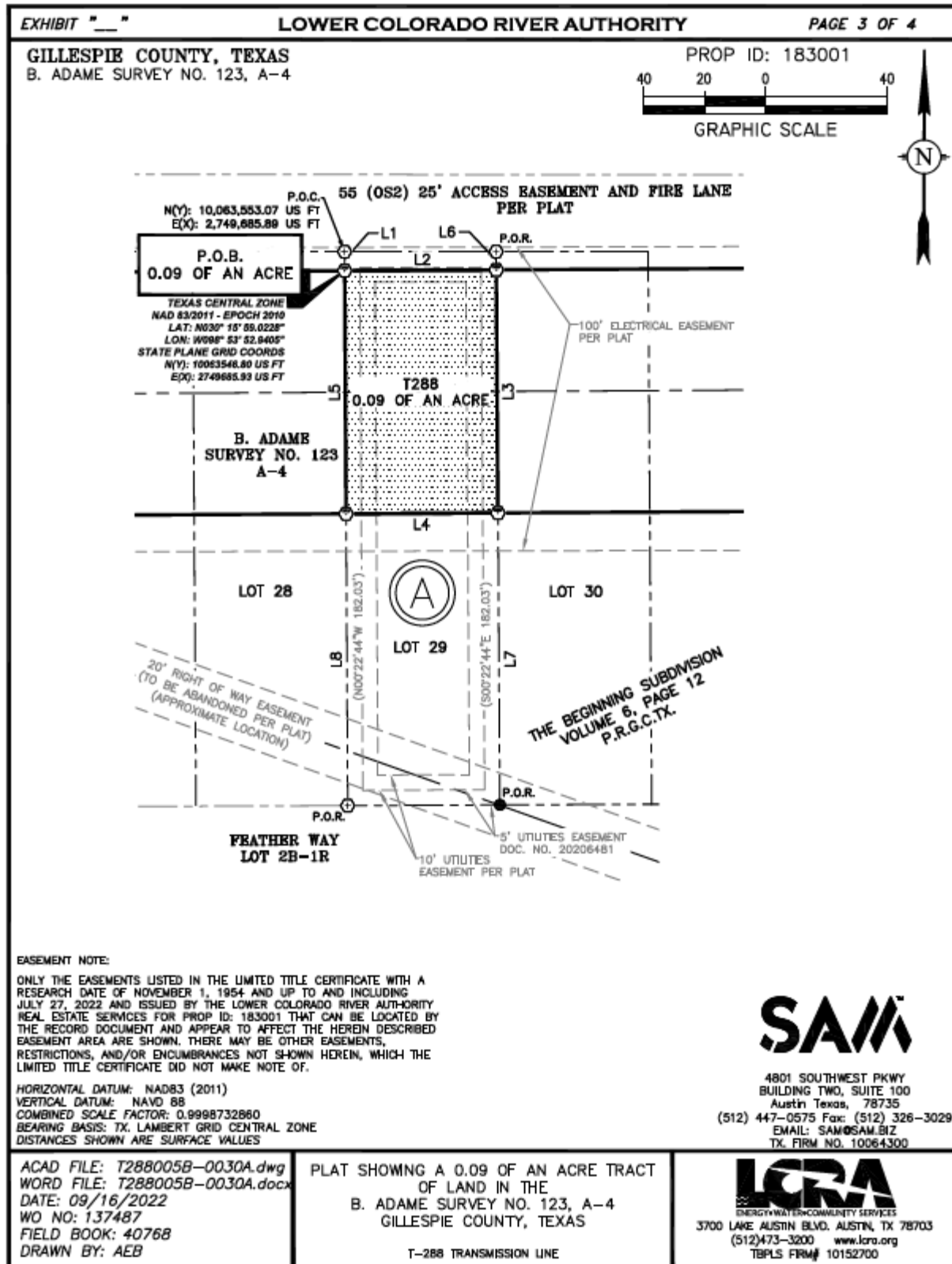
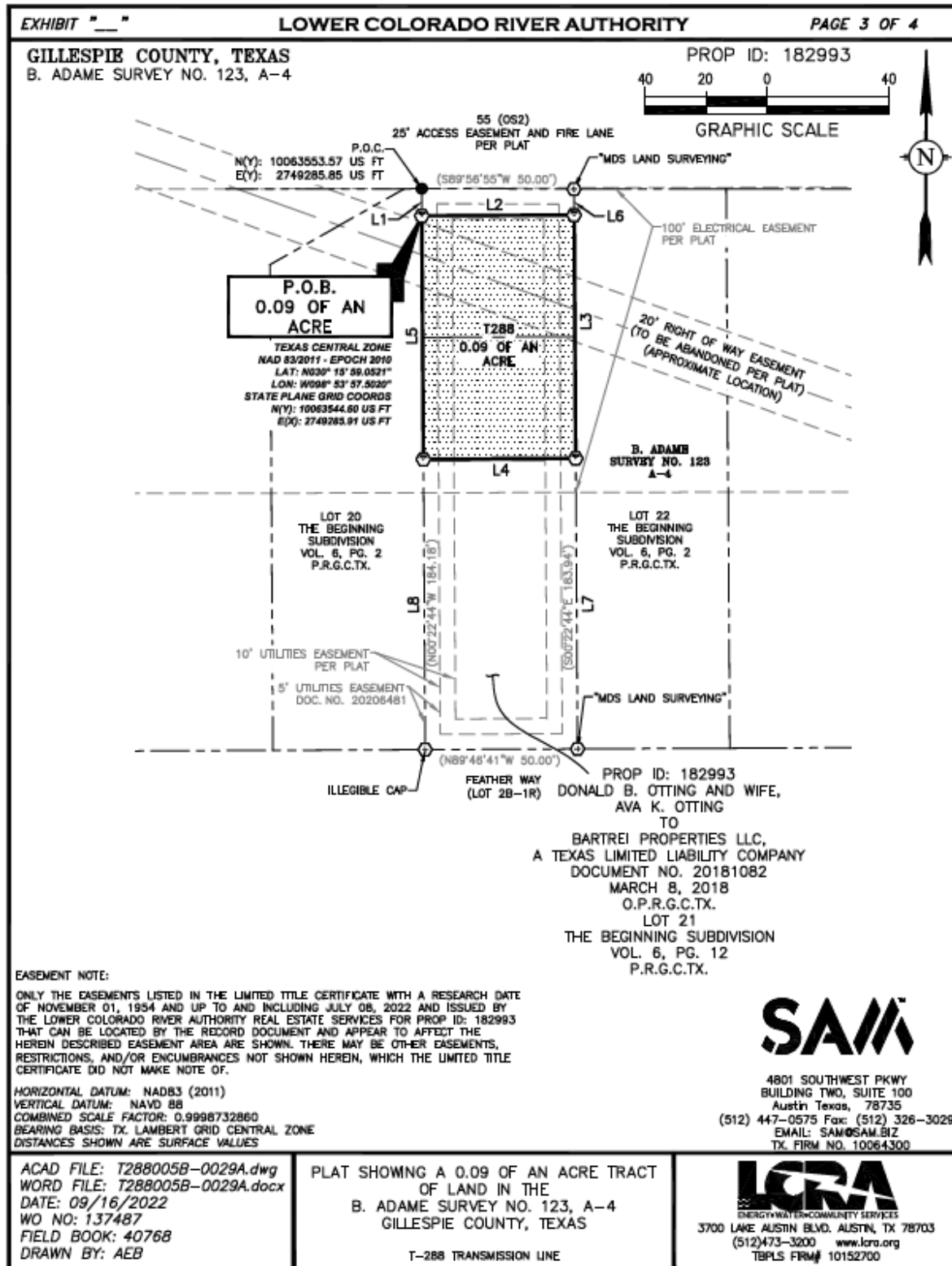
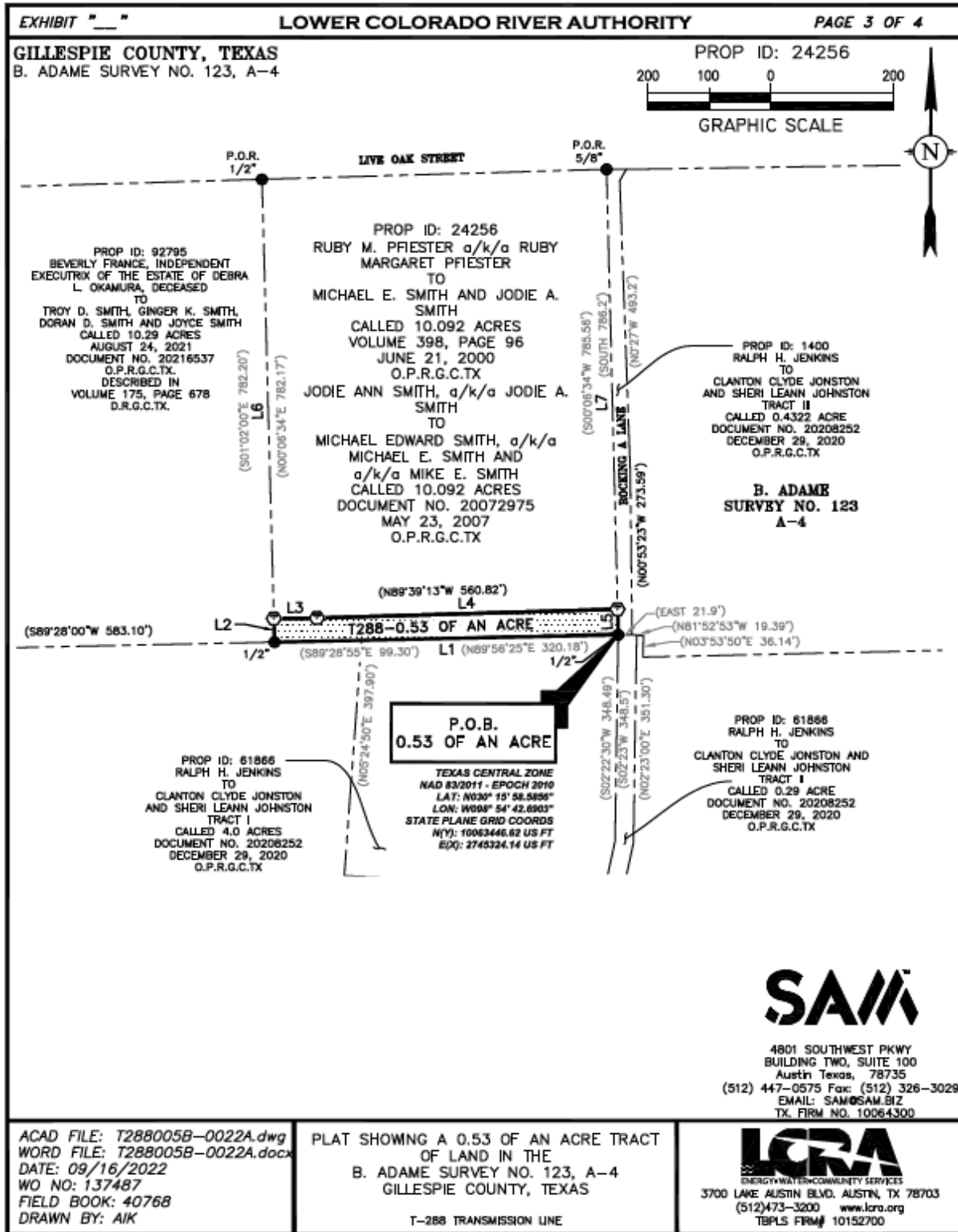
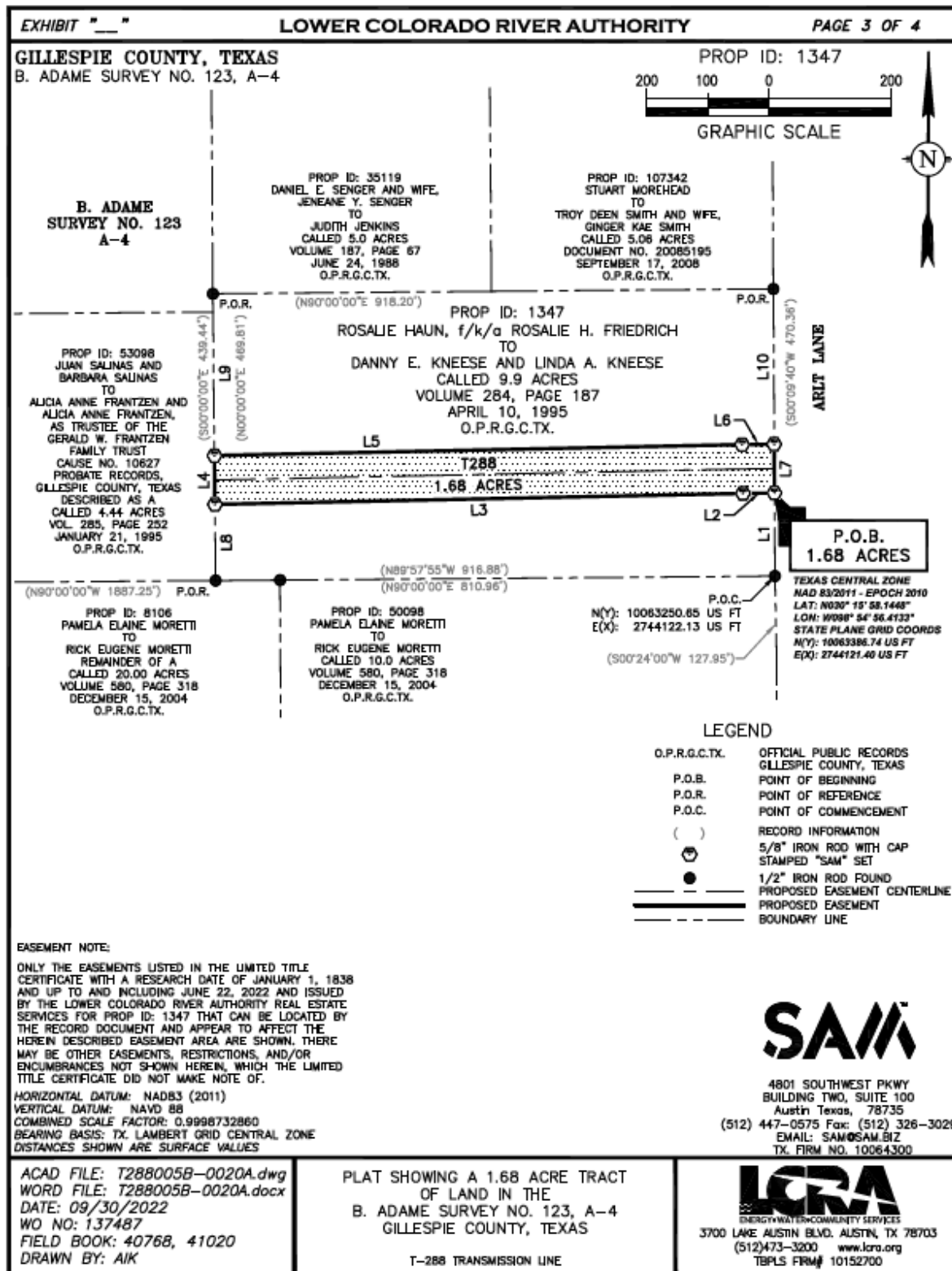
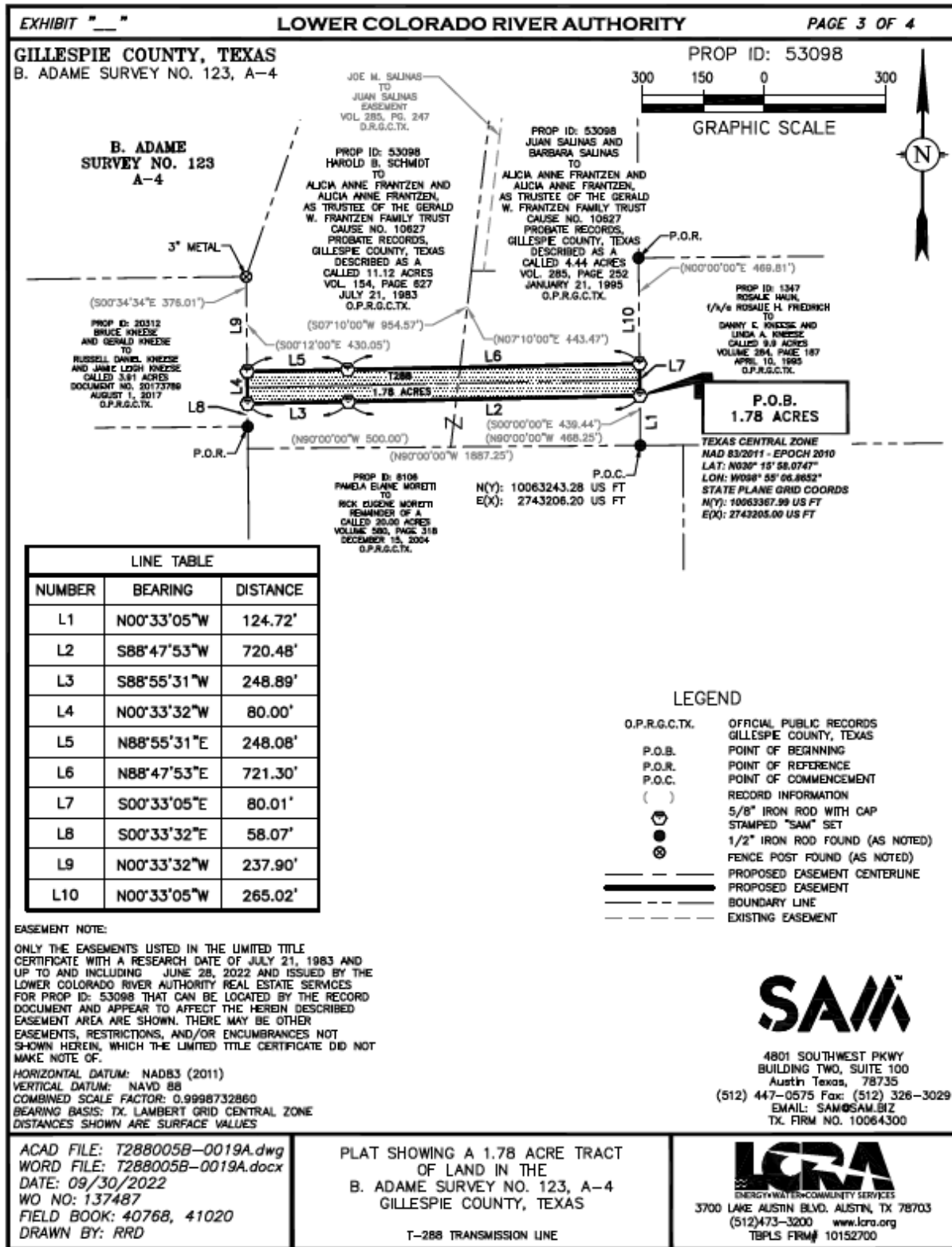


