

LCRA Transmission Services Corporation

Board Agenda

Wednesday, Sept. 21, 2022
LCRA General Office Complex
Board Room – Hancock Building
3700 Lake Austin Blvd.
Austin, TX 78703
Earliest start time: 10 a.m.

Items From the Chair

1. Comments From the Public 4

Consent Items

2. Minutes of Prior Meeting 5

Action Items

3. Approve the LCRA Transmission Services Corporation Series 2022A Bond Issue and Fortieth Supplemental Resolution 11
4. Capital Improvement Projects Approval 14
5. Acquisition of Interests in Real Property – Use of Eminent Domain in Colorado, DeWitt, Guadalupe and Waller Counties 17

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.

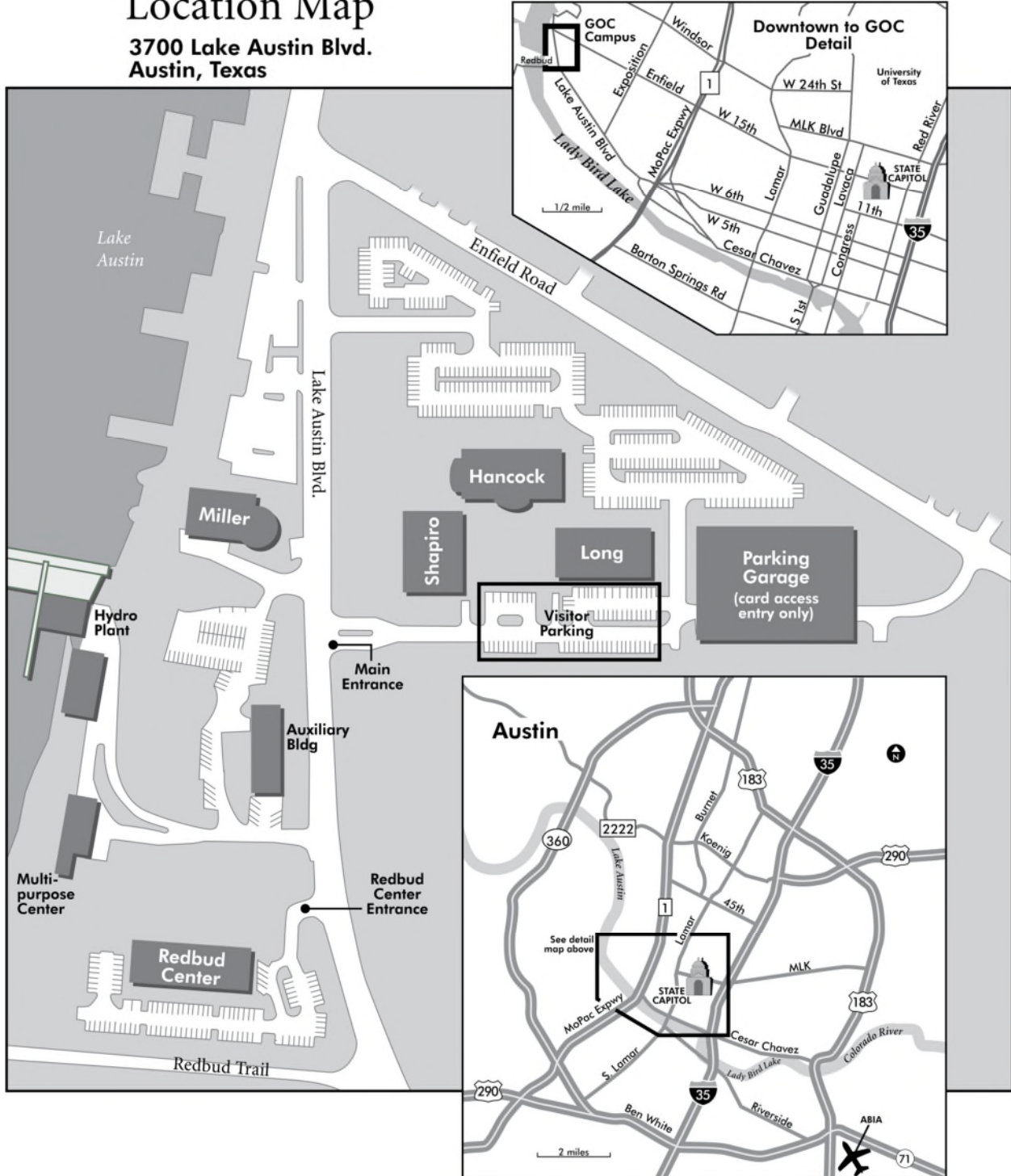
LCRA TSC is a nonprofit corporation created by LCRA to act on LCRA's behalf pursuant to Chapter 152, Texas Water Code, as amended. After Jan. 1, 2002, LCRA TSC engaged in the electric transmission and transformation activities previously carried out by LCRA and assumed LCRA's obligation to provide, and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

2. Minutes of Prior Meeting

Proposed Motion

Approve the minutes of the Aug. 17, 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 Aug. 17, 2022, meeting

EXHIBIT A

Minutes Digest
Aug. 17, 2022

- 22-23 Adoption of a resolution authorizing the use of the power of eminent domain in Blanco, DeWitt, Austin, Guadalupe and Fayette counties to acquire rights in the properties described in Exhibit 1 to the resolution for the acquisition of needed easement rights for the LCRA Broadband Program project, on behalf of LCRA and at LCRA's expense, 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. [Due to a clerical error, this previously approved item needed to be amended and ratified. "Exhibit 1 – Description of Specific Properties" was not included. This ratification corrected the clerical error.]
- 22-24 Adoption of a resolution authorizing the use of the power of eminent domain in Caldwell County to acquire rights in the properties described in Exhibit 1 to the resolution for the acquisition of an easement amendment for the Lockhart-Split Transmission Line Upgrade project. [Due to a clerical error, this previously approved item needed to be amended and ratified. "Exhibit 1 – Description of Specific Properties" was not included. This ratification corrected the clerical error.]
- 22-25 Declaration of a 2.813-acre tract of land, being a portion of the LCRA Transmission Services Corporation Cedar Hill Substation in Bastrop County, nonessential, and authorization for the president and chief executive officer or his designee to sell the property to Elgin Oaks LP. Authorization for the chief executive officer or his designee to convey to Aqua Water Supply a 0.059-acre, water line easement across a portion of the Cedar Hill Substation.
- 22-26 Approval of the minutes of the June 15, 2022, meeting as corrected.
- 22-27 Ratification of the Fiscal Year 2022 LCRA Transmission Services Corporation Capital Plan to increase authorized capital spending in FY 2022 from \$445 million to \$458 million.
- 22-28 Approval of the Capital Improvement Project Authorization Request for the following projects and associated lifetime budgets: Antler-Bergheim Transmission Line Upgrade; Antler-Highway 46 Transmission Line Upgrade; Bergheim-Fair Oaks Transmission Line Upgrade; Boerne-Esperanza Transmission Line Upgrade; Boerne Split-Welfare Transmission Line Upgrade; Esperanza-Fair Oaks Transmission Line Upgrade; Hays Energy-Henne Split Transmission Line Upgrade;

Henne-River Oaks Transmission Line Upgrade; Highway 46-River Oaks Transmission Line Upgrade; Kendall-Welfare Transmission Line Upgrade; North McCamey Circuit Breaker Substation Upgrade; Bearkat-North McCamey Transmission Line Addition; and North McCamey-Sand Lake Transmission Line Addition.

22-29

Adoption of a resolution authorizing the use of the power of eminent domain in Travis County to acquire rights in the properties described in Exhibit 1 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 McNeil to Gilleland Creek (T147) transmission line.

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF
LCRA TRANSMISSION SERVICES CORPORATION
Austin, Texas
Aug. 17, 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 11:59 a.m. Wednesday, Aug. 17, 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
Carol Freeman
Robert "Bobby" Lewis
Thomas Michael Martine
Margaret D. "Meg" Voelter
Martha Leigh M. Whitten
Nancy Eckert Yeary

Absent: Laura D. Figueroa
Raymond A. "Ray" Gill Jr.
Thomas L. "Tom" Kelley

Chair Timmerman convened the meeting at 11:59 a.m.

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

Vice President and Chief Operating Officer Kristen Senechal gave the Board an update. Senechal provided an overview of LCRA TSC's capital investments in fiscal year 2022, noted some key transmission projects completed to meet this summer's grid needs and provided some details regarding LCRA TSC's plan to invest in capital projects over the next five years. Senechal gave updates on LCRA TSC's systems operations performance, completion of winter weather preparation activities across LCRA substations and support of generation interconnection projects. Senechal also recognized three employees from the Geographic Information Systems team who created a collaborative geographic information system mapping solution to aid in the execution of projects.

