

LCRA Transmission Services Corporation

Board Agenda

Wednesday, Jan. 24, 2024

LCRA General Office Complex
Board Room – Hancock Building

3700 Lake Austin Blvd.

Austin, TX 78703

Earliest start time: 9 a.m.

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Items From the Chief Financial Officer

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Consent Items

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Action Items

4. Approve LCRA’s Adoption of the Forty-third Supplemental Resolution to the LCRA Transmission Contract Revenue Financing Program Regarding LCRA Transmission Services Corporation Commercial Paper Program Tax-Exempt Series, and Authorize Related Agreements 11
5. Acquisition of Interests in Real Property – Use of Eminent Domain in Gillespie and Kendall Counties 13

Executive Session

The Board may go into executive session on any item listed above, pursuant to Chapter 551 of the Texas Government Code, including, but not limited to, sections 551.071, 551.072, 551.074, 551.076, 551.086, 551.089 and 418.183(f) of the Texas Government Code.

Legal Notice

Legal notices are available on the Texas secretary of state website 72 hours prior to the meeting at the following link: <https://www.sos.texas.gov/open/index.shtml>

OVERVIEW OF LCRA TRANSMISSION SERVICES CORPORATION

In connection with the implementation of retail competition in the electric utility industry in the state of Texas, LCRA was required by the Texas Legislature in its amendments to the Public Utility Regulatory Act (enacted in 1999 under state legislation known as Senate Bill 7 and referred to as SB 7) to unbundle its electric generation assets from its electric transmission and distribution assets. LCRA conveyed, effective Jan. 1, 2002, all of its existing electric transmission and transformation assets (collectively, the Transferred Transmission Assets) to the LCRA Transmission Services Corporation (LCRA TSC) pursuant to the terms of an Electric Transmission Facilities Contract (the Initial Contractual Commitment), dated Oct. 1, 2001.

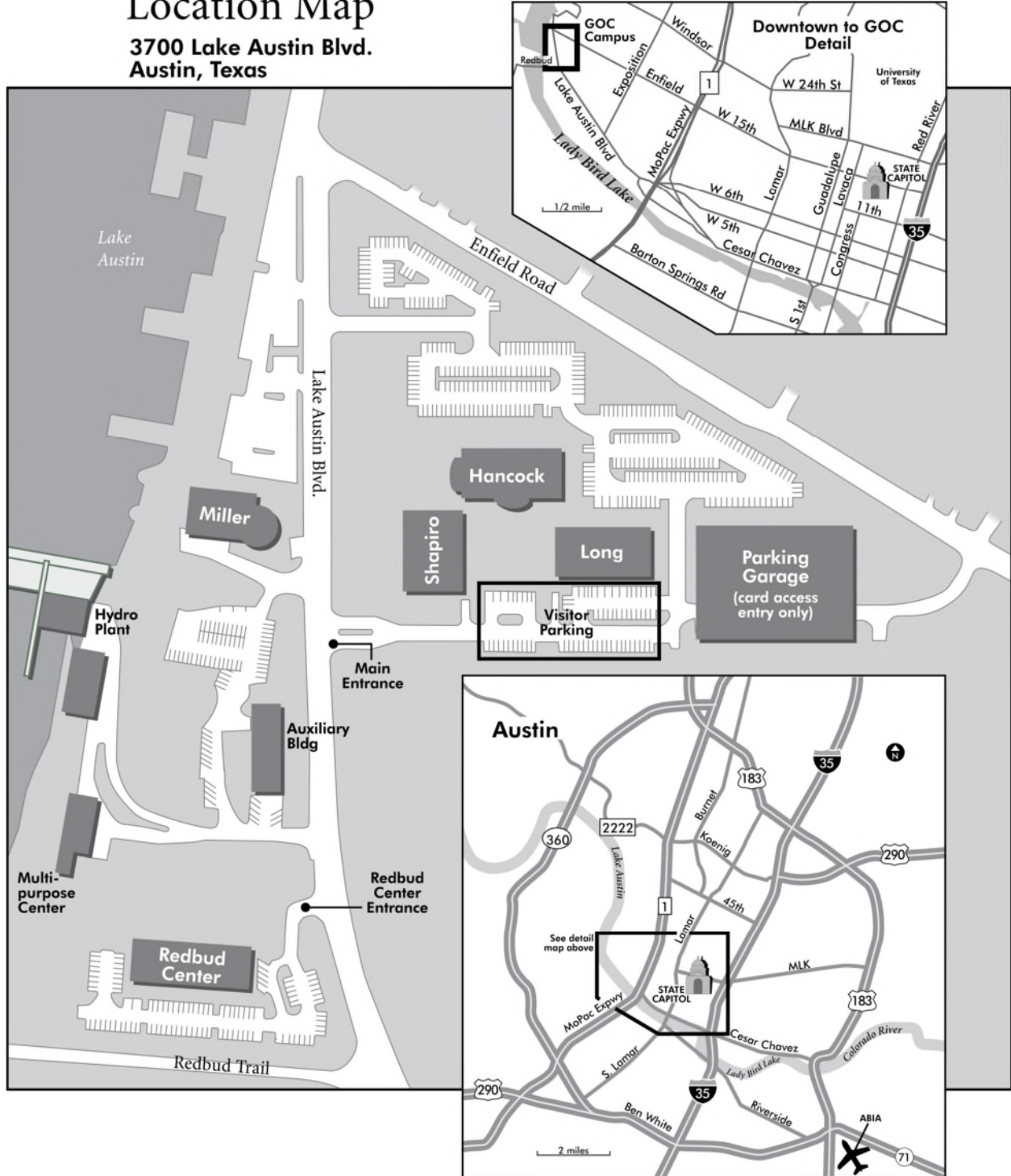
LCRA TSC is a nonprofit corporation created by LCRA to act on LCRA's behalf pursuant to Chapter 152, Texas Water Code, as amended. After Jan. 1, 2002, LCRA TSC engaged in the electric transmission and transformation activities previously carried out by LCRA and assumed LCRA's obligation to provide, and the right to collect revenues for, electric transmission and transformation services. LCRA TSC is an electric transmission service provider (a TSP) under the state's open-access electric transmission regulatory scheme within the approximately 85% area of the state covered by the Electric Reliability Council of Texas (ERCOT). In such capacity, LCRA TSC is entitled to receive compensation from all electric distribution service providers using the electric transmission system within ERCOT. As a TSP in the ERCOT region of the state, the rates that LCRA TSC will charge for transmission services are regulated by the Public Utility Commission of Texas (PUC) and determined pursuant to transmission cost of service rate proceedings filed with and approved by the PUC.

Within the framework of SB 7, LCRA TSC implements the electric transmission business of LCRA, including the expansion of electric transmission services outside of LCRA's traditional electric service territory. LCRA personnel are responsible for performing all of LCRA TSC's activities pursuant to a services agreement between LCRA TSC and LCRA. This includes procuring goods and services on behalf of LCRA TSC and is reflected in the LCRA Board agenda contracts.

