

# LCRA Transmission Services Corporation

## Board Agenda

Wednesday, June 15, 2022  
LCRA General Office Complex  
Board Room – Hancock Building  
3700 Lake Austin Blvd.  
Austin, TX 78703  
Earliest start time: 10 a.m.

### Item From the Chair

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

### Consent Items

- \*2. Conveyance of Water Line Easement in Kendall County ..... 5
- \*3. Conveyance of Access Easement in Burnet County ..... 8
- \*4. Conveyance of Transmission Line Easement in Williamson County ..... 11
5. Minutes of Prior Meeting ..... 14

### Action Items

6. Acquisition of Interests in Real Property – Use of Eminent Domain in Blanco, DeWitt, Austin, Guadalupe and Fayette Counties ..... 19
7. Acquisition of Interests in Real Property – Use of Eminent Domain in Caldwell County ..... 31
8. Capital Improvement Projects Approval and Future Projects Forecast ..... 38

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

### 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.

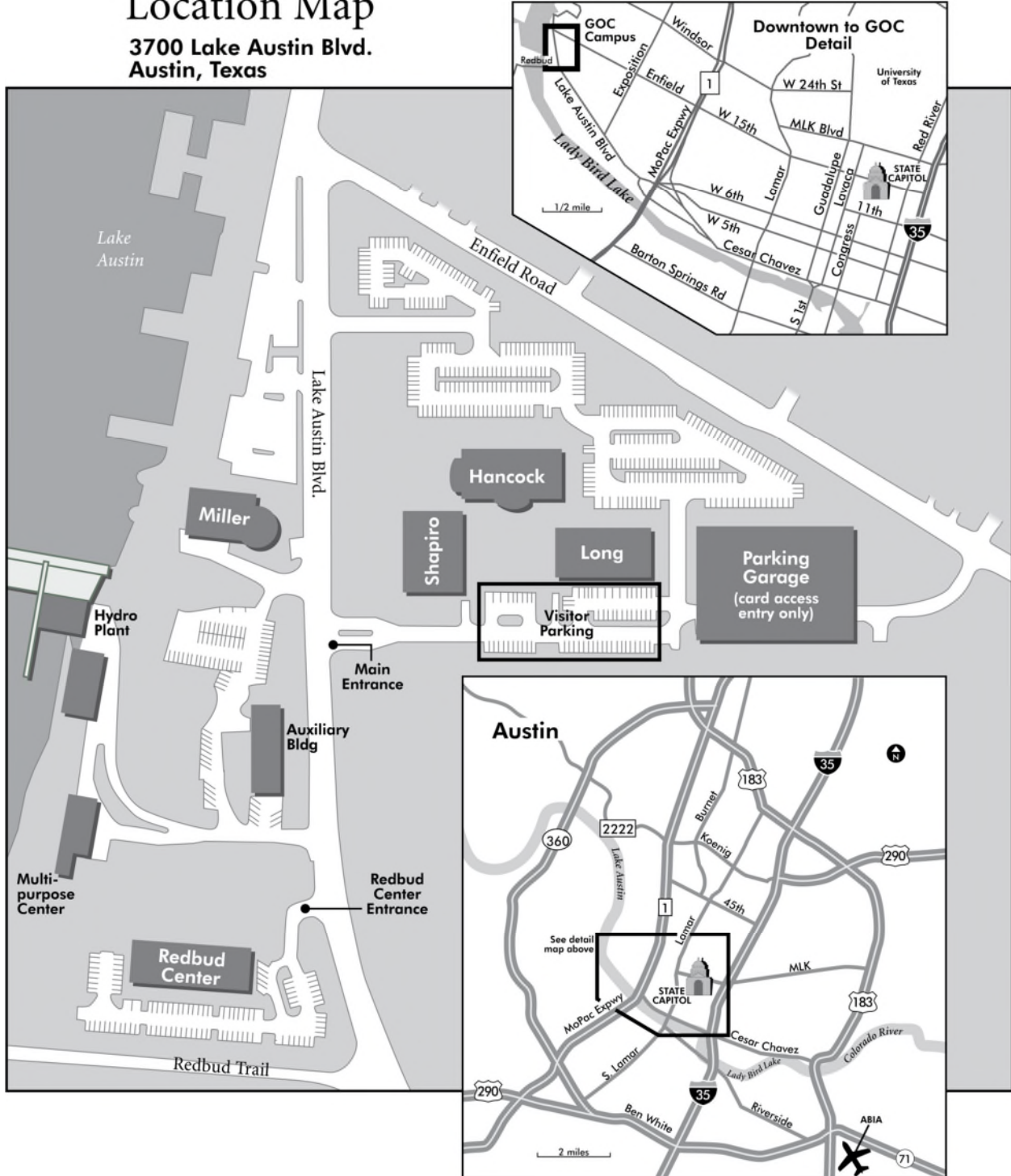
LCRA TSC is a nonprofit corporation created by LCRA to act on LCRA's behalf pursuant to Chapter 152, Texas Water Code, as amended. After Jan. 1, 2002, LCRA TSC engaged in the electric transmission and transformation activities previously carried out by LCRA and assumed LCRA's obligation to provide, and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

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

## **2. Conveyance of Water Line Easement in Kendall County**

### **Proposed Motion**

Authorize the chief executive officer or his designee to convey to the City of Boerne a 0.171-acre, 20-foot-wide water line easement across a portion of LCRA Transmission Services Corporation's Esperanza Substation in Kendall County.

### **Board Consideration**

LCRA TSC Board Policy – T401 Land Resources requires the declaration, terms of conveyance and requests for easements across LCRA TSC land be approved by a three-fourths vote of the membership of the LCRA TSC Board of Directors.

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

The fiscal year 2022 LCRA TSC business plan contains the administrative costs associated with the conveyance of this easement. Proceeds from the conveyance of the easement will benefit LCRA TSC.

### **Summary**

LCRA TSC acquired the 8.86-acre Esperanza Substation in 2019. This easement will allow Boerne to install a water line to serve a new subdivision east of the substation.

The approximately 0.171-acre, 20-foot-wide water line easement will be granted to Boerne for a price of \$14,800. This price is based on an appraisal performed by an independent and certified third-party appraiser.

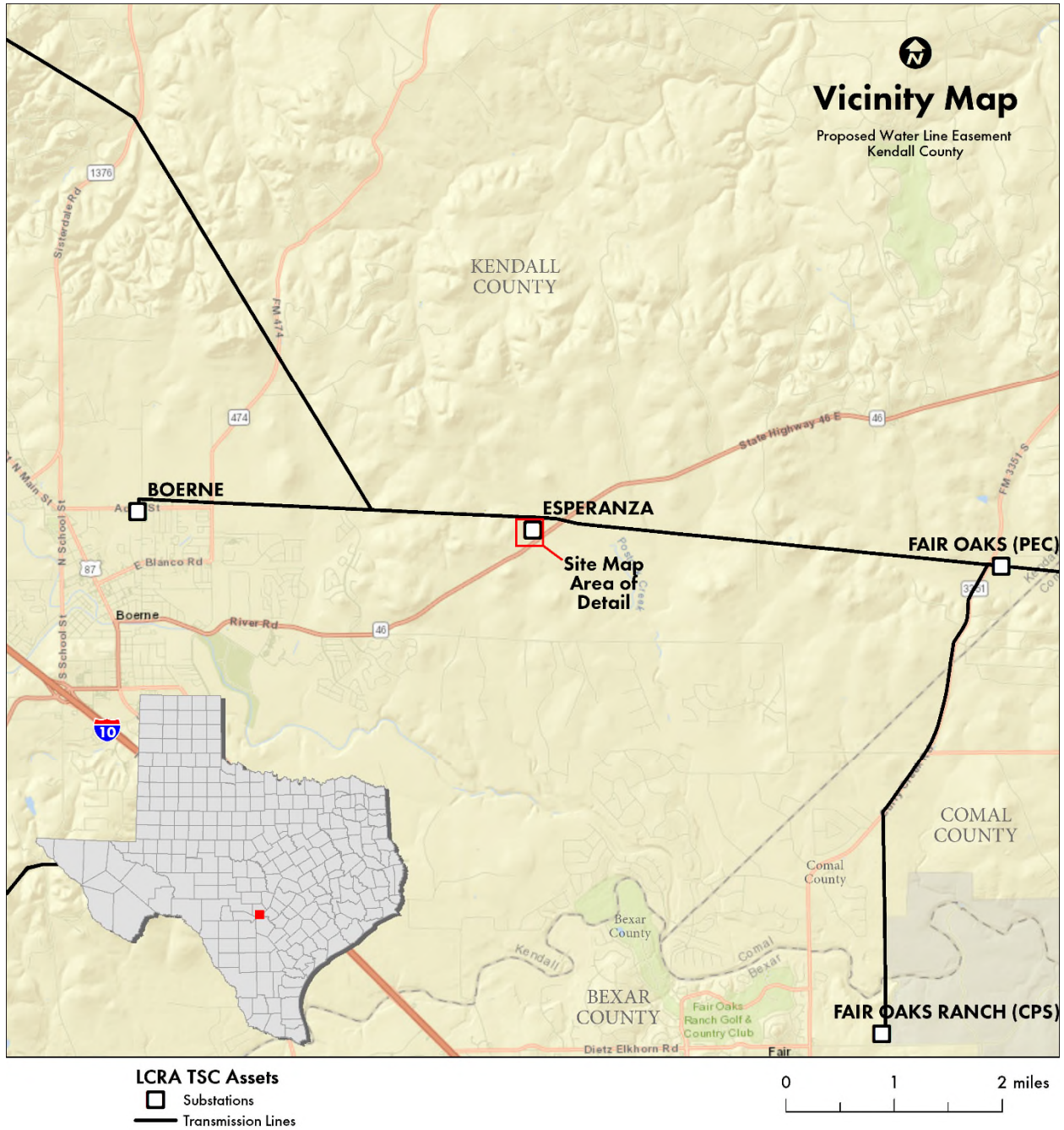
The appropriate departments within LCRA reviewed the conveyance of this easement and determined the easement would have no adverse impact on LCRA operations. LCRA staff will complete environmental and cultural resource due diligence in accordance with Board Policy 401.403 – Land Disposition before the conveyance of the easement.

