

# LCRA Transmission Services Corporation

## Board Agenda

Tuesday, Dec. 13, 2022

McKinney Roughs Nature Park – Wildflower Hall

1884 State Highway 71 West

Cedar Creek, TX 78612

Earliest start time: 2 p.m.

### Items From the Chair

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

### Consent Items

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

### Action Items

3. New Capital Improvement Project Approval – Energy Management System –  
FY 2023 System Upgrade ..... 9
4. Acquisition of Interests in Real Property – Use of Eminent Domain in Burnet,  
DeWitt, Kerr, Guadalupe and Karnes Counties ..... 11

### 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.

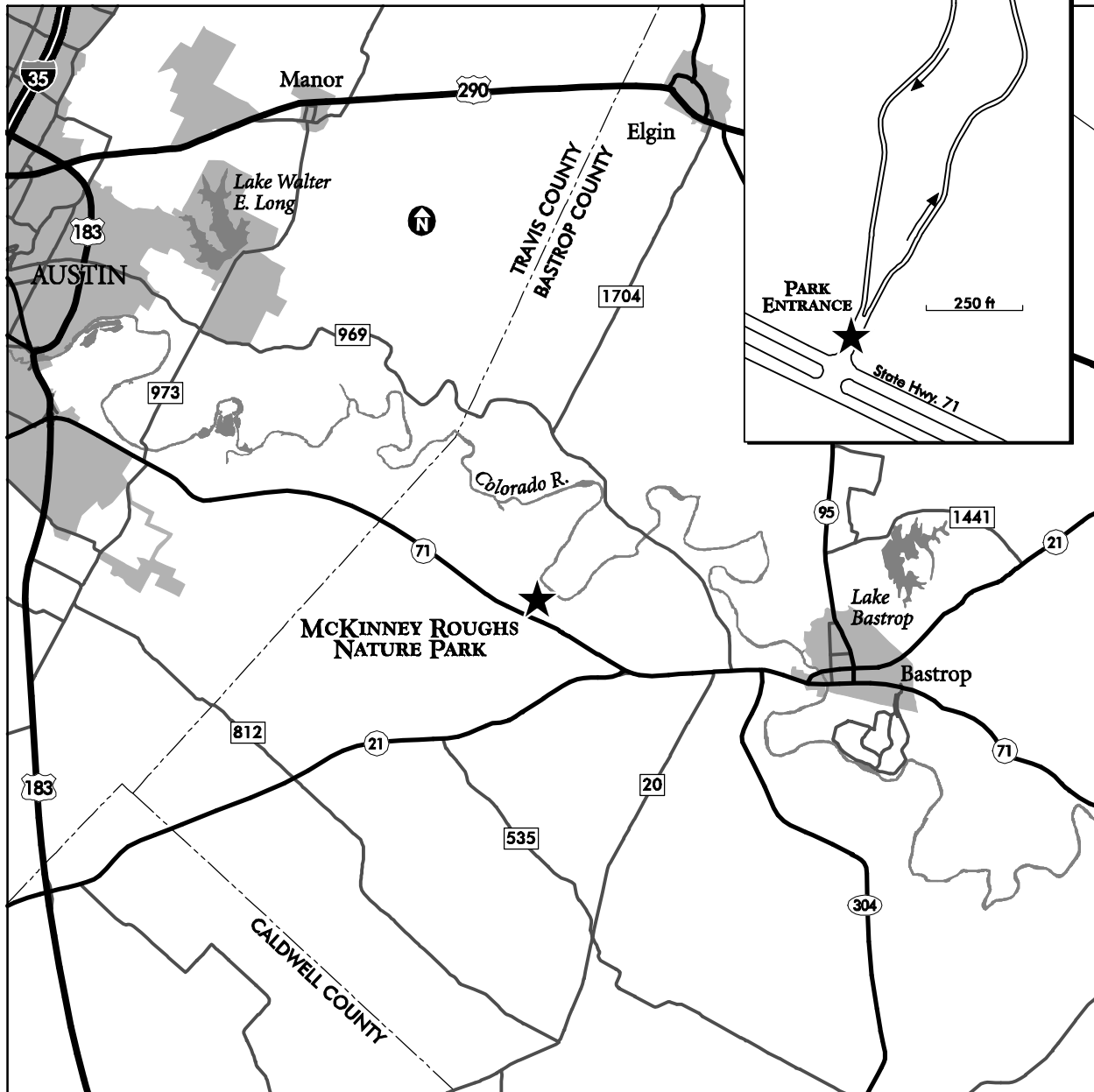
Within the framework of SB 7, LCRA TSC implements the electric transmission business of LCRA, including the expansion of electric transmission services outside of LCRA's traditional electric service territory. LCRA personnel are responsible for performing all of LCRA TSC's activities pursuant to a services 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.

# McKinney Roughs Nature Park

1884 State Hwy 71 West  
Cedar Creek, TX 78612

McKinney Roughs is located on Hwy 71, 13.2 miles east of Austin-Bergstrom International Airport. The facility's entrance is 8.4 miles west of Bastrop.



## **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 Nov. 16, 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 Nov. 16, 2022, meeting

## **EXHIBIT A**

Minutes Digest  
Nov. 16, 2022

- 22-36 Approval of the minutes of the Oct. 18, 2022, meeting.
- 22-37 Approval of the Capital Improvement Project Authorization Request for the following projects and associated lifetime budgets: Pedernales Electric Cooperative Transition System Upgrade and SubWAN Firewall – FY 2023 Telecommunications Upgrade.
- 22-38 Adoption of a resolution authorizing the use of the power of eminent domain in Burnet and Karnes counties to acquire rights in the properties described in Exhibit 1 to the resolution for the acquisition of easement rights for the LCRA Broadband Program project to provide, on behalf of LCRA and at LCRA's expense, for communications and to facilitate broadband services on the Ferguson to Sherwood Shores (T187) and Helena to Milton (T630) transmission lines.

MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF  
LCRA TRANSMISSION SERVICES CORPORATION  
Austin, Texas  
Nov. 16, 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 12:07 p.m. Wednesday, Nov. 16, 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  
Joseph M. "Joe" Crane  
Carol Freeman  
Thomas L. "Tom" Kelley  
Robert "Bobby" Lewis  
Thomas Michael Martine  
Margaret D. "Meg" Voelter  
Martha Leigh M. Whitten  
Nancy Eckert Yeary

Absent: Melissa K. Blanding  
Laura D. Figueroa  
Raymond A. "Ray" Gill Jr.

Chair Timmerman convened the meeting at 12:07 p.m.

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

The Board next took action on the consent agenda.

22-36 Upon motion by Director Crane, seconded by Director Voelter, the Board unanimously approved the minutes of the Oct. 18, 2022, meeting [Consent Item 2] by a vote of 10 to 0. [Vice Chair Cooper and Director Kelley were absent for voting on this item.]

22-37 Vice President of Transmission Asset Optimization Kristian M. Koellner presented for consideration a staff recommendation, described in Agenda Item 3 [attached hereto as Exhibit A], that the Board approve the Capital Improvement Project Authorization Request for the following projects and associated lifetime budgets: Pedernales Electric Cooperative Transition System Upgrade; and SubWAN Firewall –

FY 2023 Telecommunications Upgrade. Upon motion by Director Lewis, seconded by Director Kelley, the recommendation was unanimously approved by a vote of 10 to 0. [Vice Chair Cooper and Director Whitten were absent for voting on this item.]

22-38 Vice President of Real Estate Services Mark Sumrall presented for consideration a staff recommendation, described in Agenda Item 4 – Acquisition of Interests in Real Property – Use of Eminent Domain in Burnet and Karnes counties [attached hereto as Exhibit B]. Vice Chair Cooper moved, seconded by Director Martine, that the Board adopt a resolution authorizing by record vote the use of the power of eminent domain to acquire rights in the properties described in Exhibit 1 to the resolution for the acquisition of easement rights for the LCRA Broadband Program project to provide, on behalf of LCRA and at LCRA's expense, for communications and to facilitate broadband services on the Ferguson to Sherwood Shores (T187) and Helena to Milton (T630) transmission lines; and that the first record vote applies to all units of property to be condemned. The Board unanimously approved the motion by a record vote of 12 to 0.

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

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Leigh Sebastian  
Secretary  
LCRA Transmission Services Corporation  
Approved: Dec. 13, 2022



## **FOR ACTION**

### **3. New Capital Improvement Project Approval – Energy Management System – FY 2023 System Upgrade**

#### **Proposed Motion**

Approve the Capital Improvement Project Authorization Request for the Energy Management System – FY 2023 System Upgrade project.

#### **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**

- The project is within the total annual budget approved in the fiscal year 2023 capital plan.
- Staff seeks approval for a total lifetime budget of \$12.7 million, of which staff expects to spend \$6.4 million this fiscal year, \$5.0 million in FY 2024 and \$1.3 million in FY 2025.
- 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 the Energy Management System – FY 2023 System Upgrade project in Travis County. The project will meet legal requirements in the Public Utility Regulatory Act and PUC rules.

The project will upgrade the LCRA TSC energy management system used by the System Operations Control Center (SOCC) for 24/7 transmission system operations. The project scope includes installing new energy management system software with related hardware that meets cybersecurity and regulatory requirements. The work associated with this project is part of the regular software and hardware infrastructure cycle for SOCC systems.

The required project completion date is September 2024. The project funds will pay for project management, regulatory activities, engineering and materials.

**Project Recap**

Total Project Estimated Cost \$ 12,700,000

Previous Project Lifetime Budget: \$ 0

Additional Lifetime Budget Approval Sought: \$ 12,700,000

FY 2023 \$ 6,400,000

FY 2024 \$ 5,000,000

FY 2025 \$ 1,300,000

Total: \$ 12,700,000

**Project Direction**

Project Manager: Herb Moffett

Project Sponsor: Sandeep Borkar

Project Number: 1029127

**Presenter(s)**

Kristian M. Koellner

Vice President, Transmission Asset Optimization

## **FOR ACTION**

### **4. Acquisition of Interests in Real Property – Use of Eminent Domain in Burnet, DeWitt, Kerr, Guadalupe and Karnes 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 Ferguson to Sherwood Shores (T187), Yoakum City to Cuero (T198), Turtle Creek to Rim Rock (T270), Clear Springs to Geronimo (T505) and Helena to Milton (T630) transmission lines; and that the first record vote applies to all units of property to be condemned.

#### **Board Consideration**

LCRA TSC 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, DeWitt, Kerr, Guadalupe 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 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 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.