Under the LCRA Master Resolution, defined as the LCRA Board resolution governing LCRA's outstanding debt, and certain provisions of state law, the LCRA Board is required to exercise control over all operations of LCRA TSC. This control includes approval of LCRA TSC's business plan and of the sale or disposition of any significant assets of LCRA TSC. The Board of Directors of LCRA TSC (LCRA TSC Board) is appointed by and serves at the will of the LCRA Board. The current membership of LCRA TSC Board is made up entirely of the existing LCRA Board.

LCRA General Office Complex Location Map

3700 Lake Austin Blvd.
Austin, Texas



FOR DISCUSSION

1. Comments From the Public

Summary

This part of the meeting is intended for comments from the public on topics under LCRA Transmission Services Corporation's jurisdiction but not related to an item on the Board of Directors agenda. No responses or action may be taken by the Board during public comments.

In order to address the Board, a member of the public is required to sign and complete the registration form at the entrance to the meeting room.

Any member of the public wishing to comment on an item listed on this agenda will be called to make comments at the appropriate time.

FOR DISCUSSION

2. Financial Report

Summary

Staff will present financial highlights for LCRA Transmission Services Corporation covering the fiscal year to date.

Presenter(s)

Jim Travis

Treasurer and Chief Financial Officer

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LCRA Transmission Services Corporation
Financial Highlights
December 2023

LCRA Transmission Services Corporation
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Key term:

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

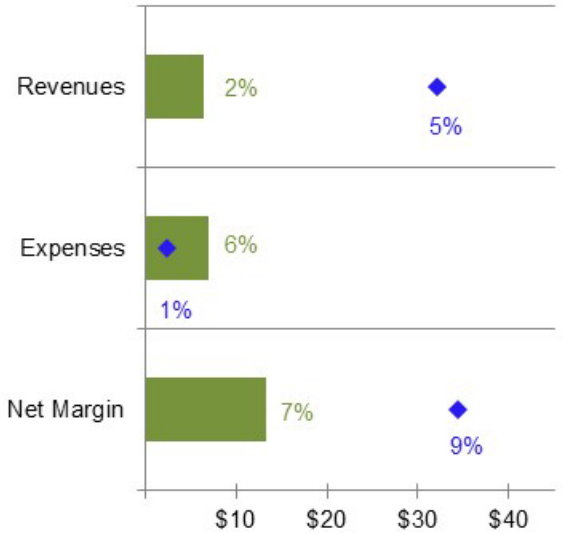
LCRA Transmission Services Corporation

Dec. 31, 2023

(Dollars in Millions)

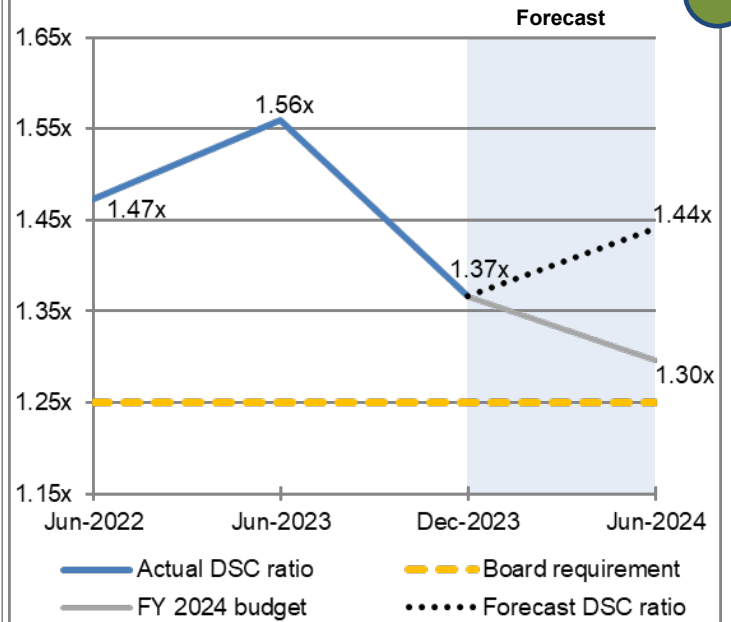
Budget-to-Actual Highlights

Net Margin Fiscal Year-to-Date Variances



% = Variance from budget ♦ FY 2024 fiscal year-end forecast

Debt Service Coverage



Key takeaways:

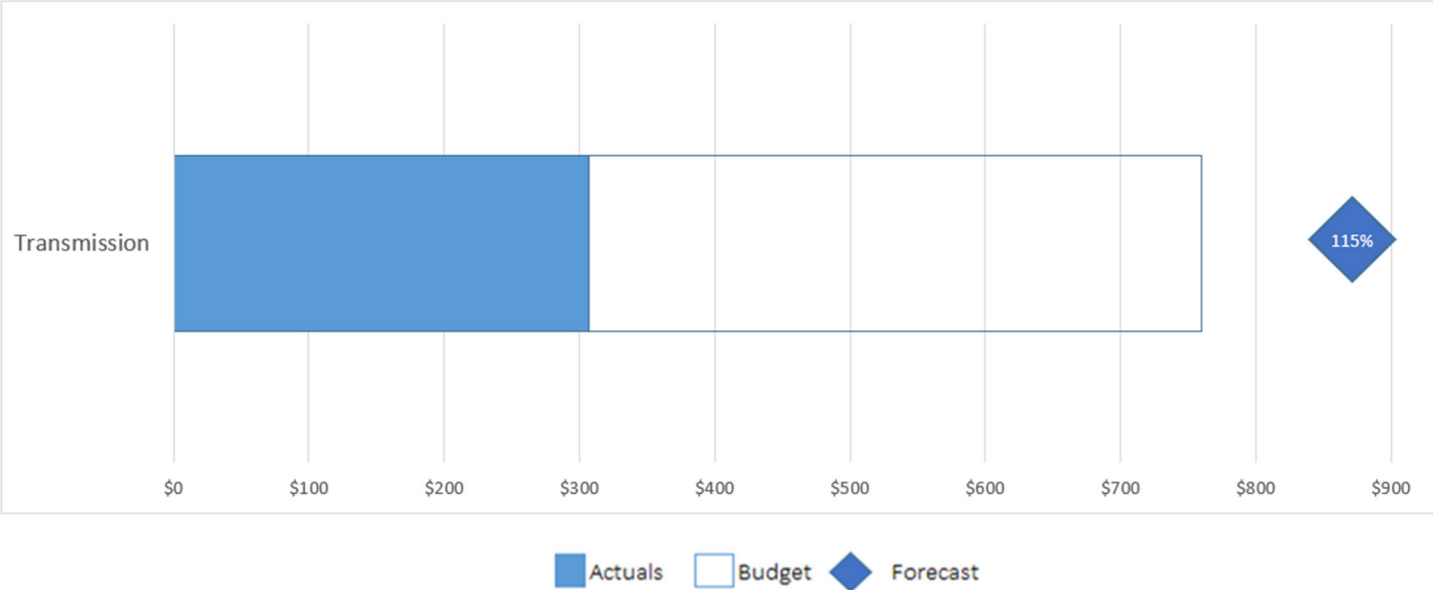
- Lower-than-budgeted expenses, combined with higher-than-budgeted interest income and other revenues, primarily drove the year-to-date performance.
- Higher-than-budgeted cost of service and other revenues primarily drove the year-end forecast.
- The debt service coverage ratio is forecast to be higher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

LCRA Transmission Services Corporation

Dec. 31, 2023

(Dollars in Millions)

Capital Forecast



Key takeaways:

- LCRA TSC currently is projecting capital spending for FY 2024 will be \$116.1 million more than the capital plan budget of \$759.7 million.
- The variance primarily is due to increased estimates and schedule changes on projects and the addition of projects that were not included in the FY 2024 business and capital plan. Staff anticipates seeking LCRA Board approval to increase the LCRA TSC capital plan budget later this fiscal year.