### **Exhibit(s)**

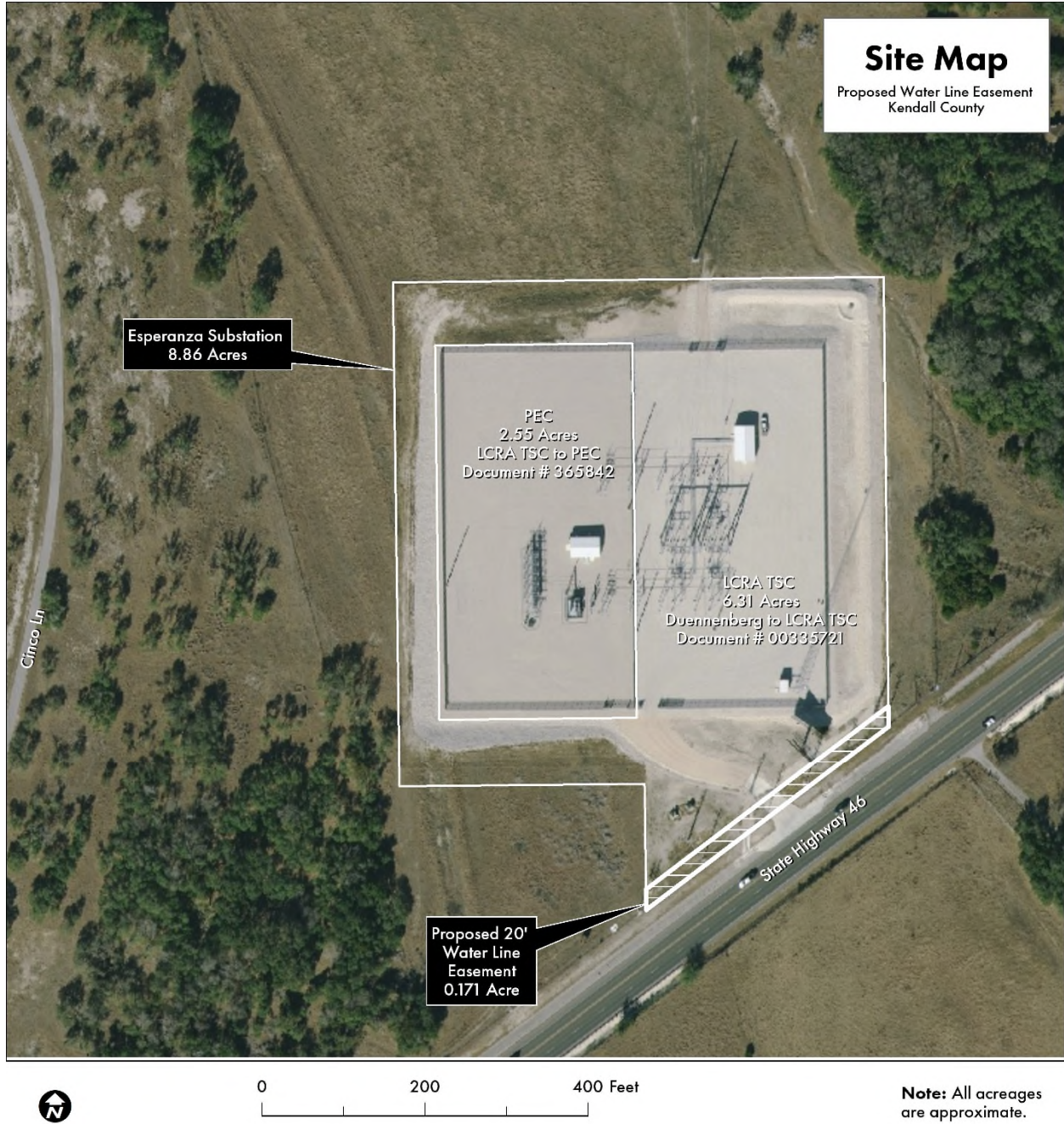
A – Vicinity Map

B – Site Map

**EXHIBIT A**



**EXHIBIT B**



**FOR ACTION (CONSENT)**

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

### **3. Conveyance of Access Easement in Burnet County**

#### **Proposed Motion**

Authorize the chief executive officer or his designee to convey to Vol Montgomery and Jill Prentice Montgomery a permanent access easement, being an approximately 0.44-acre tract, across a portion of LCRA Transmission Services Corporation's Graphite Mine Parcel S266 in Burnet County.

#### **Board Consideration**

LCRA TSC Board Policy – T401 Land Resources requires the declaration, terms of conveyance and requests for easements across LCRA TSC land be approved by a three-fourths vote of the membership of the LCRA TSC Board of Directors.

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

The fiscal year 2022 LCRA TSC business plan contains the administrative costs associated with the conveyance of this easement. Proceeds from the conveyance of the easement will benefit LCRA TSC.

#### **Summary**

LCRA TSC acquired Parcel S266 in 2020 from Vol Montgomery and Jill Prentice Montgomery for the purpose of expanding the existing substation.

In 2021, Vol Montgomery and Jill Prentice Montgomery requested a 25-foot-wide, 0.44-acre easement across LCRA TSC Parcel S266 to accommodate their access to the remainder of their property to the south. The acquisition of the LCRA TSC property prevented use of an existing ranch road, making it difficult for the landowners to access the remaining portion of their property.

LCRA TSC will not charge an amount for the easement as Vol Montgomery and Jill Prentice Montgomery have agreed to convey to LCRA TSC a permanent access easement across their land in exchange. This permanent access easement will allow LCRA TSC legal rights of ingress and egress to the newly constructed LCRA TSC Graphite Mine Substation. Current access to this substation is via a license agreement with Pedernales Electric Cooperative.

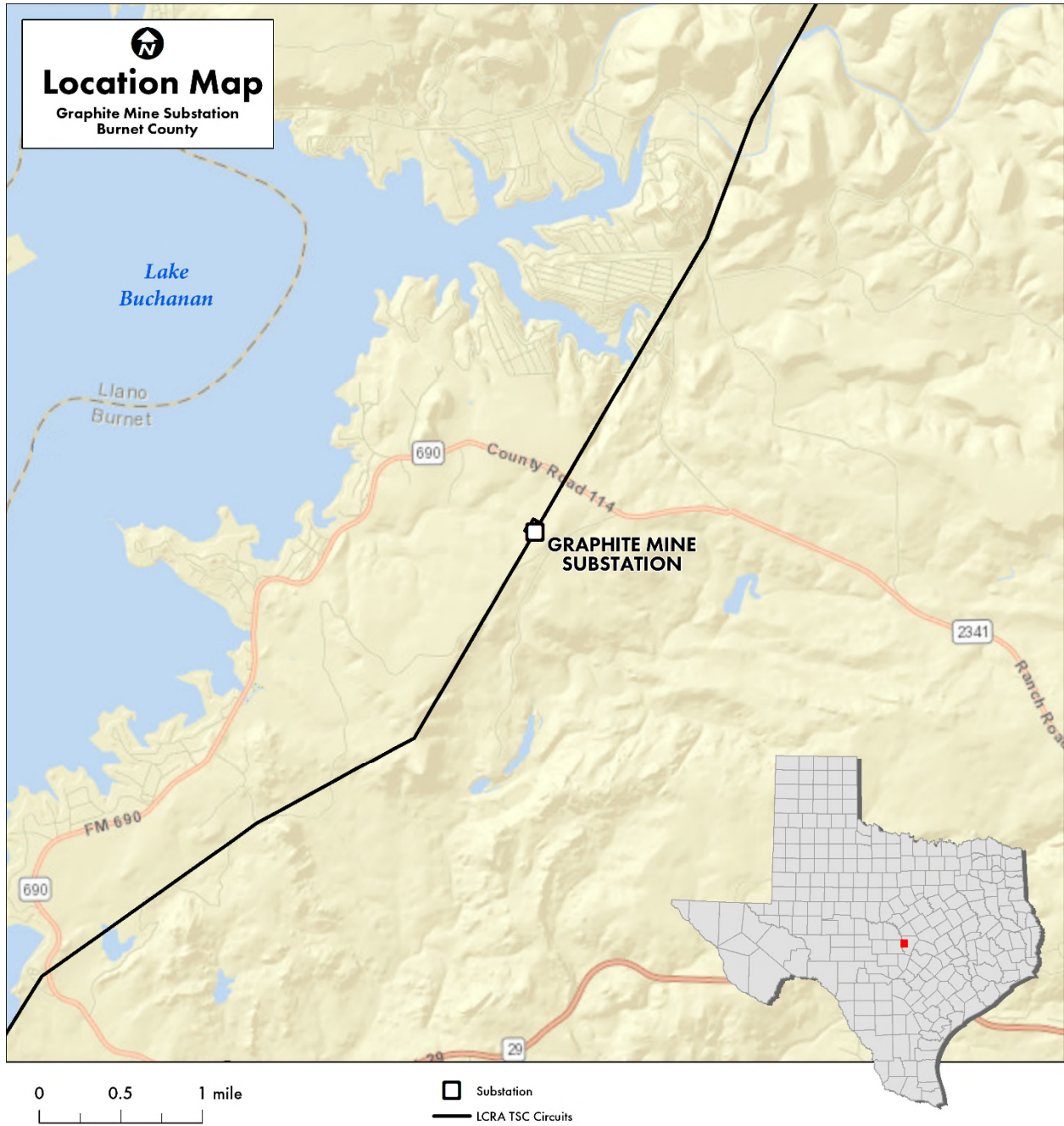
The appropriate departments within LCRA reviewed the conveyance of this easement and determined the easement would have no adverse impact on LCRA operations. LCRA staff will complete environmental and cultural resource due diligence assessments in accordance with Board Policy 401.403 – Land Disposition before the conveyance of the easement.

