

# LCRA Transmission Services Corporation

## Board Agenda

Wednesday, Nov. 16, 2022  
LCRA General Office Complex  
Board Room – Hancock Building  
3700 Lake Austin Blvd.  
Austin, TX 78703  
Earliest start time: 10:45 a.m.

### Items From the Chair

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

### Consent Items

2. Minutes of Prior Meeting..... 5

### Action Items

3. Capital Improvement Projects Approval ..... 9
4. Acquisition of Interests in Real Property – Use of Eminent Domain  
in Burnet and Karnes Counties..... 12

### 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.

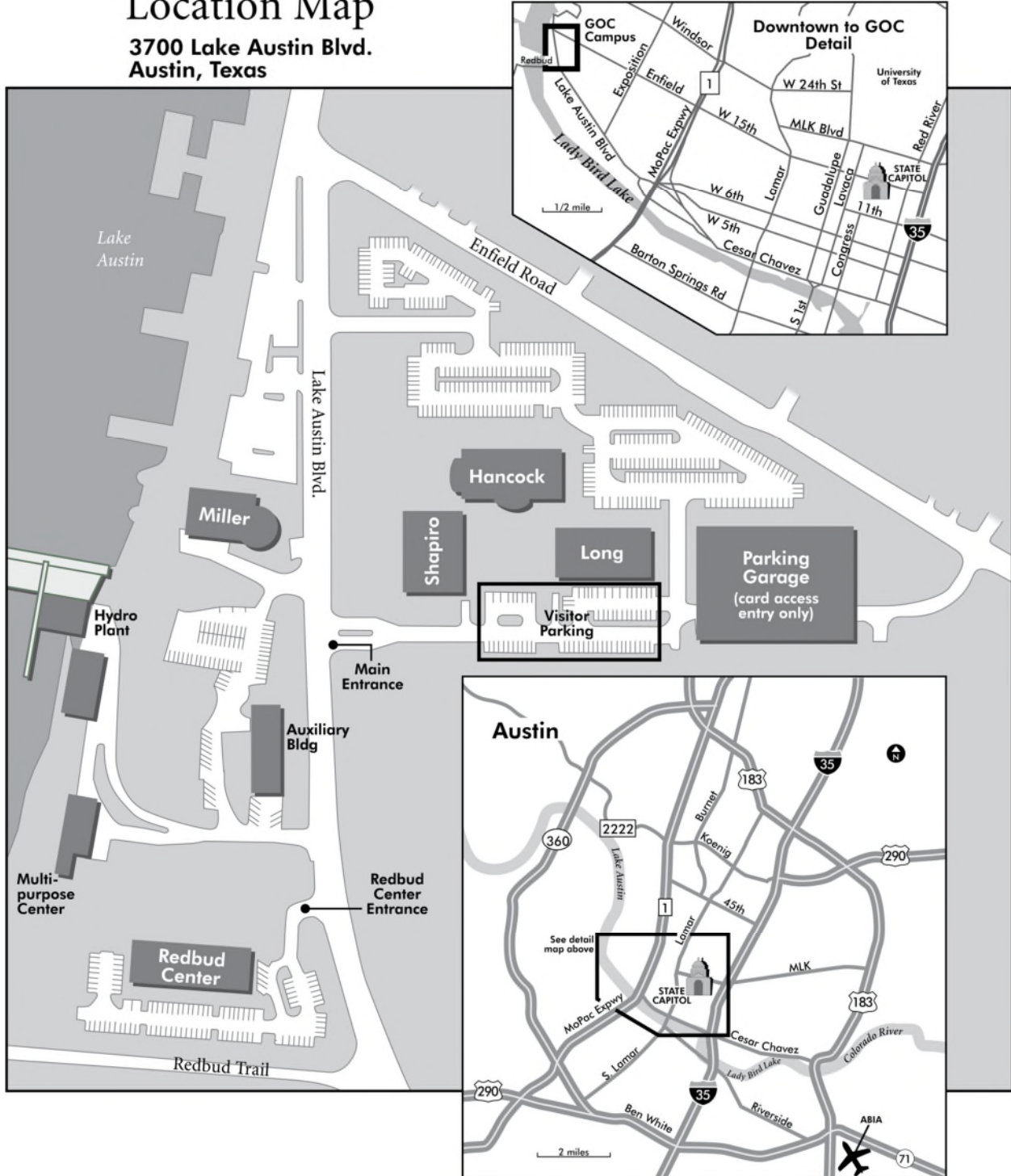
LCRA TSC is a nonprofit corporation created by LCRA to act on LCRA's behalf pursuant to Chapter 152, Texas Water Code, as amended. After Jan. 1, 2002, LCRA TSC engaged in the electric transmission and transformation activities previously carried out by LCRA and assumed LCRA's obligation to provide, and 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 Oct. 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 Oct. 18, 2022, meeting