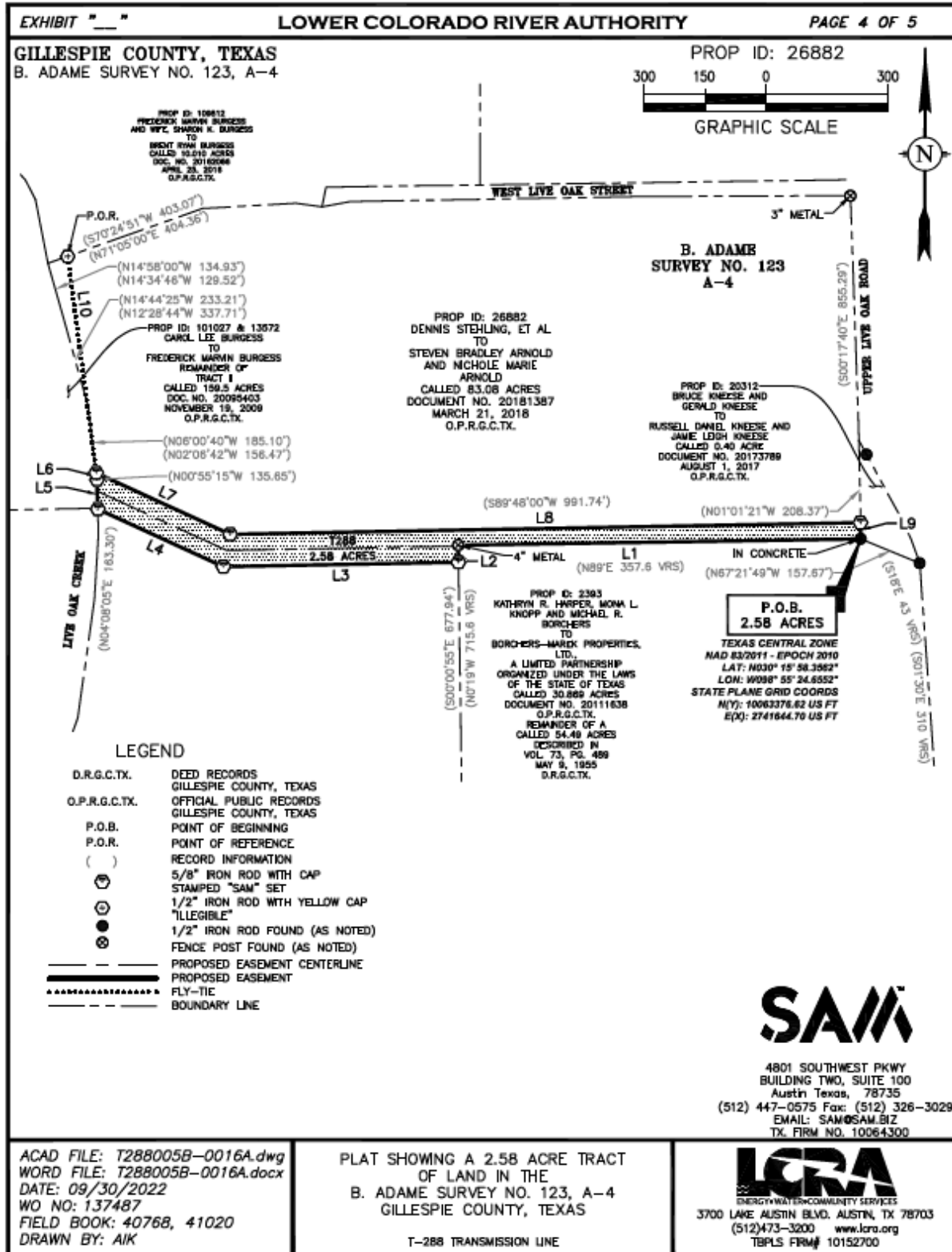
EXHIBIT 1
Page 4 of 16

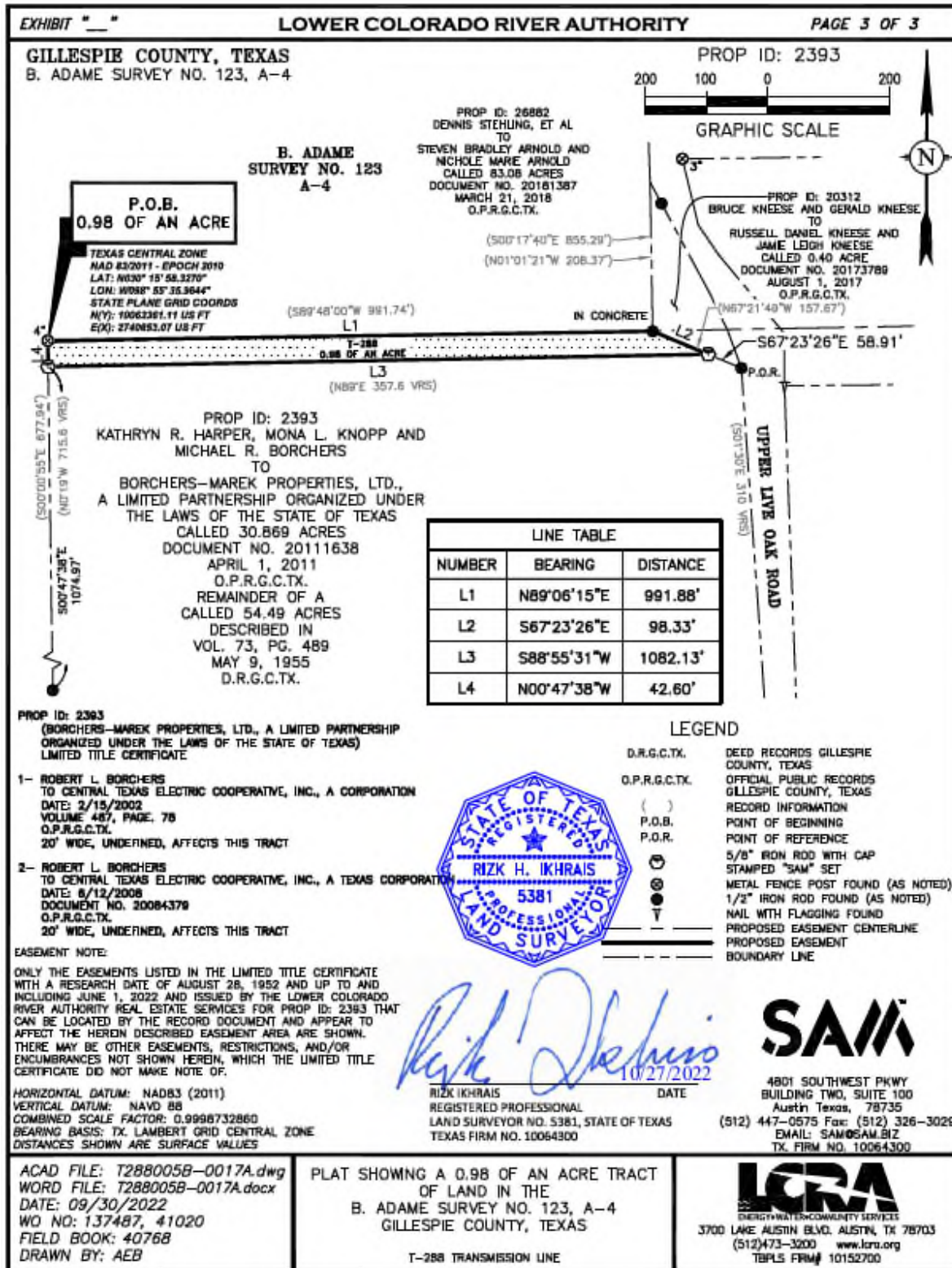












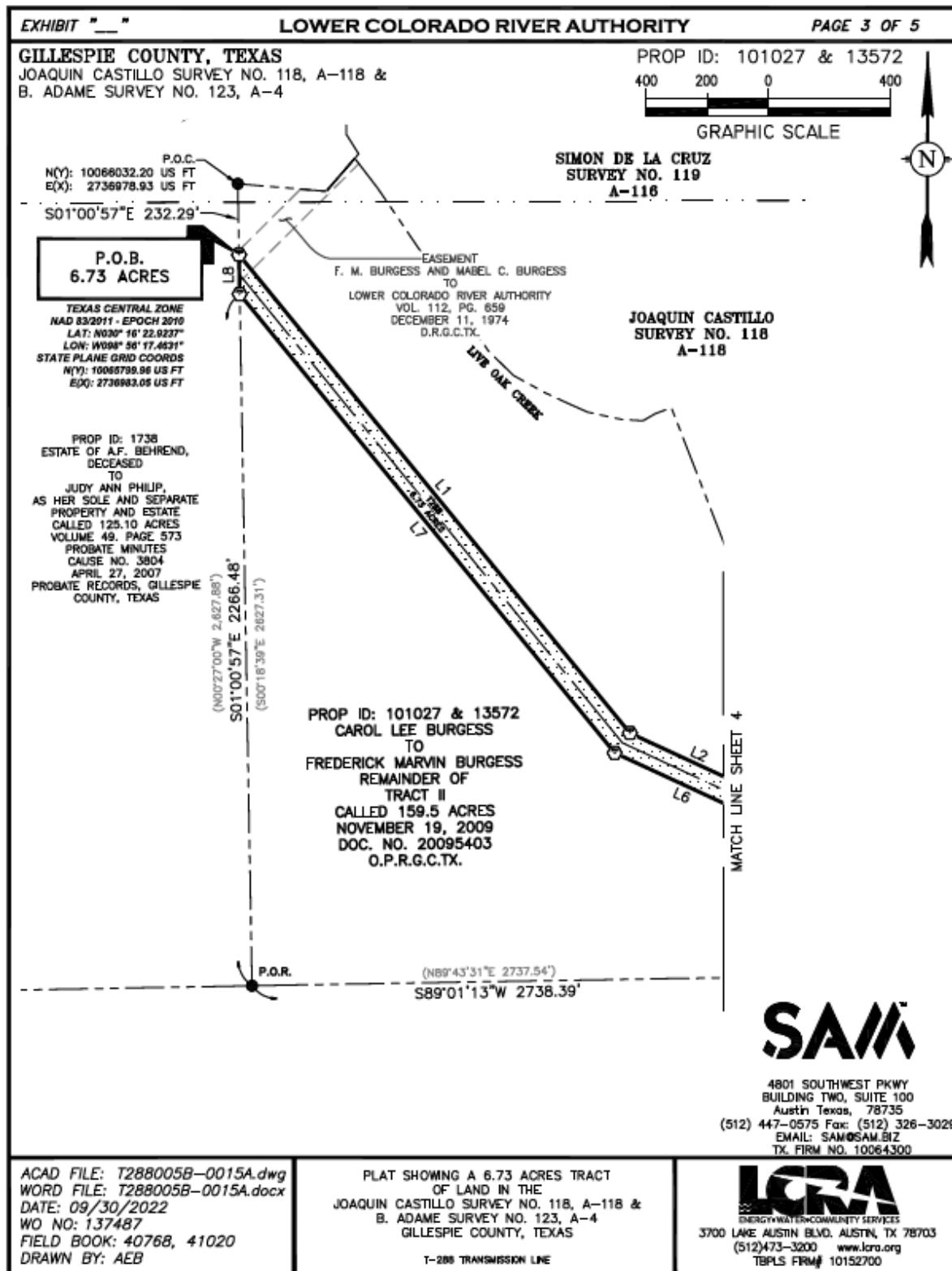
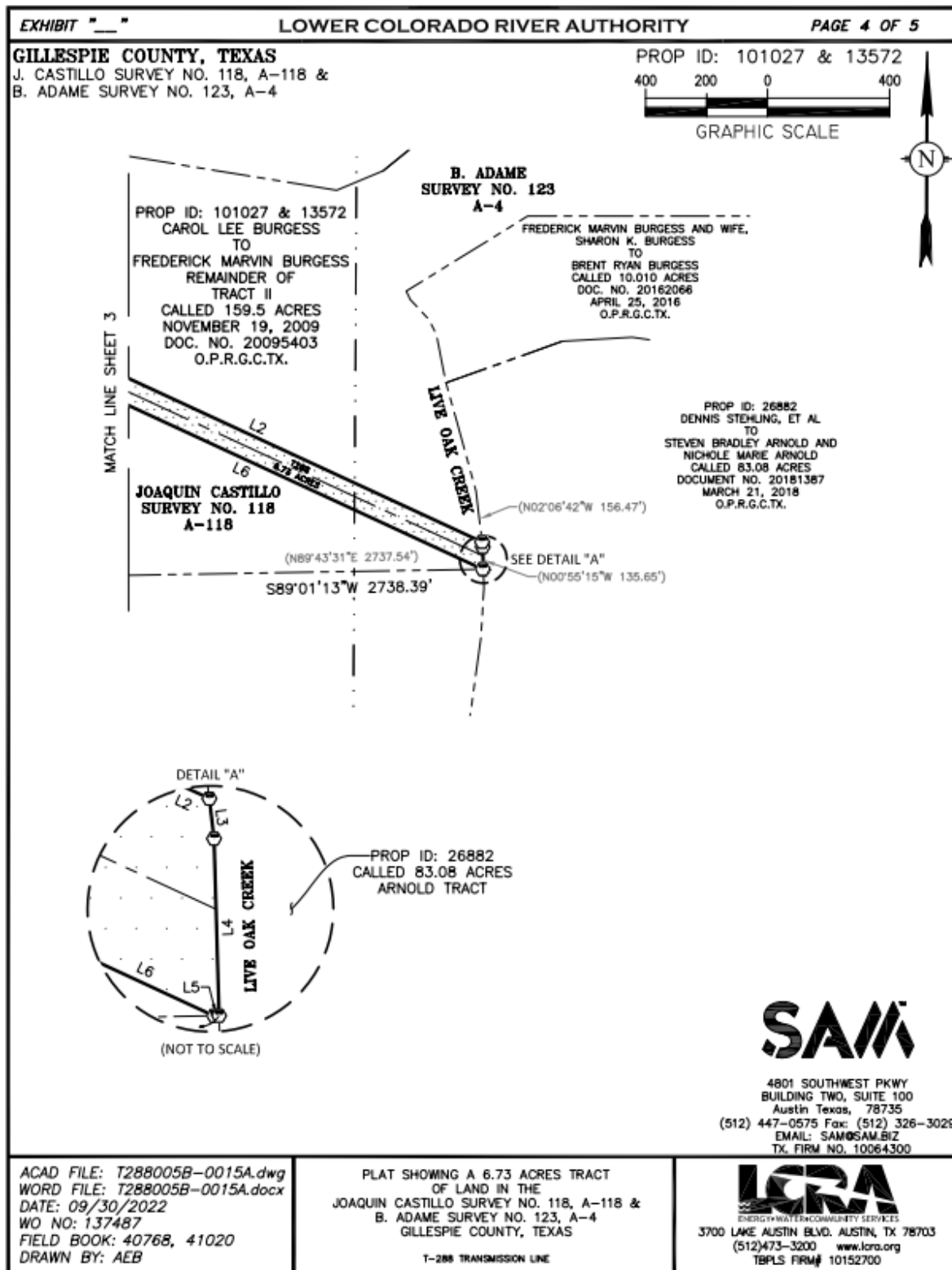