#### **Exhibit(s)**

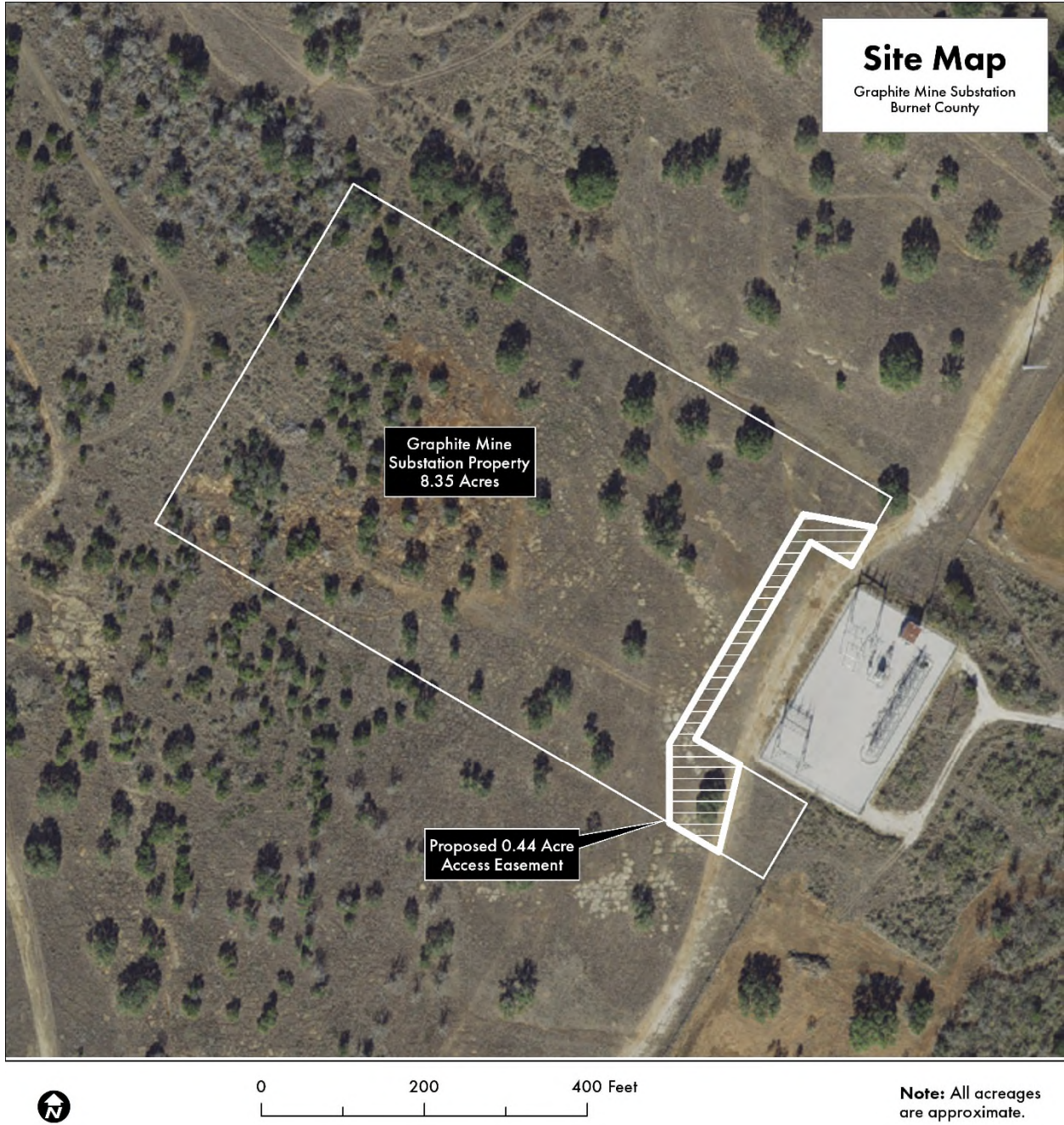
- A – Location Map
- B – Site Map



**EXHIBIT A**



**EXHIBIT B**



**FOR ACTION (CONSENT)**

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

## **4. Conveyance of Transmission Line Easement in Williamson County**

### **Proposed Motion**

Authorize the chief executive officer or his designee to convey to Oncor Electric Delivery Company, LLC (Oncor) an approximately 0.79-acre, 72-foot-wide transmission line easement across a portion of LCRA Transmission Services Corporation's Elgin Switch Substation in Williamson County.

### **Board Consideration**

LCRA TSC Board Policy T401 – Land Resources requires the declaration, terms of conveyance and requests for easements across LCRA TSC land be approved by a three-fourths vote of the membership of the LCRA TSC Board of Directors.

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

The fiscal year 2022 LCRA TSC business plan contains the administrative costs associated with the conveyance of this easement. Proceeds from the conveyance of the easement will benefit LCRA TSC.

### **Summary**

LCRA acquired the 5-acre Elgin Switch Substation in 1952. LCRA transferred the Elgin Switch Substation to LCRA TSC in 2002. Oncor has requested an easement across the Elgin Switch Substation to build a transmission line that will serve an industrial company adding a facility in Williamson County.

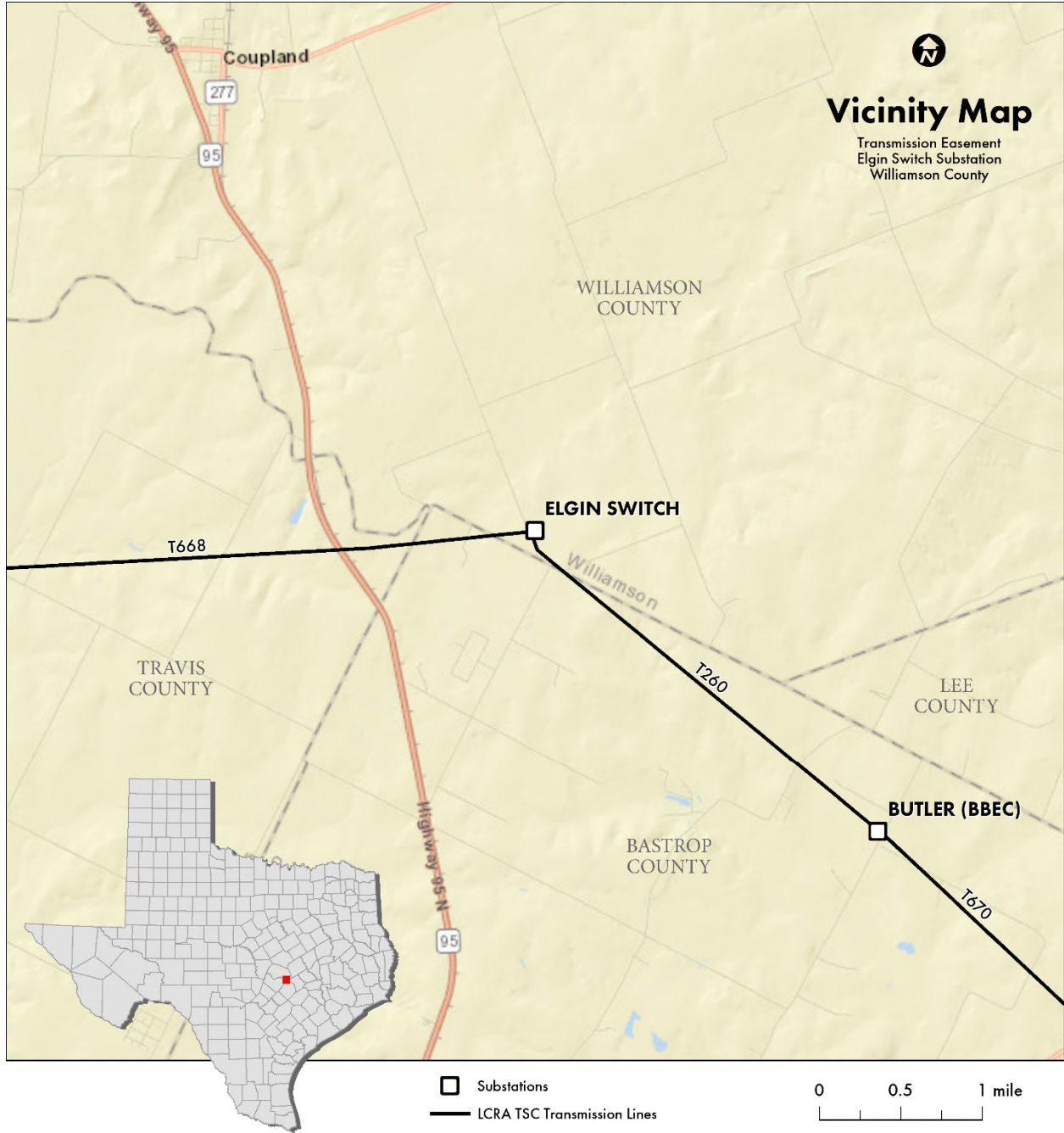
The approximately 0.79-acre, 72-foot-wide transmission line easement will be granted to Oncor for fair market value.

The appropriate departments within LCRA reviewed the conveyance of this easement and determined the easement would have no adverse impact on LCRA operations. LCRA staff will complete environmental and cultural resource due diligence in accordance with Board Policy 401.403 – Land Disposition before the conveyance of the easement.