## **EXHIBIT A**

Minutes Digest  
Oct. 18, 2022

- 22-34          Approval of the minutes of the Sept. 21, 2022, meeting.
  
- 22-35          Approval of the Capital Improvement Project Authorization Request for the following projects and associated lifetime budgets: Battery Systems – FY 2023 Substation Upgrade and Sim Gideon Circuit Breaker Substation Upgrade.

MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF  
LCRA TRANSMISSION SERVICES CORPORATION  
Oct. 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 1:15 p.m. Tuesday, Oct. 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 [joined the meeting at 1:26 p.m.]  
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

Chair Timmerman convened the meeting at 1:15 p.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 on Transmission's Continuous Process Improvement Program and recognized employees for their process improvements.

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

The Board next took action on the consent agenda.

22-34 Upon motion by Director Voelter, seconded by Director Whitten, the Board unanimously approved the minutes of the Sept. 21, 2022, meeting [Consent Item 3] by a vote of 15 to 0.

22-35 Vice President of Transmission Asset Optimization Kristian M. Koellner presented for consideration a staff recommendation, described in Agenda Item 4 [attached hereto as Exhibit A], that the Board approve the Capital Improvement Project Authorization Request for the following projects and associated lifetime budgets: Battery Systems – FY 2023 Substation Upgrade and Sim Gideon Circuit Breaker Substation Upgrade. Upon motion by Director Crane, seconded by Vice Chair Cooper, the recommendation was unanimously approved by a vote of 15 to 0.

There being no further business to come before the Board, the meeting was adjourned at 1:43 p.m.

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Leigh Sebastian  
Secretary  
LCRA Transmission Services Corporation  
Approved: Nov. 16, 2022



## **FOR ACTION**

### **3. 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 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)**

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
<b>Service Reliability Projects</b>						
Pedernales Electric Cooperative Transition System Upgrade	-	1.3	0.6	-	-	1.9
SubWAN Firewall – FY 2023 Telecommunications Upgrade	0.2	0.9	1.0	-	-	2.1
<b>Total</b>	<b>0.2</b>	<b>2.2</b>	<b>1.6</b>	<b>-</b>	<b>-</b>	<b>4.0</b>

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

## **EXHIBIT B**

<h3><b>Project Details</b></h3>
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**Project Name:** Pedernales Electric Cooperative Transition System Upgrade

**Project Number:** 1027888

**Lifetime Budget:** \$1.9 million

**Description:** The project will transition system operations for transmission system assets at 39 substations from LCRA TSC to Pedernales Electric Cooperative. The LCRA TSC project scope includes the removal, modification and installation of substation control, telemetry and telecommunications equipment that meets cybersecurity and regulatory requirements. The recommended project completion date is Dec. 31, 2023.

**Project Name:** SubWAN Firewall – FY 2023 Telecommunications Upgrade

**Project Number:** 1026925

**Lifetime Budget:** \$2.1 million

**Description:** The project will upgrade transmission service at, approximately, 100 sites across LCRA TSC's service territory. The project scope includes upgrading substation wide area network firewall equipment. The recommended project completion date is June 30, 2024.

## **FOR ACTION**

### **4. Acquisition of Interests in Real Property – Use of Eminent Domain in Burnet and Karnes 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 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) and Helena to Milton (T630) 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 – 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 Burnet and Karnes 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 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 landowners.

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.