EXHIBIT 1
Page 11 of 16



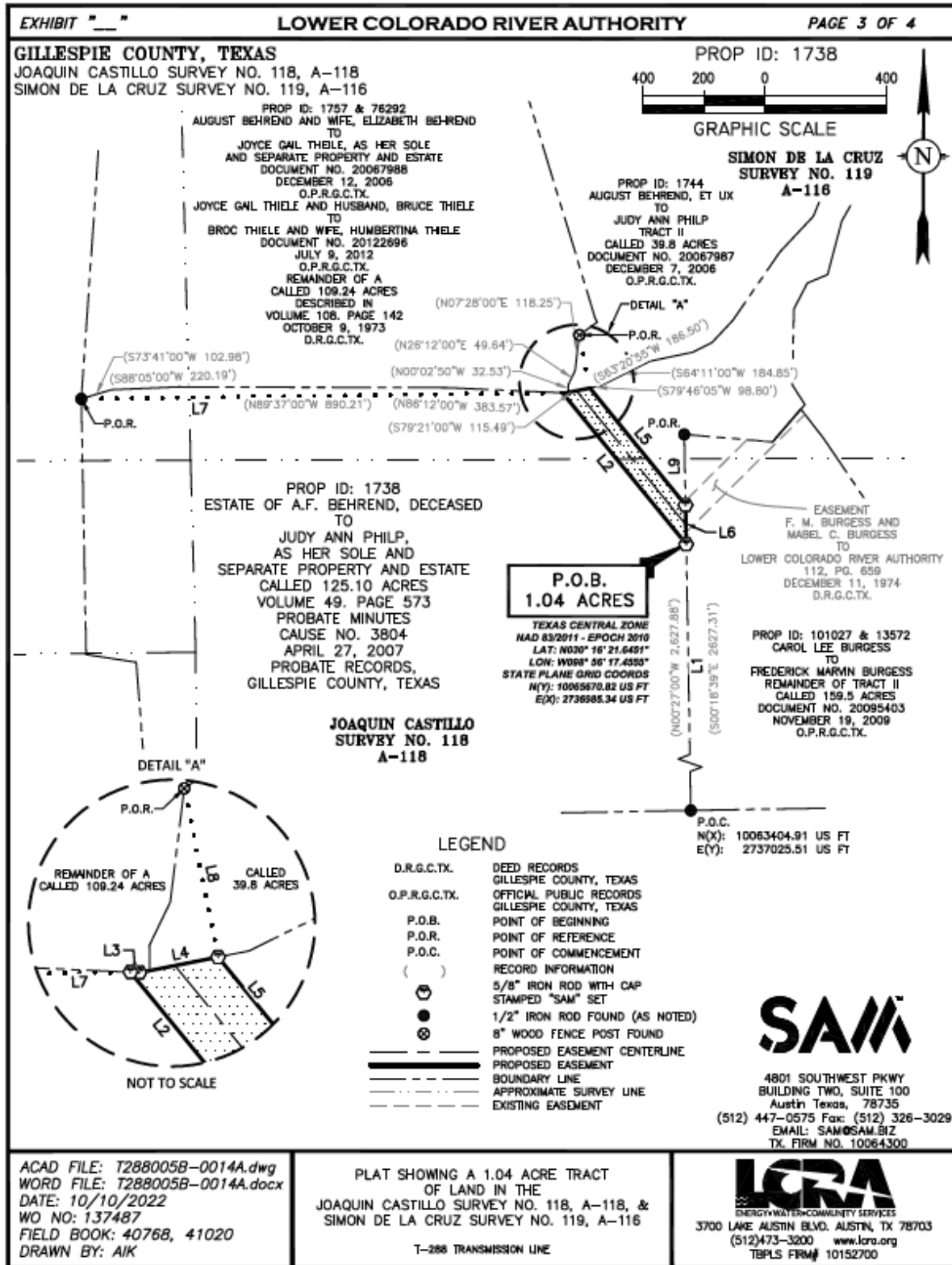


EXHIBIT 1
Page 13 of 16

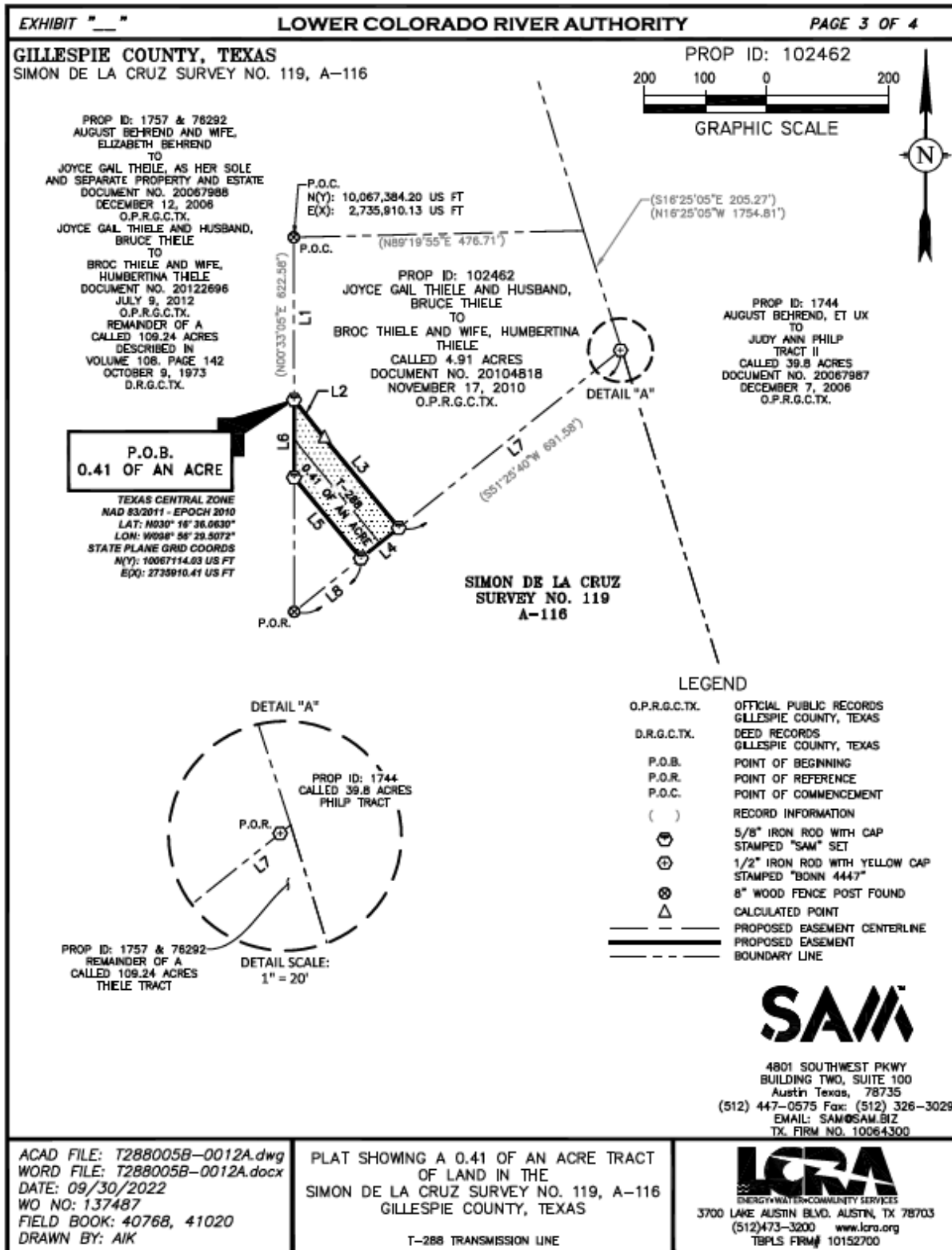


EXHIBIT 1
Page 14 of 16

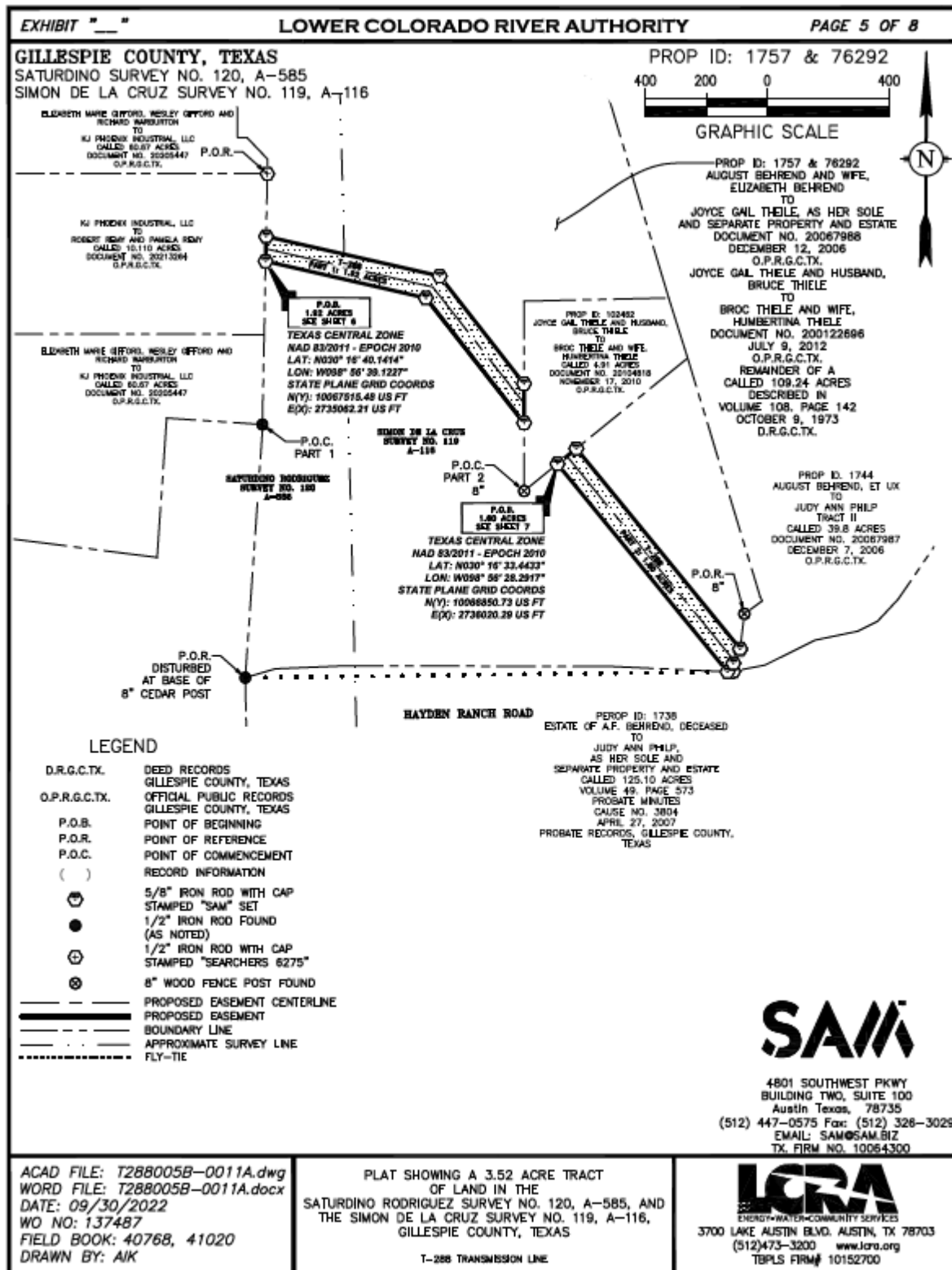
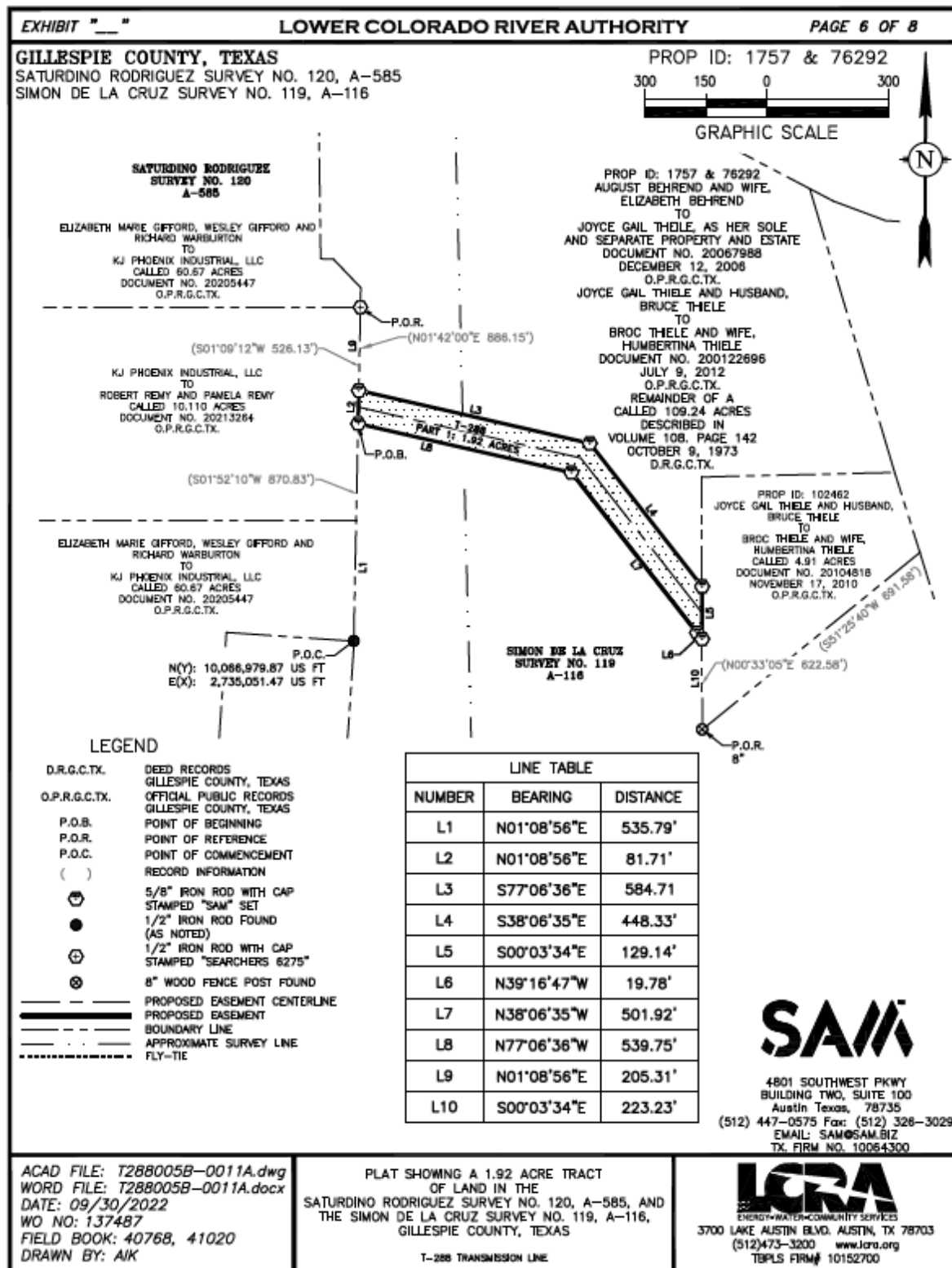
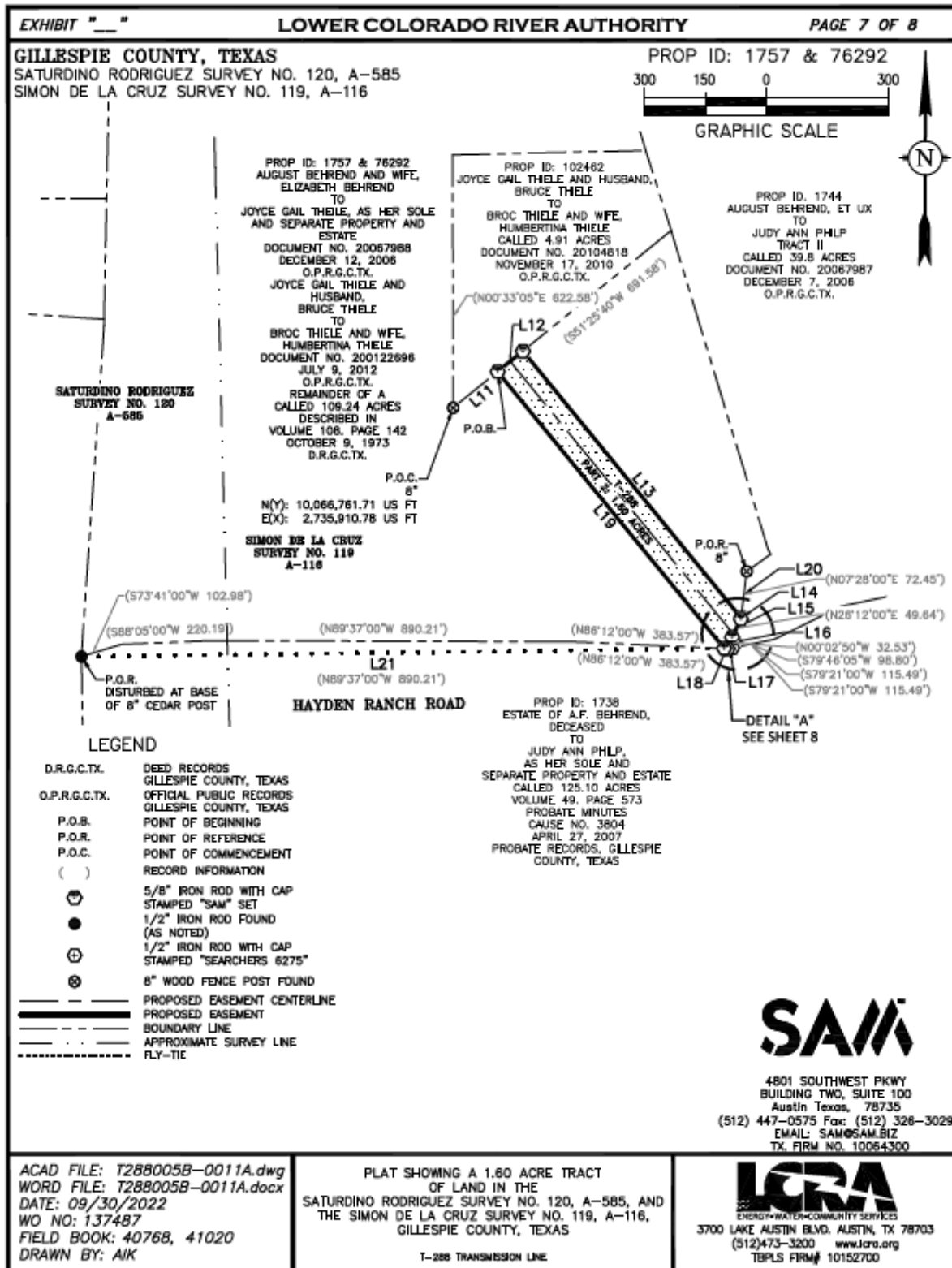


EXHIBIT 1
Page 15 of 16





FOR ACTION

6. Acquisition of Interests in Real Property – Use of Eminent Domain in Travis, Williamson and Kerr Counties

Proposed Motion

I move that the LCRA Transmission Services Corporation Board of Directors 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 easement rights for the LCRA Broadband Program project to provide, on behalf of LCRA and at LCRA's expense, for communications and to facilitate broadband services on the Wells Branch to Round Rock (T527), Leander to Ridgmar (T616), Ridgmar to Spanish Oak (T641) and Cypress Creek to Raymond F Barker (T662) 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, 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 fiber optic communications and broadband services at LCRA's expense pursuant to LCRA Board Policy 220 – Telecommunications and Section 8503.032 of the Special District Local Laws Code.

Budget Status and Fiscal Impact

The acquisition cost was included in the Board-approved budget for the LCRA Broadband Program project.

Summary

LCRA TSC proposes to acquire communication rights, including the facilitation of broadband services, in Travis, Williamson and Kerr counties for the LCRA Broadband Program project. Paul Hornsby and Company will perform independent appraisals of the interests in real property to be acquired to determine just compensation to the landowners.

Staff will make an initial offer 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 an agreement cannot be reached with the landowner(s).