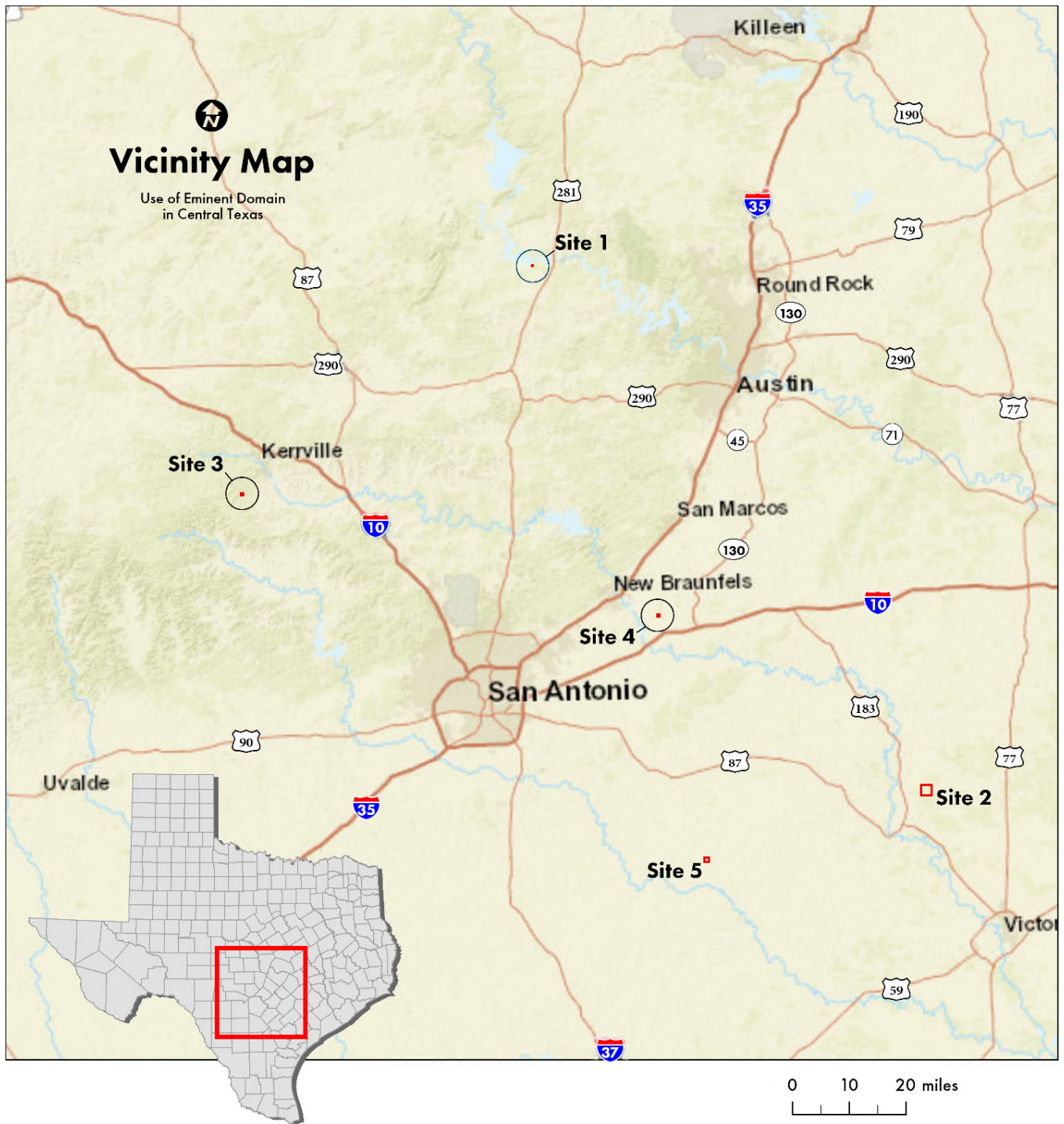
**Presenter(s)**

Mark Sumrall  
Vice President, Real Estate Services

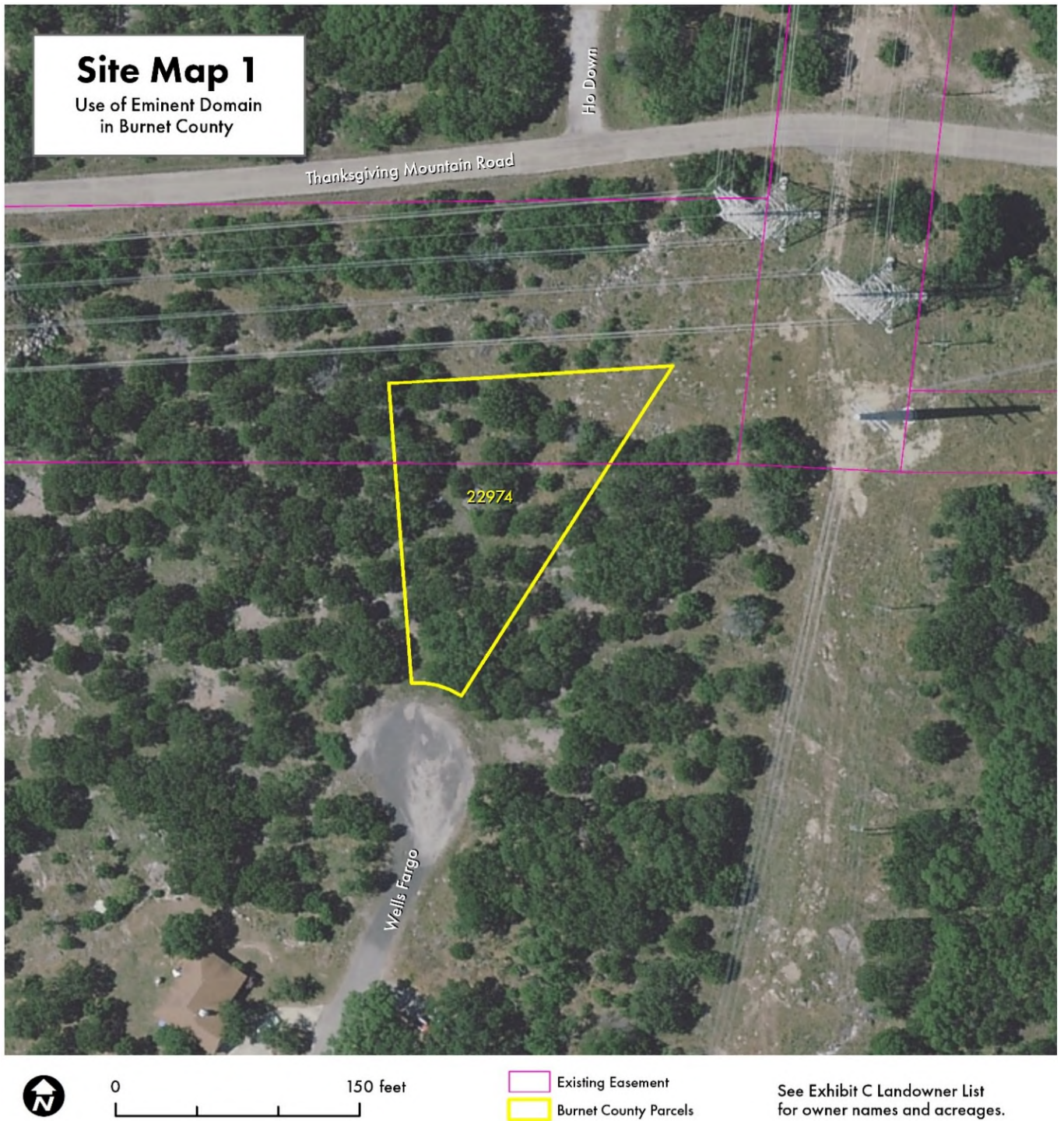
**Exhibit(s)**

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

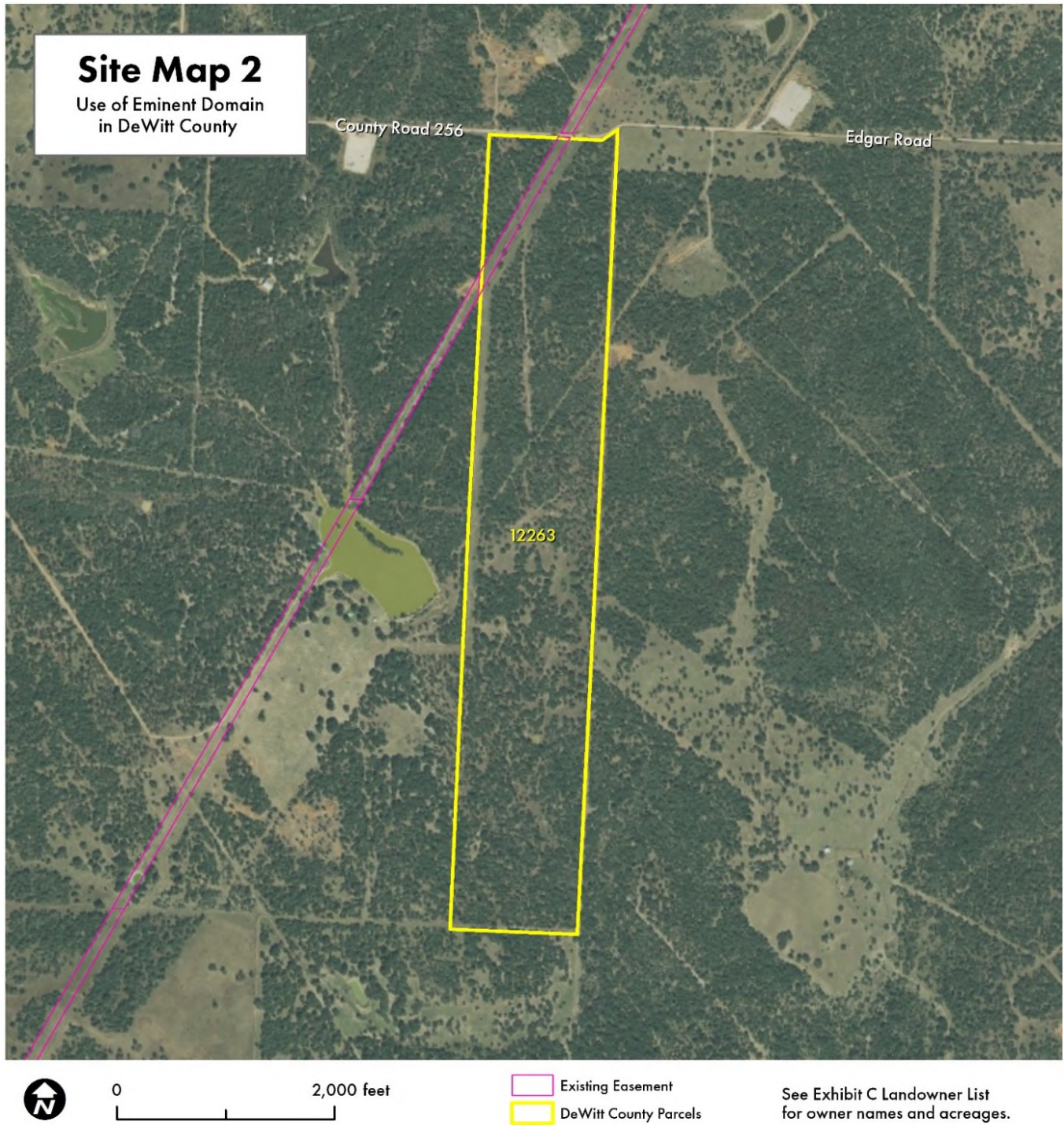
**EXHIBIT A**







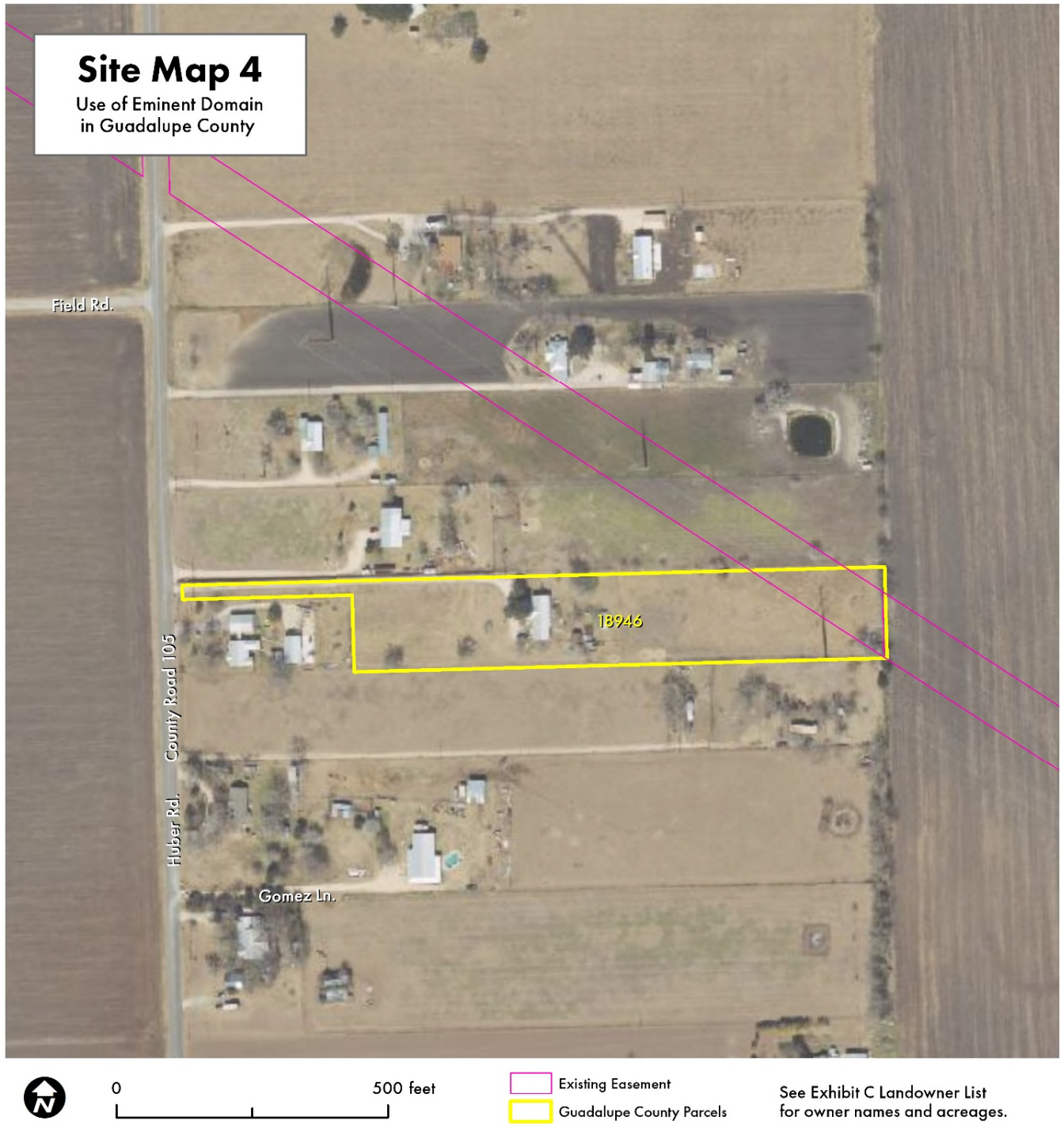


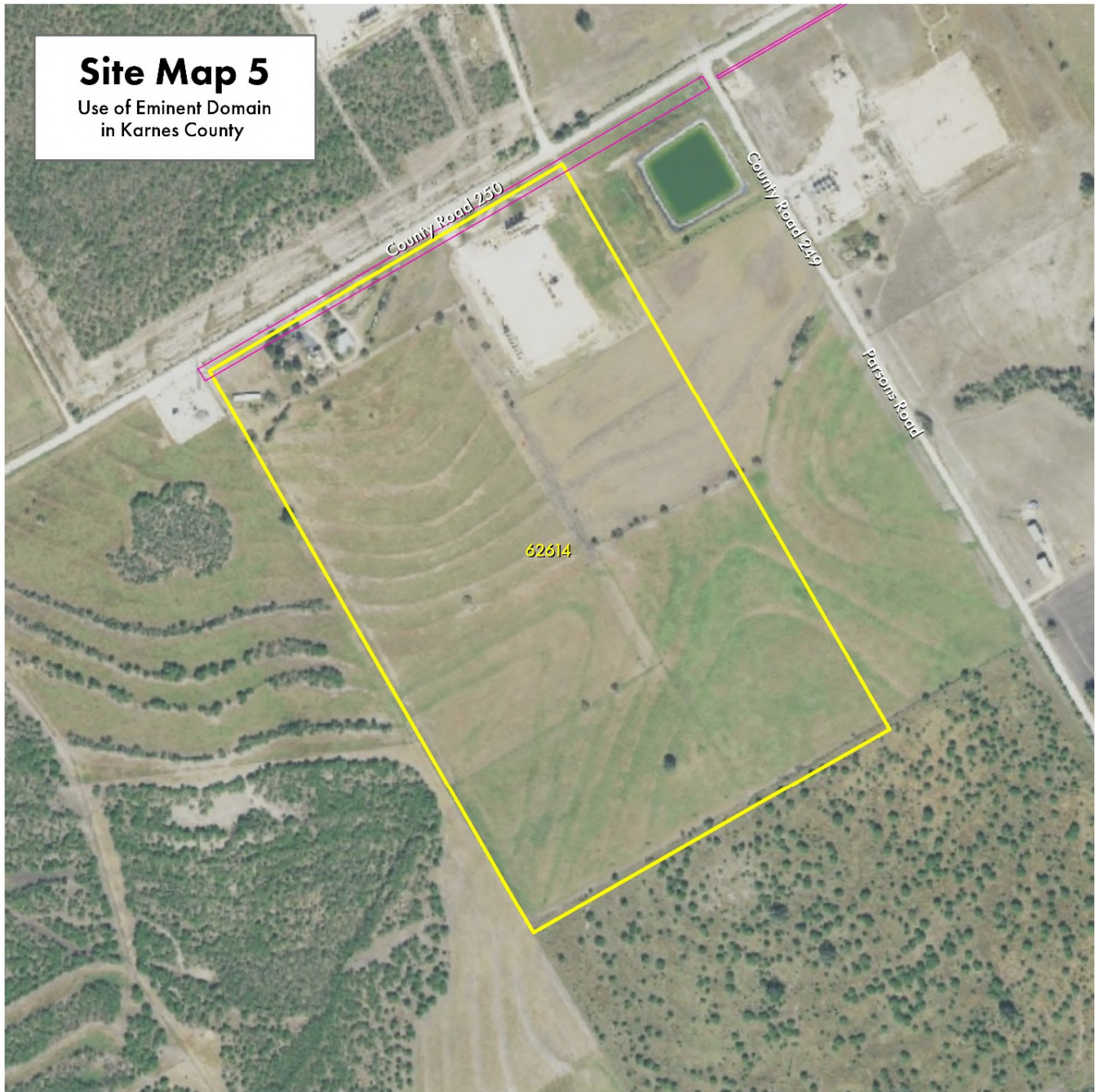












0 1,000 feet