### **Exhibit(s)**

- A – Vicinity Map
- B – Site Map

**EXHIBIT A**



**EXHIBIT B**



**FOR ACTION (CONSENT)**

## **5. Minutes of Prior Meeting**

**Proposed Motion**

Approve the minutes of the May 18, 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 May 18, 2022, meeting

## **EXHIBIT A**

Minutes Digest  
May 18, 2022

- 22-11 Approval of the minutes of the April 19, 2022, meeting.
- 22-12 Adoption of a resolution approving the LCRA Transmission Services Corporation Fiscal Year 2023 Business and Capital Plans.
- 22-13 Approval and ratification of the Capital Improvement Project Authorization Request for the following projects and associated lifetime budgets: Austrop to Sandow Double-Circuit Transmission Line Restoration; Easement Enhancement – FY 2023 System Upgrade; Flood Mitigation – FY 2022 System Upgrade; Hunt to Ingram Transmission Line Storm Hardening; Ingram to Jack Furman Transmission Line Storm Hardening; Nada to Ricebird Transmission Line Overhaul; Bastrop West to Bluebonnet Transmission Line Relocation; and LCRA Transmission Services Corporation – General Additions – FY 2023.
- 22-14 Adoption of a resolution authorizing the use of the power of eminent domain in Hays County to acquire rights in the properties described in Exhibit 1 to the resolution for the acquisition of easement amendments for the Hilltop to Strahan Transmission Line Upgrade project.
- 22-15 Adoption of a resolution authorizing the use of the power of eminent domain in Fayette, Austin and Washington counties to acquire rights in the properties described in Exhibit 1 to the resolution for the acquisition of easement amendments for the Fayetteville to Salem Transmission Line Upgrade project.

MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF  
LCRA TRANSMISSION SERVICES CORPORATION  
Austin, Texas  
May 18, 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 9:08 a.m. Wednesday, May 18, 2022, in the Board Room of the Hancock Building, at the principal office of the Lower Colorado River Authority, 3700 Lake Austin Blvd., Austin, Travis County, Texas. The following directors were present, constituting a quorum:

Timothy Timmerman, Chair  
Stephen F. Cooper, Vice Chair  
Michael L. "Mike" Allen  
Matthew L. "Matt" Arthur  
Melissa K. Blanding  
Joseph M. "Joe" Crane  
Laura D. Figueroa  
Thomas L. "Tom" Kelley  
Robert "Bobby" Lewis  
Thomas Michael Martine  
Margaret D. "Meg" Voelter  
Martha Leigh M. Whitten

Absent: Carol Freeman  
Raymond A. "Ray" Gill Jr.  
Nancy Eckert Yeary

Chair Timmerman convened the meeting at 9:08 a.m.

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

Treasurer and Chief Financial Officer Jim Travis presented financial highlights for LCRA TSC covering April 2022 and the fiscal year to date [Agenda Item 2].

The Board next took action on the consent agenda.

22-11 Upon motion by Director Voelter, seconded by Director Crane, the Board unanimously approved the minutes of the April 19, 2022, meeting [Consent Item 3] by a vote of 12 to 0.

22-12 Treasurer and Chief Financial Officer Jim Travis presented for consideration a staff recommendation, described in Agenda Item 4 [attached hereto as Exhibit A], that the Board adopt a resolution approving the LCRA Transmission Services Corporation



Fiscal Year 2023 Business and Capital Plans. The Board had a detailed discussion on the FY 2023 business and capital plans during a work session on April 19. Upon motion by Director Blanding, seconded by Director Figueroa, the recommendation was unanimously approved by a vote of 12 to 0.

22-13 Vice President of Transmission Asset Optimization Kristian M. Koellner presented for consideration a staff recommendation, described in Agenda Item 5 [attached hereto as Exhibit B], that the Board approve and ratify the Capital Improvement Project Authorization Request for the following projects and associated lifetime budgets: Austrop to Sandow Double-Circuit Transmission Line Restoration; Easement Enhancement – FY 2023 System Upgrade; Flood Mitigation – FY 2022 System Upgrade; Hunt to Ingram Transmission Line Storm Hardening; Ingram to Jack Furman Transmission Line Storm Hardening; Nada to Ricebird Transmission Line Overhaul; Bastrop West to Bluebonnet Transmission Line Relocation; and LCRA Transmission Services Corporation – General Additions – FY 2023. Upon motion by Director Allen, seconded by Vice Chair Cooper, the recommendation was unanimously approved by a vote of 12 to 0.

22-14 Vice President of Real Estate Services Mark Sumrall presented for consideration a staff recommendation, described in Agenda Item 6 – Acquisition of Interests in Real Property – Use of Eminent Domain in Hays County [attached hereto as Exhibit C]. Director Martine moved, seconded by Director Allen, 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 amendments for the Hilltop to Strahan Transmission Line Upgrade project to ensure the continued reliable transmission of electric energy on the Hilltop to Strahan (T445) transmission line; 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 12 to 0.

22-15 Vice President of Real Estate Services Mark Sumrall presented for consideration a staff recommendation, described in Agenda Item 7 – Acquisition of Interests in Real Property – Use of Eminent Domain in Fayette, Austin and Washington Counties [attached hereto as Exhibit D]. Director Martine moved, seconded by Director Whitten, 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 amendments for the Fayetteville to Salem Transmission Line Upgrade project; 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 12 to 0.

There being no further business to come before the Board, the meeting was adjourned at 9:24 a.m.

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Leigh Sebastian  
Secretary  
LCRA Transmission Services Corporation  
Approved: June 15, 2022

## **FOR ACTION**

# **6. Acquisition of Interests in Real Property – Use of Eminent Domain in Blanco, DeWitt, Austin, Guadalupe and Fayette Counties**

### **Proposed Motion**

I move that the Board 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 A to the resolution for the acquisition of needed easement rights for the LCRA Broadband Program project to provide for communications and to facilitate broadband services on the: Mountain Top to Kendall (T342), Lost Creek to Guadalupe (T541), Bellville South to Waller (T213), Zorn SWYD to Seguin (T203) and Salem to Warda (T667) 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 uses 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 cost was included in the Board-approved budget for the LCRA Broadband Program project.

### **Summary**

LCRA TSC proposes to acquire third-party communications rights in the counties of Blanco, DeWitt, Austin, Guadalupe and Fayette for the LCRA Broadband Program project. Paul Hornsby and Company performed independent appraisals of the interests in real property to be acquired to determine just compensation to the landowners.

Staff will make 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 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.