President and CEO project approvals:

- For any project not previously authorized by the Board in the capital plan, authority is delegated to the president and chief executive officer to approve any capital project with a lifetime budget not to exceed \$1.5 million, according to LCRA TSC Board Policy T301 – Finance. Additionally, the LCRA TSC Board delegated authority to the president and CEO to approve new generation interconnection projects and additional funding for capital projects expected to exceed their lifetime budgets by 10% and \$300,000. The president and CEO approved one budget reset this quarter:
 - Sim Gideon Circuit Breaker Substation Upgrade from \$3.7 million to \$5.1 million.

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

- Hi Cross – Structure 2A Transmission Line Relocation for \$1 million.
- John Dumas Substation Addition for \$37.2 million.
- Remote Terminal Unit – FY 2024 Substation Upgrade for \$1 million.

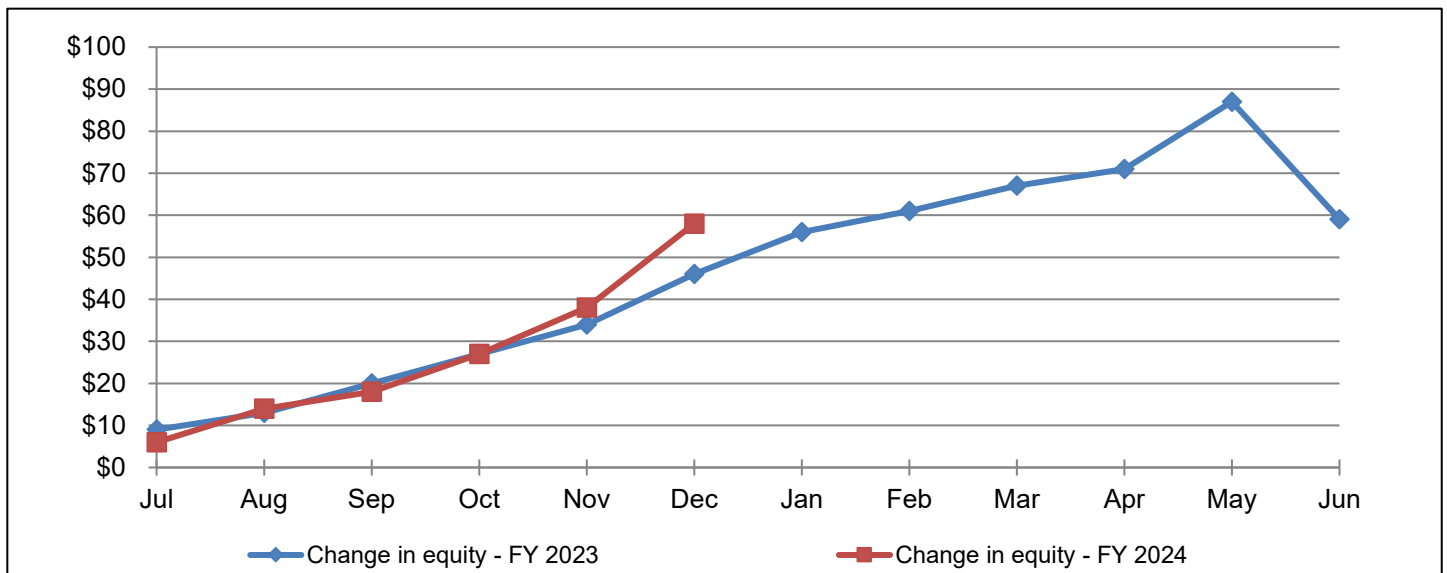
LCRA Transmission Services Corporation

Dec. 31, 2023
(Dollars in Millions)

Board Metrics

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

Income Statement Trends Cumulative Fiscal Year to Date



Key takeaway:

- Net income increased year over year primarily due to an increase in transmission revenue and interest income, offset by increases in interest on debt and operating expenses.

LCRA Transmission Services Corporation

Dec. 31, 2023

(Dollars in Millions)

Condensed Balance Sheets

	<u>Dec. 31, 2023</u>	<u>Dec. 31, 2022</u>
Assets		
Cash and cash equivalents	\$ 118	\$ 137
Current assets	<u>274</u>	<u>235</u>
Total current assets	<u>392</u>	<u>372</u>
Capital assets	4,485	3,947
Long-term assets	<u>401</u>	<u>405</u>
Total long-term assets	<u>4,886</u>	<u>4,352</u>
Total Assets	<u>\$ 5,278</u>	<u>\$ 4,724</u>
Liabilities		
Bonds and notes payable	\$ 771	\$ 395
Current liabilities	<u>137</u>	<u>157</u>
Total current liabilities	<u>908</u>	<u>552</u>
Bonds and notes payable	3,171	3,085
Long-term liabilities	<u>196</u>	<u>155</u>
Total long-term liabilities	<u>3,367</u>	<u>3,240</u>
Equity		
Total equity	<u>1,003</u>	<u>932</u>
Total Liabilities and Equity	<u>\$ 5,278</u>	<u>\$ 4,724</u>

Key takeaway:

- Assets and liabilities are trending higher compared with December 2022 due to construction activities related to the capital plan.