- 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>
22974	Brian Martinez	0.33 acre	Third-Party Communication	0.06 acre	Burnet	\$118.18
12263	Larry Niemann	196 acres	Third-Party Communication	3.55 acres	DeWitt	\$903.83
532022	Roger Paul Pape Jr.	5 acres	Third-Party Communication	1 acre	Kerr	\$742.50
18946	Tricia Taylor	4 acres	Third-Party Communication	0.45 acre	Guadalupe	\$1,256.04
62614	Tillie Ann Foegelle	1 acre	Third-Party Communication	0.25 acre	Karnes	\$50.00



**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), YOAKUM CITY TO CUERO (T198), TURTLE CREEK TO RIM ROCK (T270), CLEAR SPRINGS TO GERONIMO (T505) AND HELENA TO MILTON (T630) TRANSMISSION LINES; AND THAT THE FIRST RECORD VOTE APPLIES TO ALL UNITS OF PROPERTY TO BE CONDEMNED.**

**RESOLUTION**

**AUTHORIZING ACQUISITION OF INTERESTS IN REAL PROPERTY BY CONDEMNATION IN BURNET, DEWITT, KERR, GUADALUPE 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, and operation and maintenance of electric transmission lines, communication lines, and appurtenances thereto in Burnet, DeWitt, Kerr, Guadalupe 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 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