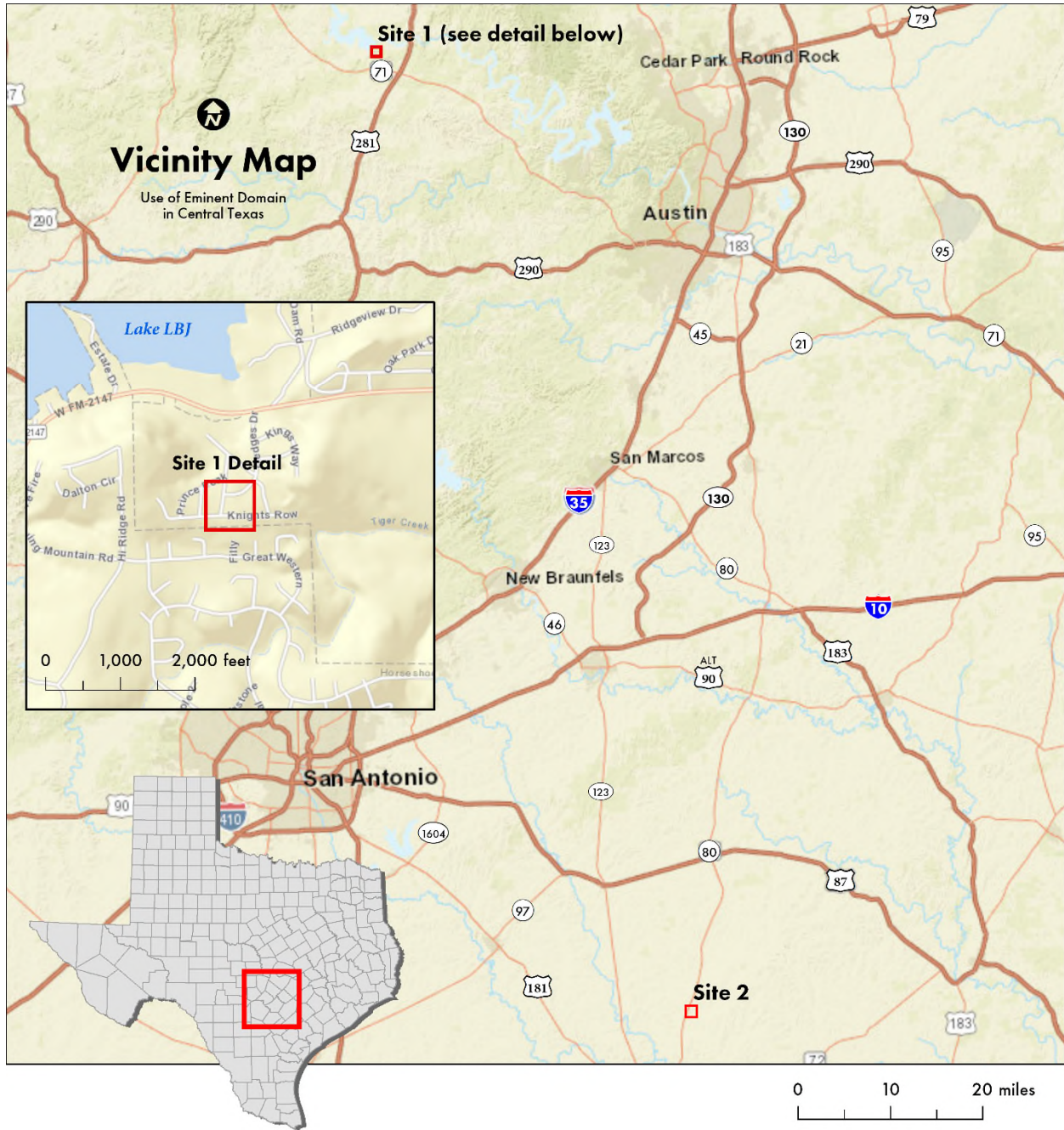
**Presenter(s)**

Mark Sumrall  
Vice President, Real Estate Services

**Exhibit(s)**