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

The Board next took action on the consent agenda. Upon motion by Director Lewis, seconded by Director Whitten, the Board unanimously approved consent items 3, 4, 5 and 6 by a vote of 12 to 0 as follows:

22-23 Adoption of a resolution authorizing by record vote the use of the power of eminent domain in Blanco, DeWitt, Austin, Guadalupe and Fayette counties to acquire rights in the properties described in Exhibit 1 to the resolution for the acquisition of needed easement rights for the LCRA Broadband Program project, on behalf of LCRA and at LCRA's expense, 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, as recommended by staff in Consent Item 3 [attached hereto as Exhibit A]. [Due to a clerical error, this previously approved item needed to be amended and ratified. "Exhibit 1 – Description of Specific Properties" was not included. This ratification corrected the clerical error.]

22-24 Adoption of a resolution authorizing by record vote the use of the power of eminent domain in Caldwell County to acquire rights in the properties described in Exhibit 1 to the resolution for the acquisition of an easement amendment for the Lockhart-Split Transmission Line Upgrade project; and that the first record vote applies to all units of property to be condemned, as recommended by staff in Consent Item 4 [attached hereto as Exhibit B]. [Due to a clerical error, this previously approved item needed to be amended and ratified. "Exhibit 1 – Description of Specific Properties" was not included. This ratification corrected the clerical error.]

22-25 Declaration of a 2.813-acre tract of land, being a portion of the LCRA Transmission Services Corporation Cedar Hill Substation in Bastrop County, nonessential (not necessary or convenient or of beneficial use to the business of LCRA TSC), and authorization for the president and chief executive officer or his designee to sell the property to Elgin Oaks LP; and authorization for the chief executive officer or his designee to convey to Aqua Water Supply a 0.059-acre, water line easement across a portion of the Cedar Hill Substation, as recommended by staff in Consent Item 5 [attached hereto as Exhibit C].

22-26 Approval of the minutes of the June 15, 2022, meeting as corrected [Consent Item 6].

22-27 Vice President and Chief Operating Officer Kristen Senechal presented for consideration a staff recommendation, described in Agenda Item 7 [attached hereto as Exhibit D], that the Board ratify the Fiscal Year 2022 LCRA Transmission Services Corporation Capital Plan to increase authorized capital spending in FY 2022 from \$445 million to \$458 million. Upon motion by Director Lewis, seconded by Director Voelter, the recommendation was unanimously approved by a vote of 12 to 0.

22-28 Vice President of Transmission Asset Optimization Kristian M. Koellner presented for consideration a staff recommendation, described in Agenda Item 8 [attached hereto as Exhibit E], that the Board approve the Capital Improvement Project Authorization Request for the following projects and associated lifetime budgets: Antler-Bergheim Transmission Line Upgrade; Antler-Highway 46 Transmission Line Upgrade; Bergheim-Fair Oaks Transmission Line Upgrade; Boerne Esperanza Transmission Line Upgrade; Boerne Split-Welfare Transmission Line Upgrade; Esperanza-Fair Oaks Transmission Line Upgrade; Hays Energy-Henne Split Transmission Line Upgrade; Henne River Oaks Transmission Line Upgrade; Highway 46-River Oaks Transmission Line Upgrade; Kendall-Welfare Transmission Line Upgrade; North McCamey Circuit Breaker Substation Upgrade; Bearkat-North McCamey Transmission Line Addition; and North McCamey-Sand Lake Transmission Line Addition. Upon motion by Director Crane, seconded by Director Arthur, the recommendation was unanimously approved by a vote of 12 to 0.

22-29 Vice President of Real Estate Services Mark Sumrall presented for consideration a staff recommendation, described in Agenda Item 9 – Acquisition of Interests in Real Property – Use of Eminent Domain in Travis County [attached hereto as Exhibit F]. Director Yeary 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 needed easement rights for the LCRA Broadband Program project to provide for communications and to facilitate broadband services on the McNeil to Gilleland Creek (T147) 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.

There being no further business to come before the Board, the meeting was adjourned at 12:26 p.m.

Leigh Sebastian
Secretary
LCRA Transmission Services Corporation

Approved: Sept. 21, 2022

FOR ACTION

3. Approve the LCRA Transmission Services Corporation Series 2022A Bond Issue and Fortieth Supplemental Resolution

Proposed Motion

Staff recommends the Board of Directors approve the adoption of the Fortieth Supplemental Resolution (Fortieth Supplement) to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program (Controlling Resolution) authorizing the issuance of Transmission Contract Refunding Revenue Bonds (LCRA Transmission Services Corporation Project), Series 2022A (Bonds) in an amount not to exceed \$300 million for the following purposes: (i) current refunding of portions of the LCRA Transmission Contract Revenue Commercial Paper Notes (LCRA Transmission Services Corporation Project) Tax-Exempt Series and any series of LCRA Transmission Contract Revenue Revolving Notes (LCRA Transmission Services Corporation Project); (ii) funding debt service reserve funds for the Bonds; and (iii) paying for issuance costs.

This motion also will:

1. Approve related documents, in substantially final form, including the escrow agreement, the paying agent/registrars agreement, the preliminary official statement and the Transmission Contract Revenue Debt Installment Payment Agreement Supplement Related to the Bonds (the 2022A Installment Payment Agreement Supplement). Bond counsel has prepared or reviewed all documents.
2. Delegate authority to the president and chief executive officer, and/or the treasurer and chief financial officer to:
 - a. Select all or a portion of LCRA TSC's outstanding debt to be refunded by the Bonds and provide for appropriate notices of redemption/prepayment/defeasance;
 - b. Approve any final changes to said documents necessary to facilitate proper issuance of such Bonds;
 - c. Establish the terms of the Bonds as provided in the resolution (including issuing such Bonds in one or more separate series (tax-exempt and/or taxable), principal amounts and maturity schedules, interest rates, redemption provisions and terms of any reserve funds); and
 - d. Approve the terms of the sale of the Bonds to an underwriting team and execute a Bonds purchase agreement.

Board Consideration

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

Budget Status and Fiscal Impact

The fiscal year 2023 LCRA TSC business plan anticipates the refunding of a portion of the short-term debt. Based on current market conditions, 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 \$250 million of short-term obligations to fund LCRA TSC's ongoing capital plan in FY 2023.

Summary

With this action, the Board will approve the Bonds issued for the purpose of current refunding of certain LCRA TSC commercial paper and revolving notes in an amount not to exceed \$300 million, establishing one or more debt service reserve funds for the Bonds, and paying for the issuance costs related to the Bonds. The Board also will approve the execution of documents necessary for the sale of the Bonds further described below.

Background

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

The 2022A Installment Payment Agreement Supplement is a supplemental agreement to the Transmission Installment Payment Agreement between LCRA and LCRA TSC executed in 2003. The supplemental agreement provides for the arms-length obligation of LCRA TSC to pay LCRA the debt service associated with the Bonds and further provides for LCRA TSC's ownership of the projects financed or refinanced with the proceeds of the Bonds.

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

The paying agent/registrant 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 Bonds. The bank will provide paying agent and transfer agent services, maintain registration books, and facilitate providing certain notices for the Bonds, among other services.

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

Use of Proceeds

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

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

Staff currently expects the Bonds to be sold and delivered in the fall of 2022, 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

4. Capital Improvement Projects Approval

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 fiscal year 2023 capital plan.
- Staff will monitor the FY 2023 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 Table 1 and Exhibit A. 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)

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

Project Name	FY 2022 and Prior	FY 2023	FY 2024	FY 2025	FY 2026	Lifetime
System Capacity Projects						
Crane East Substation Upgrade	0.3	11.6	-	-	-	11.9
Gabriel Power Transformer Addition	0.1	1.6	1.7	-	-	3.4
Saxet Substation Addition	0.1	4.3	-	-	-	4.4
Total	0.5	17.5	1.7	-	-	19.7

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

EXHIBIT B

<h3>Project Details</h3>

Project Name: Crane East Substation Upgrade

Project Number: 1026913

Lifetime Budget: \$11.9 million

Description: The project will install substation equipment at the Crane East Substation in Upton County in response to planned load additions. The project scope includes installing two 138-kilovolt capacitor banks, eight 138-kV circuit breakers and physical security improvements. In addition, the project will install telecommunications system improvements at Crane East and other nearby substations. The recommended project completion date is May 15, 2023.

Project Name: Gabriel Power Transformer Addition

Project Number: 1027145

Lifetime Budget: \$3.4 million

Description: The project will increase transformation capacity and provide metering services at Gabriel Substation in Williamson County. The project scope includes installing a new 138-kV power transformer, installing bus supports and switch stands with foundations, removing obsolete equipment and wildlife mitigation. The recommended project completion date is May 15, 2024.