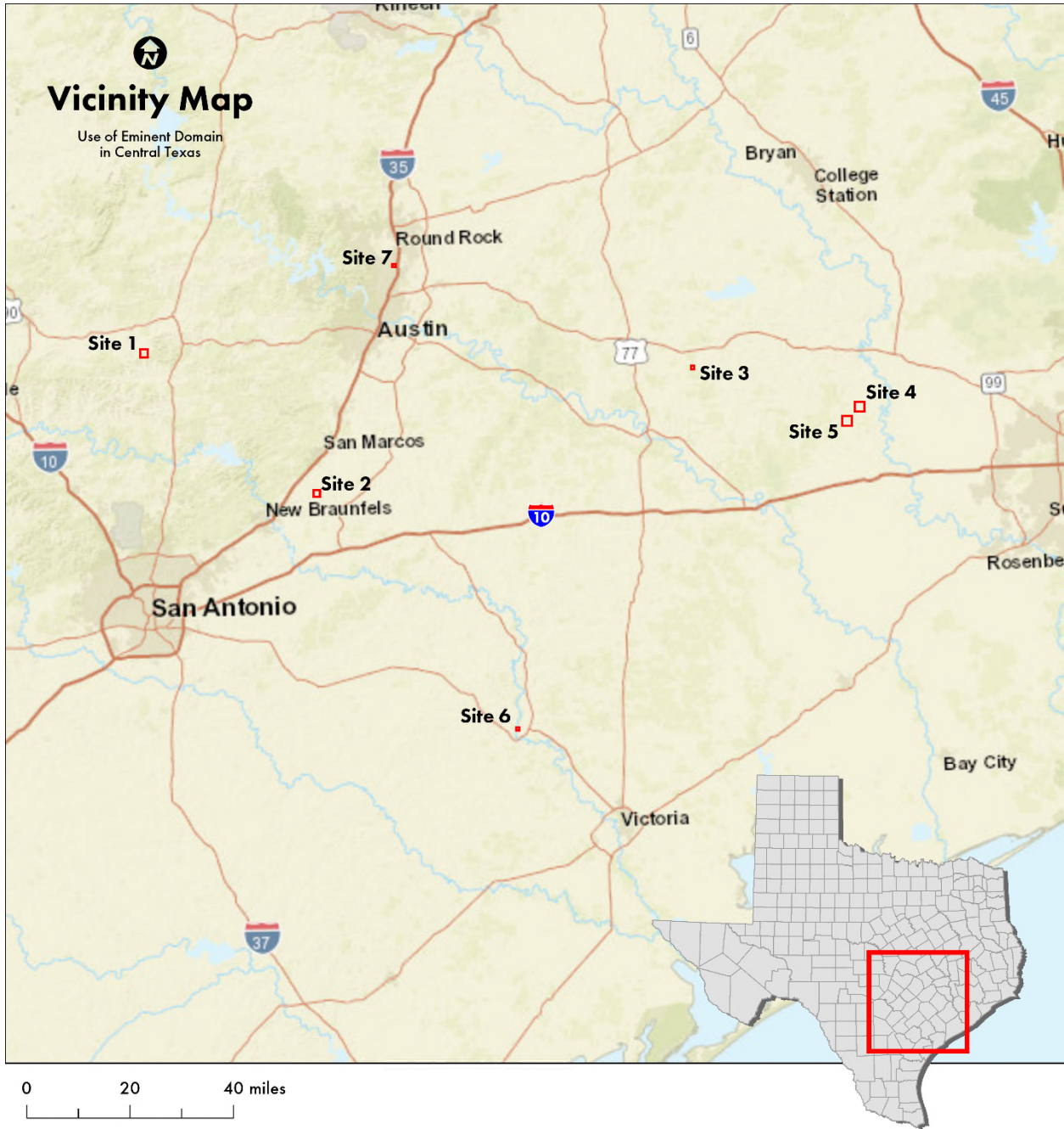
**Presenter(s)**

Mark Sumrall  
Vice President, Real Estate Services

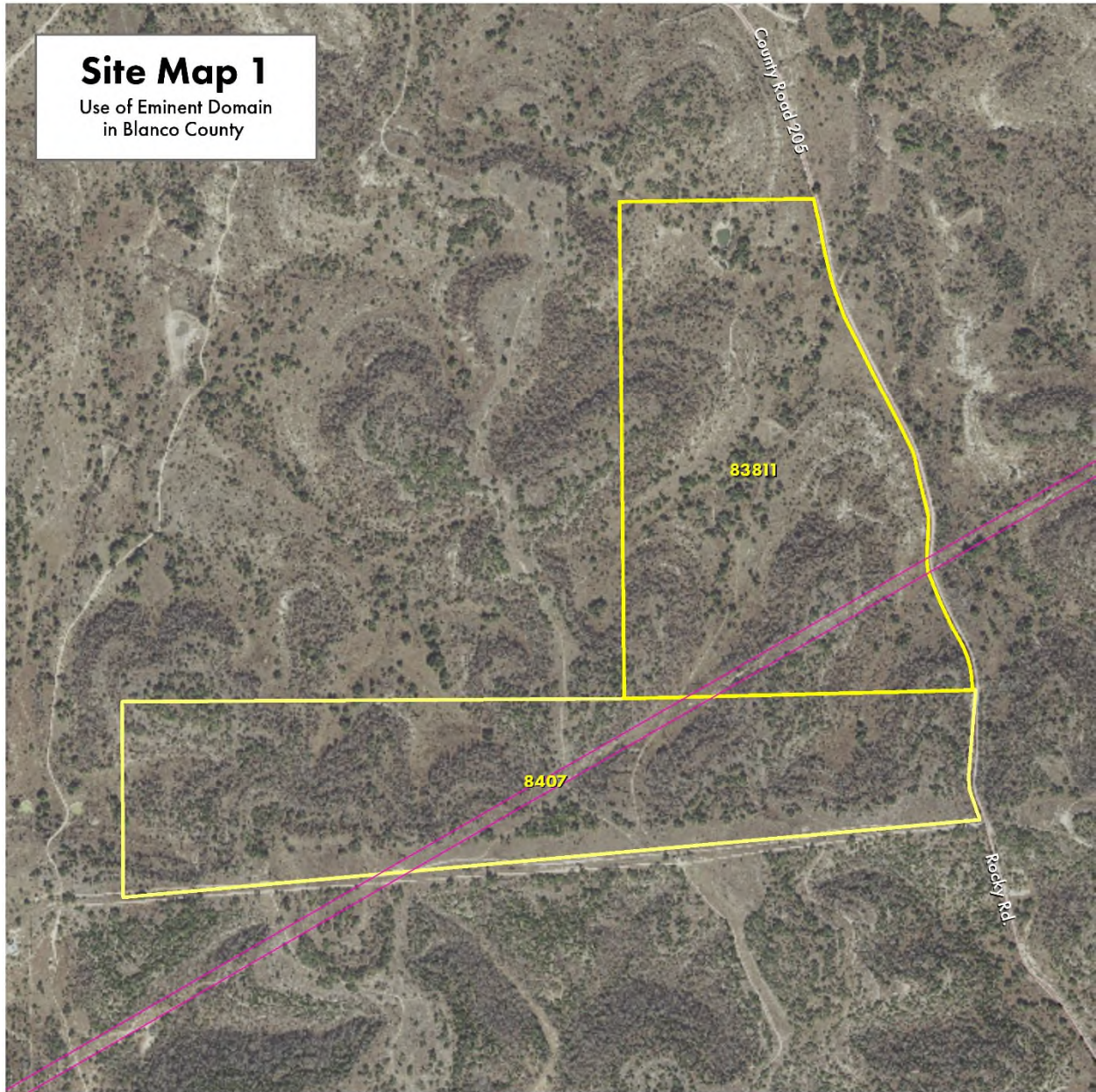
**Exhibit(s)**

A – Vicinity Maps  
B – Site Maps  
C – Landowner List  
D – Resolution

**EXHIBIT A**



**EXHIBIT B**  
Page 1 of 6

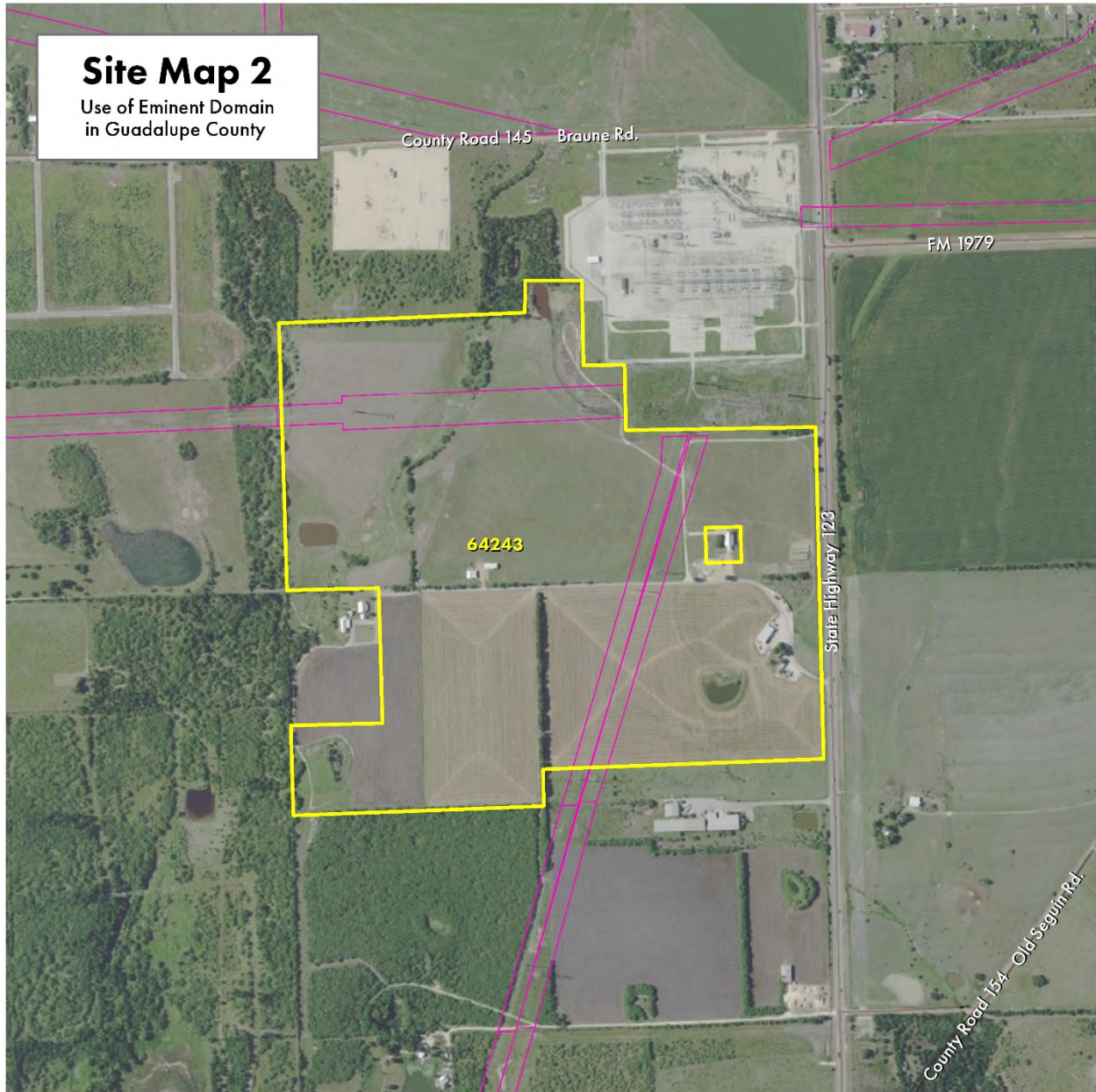


0 2,000 feet

- Existing Easement
- Blanco County Parcels

See Exhibit C Landowner List  
for owner names and acreages.