LCRA Transmission Services Corporation

Dec. 31, 2023

(Dollars in Millions)

Condensed Statements of Revenues, Expenses and Changes in Equity

Fiscal Year to Date

	2024	2023
Operating Revenues		
Transmission	\$ 298	\$ 273
Transformation	9	9
Other	2	1
Total Operating Revenues	309	283
Operating Expenses		
Operations	87	77
Maintenance	10	8
Depreciation and amortization	61	57
Total Operating Expenses	158	142
Operating Income	151	141
Nonoperating Expenses		
Interest on debt	(61)	(49)
Other nonoperating expenses	(32)	(46)
Total Nonoperating Expenses	(93)	(95)
Change in Equity	58	46
Equity - Beginning of Period	945	886
Equity - End of Period	\$ 1,003	\$ 932

LCRA Transmission Services Corporation

Dec. 31, 2023

(Dollars in Millions)

Condensed Statements of Cash Flows

	Fiscal Year to Date	
	2024	2023
Cash Flows From Operating Activities		
Received from customers	\$ 322	\$ 279
Payments	(196)	(91)
Net cash provided by operating activities	126	188
Cash Flows From Noncapital Financing Activities	(15)	(14)
Cash Flows From Capital and Related Financing Activities		
Purchase of property, plant and equipment	(286)	(291)
Other capital and financing activities	66	249
Net cash used in capital and financing activities	(220)	(42)
Cash Flows From Investing Activities		
Sale and maturity of investment securities	61	25
Purchase of investment securities	(114)	(135)
Note payments and interest received	9	1
Net cash used in investing activities	(44)	(109)
Net Increase (Decrease) in Cash and Cash Equivalents	(153)	23
Cash and Cash Equivalents - Beginning of Period	284	178
Cash and Cash Equivalents - End of Period	\$ 131	\$ 201

LCRA Transmission Services Corporation

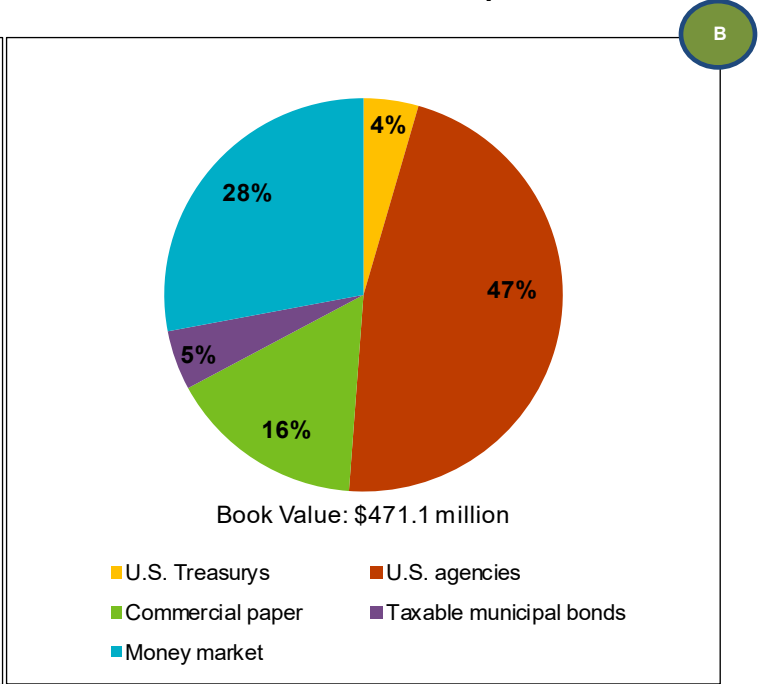
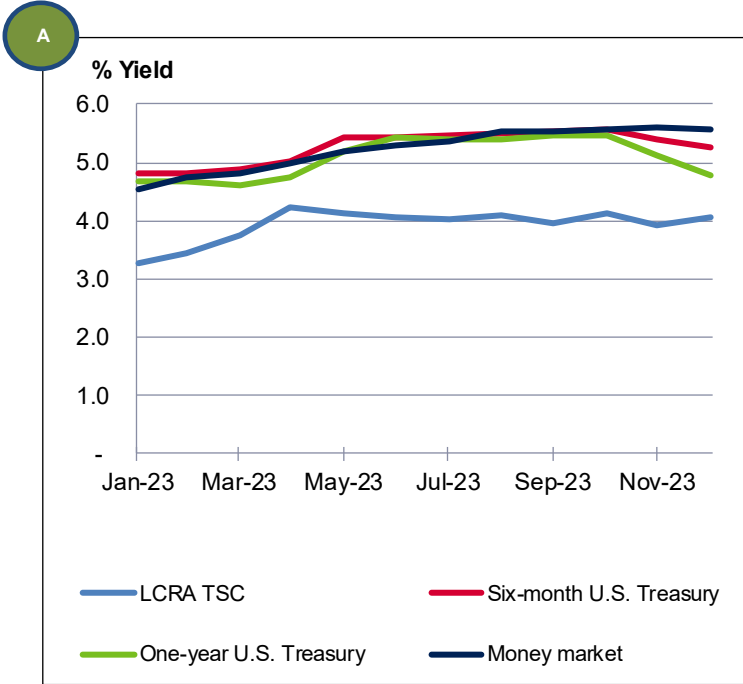
Dec. 31, 2023

(Dollars in Millions)

Investments and Debt

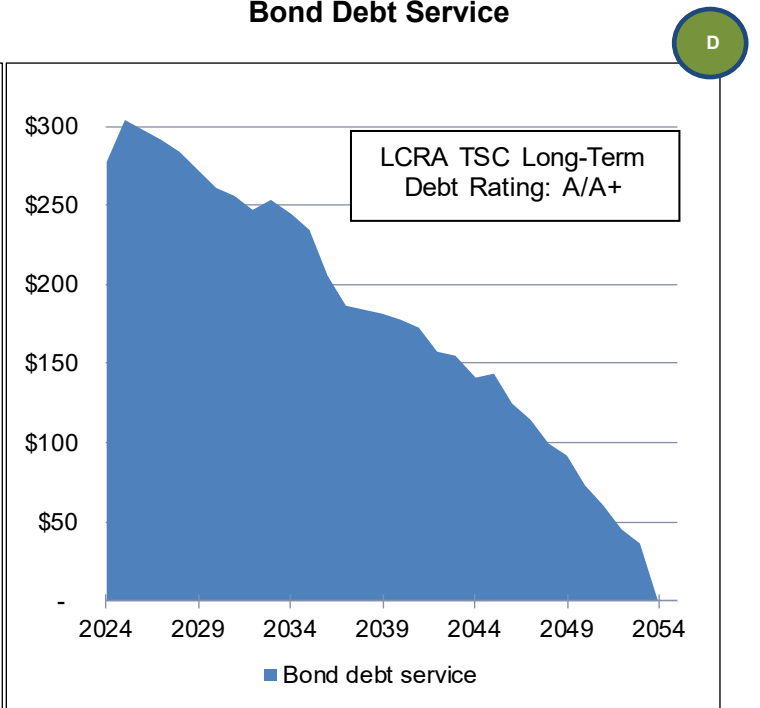
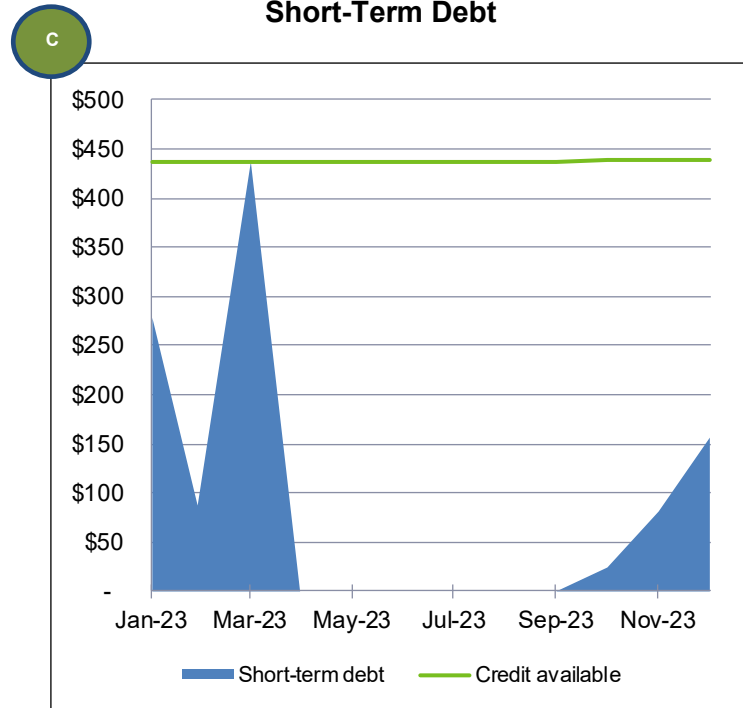
Investment Portfolio Yield