Project Name: Saxet Substation Addition

Project Number: 1027352

Lifetime Budget: \$4.4 million

Description: The project will provide transmission service to a new load-serving facility in Nueces County. The project scope includes installing two 138-kV circuit breakers with metering and real-time monitoring facilities via two transmission points of interconnection. The recommended project completion date is June 30, 2023.

FOR ACTION

5. Acquisition of Interests in Real Property – Use of Eminent Domain in Colorado, DeWitt, Guadalupe and Waller 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: Fayetteville to Frelsburg (T176), Lost Creek to Guadalupe (T541), Clear Springs to Geronimo (T505), Luling City to Deer Creek (T538) and Bellville South to Waller (T213) 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 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 communication rights, including the facilitation of broadband services, in Colorado, DeWitt, Guadalupe and Waller 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.

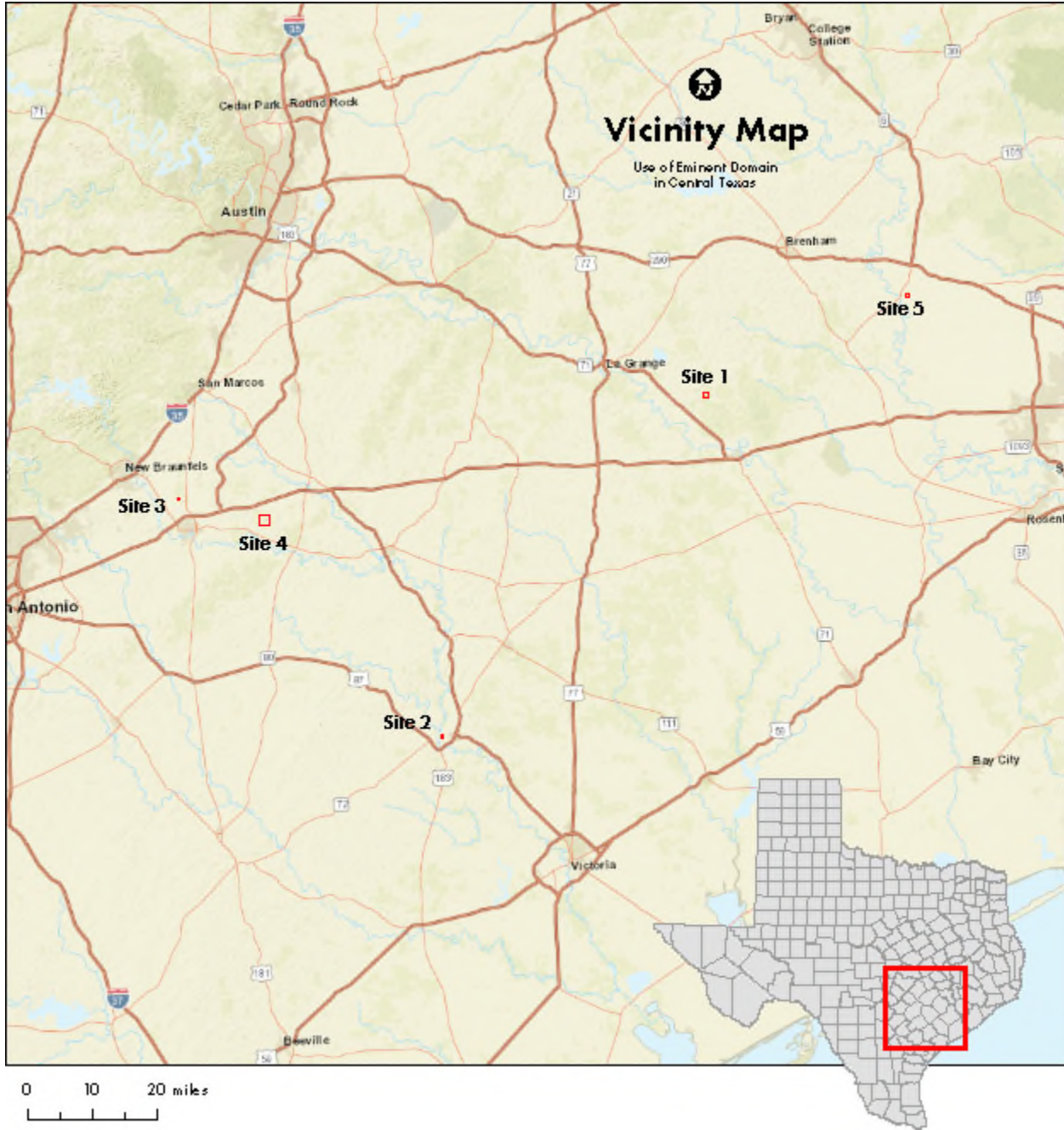
Presenter(s)

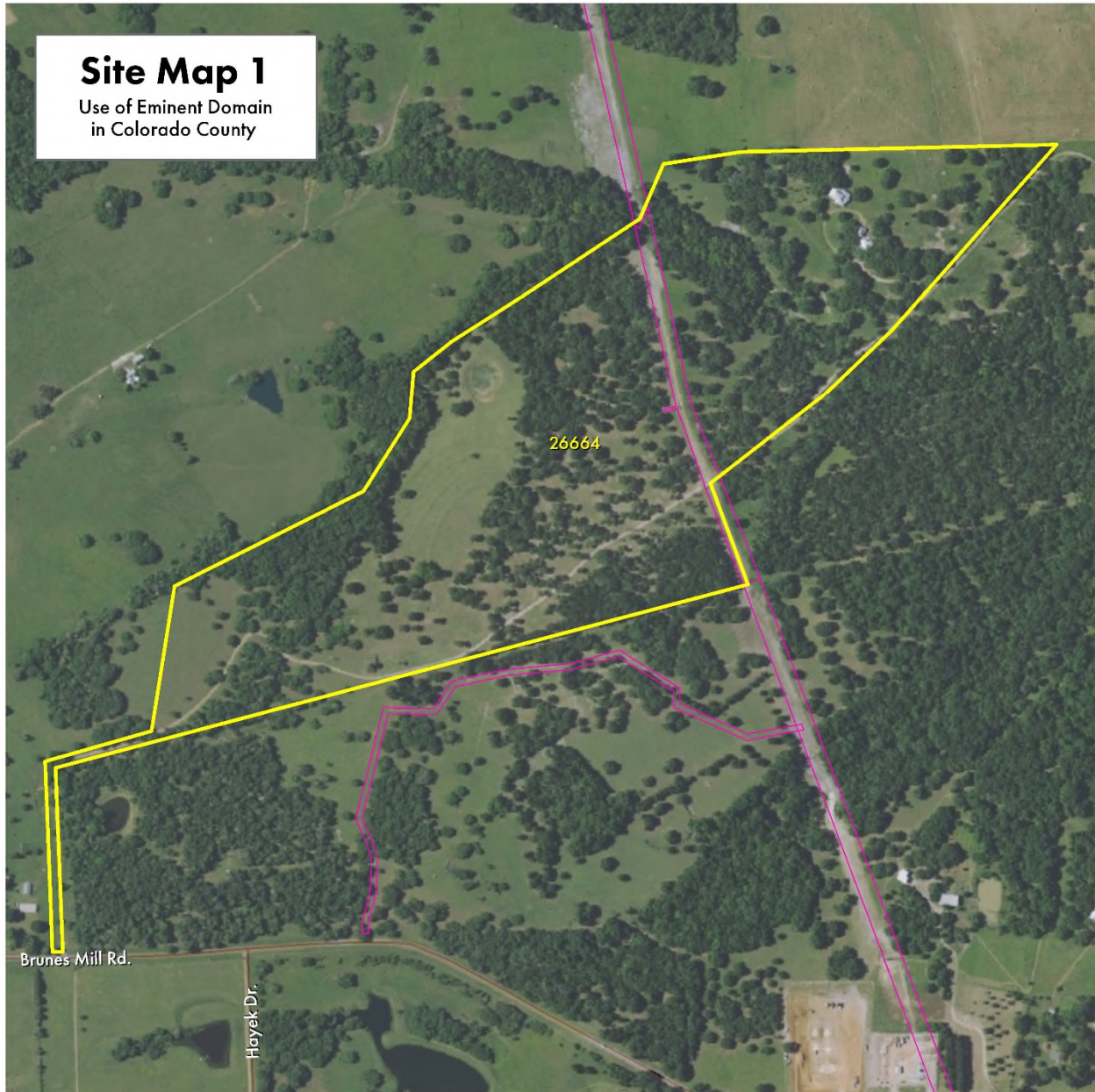
Mark Sumrall
Vice President, Real Estate Services

Exhibit(s)

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

EXHIBIT A





0 1,000 feet

 Colorado County Parcels
 Existing Easement

See Exhibit C Landowner List
for owner names and acreages.