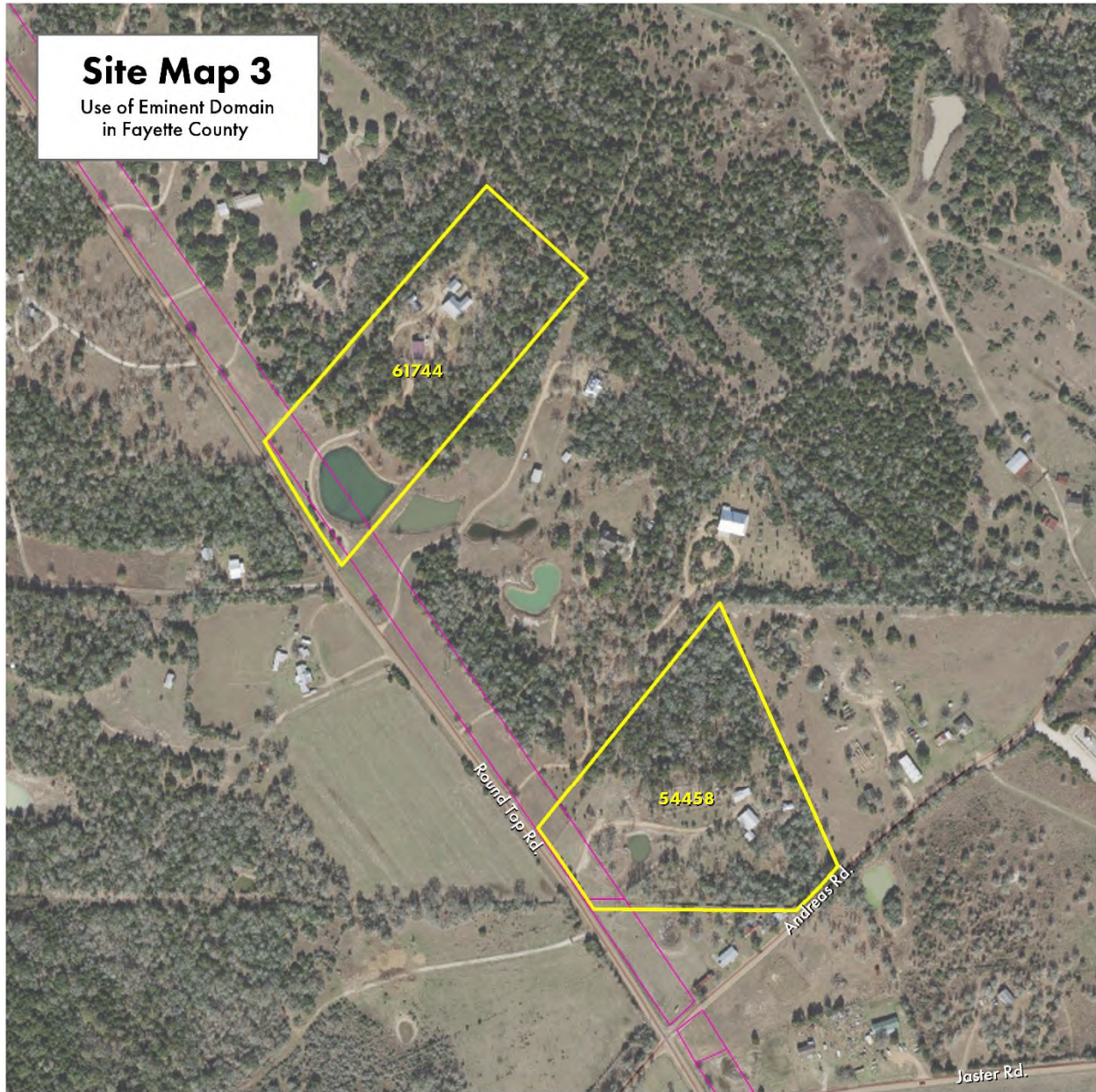
**EXHIBIT B**  
Page 2 of 6



0 1,000 feet

- Existing Easements
- Guadalupe County Parcels

See Exhibit C Landowner List  
for owner names and acreages.

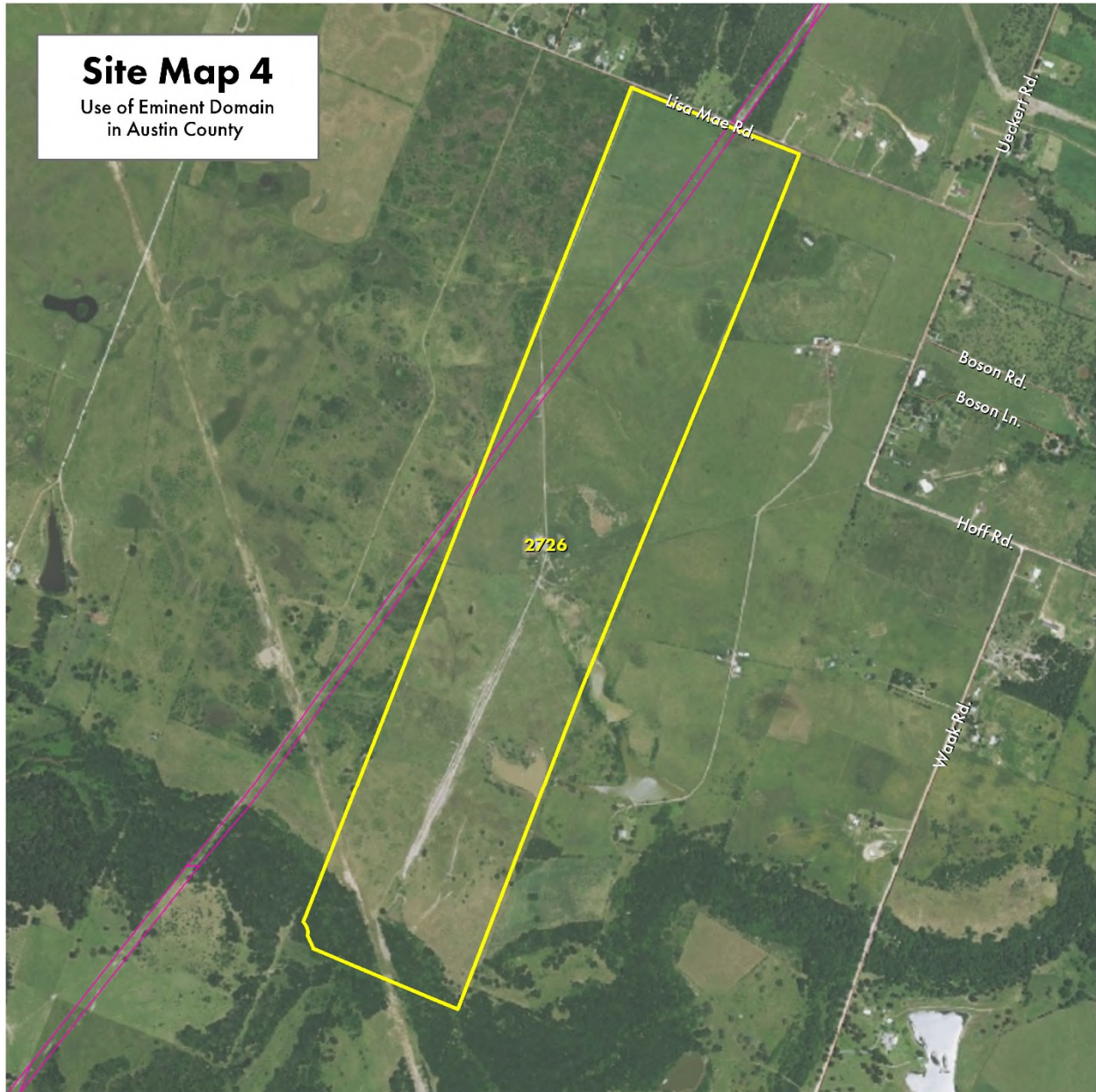


0 500 feet

- Existing Easement
- Fayette County Parcels

See Exhibit C Landowner List  
for owner names and acreages.







**Site Map 4**  
Use of Eminent Domain  
in Austin County



0 1,500 feet

-  Existing Easements
-  Austin County Parcels

See Exhibit C Landowner List  
for owner names and acreages.