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

Staff requests that 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
Vice President, Real Estate Services

Exhibit(s)

A – Vicinity Map
B – Site Maps
C – Landowner List
D – Resolution
1 – Property Descriptions

EXHIBIT A

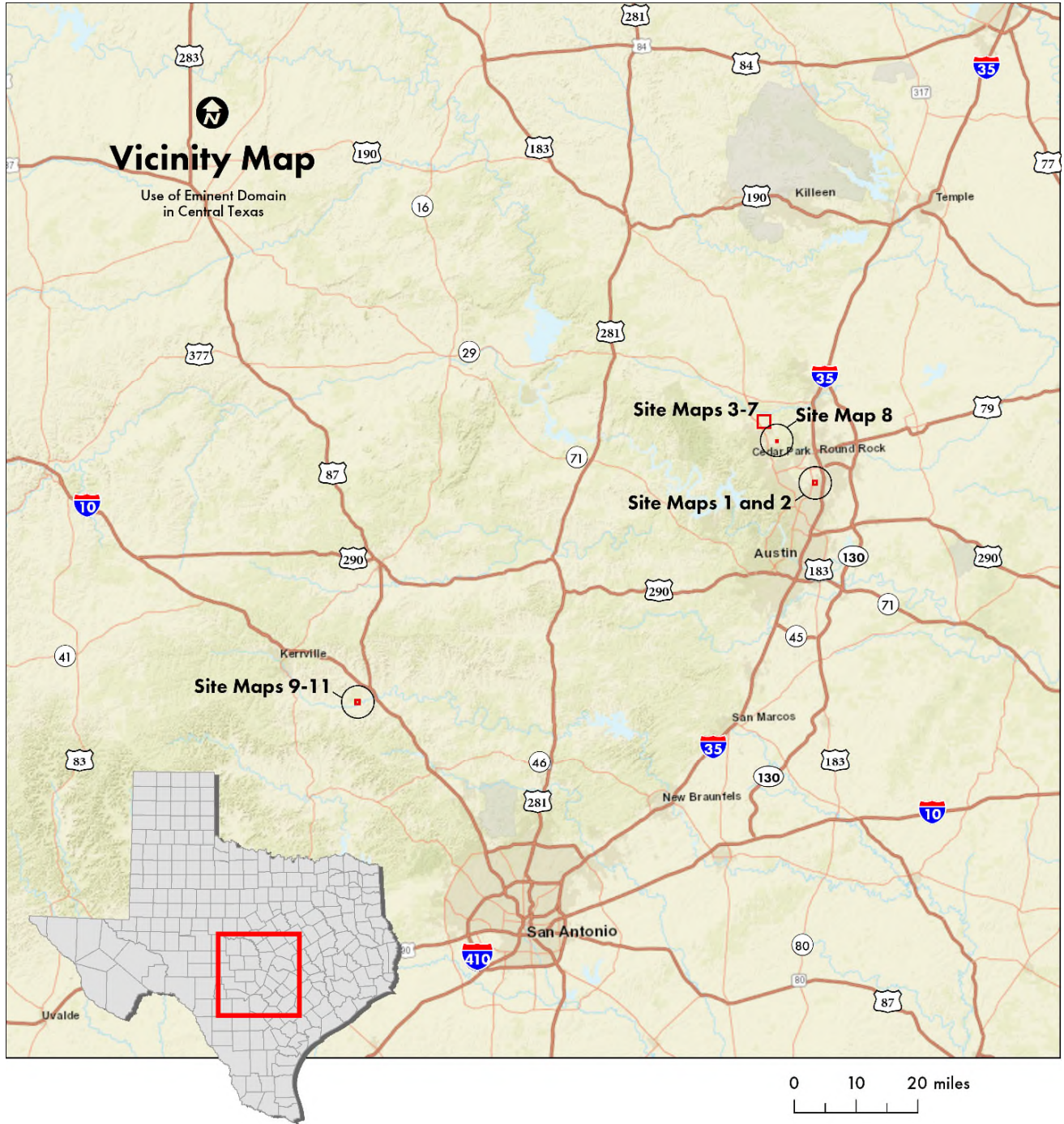
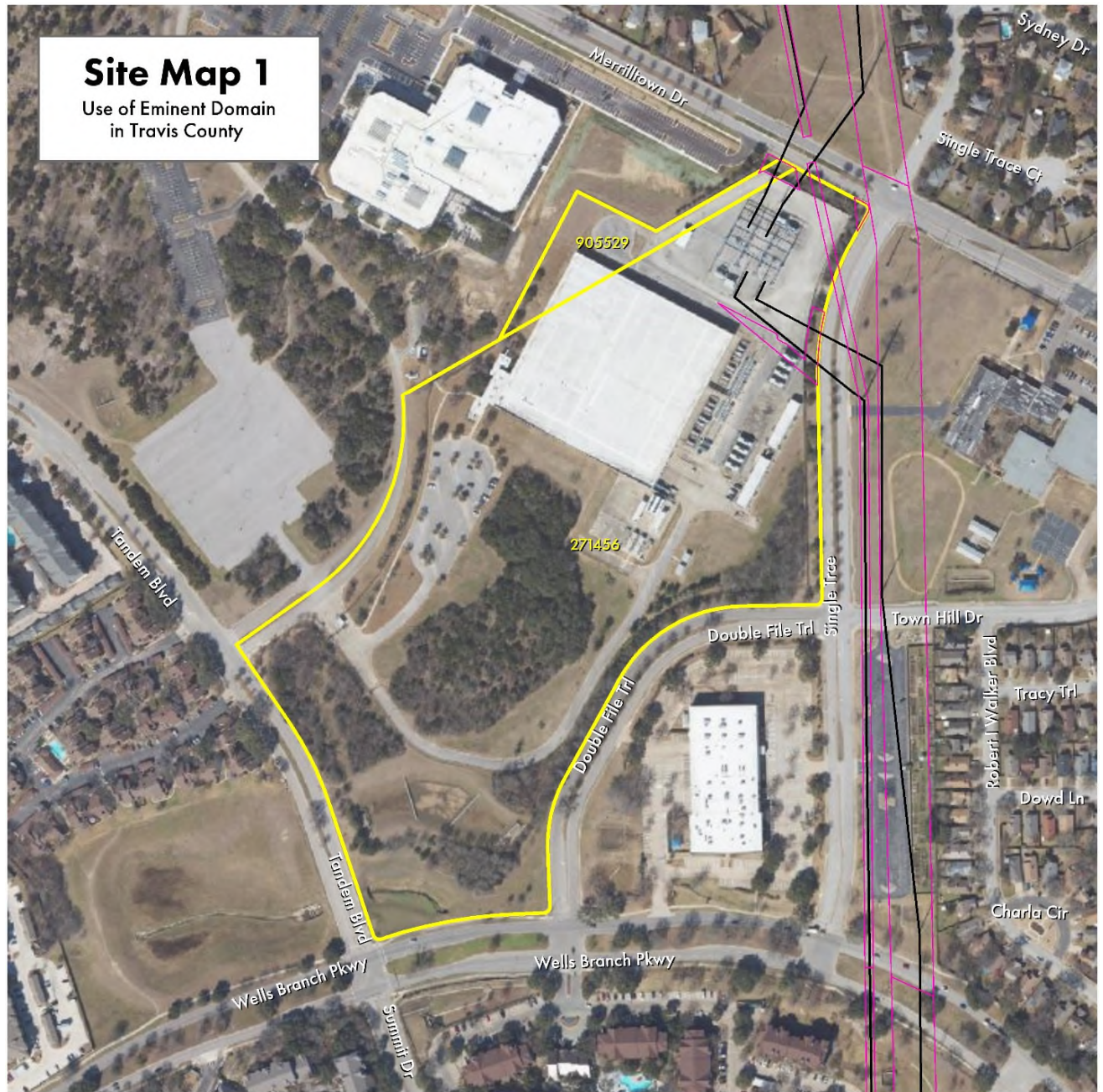


EXHIBIT B



0 400 feet

Existing Easements
Travis County Parcels

LCRA Transmission Lines

See Exhibit C Landowner List
for owner names and acreages.

EXHIBIT B



0 300 feet



Travis County Parcels



Existing Easements

LCRA Transmission Lines

See Exhibit C Landowner List
for owner names and acreages.



0 300 feet

Williamson County Parcels — LCRA Transmission Lines
Existing Easements

See Exhibit C Landowner List for owner names and acreages.



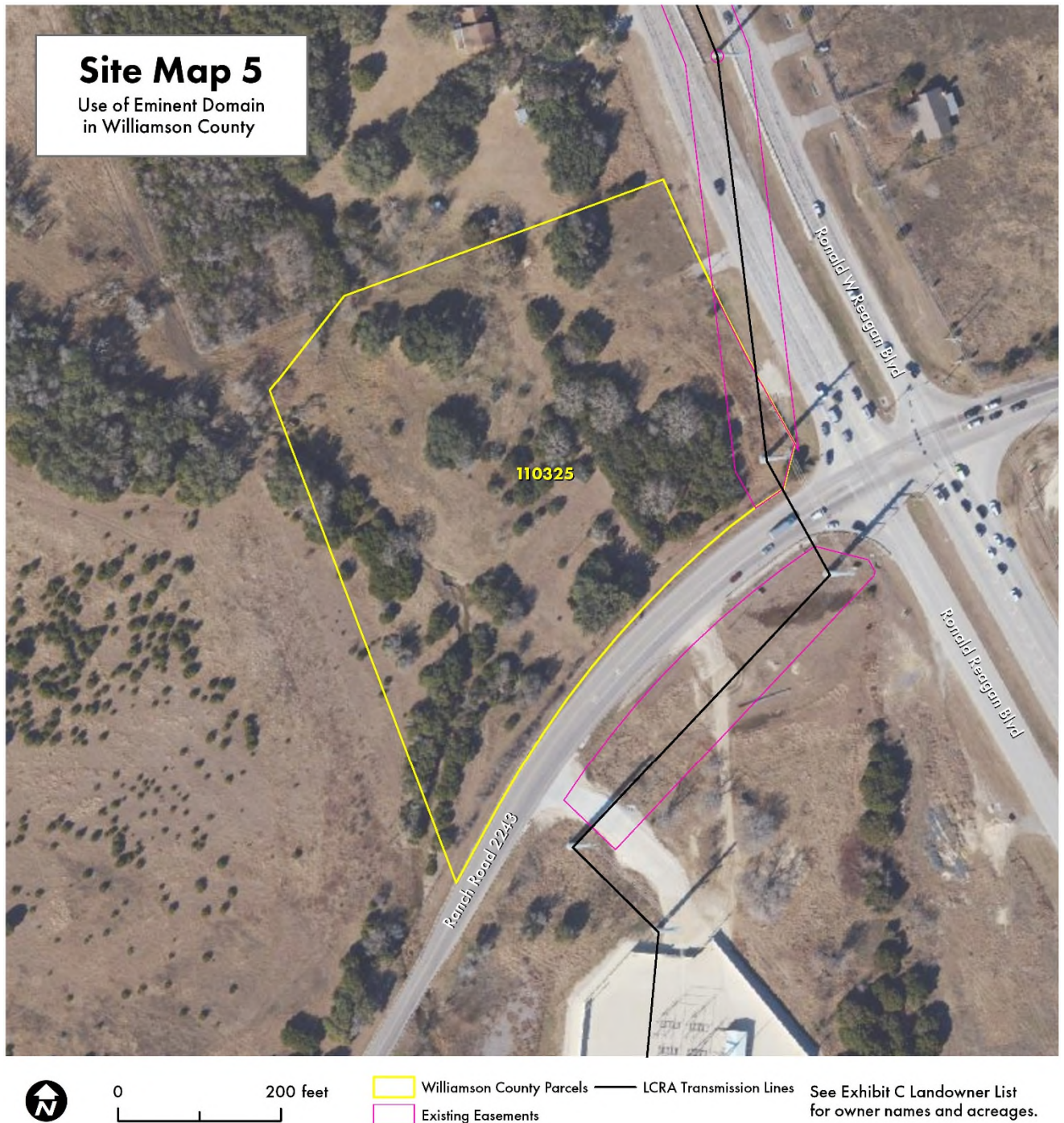
0 600 feet

Williamson County Parcels

LCRA Transmission Lines

Existing Easements

See Exhibit C Landowner List
for owner names and acreages.





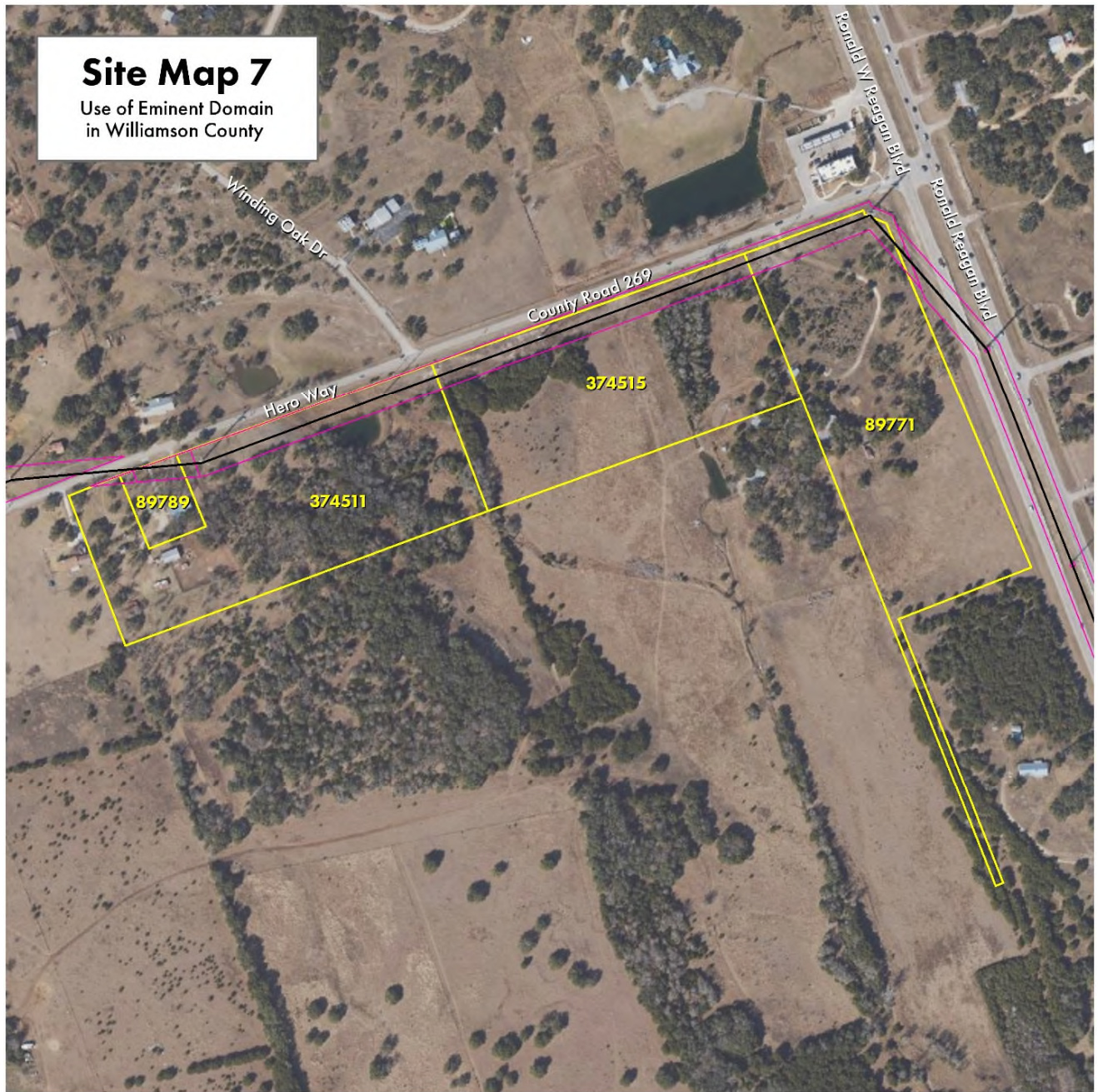
0 300 feet

Williamson County Parcels — LCRA Transmission Lines

Existing Easements

See Exhibit C Landowner List for owner names and acreages.

EXHIBIT B



0 500 feet

Williamson County Parcels Existing Easements

LCRA Transmission Lines

See Exhibit C Landowner List for owner names and acreages.



0 200 feet

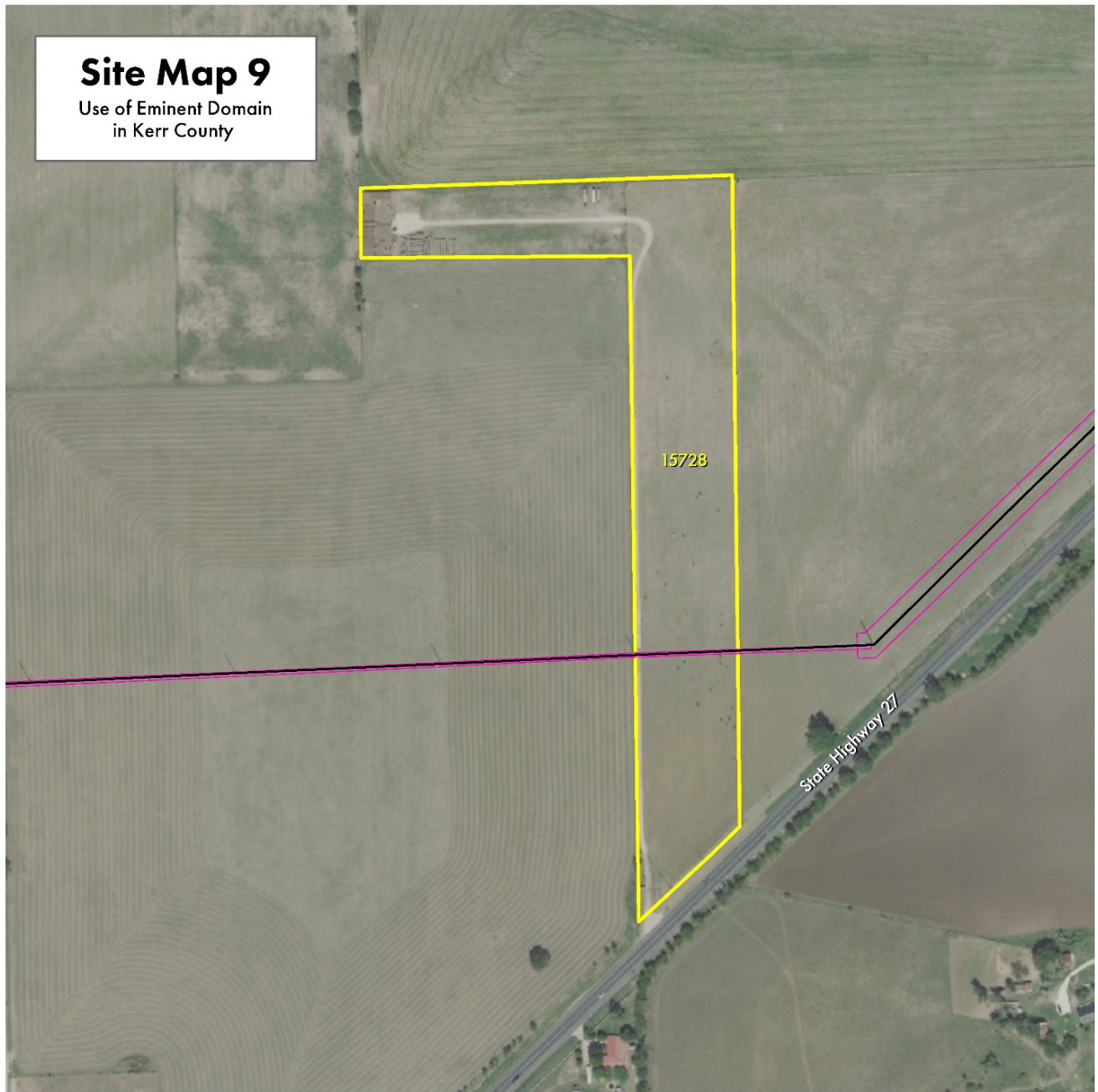
Williamson County Parcels

LCRA Transmission Lines

Existing Easements

See Exhibit C Landowner List
for owner names and acreages.