EXHIBIT B
Page 2 of 5

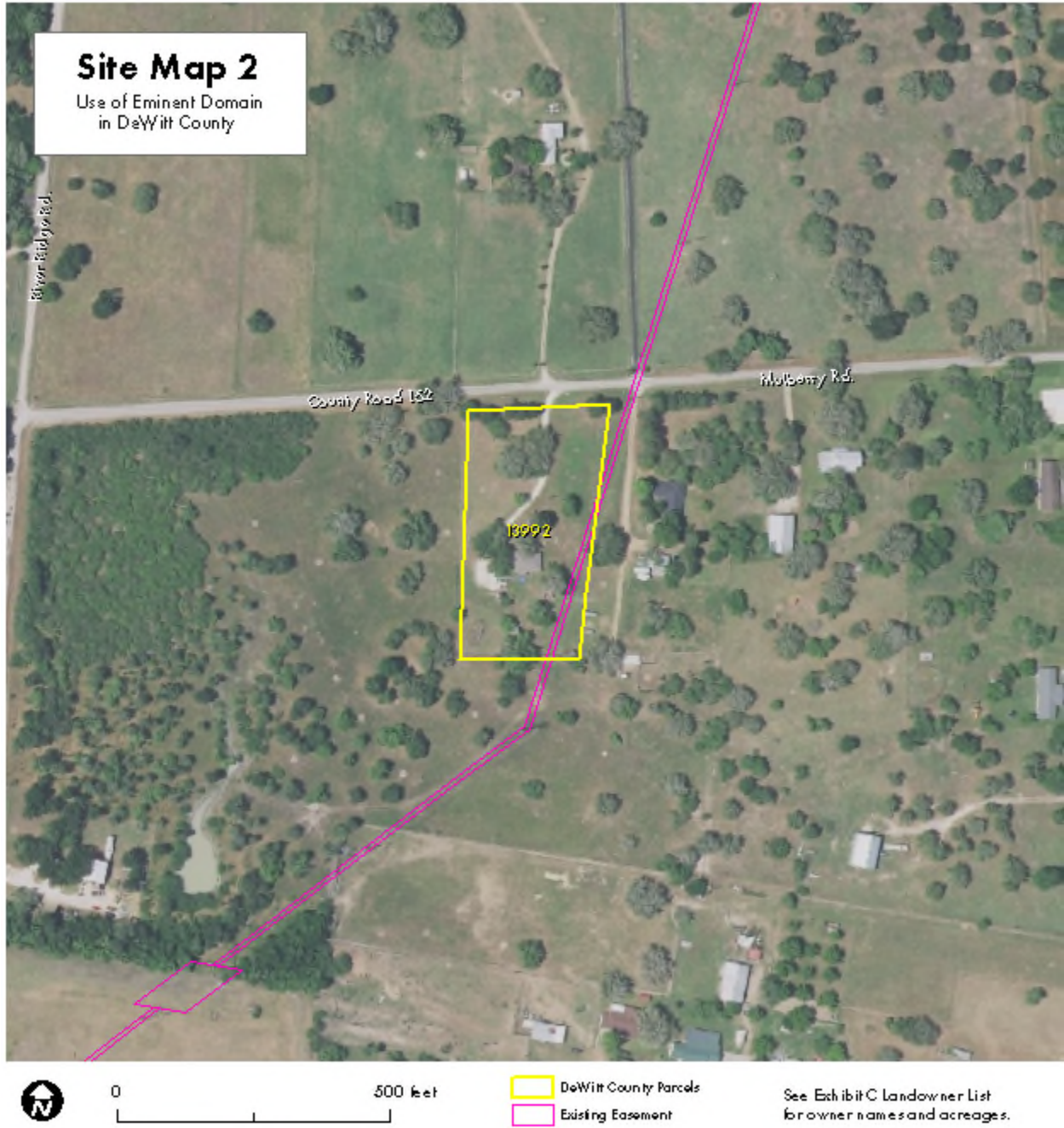
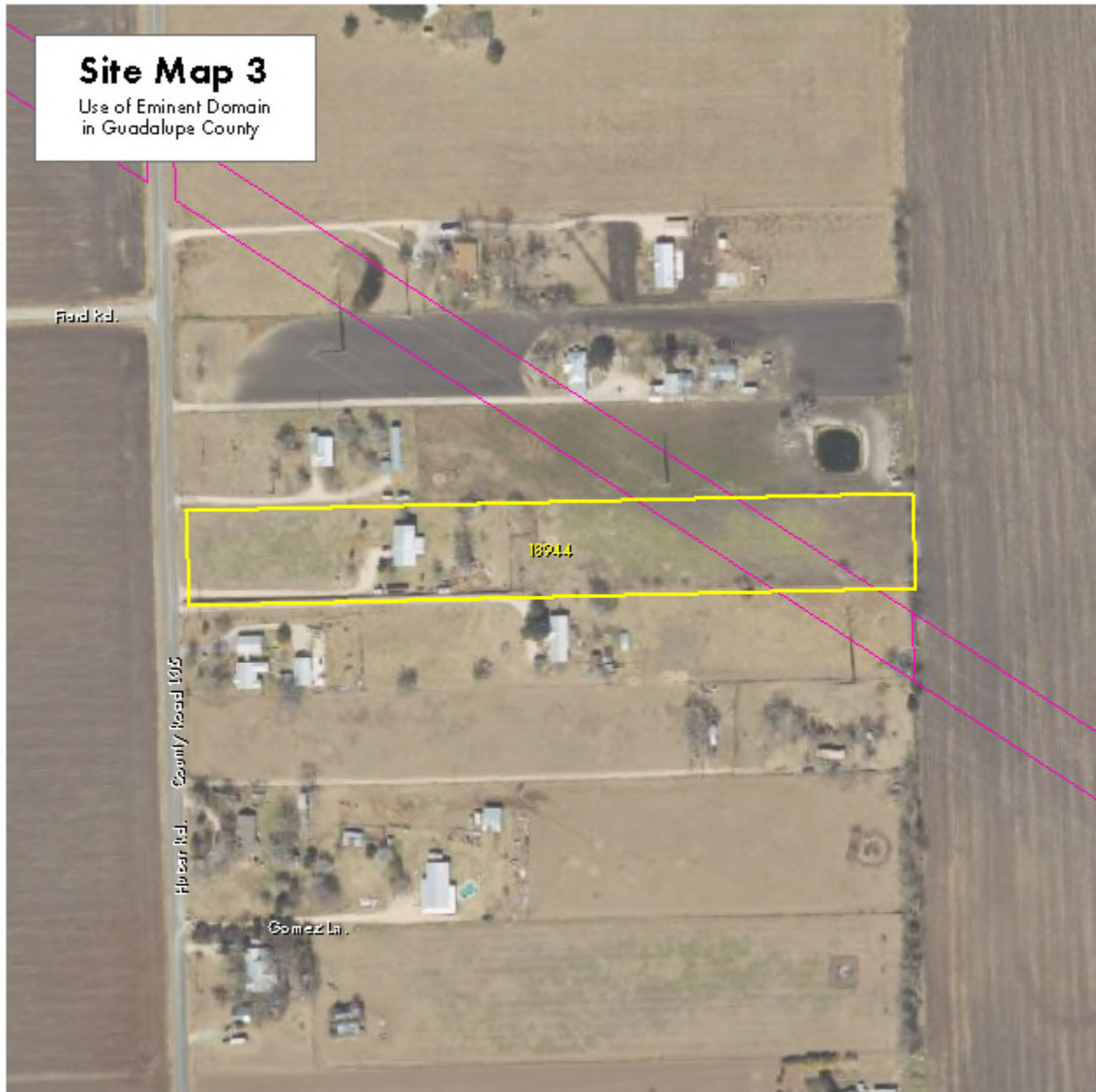


EXHIBIT B
Page 3 of 5



0 500 feet

Guadalupe County Parcels
Existing Easement

See Exhibit C Landowner List
for owner names and acreages.