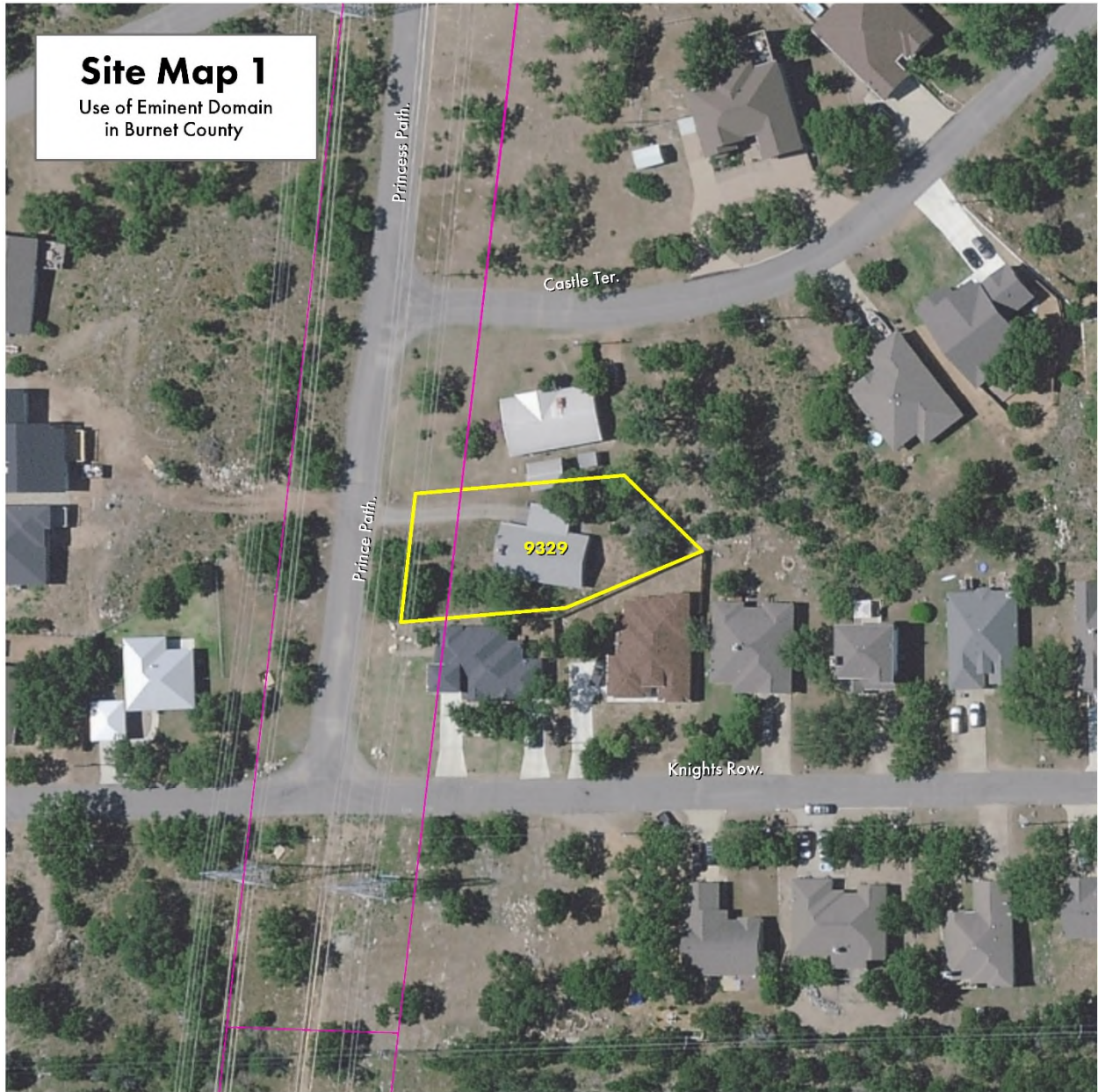
- A – Vicinity Map
- B – Site Maps
- C – Landowner List
- D – Resolution
- 1 – Description of Specific Properties