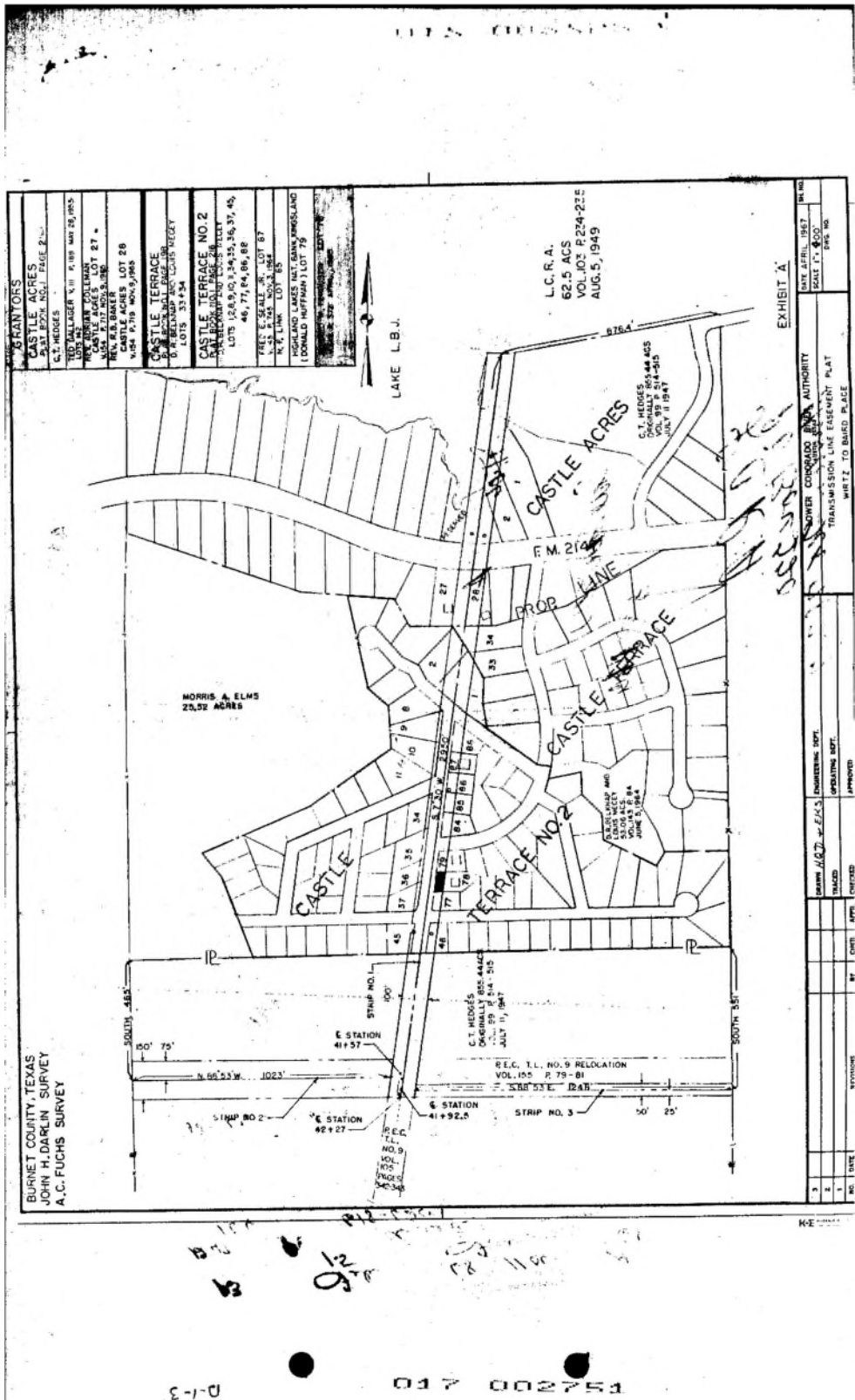
## **EXHIBIT D**

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

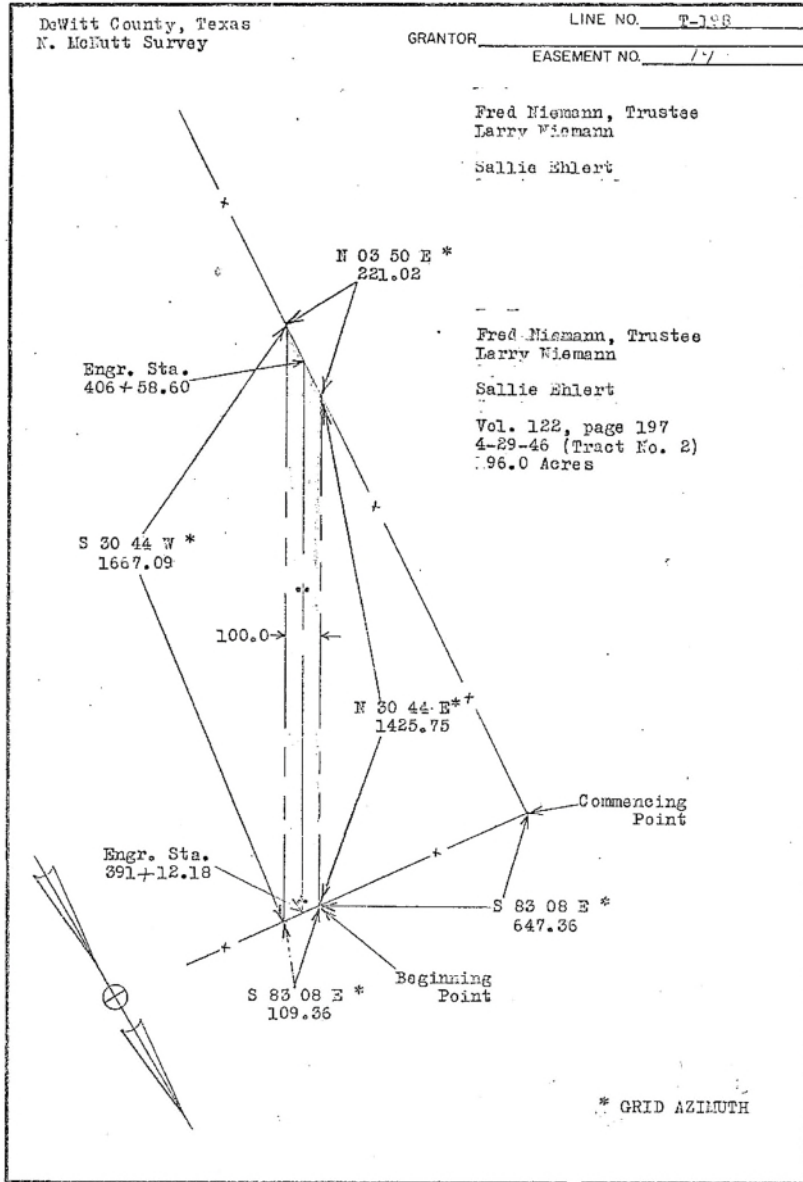
**BE IT FURTHER RESOLVED** that the president and chief executive officer or his designee is hereby authorized to do all things necessary and proper to carry out the intent and purpose of this resolution, including determination and negotiation of the interest(s) in real property that are proper and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