EXHIBIT B



0 400 feet



Kerr County Parcels

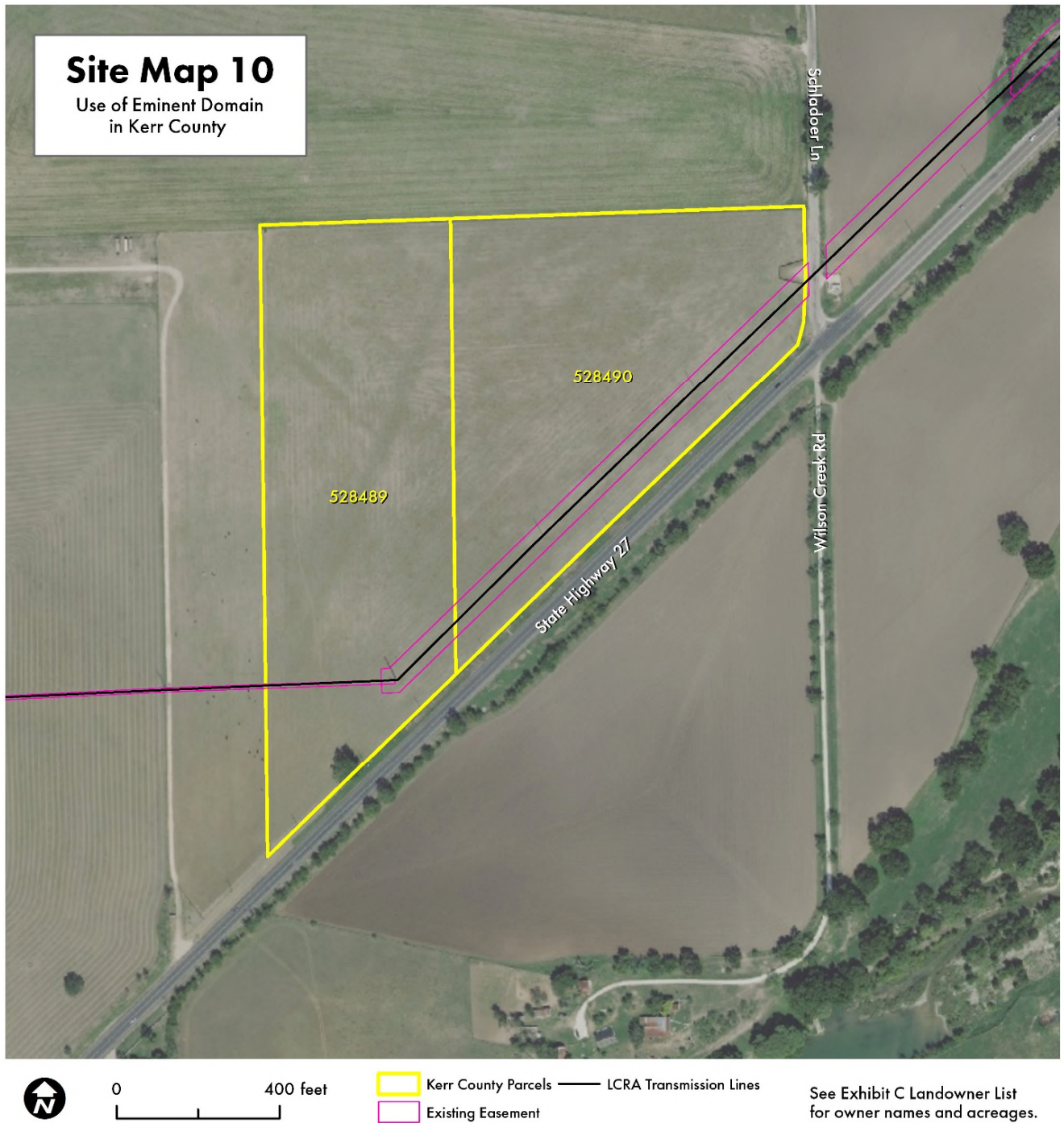


LCRA Transmission Lines



Existing Easement

See Exhibit C Landowner List
for owner names and acreages.



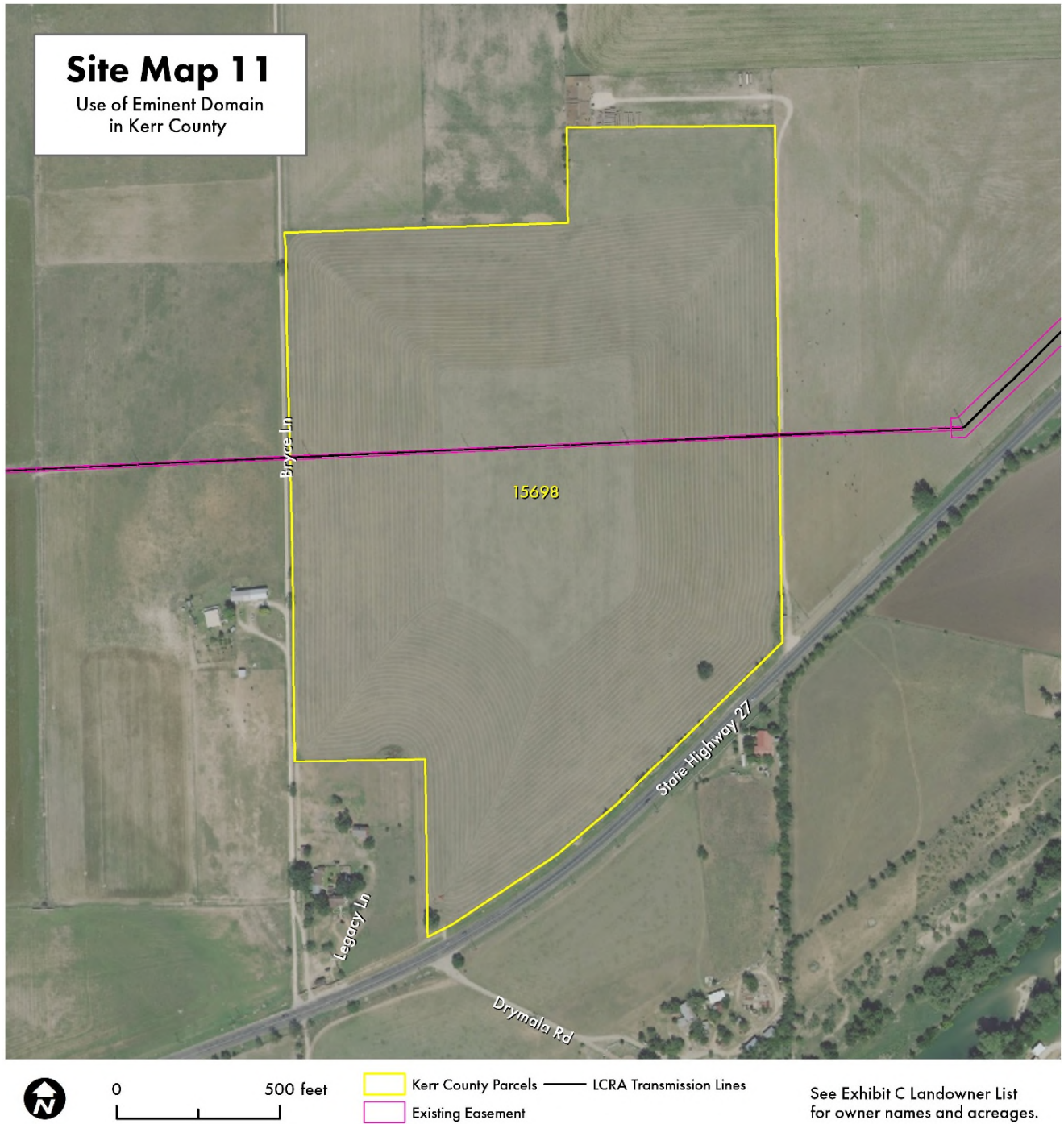


EXHIBIT C

Page 1 of 2

Tract Number	Landowner	Approximate Parent Tract Acreage	Land Rights	Approximate Easement Acreage	County	Approximate Value
453_271456	SDC-Austin LLC	32.91 acres	Third-Party Communication	0.03 acre	Travis	\$261.36
453_905529	SDC-Austin LLC	1.45 acres	Third-Party Communication	0.04 acre	Travis	\$15.37
453_905528	SWVP Tandem Blvd LLC	1.45 acres	Third-Party Communication	0.02 acre	Travis	\$174.24
491_031253	Fab-Con Products Inc.	21.83 acres	Third-Party Communication	0.34 acre	Williamson	\$3,130.79
491_031585	Hero Way Capital LLC	18.54 acres	Third-Party Communication	0.22 acre	Williamson	\$516.58
491_031589	Hero Way Capital LLC	5.40 acres	Third-Party Communication	0.91 acre	Williamson	\$2,131.03
491_054292	VALPS LC	7.203 acres	Third-Party Communication	0.26 acre	Williamson	\$606.95
491_555207	Champion, Emogene M., Trustee of the Albert R. Champion Exemption Equivalent Trust	14.579 acres	Third-Party Communication	2.61 acres	Williamson	\$5,009.11
491_031279	JNK Properties 1, LTD	11.86 acres	Third-Party Communication	0.69 acre	Williamson	\$1,217.61
491_031297	JNK Properties 1, LTD	1.00 acre	Third-Party Communication	0.20 acre	Williamson	\$352.93
491_555246	JNK Properties 1, LTD	11.60 acres	Third-Party Communication	1.57 acres	Williamson	\$2,770.50

EXHIBIT C

Page 2 of 2

Tract Number	Landowner	Approximate Parent Tract Acreage	Land Rights	Approximate Easement Acreage	County	Approximate Value
491_555247	JNK Properties 1, LTD	10.607 acres	Third-Party Communication	1.70 acres	Williamson	\$2,999.91
491_031507	Sree Sai Ganesh LLC	4.60 acres	Third-Party Communication	0.09 acre	Williamson	\$931.10
265_15728	Hector and Miguel Rojas	12.06 acres	Third-Party Communication	0.28 acre	Kerr	\$197.27
265_528489	Hector Rojas	13.98 acres	Third-Party Communication	0.60 acre	Kerr	\$424.83
265_528490	Hector Rojas	14.05 acres	Third-Party Communication	1.65 acres	Kerr	\$1,162.46
265_540285	K4 Equestrian	30.00 acres	Third-Party Communication	0.95 acre	Kerr	\$698.25

EXHIBIT D

Page 1 of 2

PROPOSED MOTION

I MOVE THAT THE LCRA TRANSMISSION SERVICES CORPORATION BOARD OF DIRECTORS 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 EASEMENT AMENDMENTS NECESSARY TO PROVIDE, ON BEHALF OF LCRA AND AT LCRA'S EXPENSE, FOR COMMUNICATIONS AND TO FACILITATE BROADBAND SERVICES ON THE WELLS BRANCH TO ROUND ROCK (T527), LEANDER TO RIDGMAR (T616), RIDGMAR TO SPANISH OAK (T641) AND CYPRESS CREEK TO RAYMOND F BARKER (T662) 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 TRAVIS, WILLIAMSON AND KERR COUNTIES FOR TRANSMISSION LINE EASEMENT AMENDMENTS.

WHEREAS, LCRA Transmission Services Corporation has determined the need to acquire the interests in real property necessary for the public uses of construction, operation and maintenance of electric transmission line(s), communication lines, and appurtenances thereto in Travis, Williamson and Kerr counties; and

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;

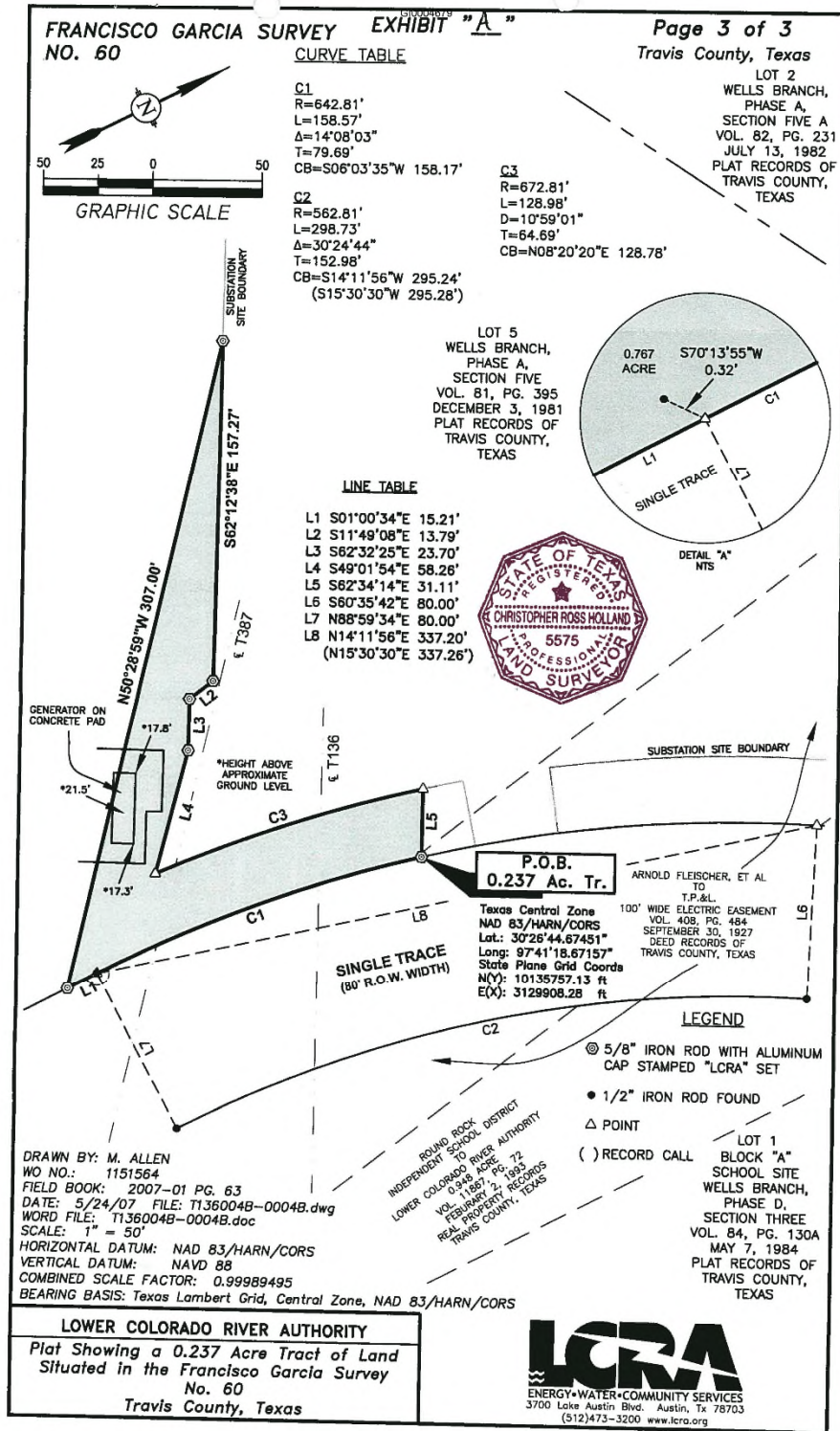
NOW, THEREFORE, BE IT RESOLVED that the president and chief executive officer or his designee is authorized to purchase the interests in real property from the landowner(s) listed in the attached Exhibit C, with the description of the location of and interest in the properties LCRA Transmission Services 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 require the acquisition of said interests in real property; that the public necessity requires the condemnation of the interests in real property in order to acquire them for such uses; 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; that at such