Investment Portfolio Composition



Short-Term Debt

Bond Debt Service



Key takeaways:

- The Federal Open Market Committee continued its monetary policy pause at its December 2023 meeting.
- The federal funds rate range is 5.25%-5.50%.
- The Consumer Price Index (year over year) as of November 2023 was at 3.1%, a decrease of 0.1% from October 2023.

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FOR ACTION (CONSENT)

3. Minutes of Prior Meeting

Proposed Motion

Approve the minutes of the Dec. 12, 2023, meeting.

Board Consideration

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

Budget Status and Fiscal Impact

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

Summary

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

Exhibit(s)

A – Minutes of Dec. 12, 2023, meeting

EXHIBIT A

Minutes Digest
Dec. 12, 2023

- 23-43 Approval of the minutes of the Nov. 15, 2023, meeting.
- 23-44 Approval of the Capital Improvement Project Authorization Request for the following projects and associated lifetime budgets: Guadalupe-Lost Creek Transmission Line Upgrade and Western Maintenance Facilities Fuel Station Facilities Upgrade.
- 23-45 Adoption of a resolution authorizing the use of the power of eminent domain in Lavaca County to acquire rights in the properties described in Exhibit 1 to the resolution for the acquisition of easement rights for the Mont to Pilot Grove Transmission Line Overhaul project to provide for the continued reliable transmission of electric energy on the Mont to Pilot Grove (T140) transmission line.
- 23-46 Adoption of a resolution authorizing the use of the power of eminent domain in Gillespie, Williamson and Burnet 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 Kendall to Fredericksburg (T120), Fredericksburg to Peach (T379), Spanish Oak to Round Rock (T642) and Graphite Mine to Lampasas (T715) transmission lines.

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF
LCRA TRANSMISSION SERVICES CORPORATION
Austin, Texas
Dec. 12, 2023

Pursuant to notice posted in accordance with the Texas Open Meetings Act, the Board of Directors (Board) of LCRA Transmission Services Corporation (LCRA TSC) convened in a regular meeting at 2:03 p.m. Tuesday, Dec. 12, 2023, 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
Thomas L. "Tom" Kelley
Robert "Bobby" Lewis
Thomas Michael Martine
Margaret D. "Meg" Voelter
Martha Leigh M. Whitten
David R. Willmann
Nancy Eckert Yeary

Absent: Carol Freeman

Chair Timmerman convened the meeting at 2:03 p.m. and led the Board in pledges of allegiance to the American and Texas flags. Director Whitten provided an invocation.

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 winter weather preparedness; workforce mobility efforts; and LCRA TSC's operational performance, including reliability metrics. Senechal also shared stories about employees demonstrating LCRA's core values of taking initiative and focusing on service, as well as LCRA's Colorado Commitment to make every LCRA endeavor outstanding.

The Board next took action on the consent agenda.

23-43 Upon motion by Director Willmann, seconded by Director Whitten, the Board unanimously approved the minutes of the Nov. 15, 2023, meeting [Consent Item 2] by a vote of 13 to 0.

23-44 Vice President of Transmission Asset Optimization Kristian 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: Guadalupe-Lost Creek Transmission Line Upgrade and Western Maintenance Facilities Fuel Station Facilities Upgrade. Upon motion by Director Yeary, seconded by Director Crane, the recommendation was unanimously approved by a vote of 13 to 0.

23-45 Chief Operating Officer Ken Price presented for consideration a staff recommendation, described in Agenda Item 4 – Acquisition of Interests in Real Property – Use of Eminent Domain in Lavaca County [attached hereto as Exhibit B]. Director Crane moved, seconded by Vice Chair Cooper, 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 Mont to Pilot Grove Transmission Line Overhaul project to provide for the continued reliable transmission of electric energy on the Mont to Pilot Grove (T140) 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 13 to 0.

23-46 Chief Operating Officer Ken Price presented for consideration a staff recommendation, described in Agenda Item 5 – Acquisition of Interests in Real Property – Use of Eminent Domain in Gillespie, Williamson and Burnet counties [attached hereto as Exhibit C]. Director Kelley moved, seconded by Director Martine, 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 Kendall to Fredericksburg (T120), Fredericksburg to Peach (T379), Spanish Oak to Round Rock (T642) and Graphite Mine to Lampasas (T715) transmission lines; and that the first record vote applies to all units of property to be condemned. The Board unanimously approved the motion by a record vote of 13 to 0.

There being no further business to come before the Board, the meeting was adjourned at 2:18 p.m.

Leigh Sebastian
Secretary
LCRA Transmission Services Corporation

Approved: Jan. 24, 2024

FOR ACTION

4. Approve LCRA's Adoption of the Forty-third Supplemental Resolution to the LCRA Transmission Contract Revenue Financing Program Regarding LCRA Transmission Services Corporation Commercial Paper Program Tax-Exempt Series, and Authorize Related Agreements

Proposed Motion

Staff recommends the Board of Directors request and approve the adoption by LCRA of the Forty-third Supplemental Resolution (Forty-third Supplement) to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program (Controlling Resolution) authorizing a \$150 million Transmission Services Tax-Exempt Commercial Paper Program (Tax-Exempt Series CP) credit facility, and authorize the president and chief executive officer or his designee to negotiate and execute certain related agreements, including through an amendment to the Amended and Restated Letter of Credit Reimbursement Agreement among LCRA; LCRA Transmission Services Corporation (LCRA TSC); JPMorgan Chase Bank, National Association (JPMorgan Chase) and State Street Bank and Trust Company (State Street) or through a similar reimbursement agreement with either such banks individually and/or with other financial institutions, if acceptable terms cannot be reached with JPMorgan Chase and State Street (in each case, the Reimbursement Agreement) setting forth the terms and conditions governing the issuance of the direct-pay letter of credit securing the tax-exempt commercial paper program for LCRA TSC (Letter of Credit) for a term of three to five years and in the amount of \$150 million.

Board Consideration

The Forty-third Supplement, which approves a credit facility for the Tax-Exempt Series CP and authorizes the Reimbursement Agreement and the related Letter of Credit, requires Board authorization. The three-to-five-year term of the Reimbursement Agreement will comply with the covenants of the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program and LCRA TSC Board Policy T301 – Finance. Section 8503.004(p) of the Texas Special District Local Laws Code (LCRA Act) authorizes the Board to issue debt under certain conditions.