**EXHIBIT A**





**EXHIBIT B**  
Page 1 of 2



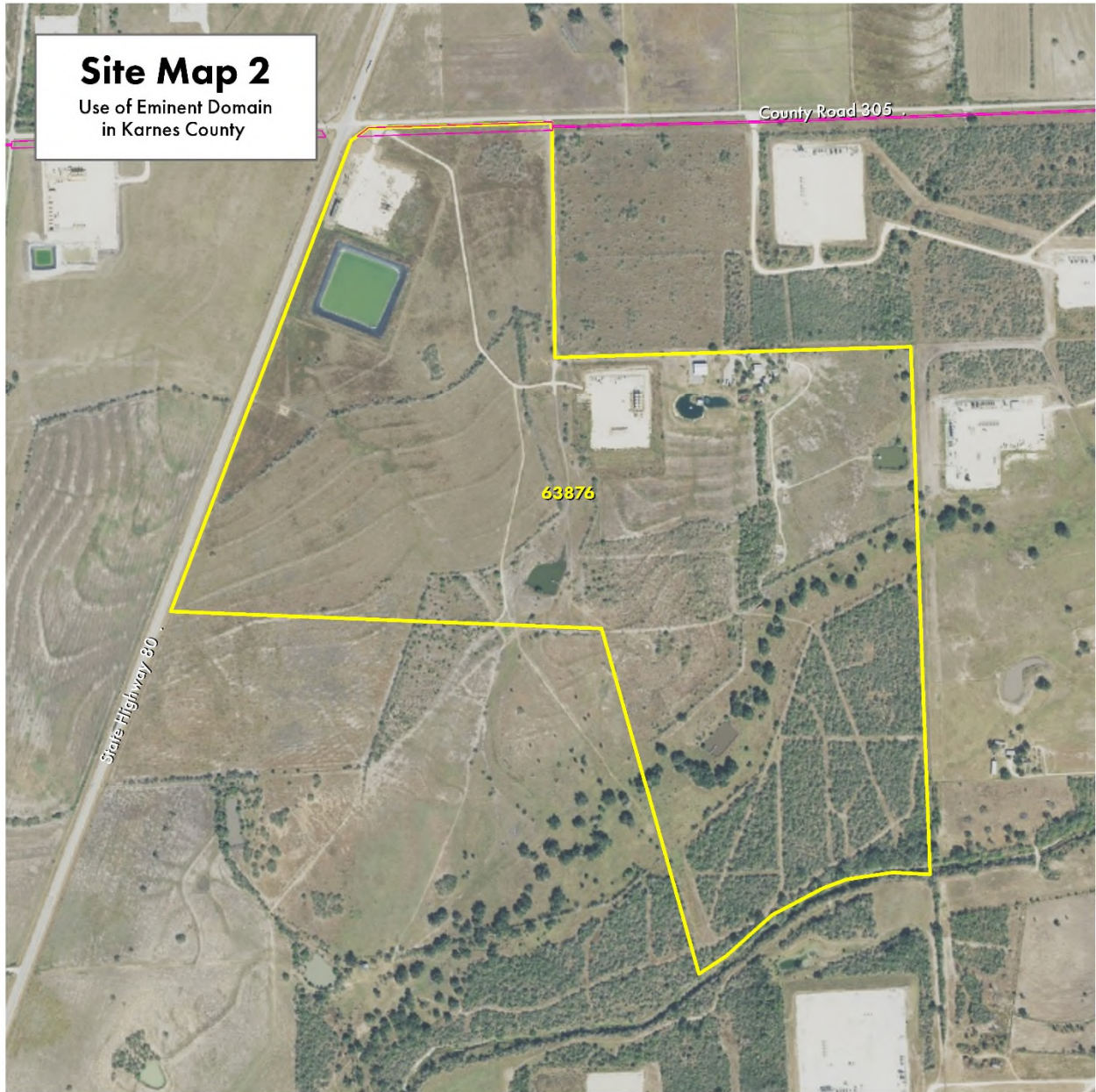
0 150 feet

- Existing Easement
- Burnet County Parcels

See Exhibit C Landowner List  
for owner names and acreages.



**EXHIBIT B**  
Page 2 of 2



0 1,000 feet

- Existing Easement
- Karnes 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>
9329	Sally Cole	0.23 acre	Third-Party Communication	0.05 acre	Burnet	\$163.33
63876	David D. Crews	261.33 acres	Third-Party Communication	1.3 acres	Karnes	\$97.13

**EXHIBIT D**

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**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 FERGUSON TO SHERWOOD SHORES (T187) AND HELENA TO MILTON (T630) 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 BURNET AND KARNES 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 Burnet and Karnes 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.