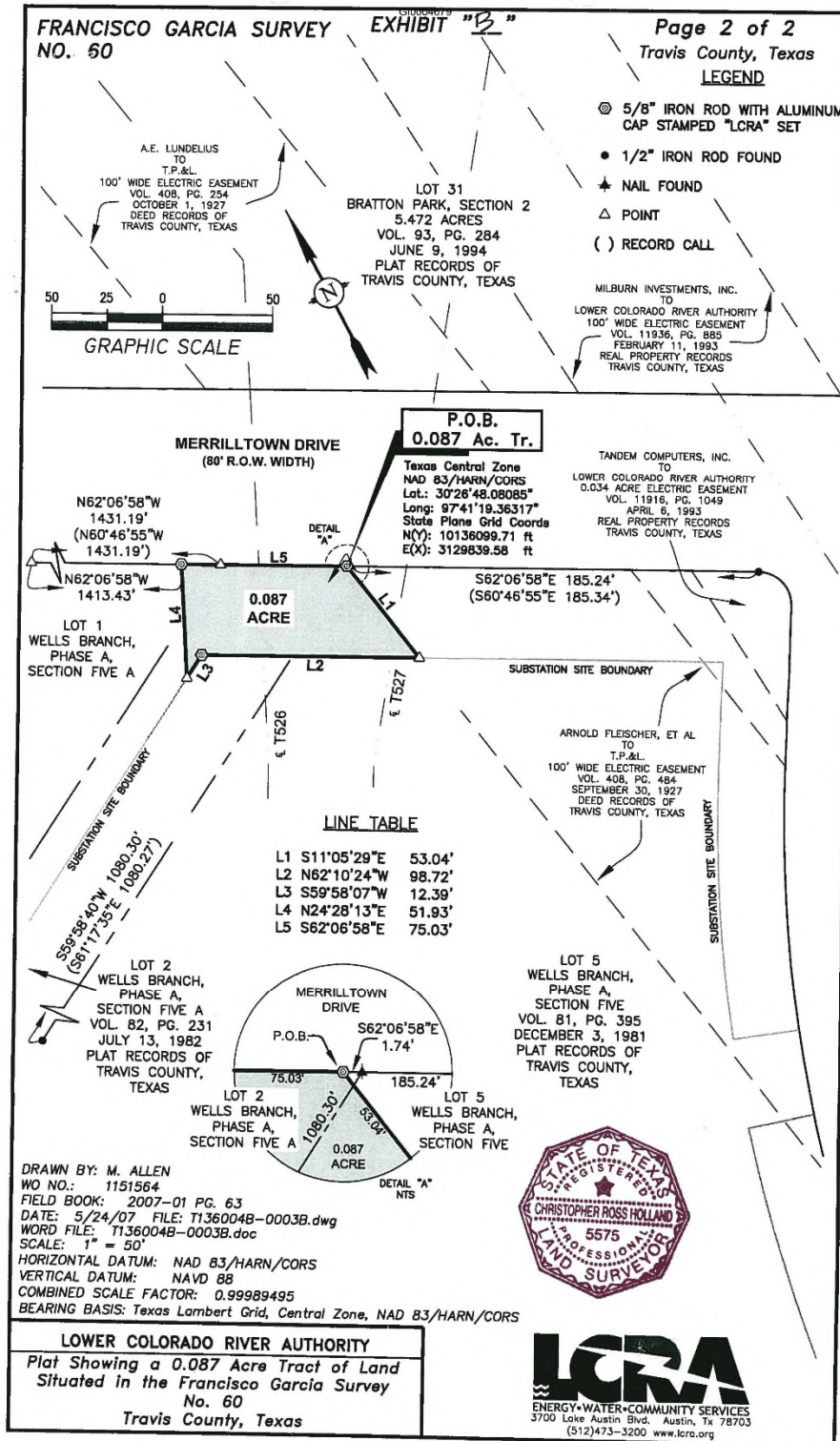
EXHIBIT D

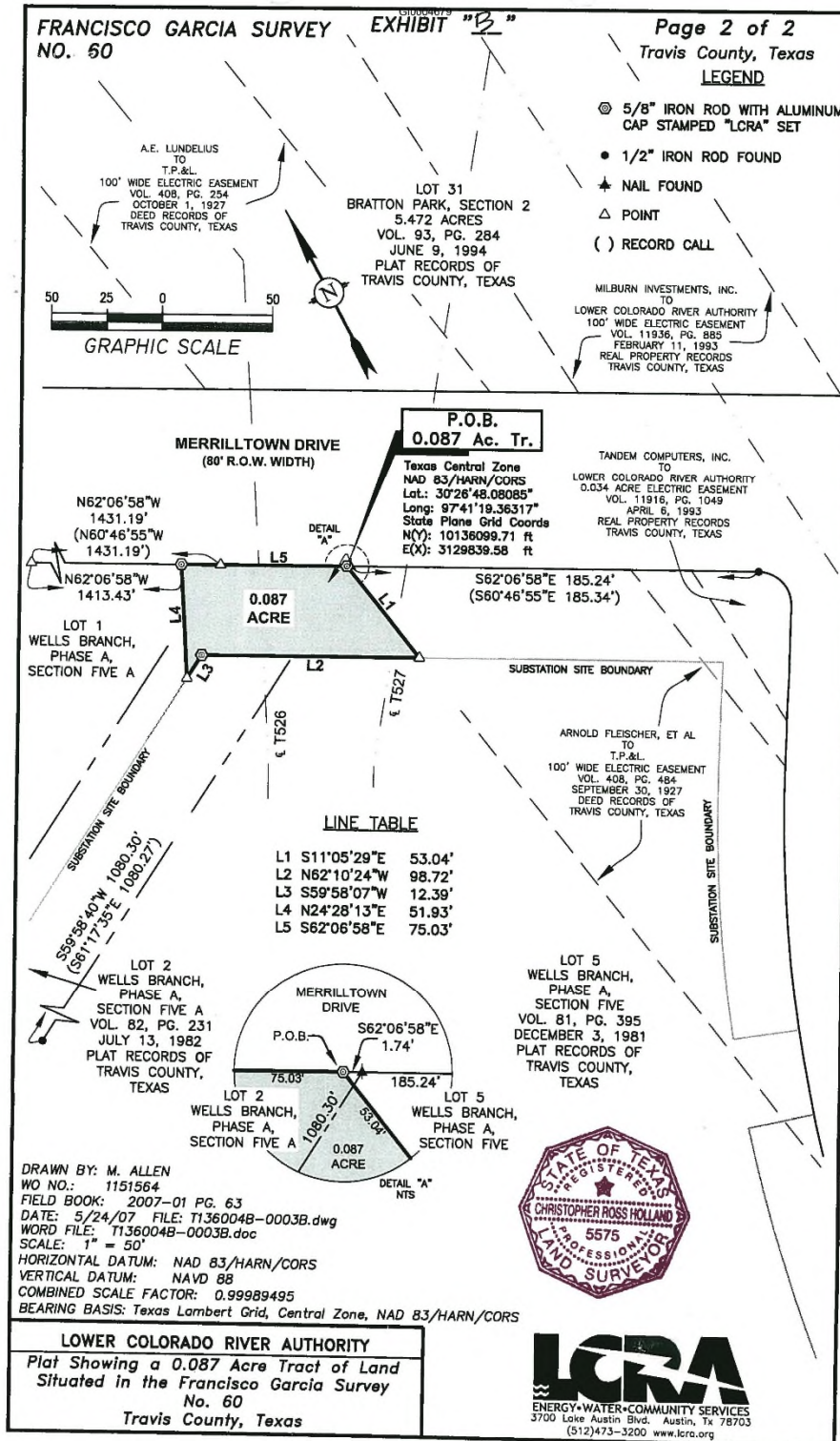
Page 2 of 2

time as LCRA Transmission Services Corporation has 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 properties, 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(s) in real property that are proper and convenient for the operation of the electric transmission line(s).

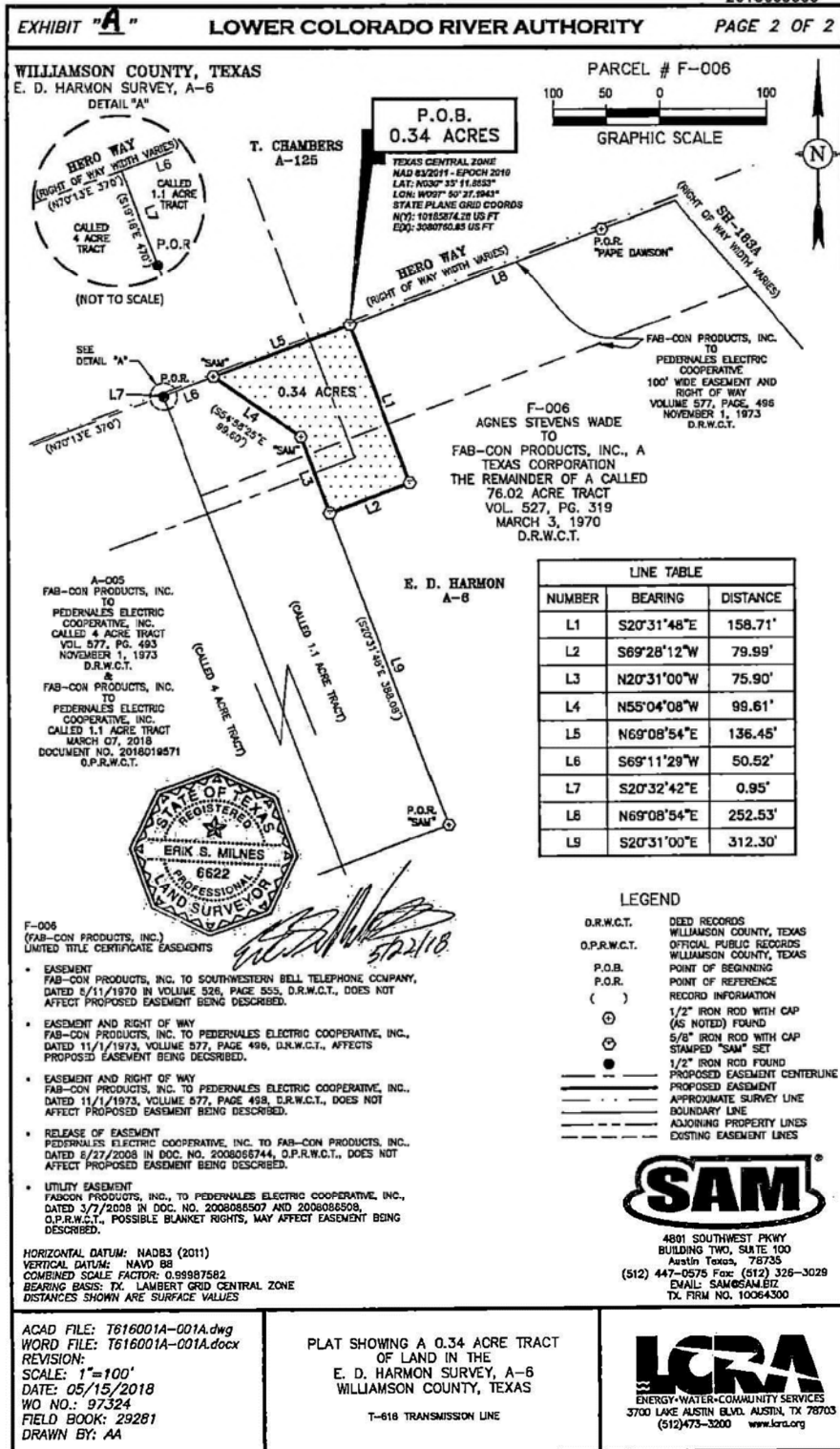


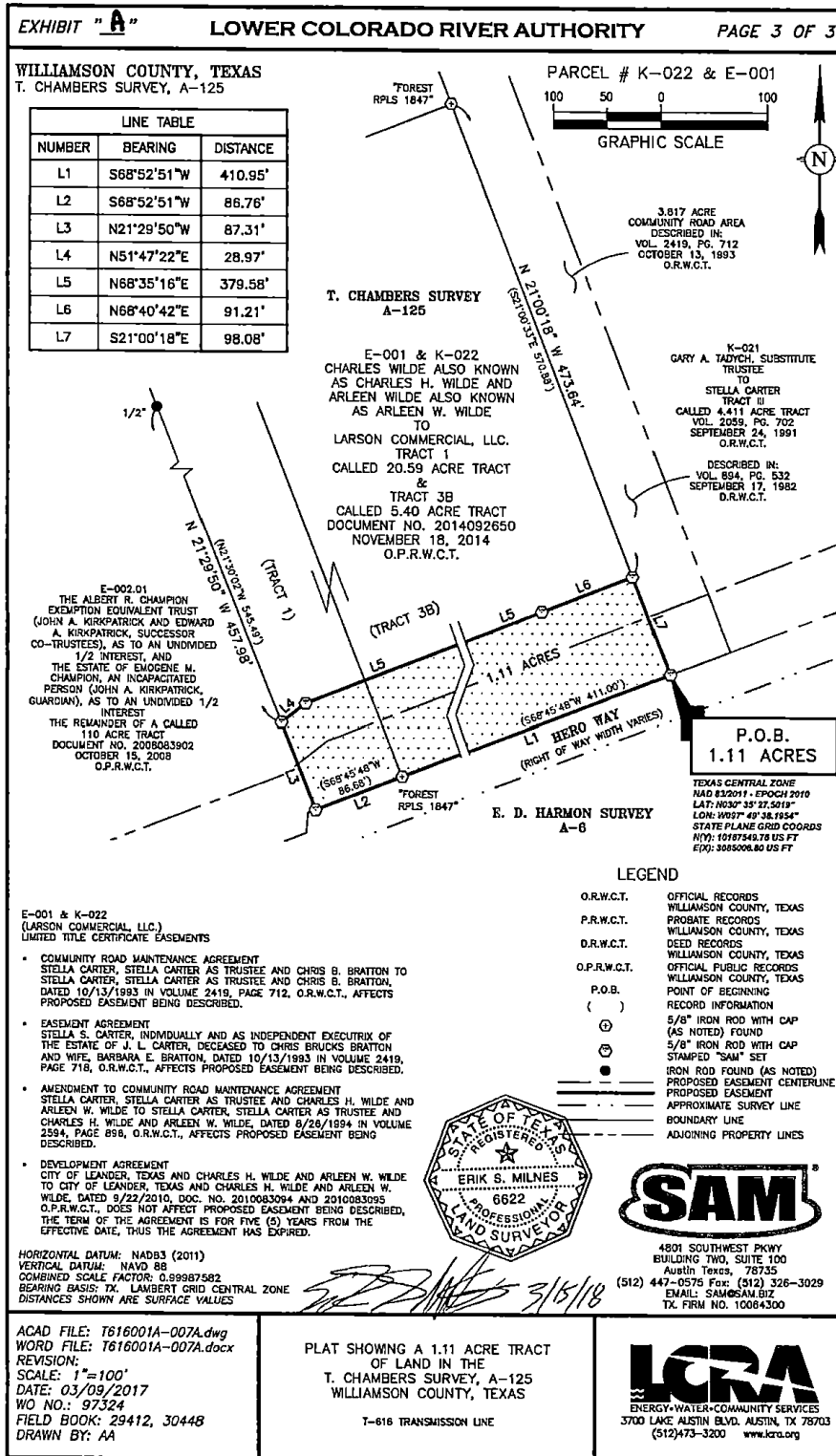


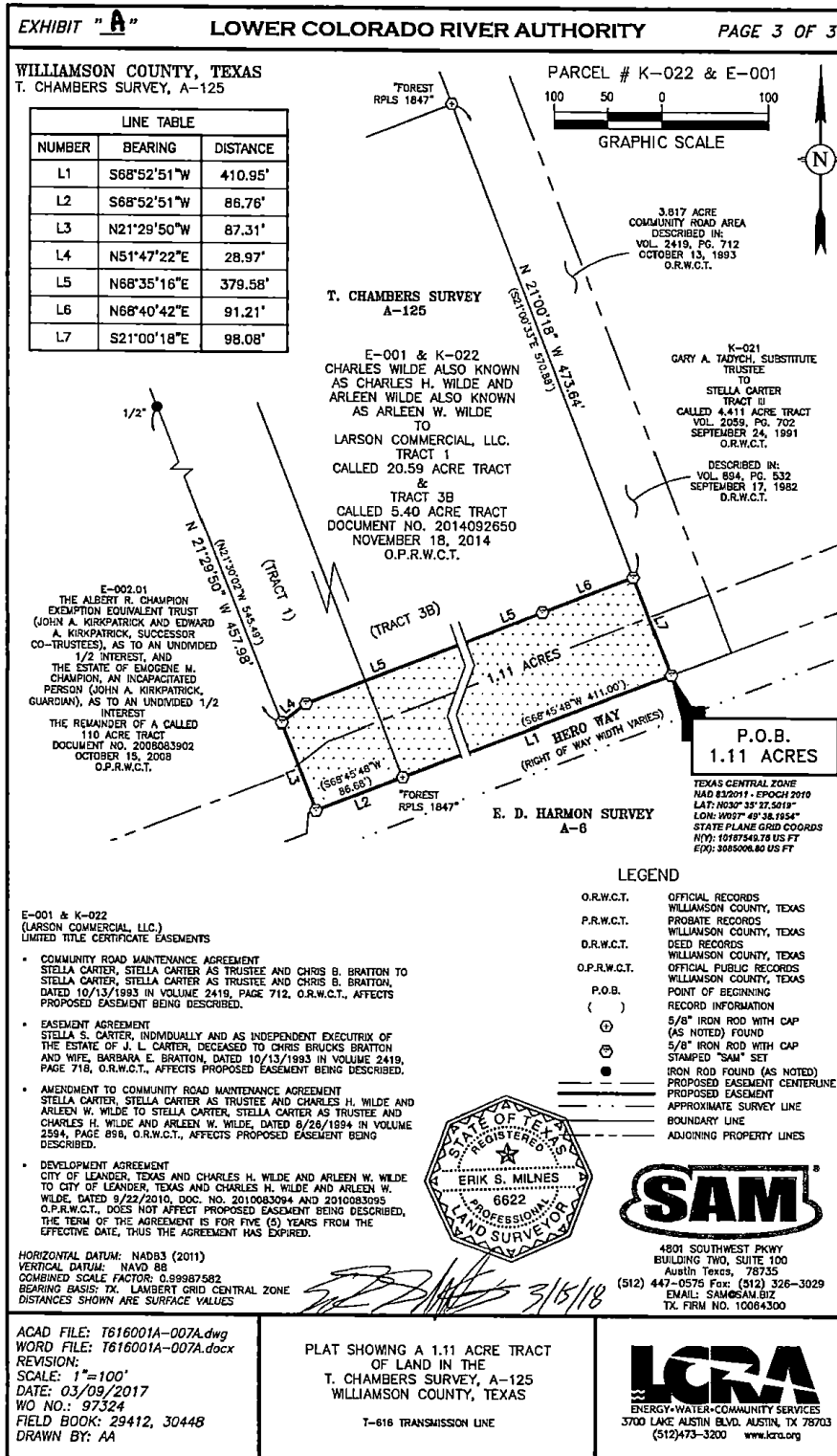


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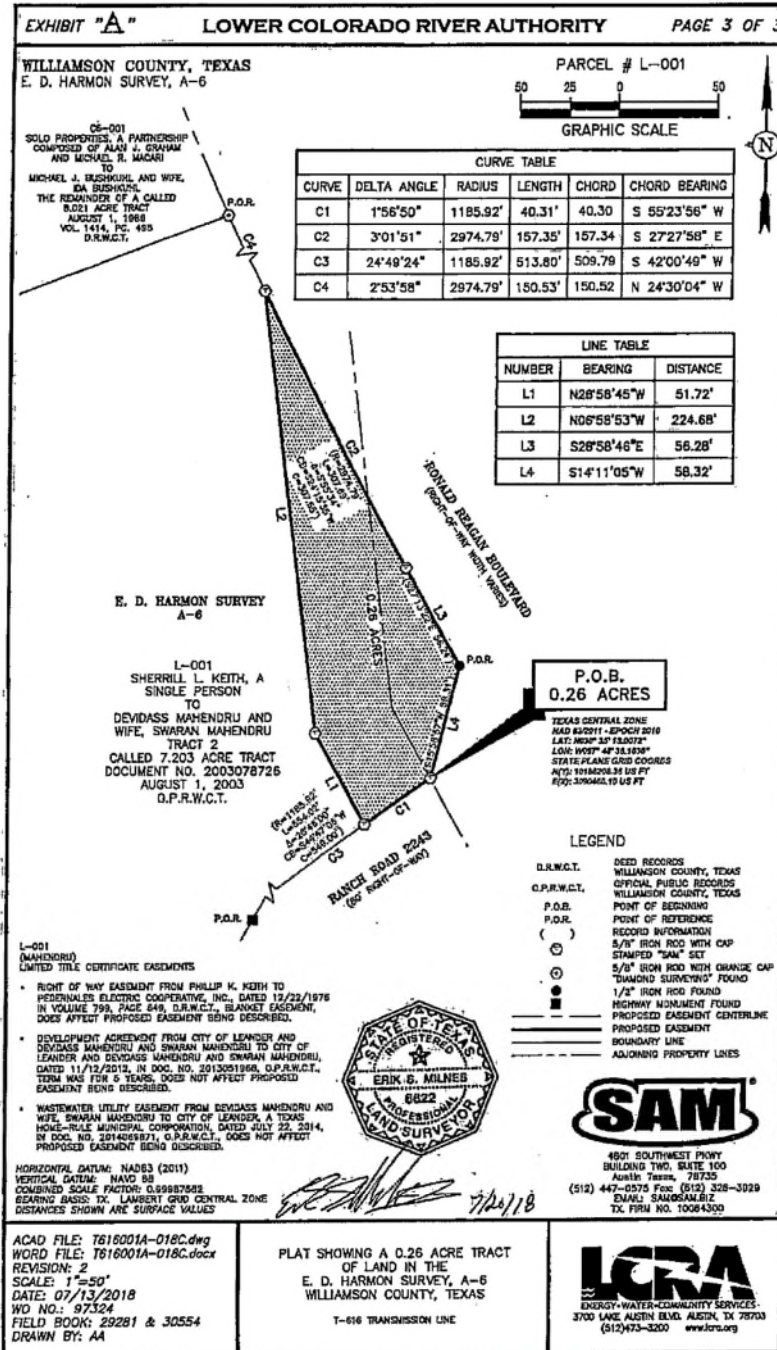
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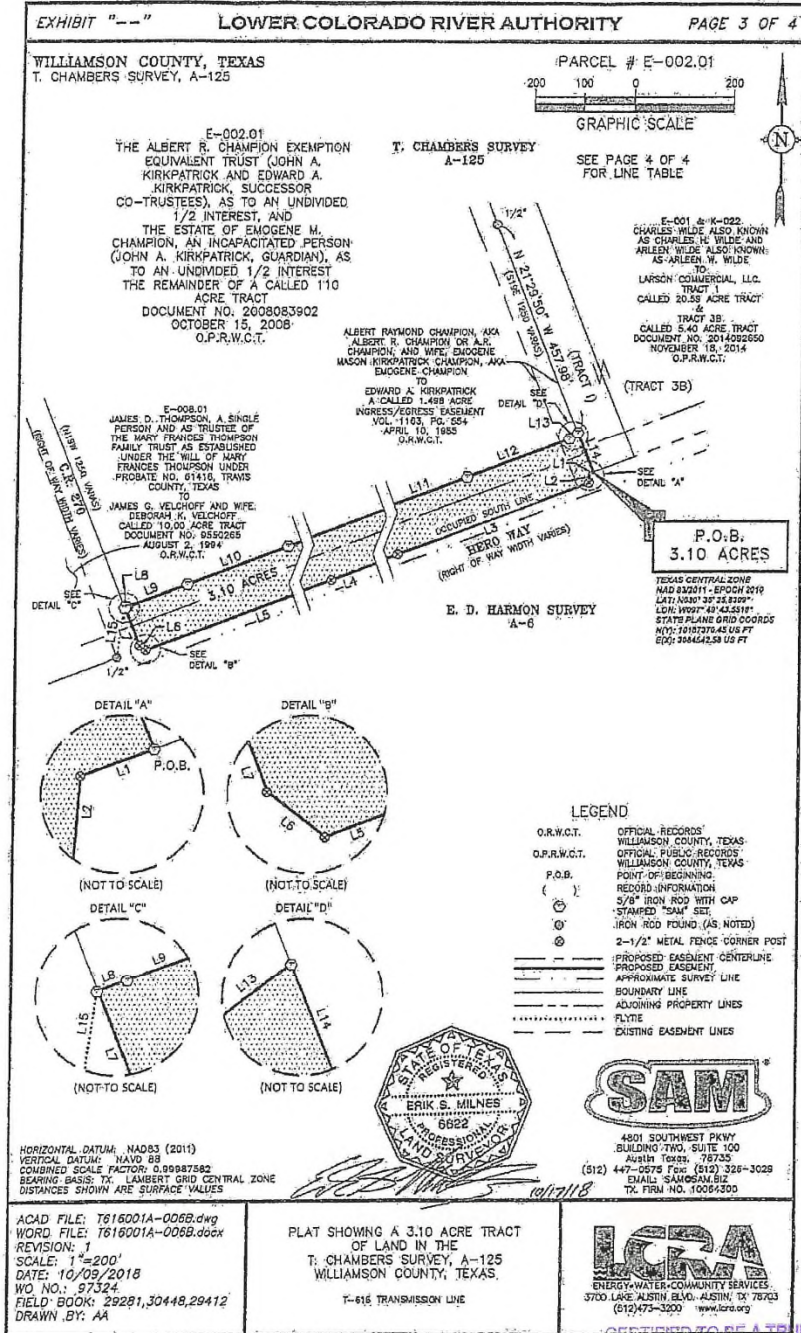