EXHIBIT B
Page 4 of 5

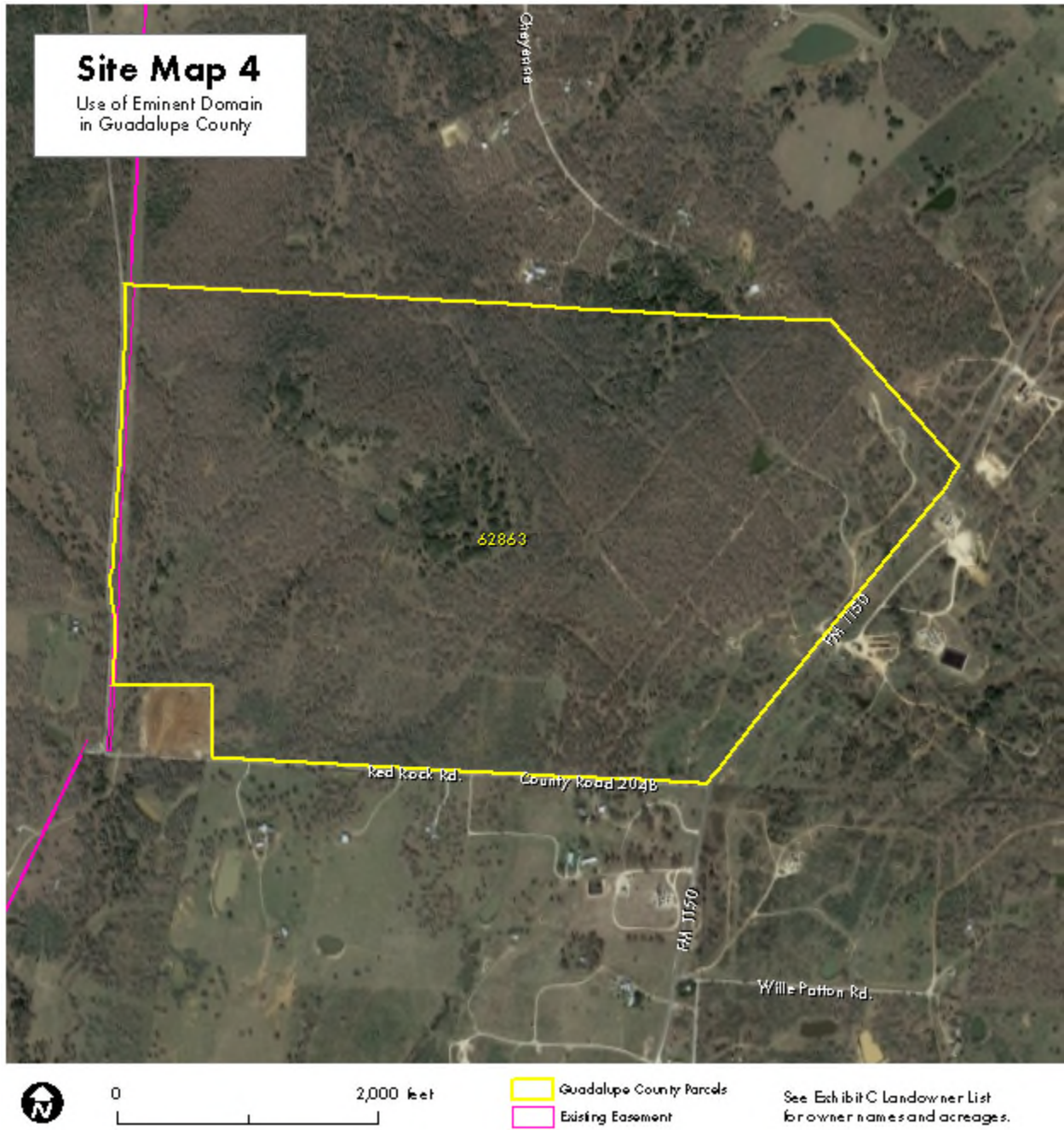
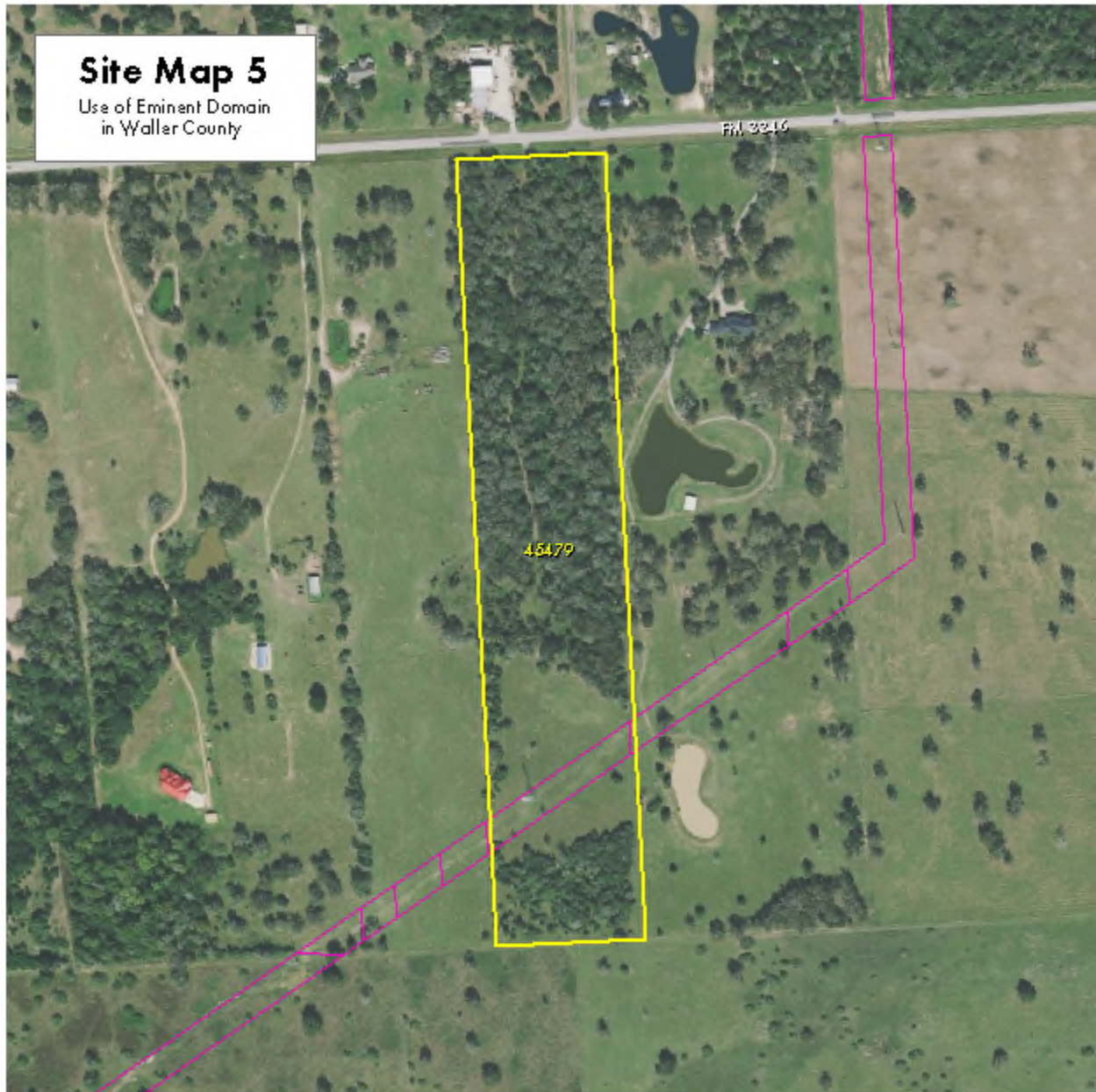


EXHIBIT B
Page 5 of 5



0 600 feet

Waller County Parcels
Existing Easement

See Exhibit C Landowner List
for owner names and acreages.