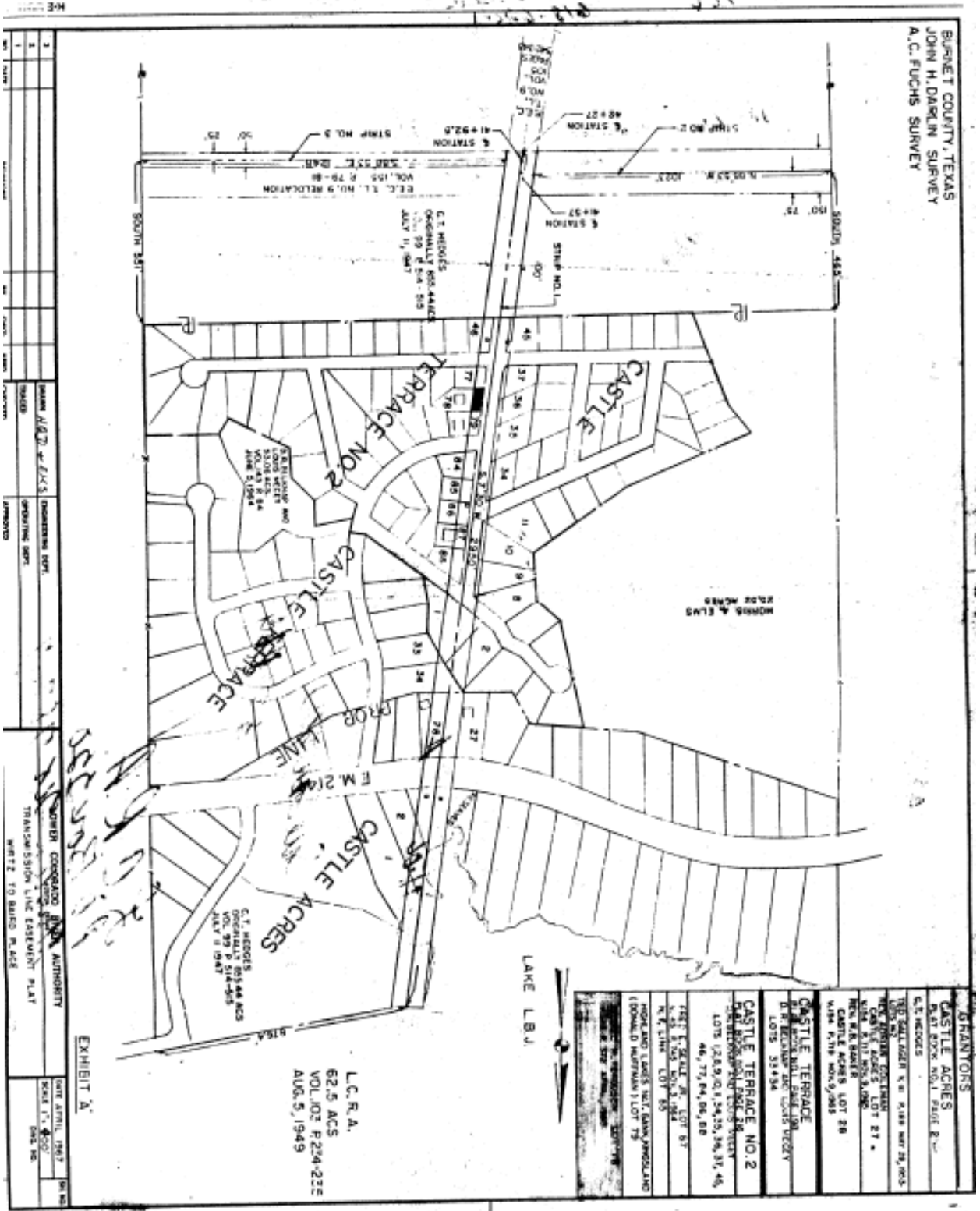
**NOW, THEREFORE, BE IT RESOLVED** that the president and chief executive officer or his designee is authorized to purchase the interests in real property from the landowner(s) listed in the attached Exhibit C, with the description of the location of and interest in the properties LCRA Transmission Services 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 Sec. 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

## **EXHIBIT D**

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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 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 and facilitation of broadband services.



## EXHIBIT 1

Page 2 of 3

'NOW COME JACK K. CREWS and wife, BETTY B. CREWS, and LUZ MORENO and VICTOR SIXTO and acknowledge receipt of notice that the Special Commissioners have set down and will hear the parties to the above described proceeding on the 15th day of September, 1961, at 9:30 o'clock A. M., at the county courtroom of the County Court at the County Courthouse in Karnes City, Karnes County, Texas, and agree that said Special Commissioners may hear said proceeding and act therein'.