**EXHIBIT 1**



**EXHIBIT 1**  
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FORM 20

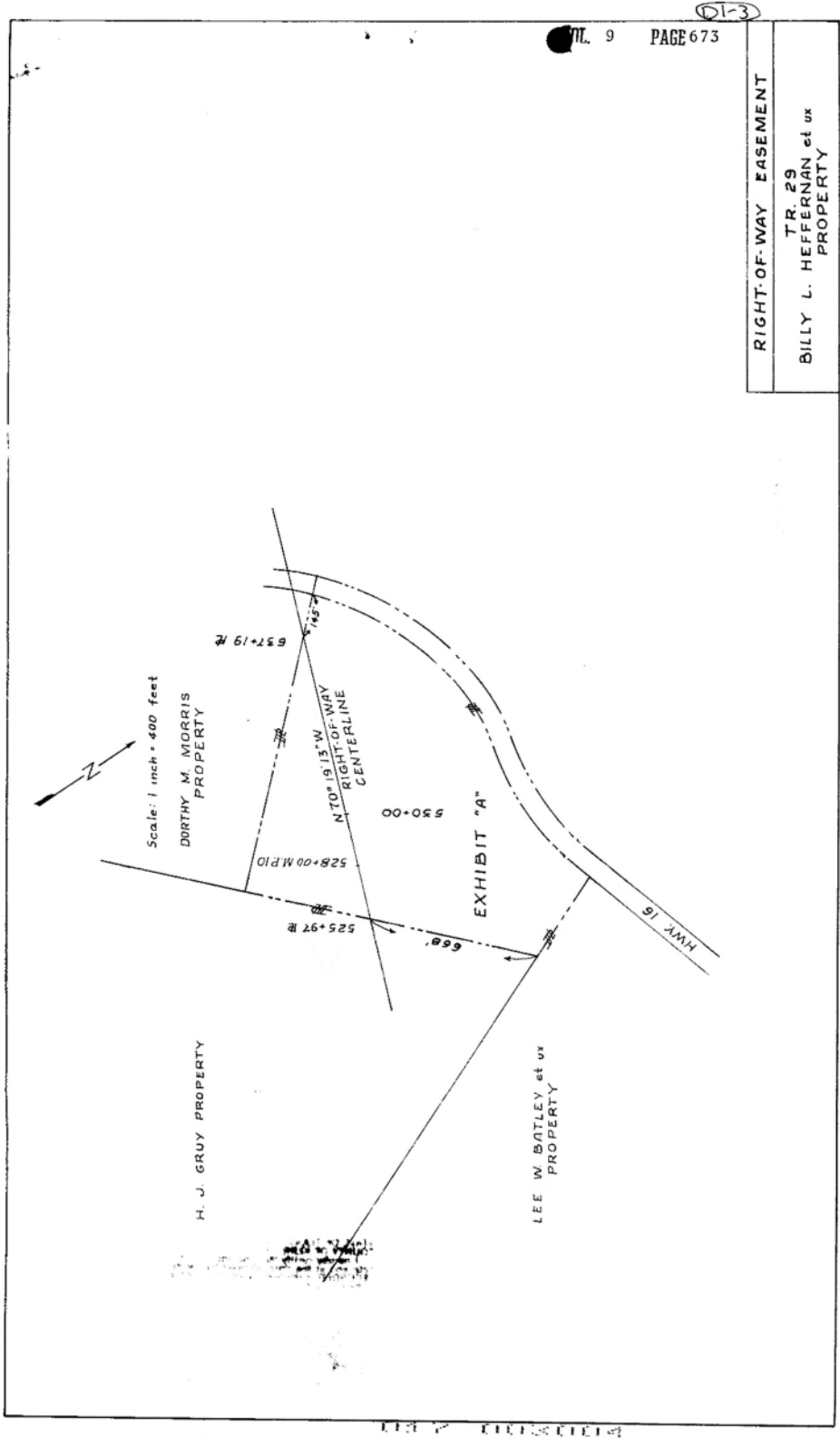


LOWER COLORADO RIVER AUTHORITY  
AUSTIN, TEXAS  
TRANSMISSION LINE EASEMENT PLAT

EXHIBIT A

LINE NO. T-198 FROM Yoakum TO Cuero EASEMENT NO. 17  
SCALE: 1" = 300' DATE     /     /     GRANTOR  
Fred Niemann, Trustee  
Larry Niemann  
Sallie Ehlert 45240

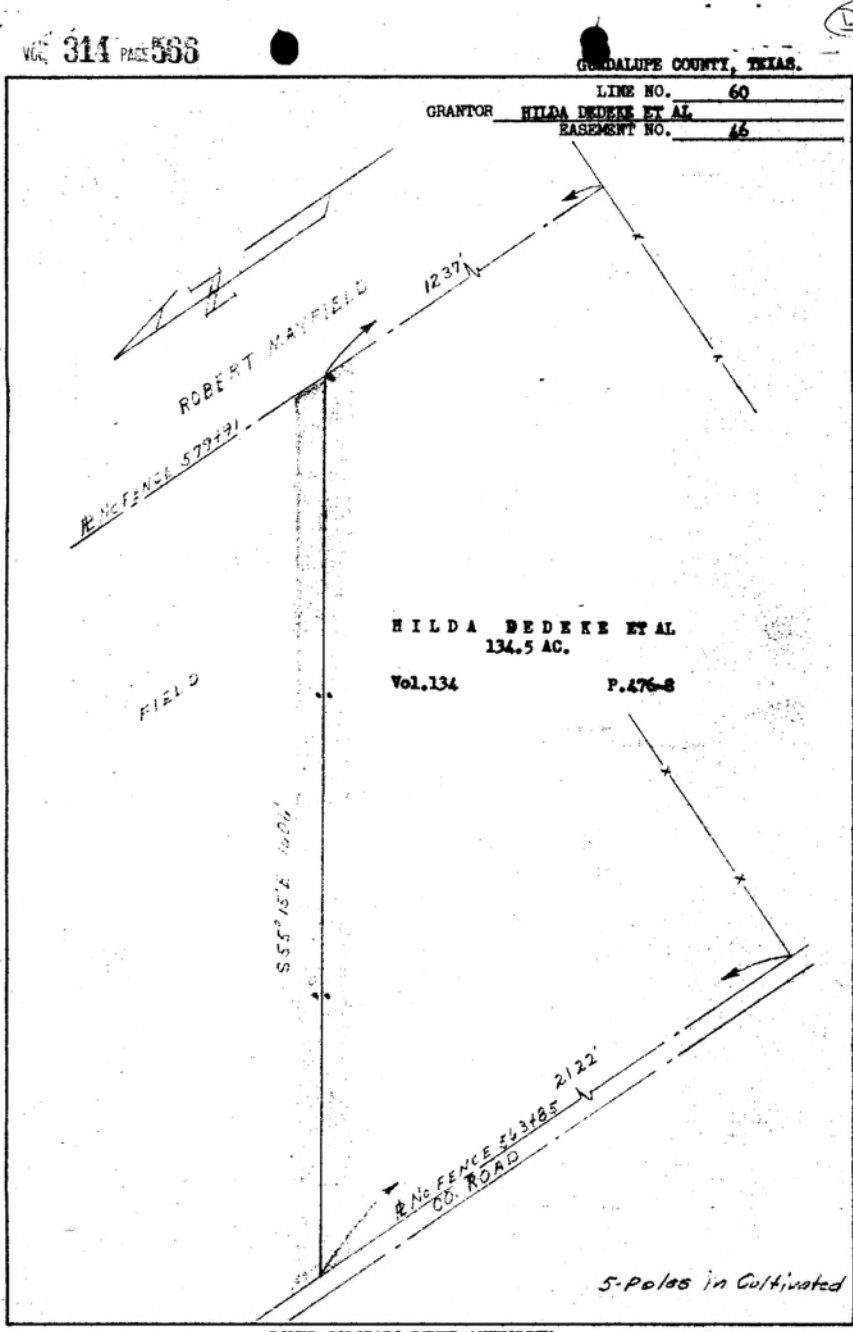
**EXHIBIT 1**  
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**EXHIBIT 1**

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LOWER COLORADO RIVER AUTHORITY  
AUSTIN, TEXAS  
TRANSMISSION LINE EASEMENT PLAT

EXHIBIT A

LINE NO. 60 FROM NEW BRAUNFELS TO SEGUIN EASEMENT NO. 46

SCALE: 1"=200 DATE DECEMBER, 1957 GRANTOR HILDA DEDEKE ET AL

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