EXHIBIT C

Tract Number	Landowner	Approximate Parent Tract Acreage	Land Rights	Approximate Easement Acreage	County	Approximate Value
26664	Wayne and Leslie Penello	85.2 acres	Third-Party Communications	1.75 acres	Colorado	\$875
13992	Jeff and Diana Lucas	2.59 acres	Third-Party Communications	0.06 acre	DeWitt	\$22.51
18944	Margarito and Sandra Morales	5 acres	Third-Party Communications	0.68 acre	Guadalupe	\$1,592.27
62863	Wendel Thuss	409.68 acres	Third-Party Communications	4.94 acres	Guadalupe	\$1,978.17
45479	John McAughly	23.75 acres	Third-Party Communications	1.01 acres	Waller	\$818.10

EXHIBIT D

Page 1 of 2

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 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 FAYETTEVILLE TO FRELSBURG (T176), LOST CREEK TO GUADALUPE (T541), CLEAR SPRINGS TO GERONIMO (T505), LULING CITY TO DEER CREEK (T538) AND BELLVILLE SOUTH TO WALLER (T213) 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 COLORADO, DEWITT, GUADALUPE AND WALLER 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 lines, communication lines, and appurtenances thereto in Colorado, DeWitt, Guadalupe and Waller 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 landowners 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 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 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

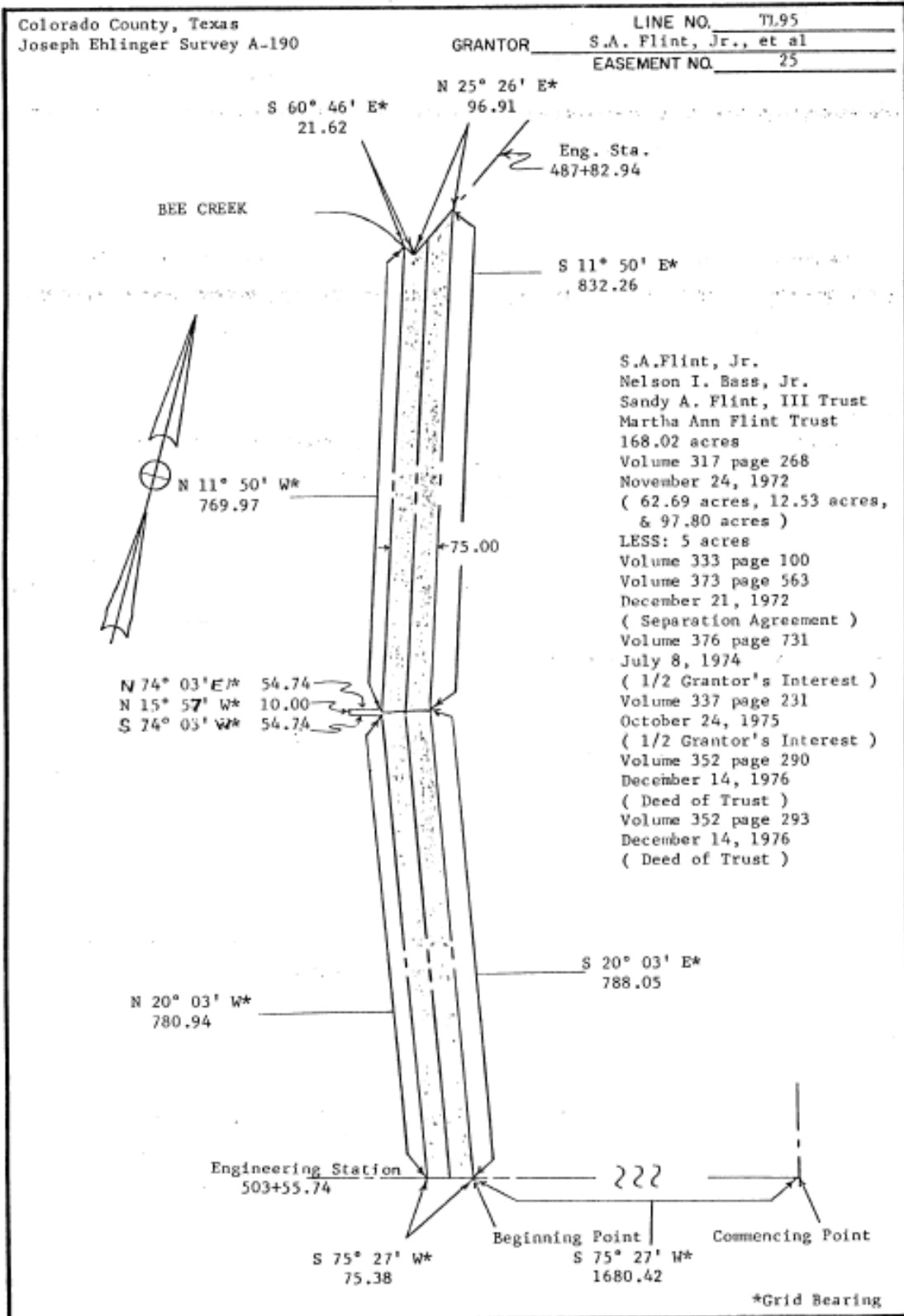
EXHIBIT D

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(ies), 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).

EXHIBIT 1



VOL 424 PAGE 435

EXHIBIT 1
Page 2 of 6

E. F. Kuester
 Right of Way Easement. To
 Central Power & Light Company.

Easement and Right of Way.
 The State of Texas,
 County of DeWitt. **KNOW ALL MEN BY THESE PRESENTS:**

That E. F. Kuester and _____ husband and wife, of the County of DeWitt and State of Texas, for and in consideration of the sum of Two and no/100 dollars, (\$2.00) dollars, to me (us) in hand paid by Central Power and Light Company, a private corporation organized and existing under and by virtue of the laws of the State of Massachusetts, and having a permit to do business in the State of Texas, the receipt of which is hereby acknowledged and confessed, have this day granted, sold and conveyed, and by these presents do grant, sell and convey unto the said Central Power and Light Company, its successors and assigns, an easement or right of way for guys and anchorages, at or near the location and along the general course now located and staked out by said Central Power and Light Company, over, across and upon the following described lands now owned by me (us), located in the County of DeWitt and State of Texas, to-wit:

Parcel of land deeded to E. F. Kuester by Annis Laura Filok et al, more particularly described as follows: In DeWitt County, Texas, being 96.5 acres of land in the J. J. Tomlinson league, and 101.5 acres of land of the J. A. V. y Gonzales leagues, and a part of the 200 acre tract of land conveyed to T. A. Graves by J. W. Campbell, by deed dated Feb. 11, 1886, and recorded in Vol. 27, page 64, of the deed records of DeWitt County, Texas, and being all out of lots 25 a, 26 a, 27a, 49a, 54a, and part of 55a, in the partition of the J. A. V y Gonzales league, described as follows:

Beginning at a stake on the bank of the Guad. River N edge of the right-of-way of the old S. A. P. Railway Company, the same being the SW corner of the T. A. Graves estate land. Thence with the N line of the right-of-way S 79 degrees E 1084.5 vrs to a stake and corner post, the edge of the old Bridge road; thence N 2 degrees W 42.4 vrs to a stake and corner post; thence S 89 degrees E along the N edge of the said road, 275.5 vrs to a stake and rock; thence N 920.7 vrs to a stake and rock set in S light of right-of-way of the S. A. and S. A. Ry Co; thence with the right-of-way N 71.5 degrees W 304.5 vrs to a stake; thence S 79.5 degrees W 1170.5 vrs to a stakes and rock set on the high bank of the Guadalupe River, same being the NW corner of the T. A. Graves land; thence down the Guadalupe River to the place of beginning, containing 200 acres of land.

301.5

together with the right of ingress and egress over my (our) adjacent lands to or from said right of way for the purpose of constructing, reconstructing, inspecting, patrolling, hanging new wire on, maintaining and removing said line, poles, wires, and appurtenances; the right to relocate along the same general direction of said line; the right to remove from said lands all trees and parts thereof, or other obstructions which endanger or may interfere with the safety or efficiency of said line, or its appurtenances; and the right to exercise all other rights hereby granted.

To have and to hold the above described rights, easement and rights of way unto the said Central Power and Light Company, its successors and assigns, until said line shall be abandoned and removed.

Not more than -- (-) poles and two (2) guys shall be erected along the course of said line upon the above described land unless the said Central Power and Light Company, its successors and assigns, shall pay to me (us), my (our) heirs or legal representatives, at the rate of one and no/100 (\$1.00) dollars for each pole or guy erected in excess of said number; and upon such payment the said Central Power and Light Company, its successors and assigns, shall have the right, and the right is hereby granted, to erect poles along said course in excess of said number.

And I (we) do hereby bind myself (ourselves), my (our) heirs and legal representatives, to warrant and forever defend all and singular, the above described rights, easement and rights of way unto the said Central Power and Light Company, its successors and assigns, against every person whosever lawfully claiming or to claim the same, or any part thereof.

In testimony whereof, witness my (our) hand(s) on this the 11th day of January, A. D. 1940.
 E. F. Kuester.

The State of Texas, }
 County of DeWitt. } Before me, the undersigned authority, on this day personally appeared E. F. Kuester, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, on this the 11th day of Jan., A. D. 1940.
 Seal. Dewey Schorre, Notary Public in and for DeWitt County, Texas.

I hereby certify that the foregoing instrument was filed for record the 2 day of February, 1940 at 8 o'clock a. m. and recorded the 2 day of February, 1940 at 1 o'clock p. m.

County Clerk, DeWitt County, Texas.
 By _____ Deputy.

Seal.