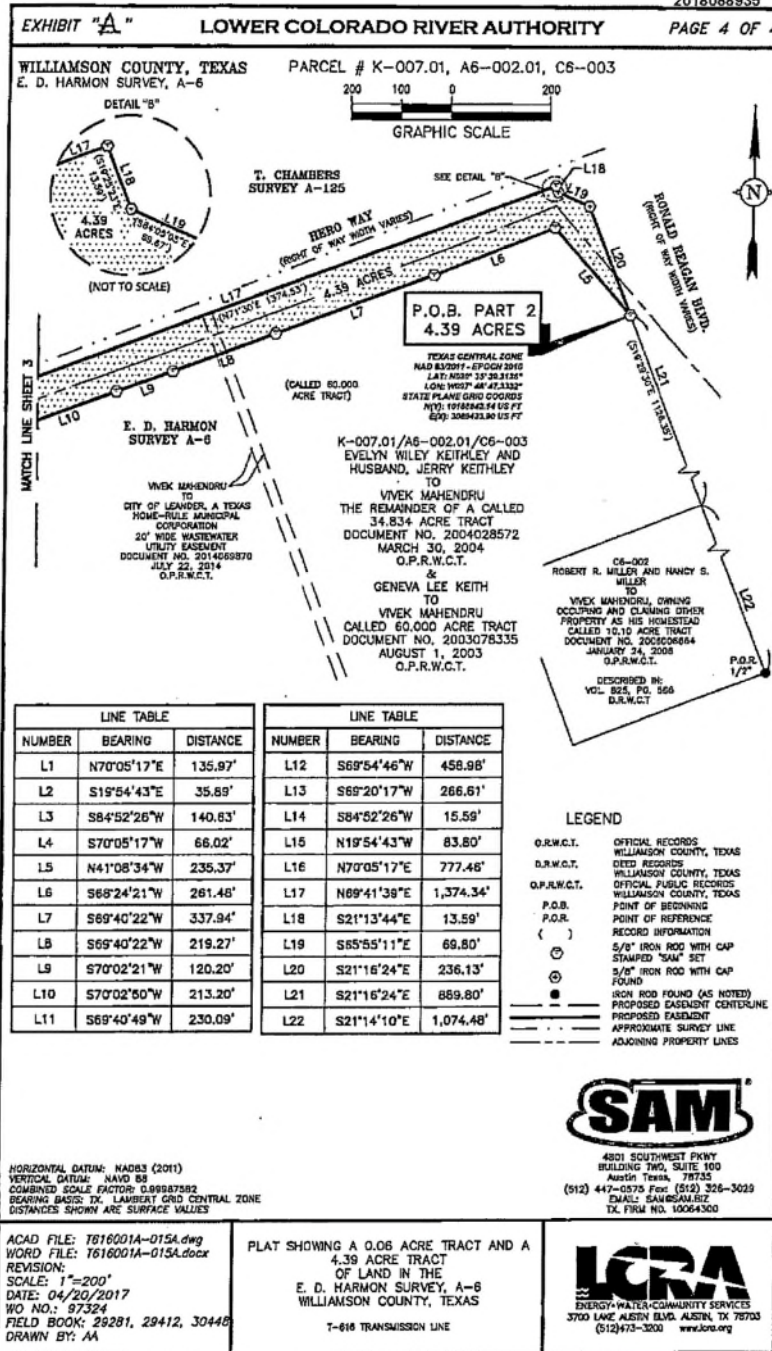
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2018088935 Page 8 of 10

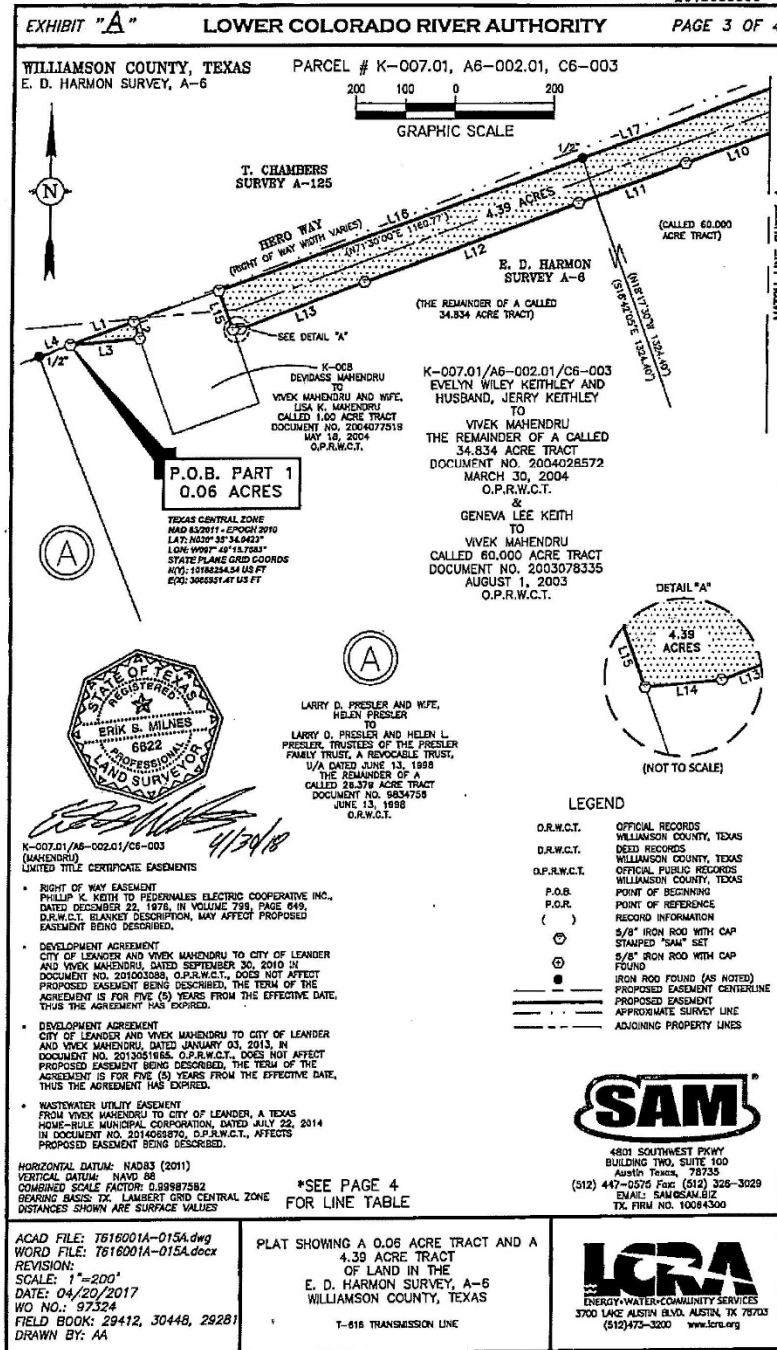


EXHIBIT 1

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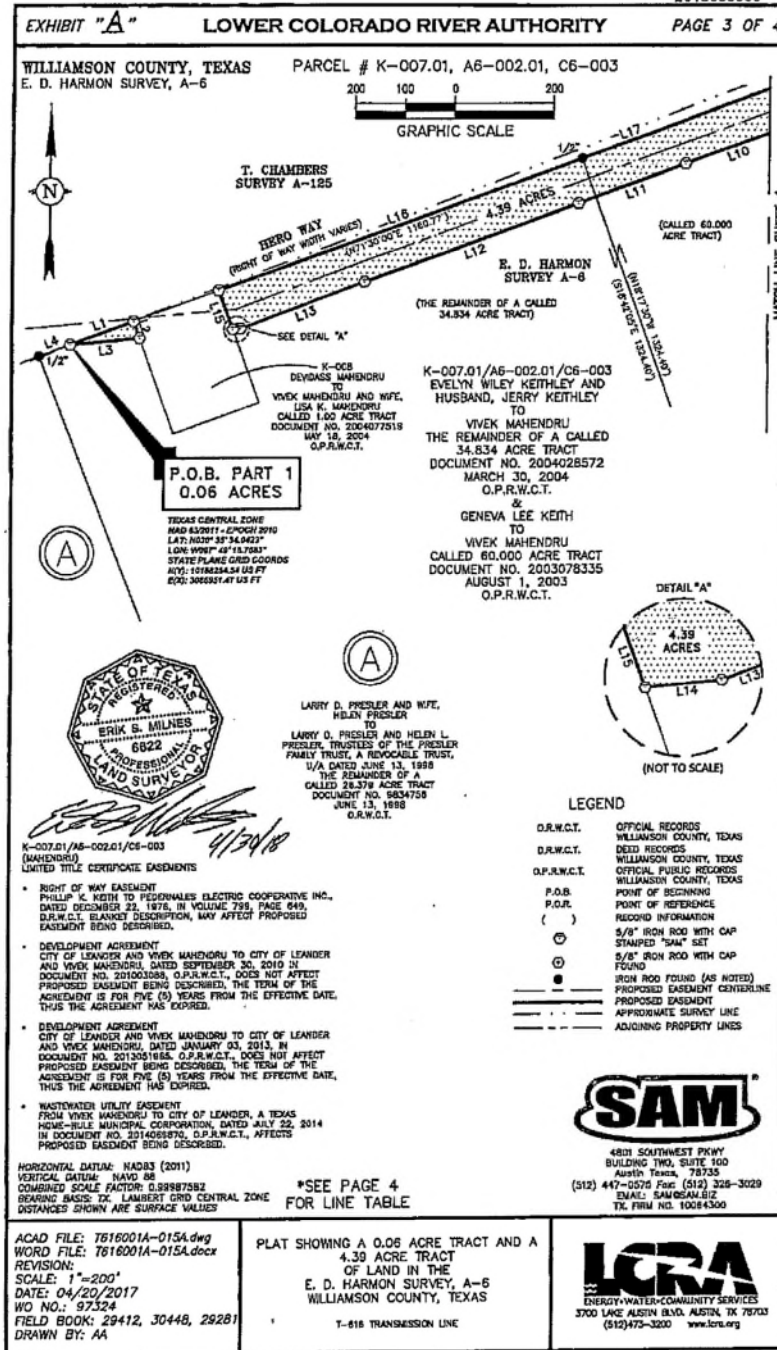


EXHIBIT 1

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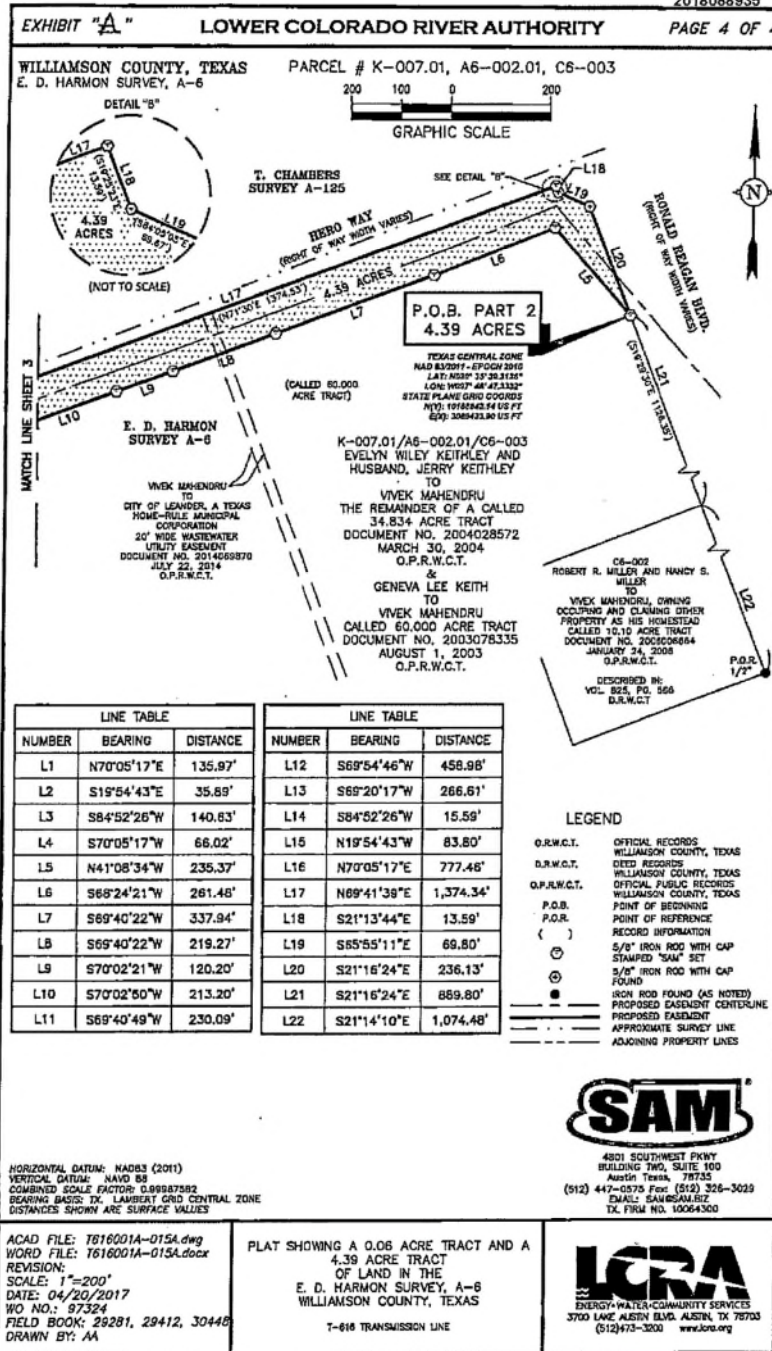
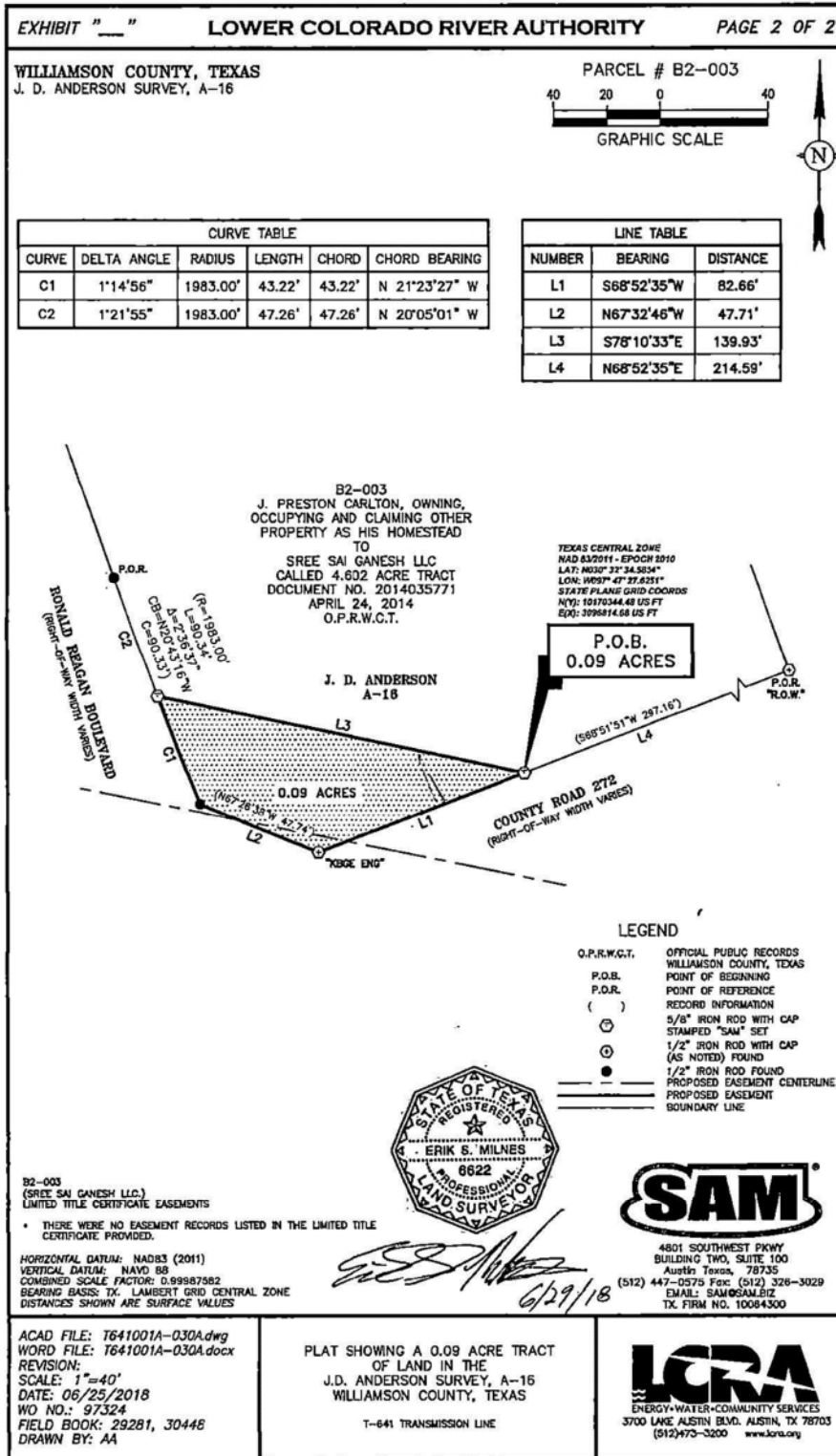