"And on the 15th day of September, 1961, at the time and at the place so appointed for such hearing and by the terms of said notice to said Defendants, the Plaintiff, Central Power and Light Company, appearing by its attorney of record, and offering evidence, and the Defendants, appearing in person and by their attorney of record and offering evidence, we, Howard Stanfield, Rudolph Best and Mantia Hartman, the duly appointed and qualified Special Commissioners, proceeded fully to hear evidence as to the value of the property sought to be condemned, to wit:

"Two tracts of land situated in Karnes County, Texas, out of and part of the John J. Pickett League and Labor, Abstract 227, in Karnes County, Texas, (and being a portion of a 200 acre tract of land set out as Second Tract, and a portion of a 616.6 acre tract of land set out as Third Tract in deed of conveyance from S. E. Crews, Sr. and Sophia Crews to S. E. Crews, Jr., dated December 24, 1941, and recorded in Volume 125 at Pages 239-242 of the Deed Records of Karnes County, Texas) said two tracts of land being the same two tracts of land described as First Tract and Second Tract in a Warranty Deed dated June 13, 1960, from Nona Crews, et al, to Jack K. Crews, of record in the Deed Records of Karnes County, Volume 282 at Pages 470 - 473, which Deed and the record thereof are made a part hereof and incorporated herein by reference for all pertinent purposes,

being an easement and right of way over and across the particular portions of said tracts of land described as follows:

"The right of way upon, over and across the tract of land described as First Tract in the above-mentioned Deed dated June 13, 1960, from Nona Crews, et al, to Jack K. Crews is to be a strip of land 50 feet in width lying adjacent to and parallel with the most northerly North property line of said First Tract, being 25 feet on each side of the following described construction center line:

"Entering at a point on the most westerly East line of the said First Tract, same being the West line of a certain 148.56 acre tract now owned by Mary Lee Wagenschein, said point bears South 00° 47' East, with said most westerly East line, 25.0 feet from the most northerly Northeast corner of the said First Tract, located in the South margin of a county road;

"Thence South 89° 46' West, parallel with and 25.0 feet from the South margin of said county road and

**EXHIBIT 1**

Page 3 of 3

the most northerly North line of the said First Tract, 1193.2 feet to a point in the East boundary line of State Highway No. 80, same being the West line of said First Tract, said point bears South 22° 23' West with said West line and the East boundary line of State Highway No. 80, 27.0 feet from the most northerly Northwest corner of said First Tract; and

"The right of way upon, over and across the tract of land described as Second Tract in the above-mentioned Deed dated June 13, 1960, from Nona Crews, et al, to Jack K. Crews is to be a strip of land 40 feet in width lying adjacent to and parallel with the North property line of said Second Tract, being 25 feet on the South side and 15 feet on the North side of the following described construction center line:

"Entering at a point in the East line of the said Second Tract, same being the West boundary line of State Highway No. 80, said point bears South 22° 23' West, with said East line and the West boundary line of said Highway, 16.3 feet from the Northeast corner of said Second Tract;

"Thence South 89° 37' West, parallel with and 15.0 feet from the South right of way line of a county road and the North line of said Second Tract, 1910.2 feet to a point in the West line of said Second Tract, located in the East right of way line of the old Helena - Riddleville Road, said point bears South 07° 21' West, with said East right of way line of said Helena - Riddleville Road and the West line of said Second Tract, 15.1 feet from the Northwest corner of said Second Tract.

"And as to the damages which will be sustained by the Defendants by reason of such condemnation and as to the benefits that will result to the remainder of the property belonging to the Defendants by reason of the condemnation of said property and its employment for the purpose for which it is to be condemned, all as required by law, excluding from consideration and from our estimate those injuries or benefits which said Defendants sustain or receive in common with the community generally, and which are not peculiar to them and connected with their ownership, use and enjoyment of the particular parcel of land.

"And thus having estimated the damages sustained and benefits received by said Defendants by reason of such condemnation, finding that the remainder of such property is diminished in value by reason of such condemnation, and the extent of diminution, we do accordingly assess the damages which will accrue to the Defendants, Jack K. Crews and wife, Betty B. Crews, at \$300.00, and we do now, on this, the 15th day of September, 1961, reduce this, our decision, to writing, and do hereby state, decide and order that the amount of actual damages due the Defendants, Jack K. Crews and wife, Betty B. Crews, by the said Central Power and Light Company, Plaintiff, is \$300.00, and we do further decide and adjudge that the said Central Power and Light Company should pay all the costs of these proceedings.

"IN TESTIMONY WHEREOF, we have signed this decision and dated it this, the 15th day of September, 1961."