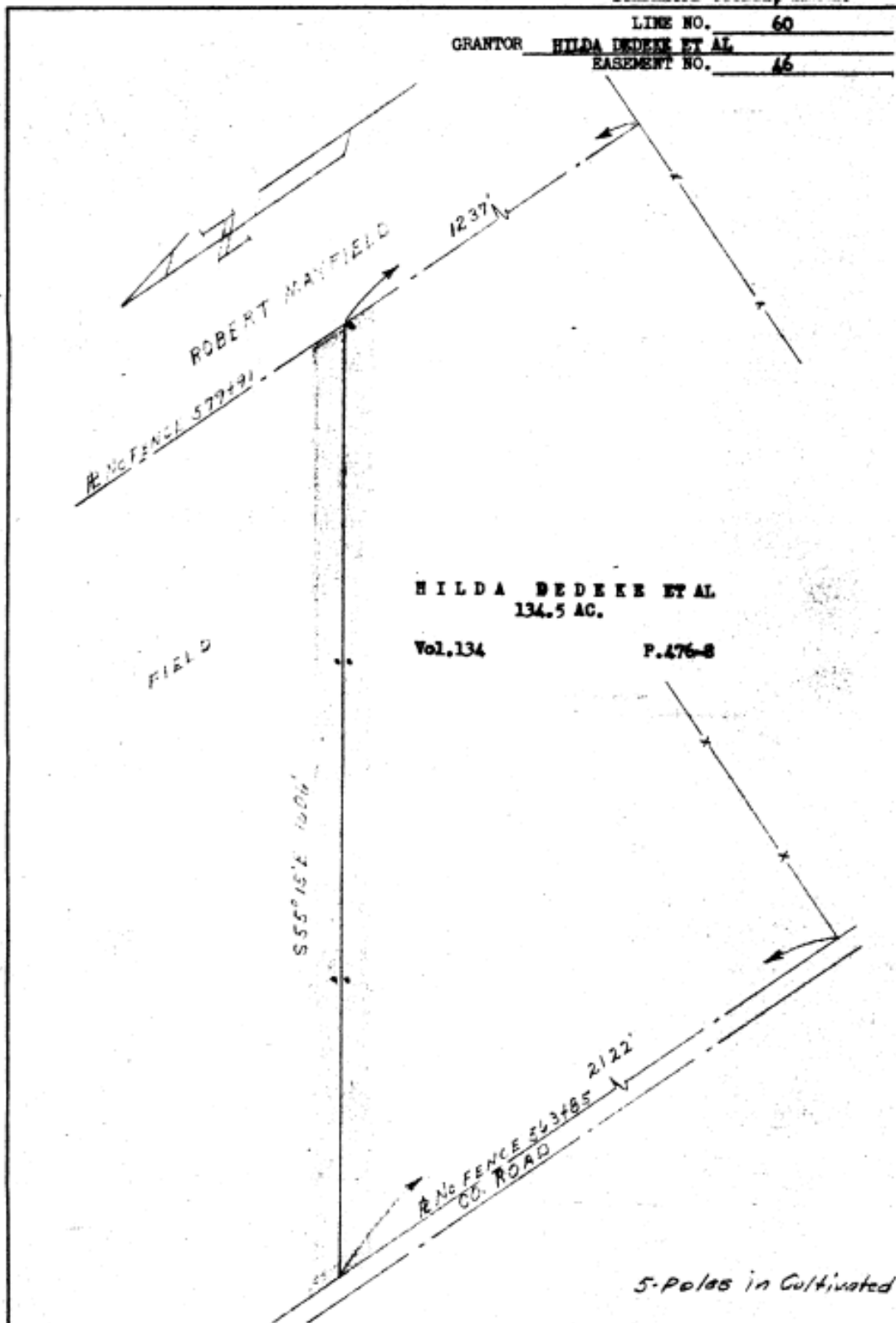
City of Yoakum, Texas }
 Release of Judgment. To }
 C. L. Kopecky, }
 The State of Texas, }
 County of DeWitt. }
 WITNESSETH:

Whereas, the District Court of DeWitt County, Texas, on the 15th day of June, 1929, rendered judgment in favor of the City of Yoakum, Texas, a municipal corporation, in Cause No. 6727, on the civil docket of said court, styled the City of Yoakum, Texas, vs. The Yoakum State Bank et al, against the defendants, The Yoakum State Bank, James Shaw as Banking Commissioner of Texas, W. Shropshire, J. D. Gray, C. L. Kopecky, J. L. Bass, Gilbert Kuck, C. B. Riggs, E. Hagena, J. R. Davis, Louis J. Foth, F. C. Crawford and B. H. Graybill, jointly and severally, for the sum of Eighty-three thousand, eight hundred seven and 57/100 (\$83,807.57) dollars, with interest from the date of judgment at six per cent per annum, and all costs of suit.

And whereas, C. L. Kopecky has shown to the plaintiff in said judgment that he is unable to pay said judgment, but can obtain the sum of \$150.00 and pay to the City in consideration of being fully and finally released from said judgment, with the understanding that same shall not affect the City's rights to collect the remaining unpaid part of said judgment from the defendants in said judgment other than said C. L. Kopecky.

Now, therefore, know all men by these presents, that the City of Yoakum, Texas, as plaintiff in said judgment and owner thereof, does by authority of resolution of its Board of Commissioners duly passed and entered upon its minutes on January 11, 1940, for and in consideration of the payment to said City of the sum of \$150.00 net to the City by said C. L. Kopecky, the receipt of which is hereby acknowledged, does hereby forever release, discharge and acquit said C. L. Kopecky, his heirs, executors and administrators from any and all liability and obligations.