EXHIBIT 1

GI0007630



2018086648 Page 8 of 9

EXHIBIT 1

Page 14 of 18

FIELD NOTES DESCRIPTION FOR 12.06 ACRES OF LAND OUT OF THE FOX TANK COMPANY LAND ALONG STATE HIGHWAY NO. 27 IN KERR COUNTY, TEXAS

Being all of a certain tract or parcel of land containing 12.06 acres, more or less, out of Oliver P. Moore Survey No. 29, Abstract No. 252 in Kerr County, Texas; that same land conveyed as 12.06 acres from Joyce Riddle, et al to Fox Tank Company by a General Warranty Deed executed the 21st day of October, 2011 and recorded in File No. 11-06556 of the Official Public Records of Kerr County, Texas; and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2" iron stake found at a fence cornerpost in the northwest right-of-way line of State Highway No. 27 for the southerly southwest corner of the herein described tract and said 12.06 acre tract, and the southeast corner of a certain 65.206 acre tract conveyed from the Sterling China Company, et al to the Drymala Family Limited Partnership by a Warranty Deed executed the 27th day of July, 2001 and recorded in Volume 7136 at Page 513 of the Real Property Records of Kerr County, Texas;

THENCE, along a fence with the common line between said 12.06 and 65.206 acre tracts: N00°29'16"W, 1596.27 ft. to a fence cornerpost for a northeast corner of the herein described tract and 12.06 acre tract, and the northeast corner of 65.206 acre tract; and S89°54'13"W, 635.84 ft. to a 1/2" iron stake found at a three way fence intersection for the westerly southwest corner of the herein described tract and 12.06 acre tract, and the northerly northwest corner of said 65.206 acre tract, in the east line of a certain 24.0965 acre tract conveyed as Tract I from Raul Dorado, et ux, to Luis Dorado, et ux, by a Partition Deed executed the 25th day of May, 1994 and recorded in Volume 748 at Page 355 of the Real Property Records of Kerr County, Texas;

THENCE, along a fence with the common line between said 12.06 and 24.0965 acre tracts, N00°38'57"W, 156.77 ft. to a 1/2" iron stake found for the northwest corner of the herein described tract and 12.06 acre tract, and the southwest corner of a certain 35.1231 acre tract conveyed from Vernell Marie Handley, et al to David Wayne Spenrath by an Exchange Warranty Deed executed the 26th day of March, 2014 and recorded in File No. 14-01765 of the Official Public Records of Kerr County, Texas;

THENCE, with the common line between said 12.06 and 35.1231 acre tracts N88°35'38"E, 898.16 ft. to a 1/2" iron stake found for the northeast corner of the herein described tract and 12.06 acre tract, and the northwest corner of a certain 14.05 acre tract conveyed as TRACT ONE from Joyce Riddel, et al to Hector Rojas by a Warranty Deed with Vendor's Lien executed the 6th day of September, 2013 and recorded in File No. 13-06373 of the Official Public Records of Kerr County, Texas;

THENCE, along a fence with the common line between said 12.06 and 14.05 acre tracts South, 1538.33 ft. to a 1/2" iron stake found in the northwest right-of-way line of said State Highway No. 27 for the southeast corner of the herein described tract and 12.06 acre tract, and the southwest corner of 14.05 acre tract;

THENCE, with the south line of said 12.06 acre tract along the northwest right-of-way line of said State Highway No. 27, S46°18'54"W, 341.13 ft. to the PLACE OF BEGINNING.

I hereby certify that these field notes and accompanying plat are accurate representations of the property shown and described hereon as determined by a survey made on the ground under my direction and supervision, except no survey was made to reestablish Patent Survey lines or corners; and that all property corners are as shown. (Bearing basis = True north based on GPS observations)

Date Surveyed: October 3, 2016

Dated this 6th day of October, 2016


Lee C. Voelkel
Registered Professional Land Surveyor No. 3909
County Surveyor for Kerr County, Texas



EXHIBIT A

FILED AND RECORDED
At 3:47 o'clock P.M.
STATE OF TEXAS
COUNTY OF KERR

October 26, 2016
I hereby certify that this instrument was filed in the numbered sequence on the date and time stamped above by me and was duly recorded in the Official Public Records of Kerr County, Texas.
Rebecca Bolin County Clerk
Rebecca Bolin Deputy

EXHIBIT 1

GI0003016

"Exhibit A" VOL. 1469 PAGE 0364 Page 2 of 2

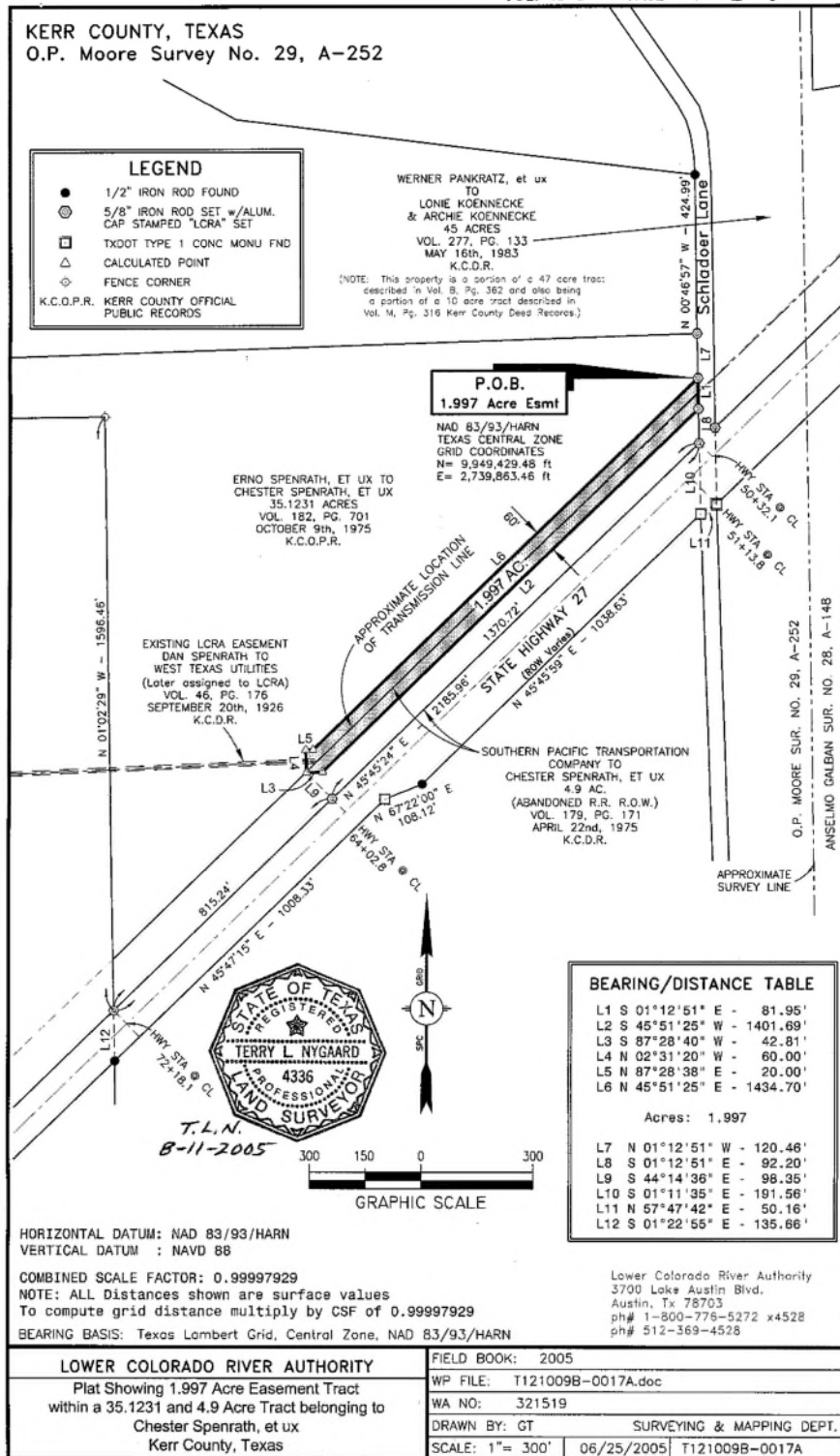


EXHIBIT 1

GI0003016

"Exhibit A" VOL. 1469 PAGE 0364 Page 2 of 2

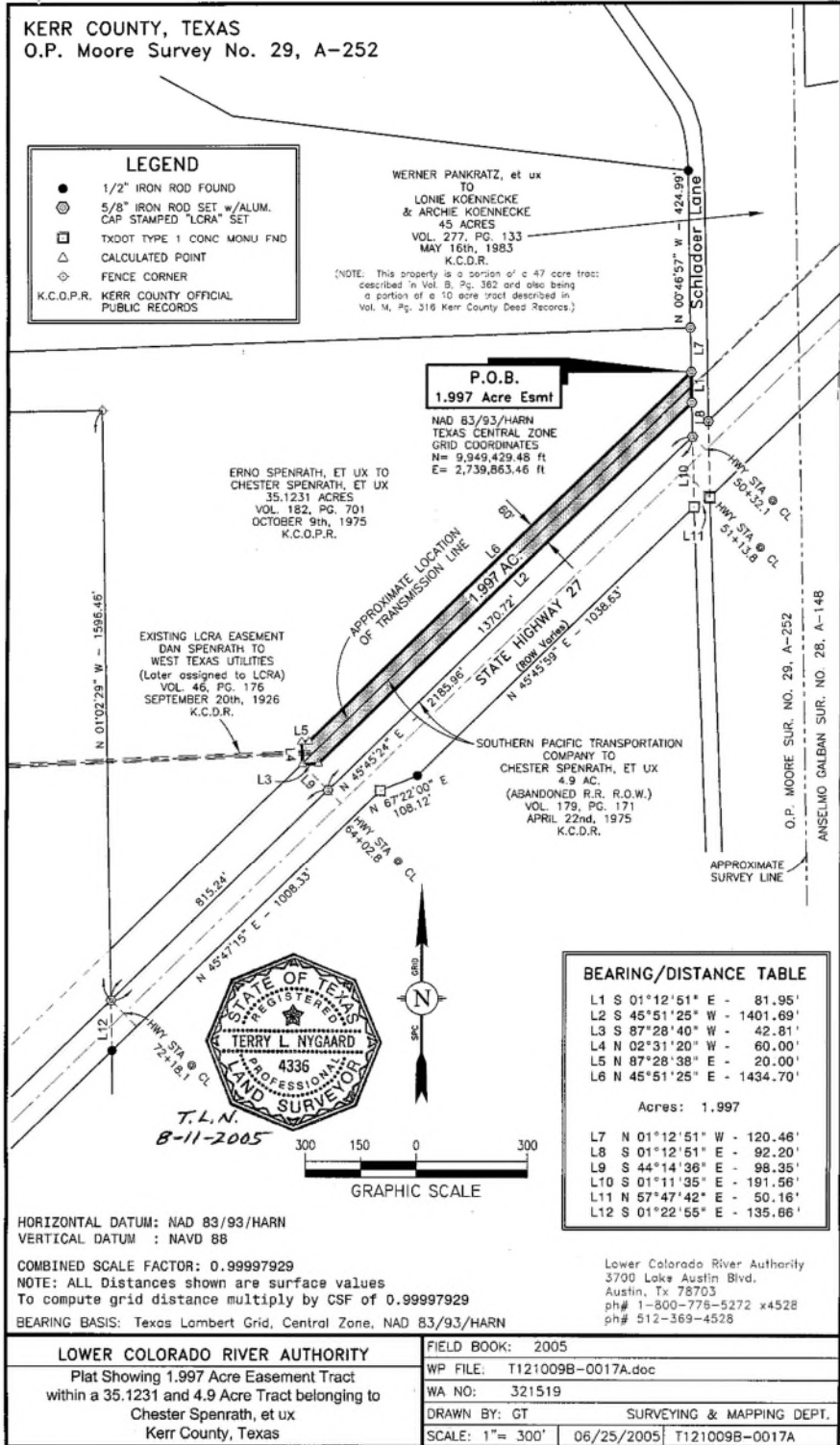


EXHIBIT 1

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EXHIBIT A

ALL THAT CERTAIN TRACT OR PARCEL OF LAND, LYING AND BEING SITUATED IN THE COUNTY OF KERR, STATE OF TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

FIELD NOTES DESCRIPTION FOR 30.00 ACRES OF LAND OUT OF THE DRYMALA FAMILY LIMITED PARTNERSHIP LAND ALONG STATE HIGHWAY NO. 27 IN KERR COUNTY, TEXAS.

BEING ALL OF A CERTAIN TRACT OR PARCEL OF LAND CONTAINING 30.00 ACRES, MORE OR LESS, OUT OF OLIVER P. MOORE SURVEY NO. 29, ABSTRACT NO. 252 IN KERR COUNTY, TEXAS; PART OF A CERTAIN 65.206 ACRE TRACT CONVEYED FROM STERLING CHINA COMPANY AND STERLING CHINA SOUTHWEST DIVISION TO DRYMALA FAMILY LIMITED PARTNERSHIP BY A WARRANTY DEED EXECUTED THE 27TH DAY OF JULY, 2001 AND RECORDED IN VOLUME 1136 AT PAGE 513 OF THE REAL PROPERTY RECORDS OF KERR COUNTY, TEXAS; AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A FENCE CORNERPOST IN THE EAST LINE OF A CERTAIN 2.04 ACRE TRACT CONVEYED FROM CHESTER BIERMANN AND ANNA MARIE BIERMANN TO JOSEPH M. BIERMANN AND LUCY I. BIERMANN BY A WARRANTY DEED WITH VENDOR'S LIEN EXECUTED THE 7TH DAY OF JUNE, 1995 AND RECORDED IN VOLUME 802 AT PAGE 656 OF THE DEED RECORDS OF KERR COUNTY, TEXAS FOR THE NORTHWEST CORNER OF THE HEREIN DESCRIBED TRACT, THE WESTERLY NORTHWEST CORNER OF SAID 65.206 ACRE TRACT, AND THE SOUTHWEST CORNER OF A CERTAIN 24.0965 ACRE TRACT CONVEYED AS TRACT II FROM LUIS DORADO AND MARIA G. DORADO TO RAÚL DORADO AND YOLANDO DORADO BY A PARTITION DEED EXECUTED THE 25TH DAY OF MAY, 1994 AND RECORDED IN VOLUME 748 AT PAGE 355 OF THE DEED RECORDS OF KERR COUNTY, TEXAS; WHICH POINT BEARS APPROXIMATELY 4814 FT. NORTH FROM THE SOUTHWEST CORNER OF SAID SURVEY NO. 29;

THENCE, ALONG OR NEAR A FENCE WITH THE COMMON LINE BETWEEN SAID 65.206 ACRE TRACT AND TRACT II, NORTH 88°46'35" EAST, AT 435.4 FT. PASSING THE SOUTHEAST CORNER OF TRACT II AND THE SOUTHWEST CORNER OF A CERTAIN 24.0965 ACRE TRACT CONVEYED AS TRACT I FROM RAUL DORADO AND YOLANDO DORADO TO LUIS DORADO AND MARIA G. DORADO BY SAID PARTITION DEED RECORDED IN VOLUME 748 AT PAGE 355, THEN CONTINUING ALONG OR NEAR A FENCE WITH THE COMMON LINE BETWEEN 65.206 ACRE TRACT AND TRACT I FOR A TOTAL DISTANCE OF 812.18 FT. TO A 1/2" IRON STAKE SET FOR THE NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, UPON, OVER AND ACROSS SAID 65.206 ACRE TRACT SOUTH 00°29'16" EAST, 1940.18 FT. TO A 1/2" IRON STAKE SET IN THE SOUTH LINE OF 65.206 ACRE TRACT AND THE NORTHWEST RIGHT-OF-WAY LINE OF STATE HIGHWAY NO. 27 FOR THE SOUTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, ALONG THE NORTHWEST RIGHT-OF-WAY LINE OF SAID STATE HIGHWAY NO. 27 WITH THE SOUTH LINE OF SAID 65.206 ACRE TRACT 518.43 FT. ALONG THE ARC OF A 02°02' CURVE TO THE RIGHT SUBTENDED BY A 10°33'08" CENTRAL ANGLE AND 2814.93 FT. RADIUS (LONG CHORD: SOUTH 58°12'32" WEST, 517.70 FT.) TO A 1/2" IRON STAKE FOUND AT A FENCE CORNERPOST FOR THE SOUTHERLY SOUTHWEST CORNER OF THE HEREIN DESCRIBED TRACT AND 65.206 ACRE TRACT, AND THE SOUTHEAST CORNER OF A CERTAIN 5.363 ACRE TRACT CONVEYED FROM WILLIAM H. MEYER, INDEPENDENT EXECUTOR TO WILLIAM KELLY CLARK BY A GENERAL WARRANTY DEED EXECUTED THE 4TH DAY OF SEPTEMBER, 2018 AND RECORDED IN FILE NO. 18-05772 OF THE OFFICIAL PUBLIC RECORDS OF KERR COUNTY, TEXAS;

EXHIBIT 1

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THENCE, ALONG OR NEAR A FENCE WITH THE COMMON LINE BETWEEN SAID 65.206 AND 5.363 ACRE TRACTS NORTH 01°33'57" WEST, 569.45 FT. TO A 1/2" IRON STAKE FOUND AT A FENCE CORNERPOST FOR A REENTRANT CORNER OF 65.206 ACRE TRACT AND THE NORTHEAST CORNER OF 5.363 ACRE TRACT;

THENCE, UPON, OVER AND ACROSS SAID 65.206 ACRE TRACT: NORTH 01°33'57" WEST, 623.21 FT. TO A 1/2" IRON STAKE SET FOR A REENTRANT CORNER OF THE HEREIN DESCRIBED TRACT; AND SOUTH 88°30'25" WEST, 345.04 FT. TO A 1/2" IRON STAKE SET IN A FENCE, THE WEST LINE OF 65.206 ACRE TRACT AND THE EAST LINE OF SAID 2.04 ACRE TRACT (VOL. 802 PG. 656) FOR THE WESTERLY SOUTHWEST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, ALONG OR NEAR A FENCE WITH THE COMMON LINE BETWEEN SAID 65.206 AND 2.04 ACRE TRACTS NORTH 00°37'15" WEST, 1012.34 FT. TO THE PLACE OF BEGINNING.