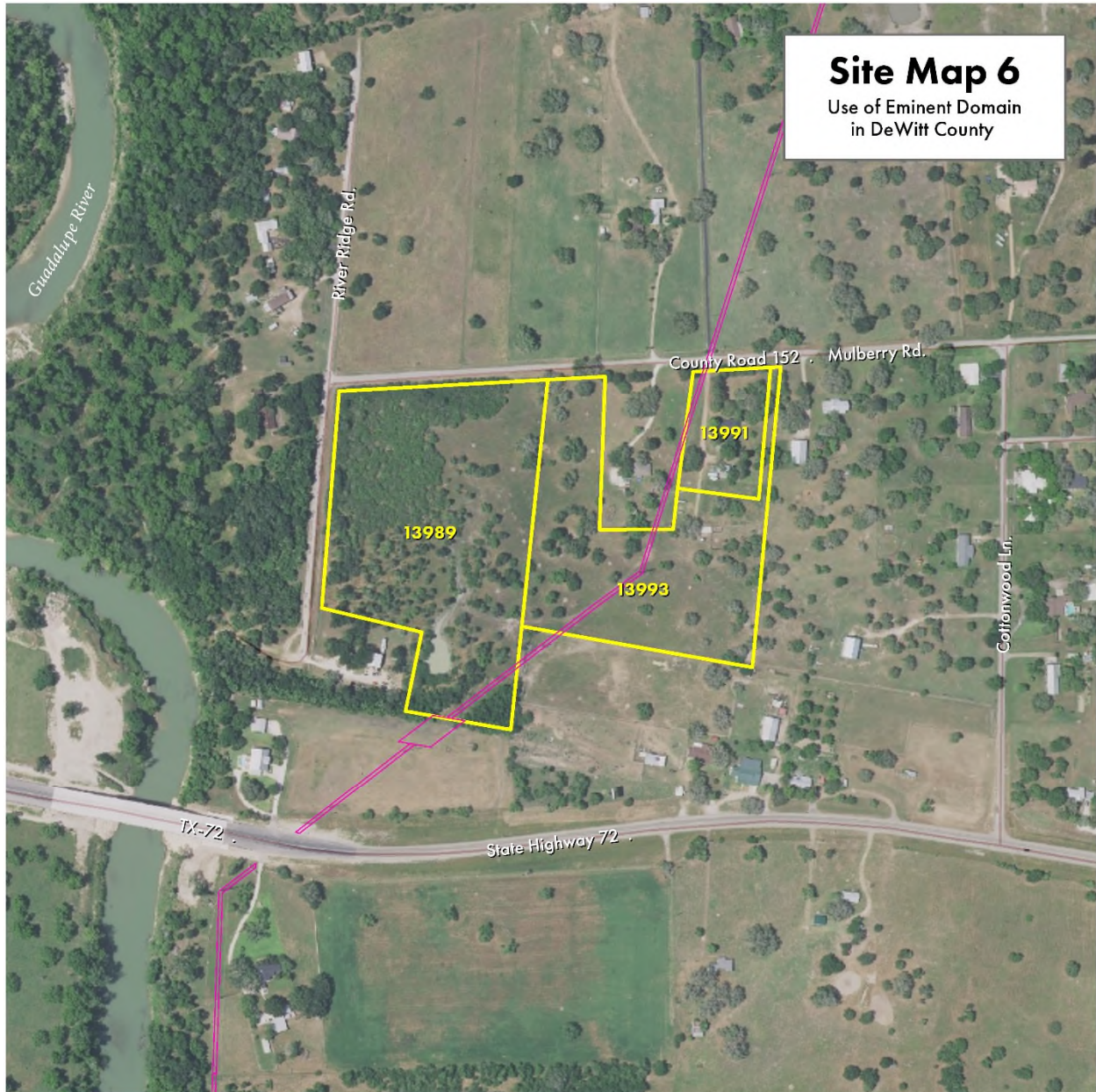
**EXHIBIT B**  
Page 5 of 6



0 1,500 feet

- Existing Easements
- Austin County Parcels

See Exhibit C Landowner List for owner names and acreages.



0 600 feet

Existing Easements  
DeWitt County Parcels

See Exhibit C Landowner List  
for owner names and acreages.

**EXHIBIT C**

<b>Tract Number</b>	<b>Landowner</b>	<b>Approximate Parent Tract Acreage</b>	<b>Land Rights</b>	<b>Approximate Easement Acreage</b>	<b>County</b>	<b>Approximate Value</b>
83811	Dylan Alexander Hester	193 acres	Third-Party Communication	5.75 acres	Blanco	\$2,100
8407	Dylan Alexander Hester	174 acres	Third-Party Communication	4.6 acres	Blanco	\$1,500
13989	James and Jennifer Martin	9.9 acres	Third-Party Communication	.06 acre	Dewitt	\$23
13991	James and Jennifer Martin	3.5 acres	Third-Party Communication	.04 acre	Dewitt	\$14
13993	James and Jennifer Martin	6.25 acres	Third-Party Communication	.1 acre	Dewitt	\$38
10167	Karl Warren Ebert et al	34.8 acres	Third-Party Communication	1.19 acres	Austin	\$952
2726	Ranch Las Torres, LLC	299.57 acres	Third-Party Communication	7.67 acres	Austin	\$1,152
64243	Warren M Kutscher	175.29 acres	Third-Party Communication	4.81 acres	Guadalupe	\$2,400
61744	Miller	10 acres	Third-Party Communication	.98 acre	Fayette	\$823
54458	Janice Hughes and Robert Mackinnon	10 acres	Third-Party Communication	.64 acre	Fayette	\$512

## **EXHIBIT D**

### **PROPOSED MOTION**

**I MOVE THAT THE BOARD OF LCRA TRANSMISSION SERVICES CORPORATION ADOPT THE ATTACHED RESOLUTION; THAT THE BOARD AUTHORIZE BY RECORD VOTE THE USE OF THE POWER OF EMINENT DOMAIN RIGHTS IN THE PROPERTIES DESCRIBED IN EXHIBIT 1 TO THE RESOLUTION FOR THE ACQUISITION OF THE LCRA BROADBAND PROGRAM PROJECT FOR THIRD-PARTY USE OF OUR EXCESS BROADBAND CAPACITY ON THE T342, T541, T213, T203, and T667 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 BLANCO, DEWITT, AUSTIN, GUADALUPE, AND FAYETTE COUNTIES FOR THIRD-PARTY USE OF OUR EXCESS BROADBAND CAPACITY ON THE T342 TRANSMISSION LINE.**

**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) in Blanco, DeWitt, Austin, Guadalupe and Fayette counties; and

**WHEREAS**, an independent, professional appraisal of the subject property 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 construction of the LCRA Broadband Program project for the third-party use of our excess broadband capacity on the T342, T541, T213, T203 and T667 Transmission lines, with the description of the location of and interest in the property 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 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 if applicable or if after due diligence the location or identity of the landowner is unknown LCRA Transmission Services Corporation will make a bona fide offer to acquire the interests in real property from the landowner voluntarily as required by Section 21.0113 of the Texas Property Code; and that at such time as LCRA Transmission Services Corporation has determined that the landowner 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 would be futile, then the president and chief executive officer or his designee is authorized under Section 8503.032, Special District Local Laws Code and directed to initiate condemnation proceedings against the landowner 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(s) in real property that are proper and convenient for the operation of the electric transmission line(s).

## **FOR ACTION**

# **7. Acquisition of Interests in Real Property – Use of Eminent Domain in Caldwell County**

### **Proposed Motion**

I move that the LCRA Transmission Services Corporation Board adopt the attached resolution; that the Board authorize by record vote the use of the power of eminent domain to acquire rights in the property or properties described in Exhibit 1 to the resolution for the acquisition of easements amendment for the Lockhart-Split Transmission Line Upgrade Addition project; 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.

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

The acquisition costs were included in the Board-approved budget for the Lockhart-Split Transmission Line Upgrade Addition project.

### **Summary**

LCRA TSC proposes to acquire acquisition for easement amendments in Caldwell County for the Lockhart-Split Transmission Line Upgrade Addition project. Hornsby & Company Appraisers and Consultants performed independent appraisal(s) of the interest(s) in real property to be acquired to determine just compensation to the landowner(s).

Staff made an initial offer to acquire the necessary interest(s) in real property voluntarily from the landowner(s) 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 description(s) of the specific property or properties to be acquired and will attach the description(s) to the resolution.

LCRA TSC representatives have 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)**

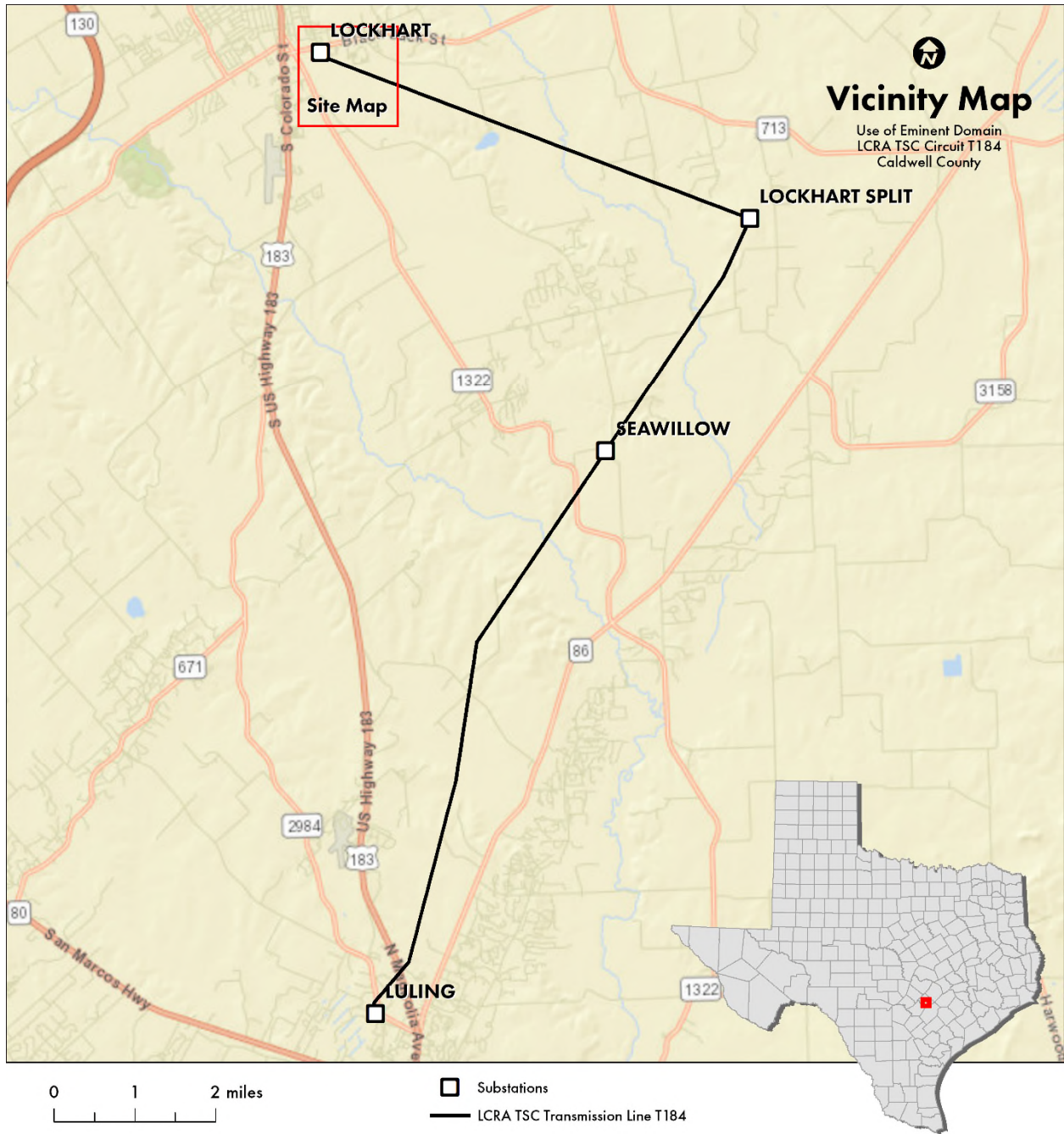
Mark Sumrall  
Vice President, Real Estate Services