Budget Status and Fiscal Impact

Staff anticipates the proposed agreements will allow LCRA to issue the Tax-Exempt Series CP commercial paper on behalf of LCRA TSC to finance the construction of facilities and delay the issuance of long-term bonds, which have higher interest rates in the current market. As a result, staff anticipates LCRA TSC will experience lower debt service costs until long-term bonds are issued.

Summary

With this action, the Board will request consent and approve the adoption by LCRA of the Forty-third Supplement and the negotiation and execution of the Reimbursement Agreement with JPMorgan Chase, State Street and/or other financial institutions. The amount of the commitment will remain \$150 million. The Board also will authorize the president and chief executive officer or his designee to negotiate and execute such Reimbursement Agreement and all related documents.

Background

In March 2003, the LCRA Board, on behalf of LCRA TSC, adopted the Fourth Supplemental Resolution, which authorized the issuance of the commercial paper notes in an amount of principal and interest not to exceed \$150 million and a reimbursement agreement and letter of credit to secure such commercial paper. In April 2012, the Fourth Supplemental Resolution was amended to allow an increase in the program up to \$200 million. The credit facility has been amended several times over the years, in different amounts and with different banks participating. JPMorgan Chase is the acting agent under the current reimbursement agreement.

The Forty-third Supplement extends this commercial paper notes program at \$150 million for three to five years to the spring of 2027 to 2029 to give LCRA TSC capacity in its short-term debt facility, delaying long-term financing of outstanding commercial paper notes, and also authorizes certain related agreements. The Reimbursement Agreement supporting the Tax-Exempt Series CP will specify the current bank group, market pricing and amount of the credit facility of \$150 million. With this action, the Board will authorize the president and chief executive officer or his designee to negotiate and execute the Reimbursement Agreement and all related documents.

LCRA issues the Tax-Exempt Series CP on behalf of LCRA TSC to reimburse for eligible expenses and maintains a level of short-term debt until such time as market conditions are favorable for refunding that short-term debt with long-term bonds. BofA Securities, Inc. is the LCRA dealer for the commercial paper program. The Bank of New York Mellon Trust Company is the paying agent for the Tax-Exempt Series CP.

Presenter(s)

Jim Travis

Treasurer and Chief Financial Officer

FOR ACTION

5. Acquisition of Interests in Real Property – Use of Eminent Domain in Gillespie and Kendall 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 Peach to Headwaters (T288) and Kendall to Fredericksburg (T120) 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 – 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 Gillespie and Kendall counties 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 an initial offer to acquire the necessary interests in real property voluntarily from the landowners listed on Exhibit C, as required by Section 21.0113 of the Texas Property Code. Staff will continue to negotiate for the purchase of the interests in real property. Staff seeks Board authorization to proceed with condemnation if an agreement cannot be reached with the landowner(s).

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

Staff requests that the Board adopt the resolution in Exhibit D authorizing the initiation of condemnation proceedings on the first record vote for all units of property.

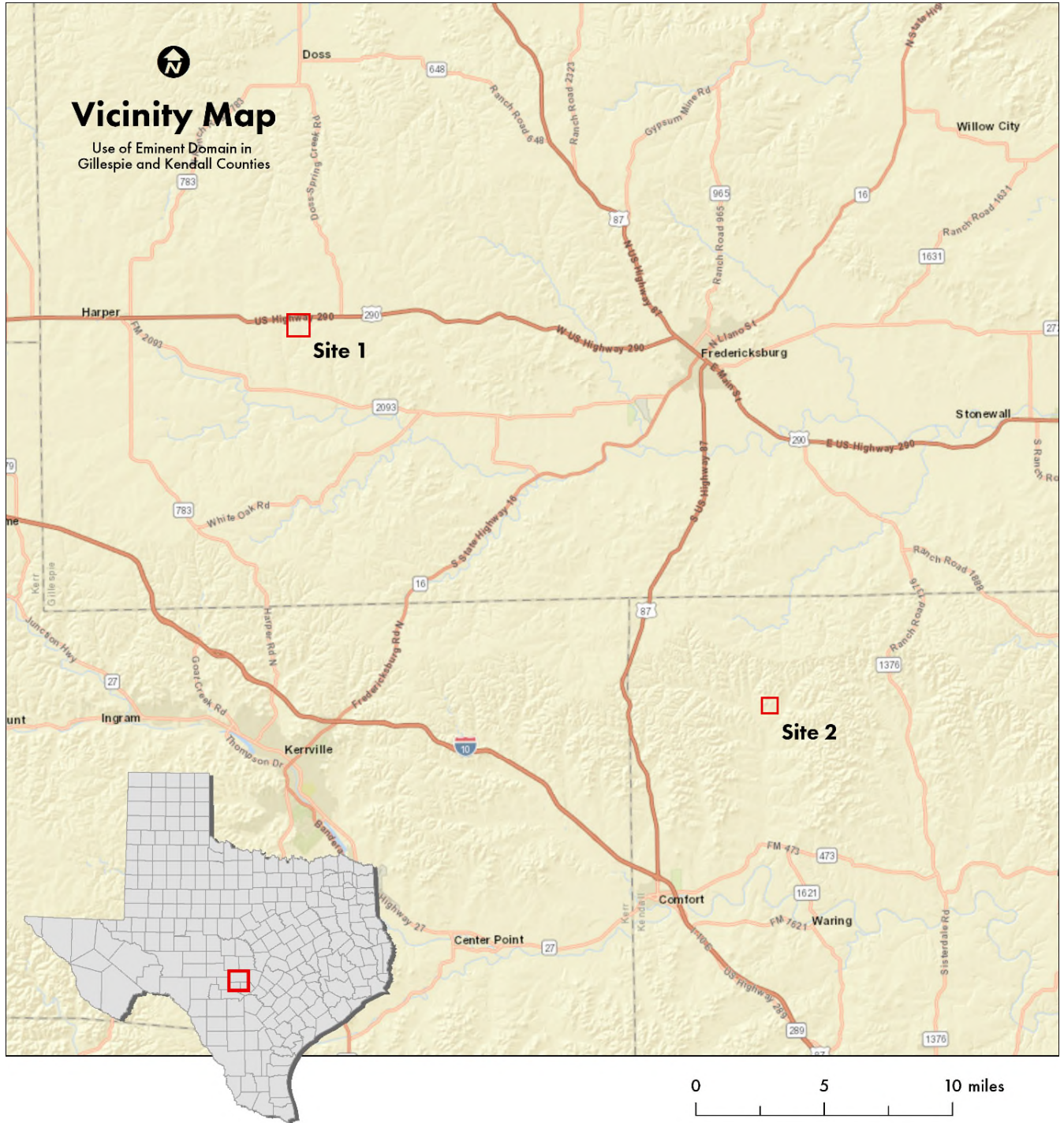
Presenter(s)