EXHIBIT 1
Page 3 of 6



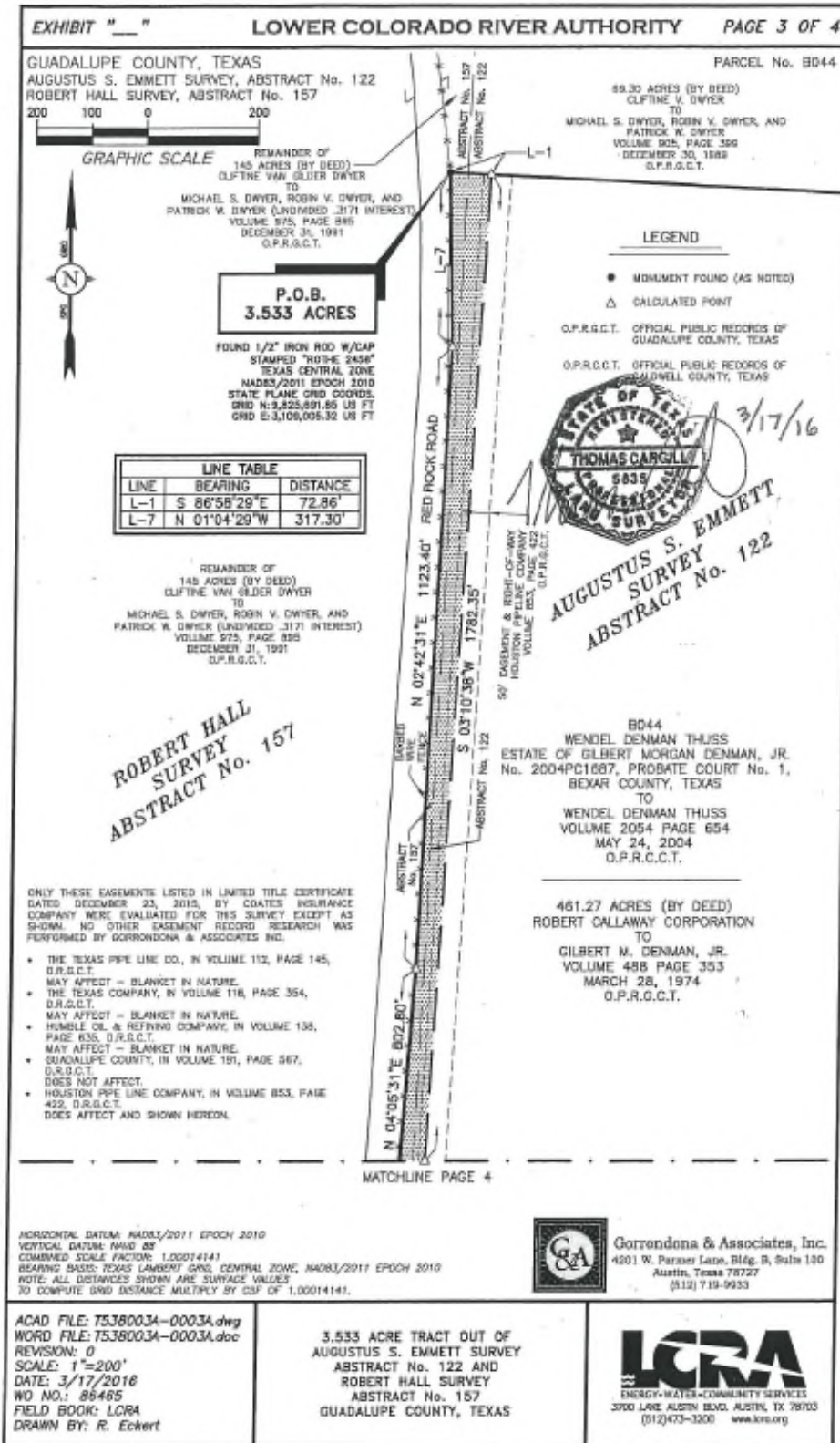


EXHIBIT 1
Page 5 of 6

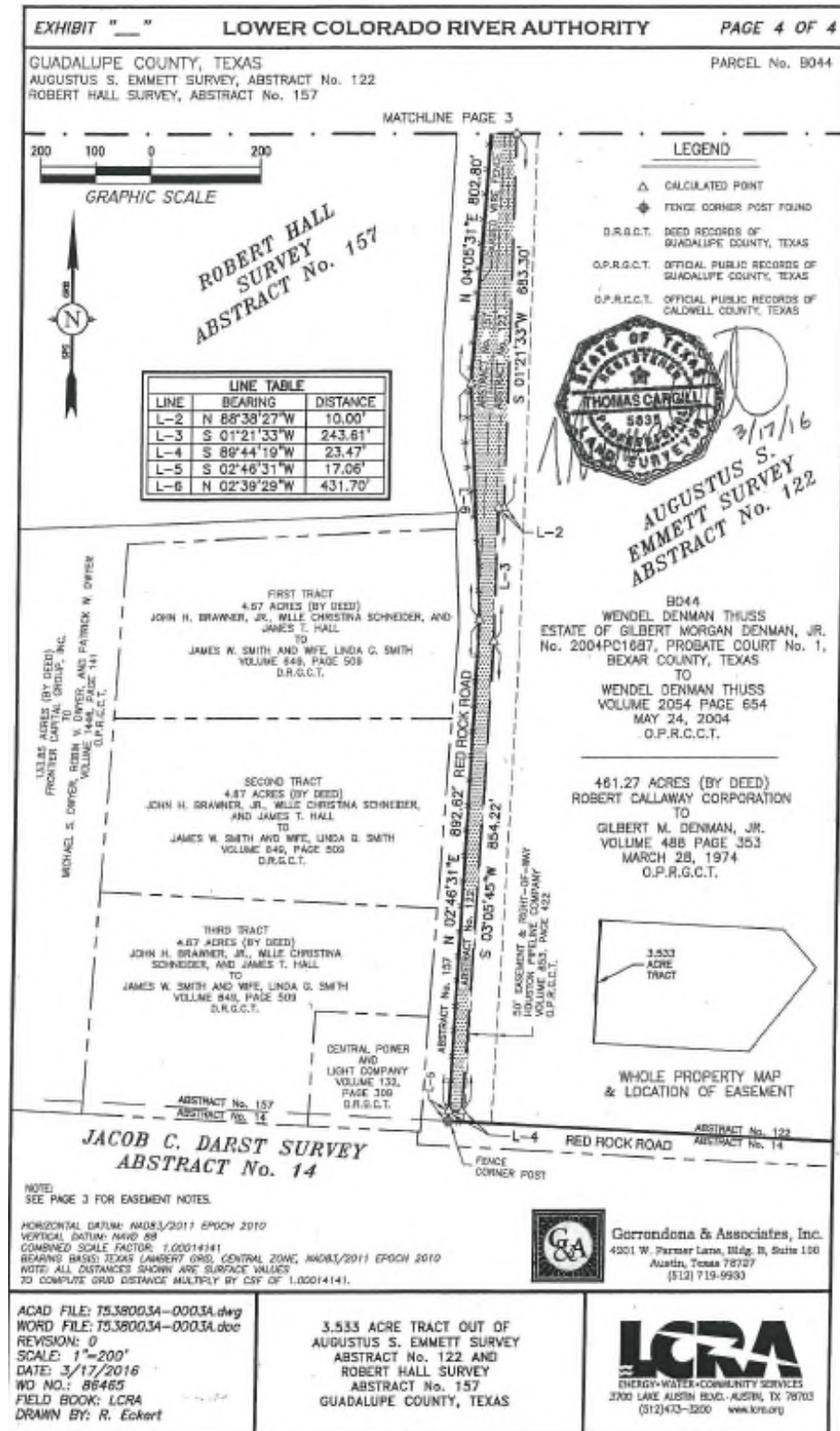
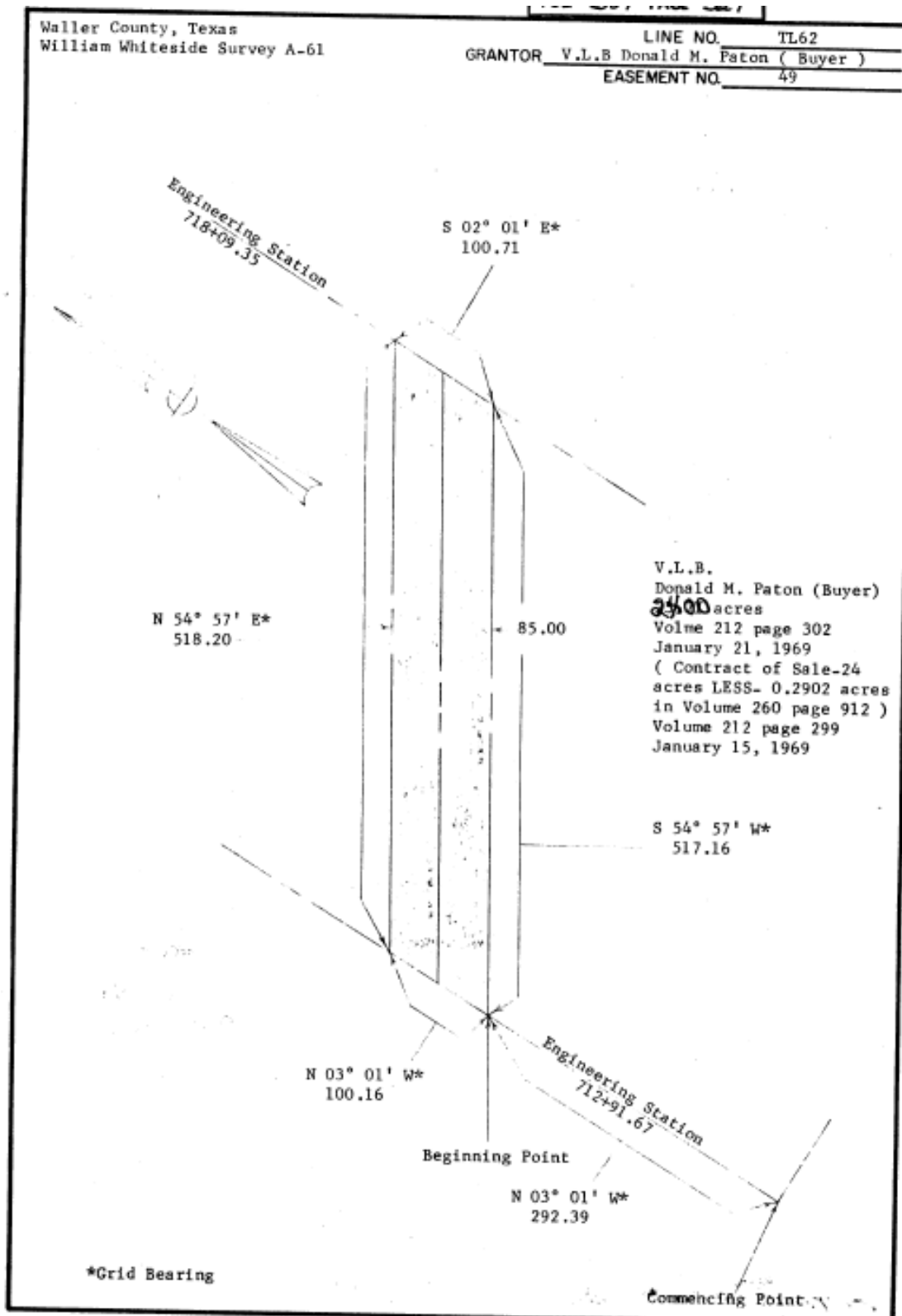


EXHIBIT 1



THIS PAGE LEFT BLANK INTENTIONALLY