**Exhibit(s)**

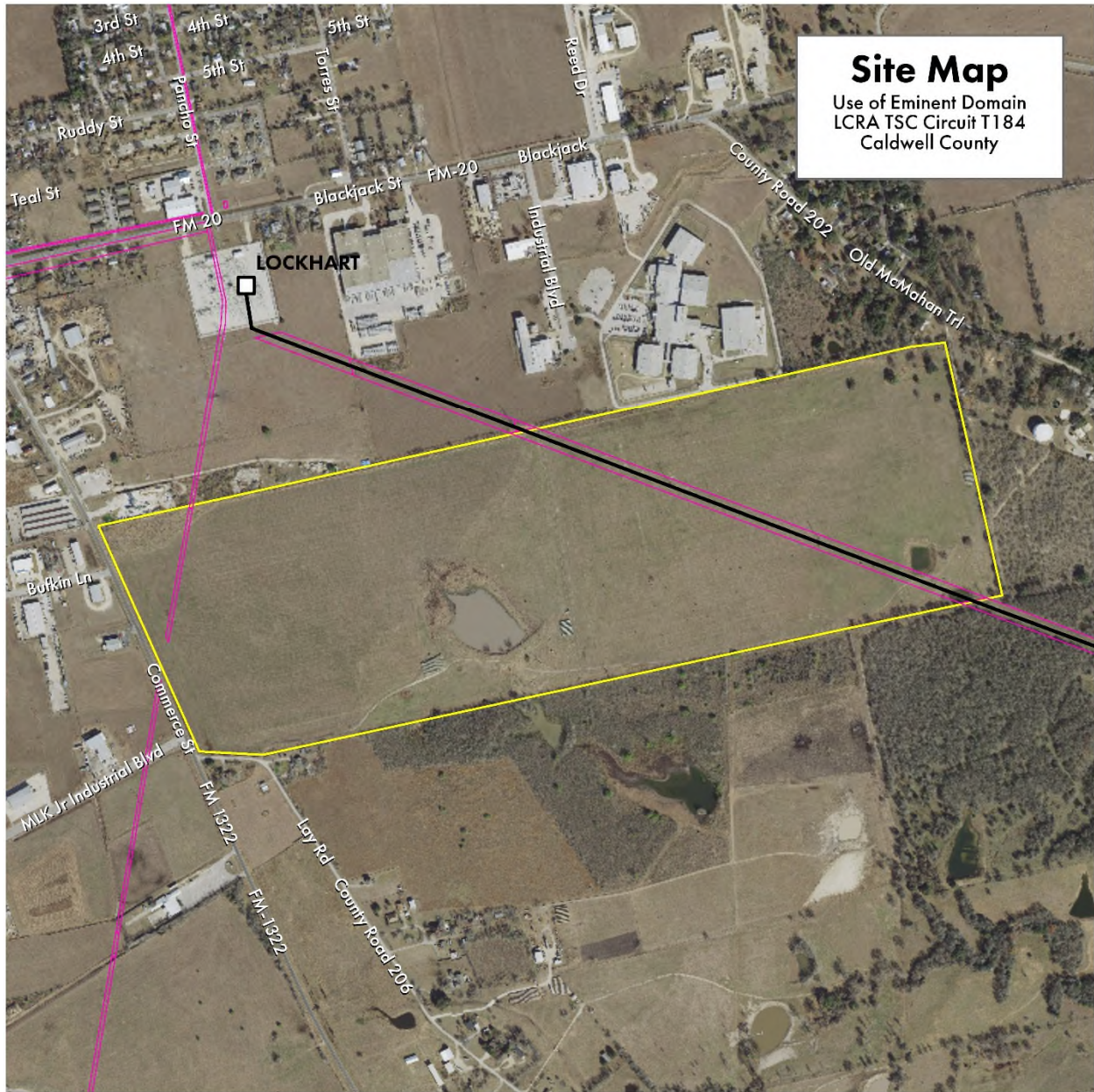
- A – Vicinity Map(s)
- B – Site Map(s)
- C – Landowner List
- D – Resolution
- 1 – Description(s) of the Specific Properties



**EXHIBIT A**



**EXHIBIT B**



**Site Map**  
 Use of Eminent Domain  
 LCRA TSC Circuit T184  
 Caldwell County



0 1,000 feet

- Substations
- Landowner Parcels
- LCRA TSC Transmission Line T184
- Transmission Easements

**EXHIBIT C**

<b>Landowner</b>	<b>Approximate Parent Tract Acreage</b>	<b>Land Rights</b>	<b>Approximate Acquisition Acreage</b>	<b>County</b>	<b>Value of Proposed Easement</b>	<b>Total Approximate Value</b>
Marilyn Riddle	178.42 acres	Easement Amendment	6.5 acres	Caldwell	\$1,325	\$1,325

**EXHIBIT D**

**PROPOSED MOTION**

**I MOVE THAT THE BOARD 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 PROPERTY OR PROPERTIES DESCRIBED IN EXHIBIT 1 TO THE RESOLUTION FOR THE LOCKHART-SPLIT TRANSMISSION LINE UPGRADE PROJECT; 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 CALDWELL COUNTY FOR  
TRANSMISSION LINE AMENDMENT.**

**WHEREAS**, the 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 an electric transmission line easement amendment in Caldwell County.

**WHEREAS**, an independent, professional appraisal of the subject property or properties has been submitted to the 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 Lockhart-Split Transmission Line Upgrade Addition project, with the description of the location(s) of and interests in the property or 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 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 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 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 owners of the properties, and

against all other owners, lien holders, and other holders of an interest in the properties, 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 interests in real property that are proper and convenient for the operation of the electric transmission line.

## **FOR ACTION**

# **8. Capital Improvement Projects Approval and Future Projects Forecast**

### **Proposed Motion**

Approve the Capital Improvement Project Authorization Request for the projects and associated lifetime budgets as described in Exhibit A.

### **Board Consideration**

LCRA Transmission Services Corporation Board Policy T301 – Finance requires Board of Directors approval for any project exceeding \$1.5 million.

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

- All projects recommended for Board approval are within the total annual budget approved in the capital plan.
- Staff will monitor the forecast and will request a fiscal year budget increase if needed.
- The treasurer and chief financial 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**

Staff recommends approval of the capital projects described in exhibits A and B. These projects meet legal requirements in the Public Utility Regulatory Act and PUC rules.

Project funds will pay for activities, including but not limited to project management, engineering, materials acquisition, construction and acquisition of necessary land rights. LCRA TSC representatives will perform all necessary regulatory, real estate, environmental and cultural due diligence activities.

### **Presenter(s)**

Kristen Senechal  
Vice President and Chief Operating Officer

Kristian M. Koellner  
Vice President, Transmission Asset Optimization

### **Exhibit(s)**

A – Project Cost Estimates and Cash Flow  
B – Project Details

## **EXHIBIT A**

### **Project Cost Estimates and Cash Flow**

*Dollars in millions*

<b>Project Name</b>	<b>FY 2021 and Prior</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>Lifetime</b>
<b>Service Reliability Projects</b>							
Eckert Power Transformer Upgrade	0.1	0.5	2.0	3.7	-	-	6.3
Marshall Ford-McNeil Transmission Line Storm Hardening	0.2	0.9	18.1	14.9	-	-	34.1
Starcke-Wirtz Transmission Line Storm Hardening	0.1	0.8	7.7	8.4	-	-	17.0
<b>System Capacity Projects</b>							
Dale Power Transformer Upgrade	-	0.1	2.6	2.1	-	-	4.8
<b>Total</b>	<b>0.4</b>	<b>2.3</b>	<b>30.4</b>	<b>29.1</b>	<b>-</b>	<b>-</b>	<b>62.2</b>

Note: Totals may not equal the sum of numbers shown due to rounding.

## **EXHIBIT B**

### **Project Details**

**Project Name:** Eckert Power Transformer Upgrade

**Project Number:** 1025306

**Lifetime Budget:** \$6.3 million

**Description:** The project will increase the reliability of substation equipment at the Eckert Substation in Gillespie County. The project scope includes installing new power transformers, switches and supporting equipment, implementing wildlife mitigation, and updating the property easement. The recommended project completion date is June 30, 2024.

**Project Name:** Marshall Ford to McNeil Transmission Line Storm Hardening

**Project Number:** 1024596

**Lifetime Budget:** \$34.1 million

**Description:** The project will storm harden the 14.2-mile Marshall Ford to McNeil 138-kV transmission line in Travis County to ensure the reliability and safety of the structures and conductor. The project scope includes replacing or installing new structures, conductor and related equipment to meet or exceed current National Electrical Safety Code and LCRA TSC design standards. The recommended project completion date is May 15, 2024.

**Project Name:** Starcke to Wirtz Transmission Line Storm Hardening

**Project Number:** 1024854

**Lifetime Budget:** \$17.0 million

**Description:** The project will storm harden the 6.7-mile Starcke to Wirtz 138-kV transmission line in Burnet County to ensure the reliability and safety of the structures and conductor. The project scope includes replacing or installing new structures, conductor, and related equipment to meet or exceed current NESC and LCRA TSC design standards. The recommended project completion date is May 15, 2024.

**Project Name:** Dale Power Transformer Upgrade

**Project Number:** 1026519

**Lifetime Budget:** \$4.8 million

**Description:** The project will increase the transformer capacity at Dale Substation in Caldwell County to serve forecasted customer load without overloading the existing 69-kV substation equipment. The project scope includes the installation of a new 138-kV capable power transformer and circuit switcher along with required foundations and supporting equipment. The recommended project completion date is May 15, 2024.