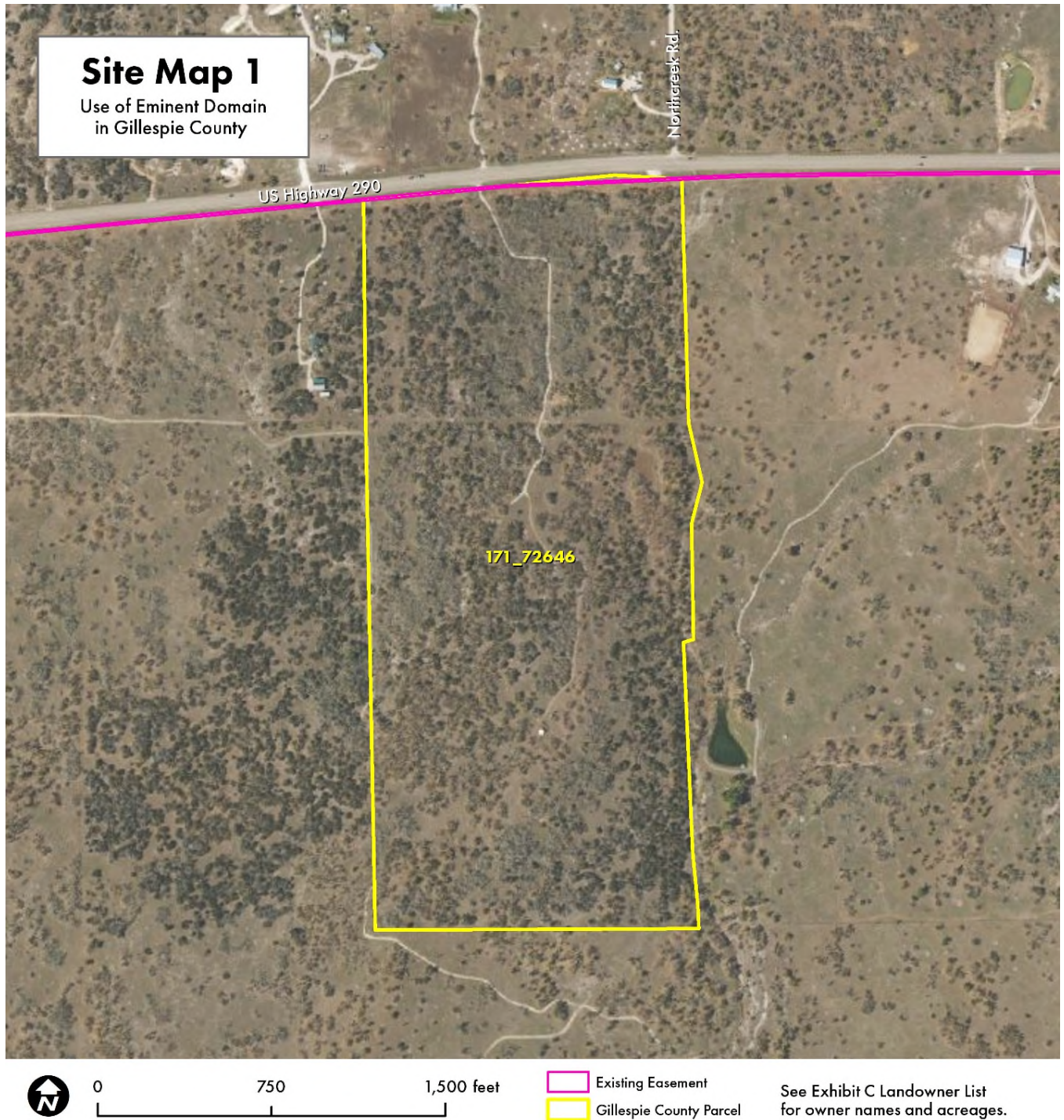
Mark Sumrall
Vice President, Real Estate Services

Exhibit(s)

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

EXHIBIT A





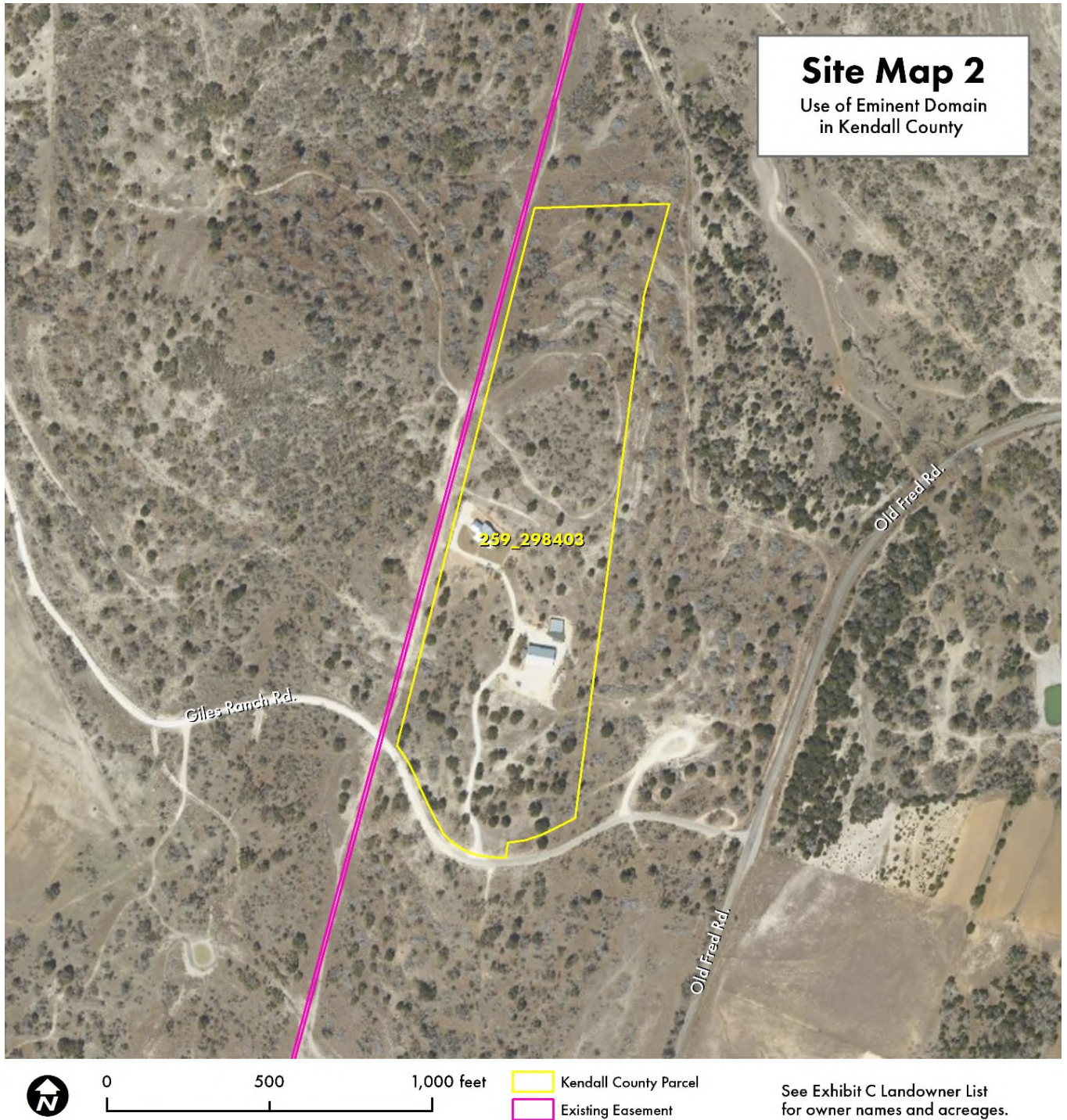


EXHIBIT C

Tract ID	Landowner	Approximate Parent Tract Acreage	Land Rights	Approximate Easement Acreage	County	Approximate Value
171_72646	Kenneth Sprowl	100 acres	Third-Party Communication	1.56 acres	Gillespie	\$702
259_298403	Thomas Nixon	22.6 acres	Third-Party Communication	0.39 acre	Kendall	\$166

EXHIBIT D

Page 1 of 2

PROPOSED MOTION

I MOVE THAT THE LCRA TRANSMISSION SERVICES CORPORATION BOARD OF DIRECTORS ADOPT THE ATTACHED RESOLUTION; THAT THE BOARD AUTHORIZE BY RECORD VOTE THE USE OF THE POWER OF EMINENT DOMAIN TO ACQUIRE RIGHTS IN THE PROPERTIES DESCRIBED IN EXHIBIT 1 TO THE RESOLUTION FOR THE ACQUISITION OF EASEMENT AMENDMENTS NECESSARY TO PROVIDE, ON BEHALF OF LCRA AND AT LCRA'S EXPENSE, FOR COMMUNICATIONS AND TO FACILITATE BROADBAND SERVICES ON THE PEACH TO HEADWATERS (T288) AND KENDALL TO FREDERICKSBURG (T120) 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 GILLESPIE AND KENDALL 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 Gillespie and Kendall 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 fair market value of the subject interests in real property and that it should appear that further

EXHIBIT D

Page 2 of 2

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).

EXHIBIT 1

GI0007449
*no spouse
no debt*

33

Form 21 G
Rev. 5-50

THE STATE OF TEXAS, 0
County of Hill 0

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned
for a good and valuable consideration, the receipt of which is hereby acknowledged,
does hereby grant unto the CENTRAL TEXAS ELECTRIC COOPERATIVE, INC., a corporation,
whose postoffice address is FREDERICKSBURG, TEXAS, and its successors or assigns,
the right to enter upon the lands of the undersigned, situated in the County of _____
Hill State of Texas, and more particularly described as follows:

A tract of land located approximately 17 miles West
(Show direction above)
from the town of Fredericksburg, and bounded

on the north by land owned by:
Highway #290;

on the south by land owned by:
Albert Maner;

on the east by land owned by:
Elmer Ellenbracht;

and on the west by land owned by:
Mrs Wm. Cornell;

and to place, construct, operate, repair, maintain, relocate and replace thereon
and in or upon all streets, roads, or highways abutting said lands an electric trans-
mission ~~or distribution line~~ or system, ~~telephone lines~~, and to cut and trim trees
and shrubbery to the extent necessary to keep them clear of said electric line or
system and to cut down from time to time all dead, weak, leaning or dangerous trees
that are tall enough to strike the wires in falling;

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, operating, repairing, main-
taining, relocating, replacing and removing said lines and appurtenances.

In granting this easement it is understood that at pole locations, only a single pole
and appurtenances will be used, and that the location of the poles will be such as to
form the least possible interference to farm operations, so long as it does not mater-
ially increase the cost of construction.

The undersigned covenants that he is the owner of the above described lands and that
the said lands are free and clear of encumbrances and liens of whatsoever character
except those held by the following persons:

This easement restricted to a line along south
fence line of Highway #290.

It is further understood that, whenever necessary, words used in this instrument in
the singular shall be construed to read in the plural and that words used in the
masculine gender shall be construed to read in the feminine.

IN WITNESS WHEREOF, the undersigned has set his hand and seal this 25th day of
February, 1954.

Arthur Feller L.S.

Sealed and delivered
in the presence of: April 17, 1954 → Mrs Arthur Feller, L.S.

E0000066-8

(DB-1)

THE STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS:

County of Kendall

That We, Walter & Otto Barth of Kendall County, Texas, for and in consideration of the sum of Five Hundred Dollars \$500.00 DOLLARS to us cash in hand paid by WEST TEXAS UTILITIES COMPANY, a private Corporation, the receipt of which is hereby acknowledged, have bargained, sold and conveyed and by these presents do hereby bargain, sell and convey unto the said WEST TEXAS UTILITIES COMPANY, a private corporation, its successors and assigns, an easement and right of way across the following described real estate situated in

Kendall County, Texas, with the right to construct, operate, patrol, maintain and repair its transmission line, including a private telephone line along said easement for said purposes, and including necessary poles, and fixtures, and authority for cutting and trimming all trees along the line necessary to keep the wires cleared, and with the right to set the necessary guy and brace poles, and attach to trees and to maintain the needed guy wires, together with the right of ingress and egress across said property for the above named purposes. Said real estate across which said easement is granted being described as follows:

see attached sheet for description of lands

Said Easement along which said line of transmission extends is described as follows:

Beginning at a point in the S. B. line of the above described property 103.80 feet W of the S. E. corner, thence N 15° 39' E 18.90 feet across said property to a point in the N. B. line, 951.0 feet W of the N. E. corner.

TO HAVE AND TO HOLD the above described easement, rights and privileges unto the said WEST TEXAS UTILITIES COMPANY, its successors and assigns forever so long as same are used for said purposes.

And we hereby warrant unto said WEST TEXAS UTILITIES COMPANY its successors and assigns that we have the title to said property and the right to convey said easement and that we will forever warrant and defend the title to same to the said West Texas Utilities Company, its successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof so long as said easement is used for said purposes for which it is granted.

Witness our hands this 14th day of July, A. D. 1926.

Walter Barth
Otto Barth

THE STATE OF TEXAS,

COUNTY OF _____

Before me, the undersigned authority on this day personally appeared _____

known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that _____ executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the _____ day of _____, A. D. 19____.

THE STATE OF TEXAS,

COUNTY OF Kendall

Before me, the undersigned authority on this day personally appeared Otto Barth and

Walter Barth his brother both known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they each executed the same for the purposes and consideration therein expressed, and the said Walter Barth his brother of Otto Barth having

been examined by me privily and apart from his brother, and having the same fully explained to him the said _____

Walter Barth acknowledged such instrument to be his act and deed, and he declared that he had willingly signed the same for the purposes and consideration therein expressed, and that he did not wish to retract it.

Given under my hand and seal of office this the 14th day of July, A. D. 1926.

Ed Keller, P. Comfort Jones
Notary Public

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