

LCRA Transmission Services Corporation

Board Agenda

Tuesday, April 19, 2022

Ellinger Chamber of Commerce Community Center

104 W. Colorado Sky St.

Ellinger, TX 78938

Earliest start time: 11 a.m.

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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

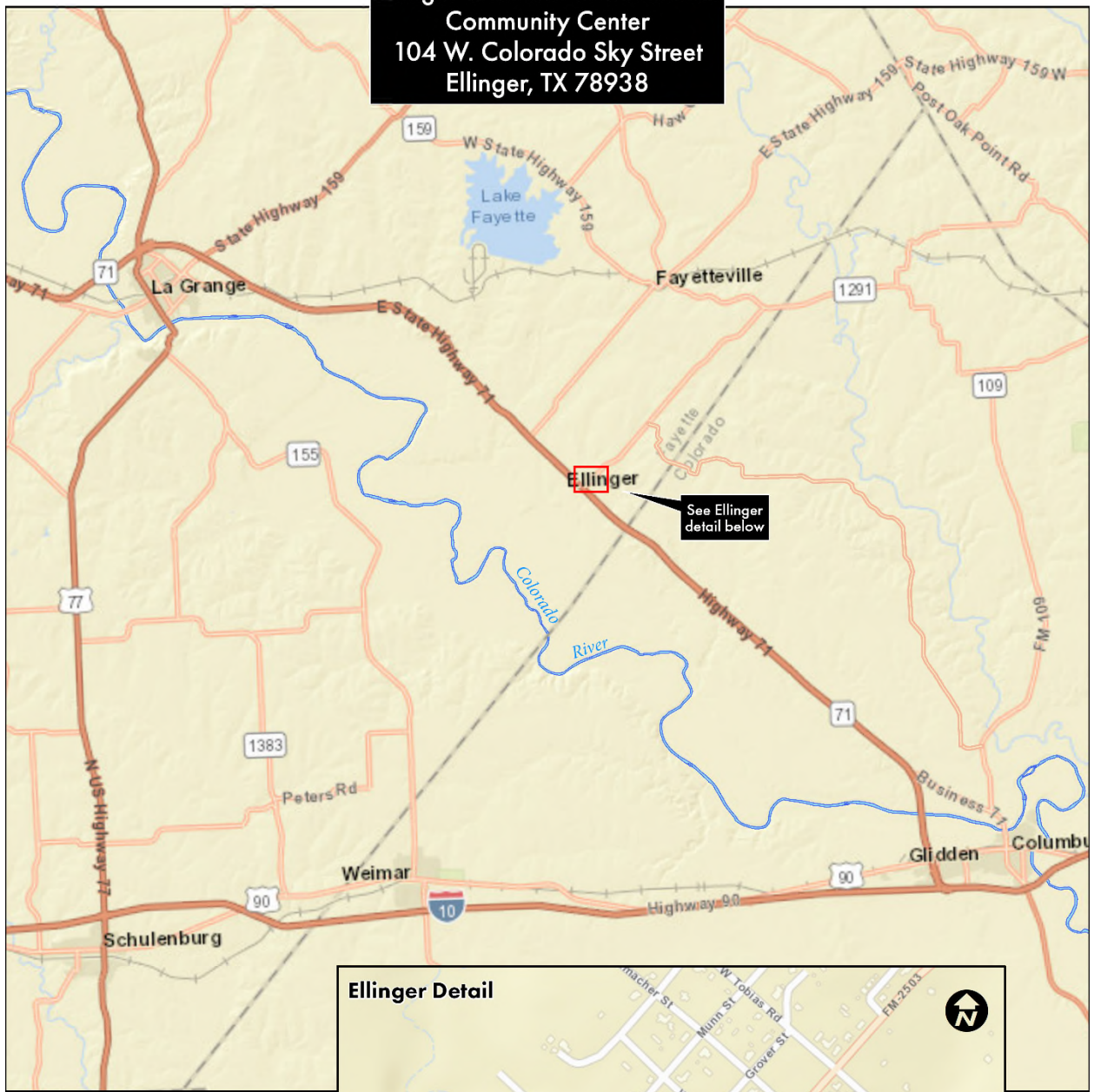
In connection with the implementation of retail competition in the electric utility industry in the state of Texas, LCRA was required by the Texas Legislature in its amendments to the Public Utility Regulatory Act (enacted in 1999 under state legislation known as Senate Bill 7, and referred to as SB 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.

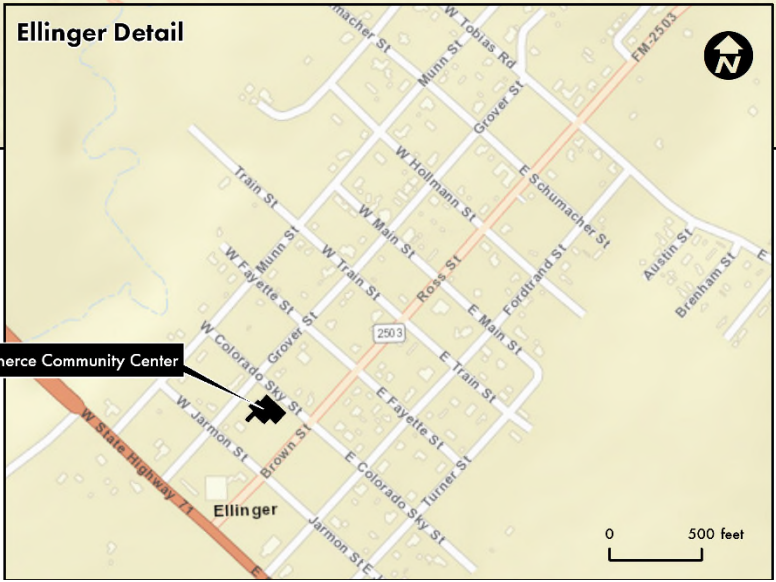
Within the framework of SB 7, LCRA TSC implements the electric transmission business of LCRA, including the expansion of electric transmission services outside of LCRA's traditional electric service territory. LCRA personnel are responsible for performing all of LCRA TSC's activities pursuant to a services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

**Ellinger Chamber of Commerce
Community Center
104 W. Colorado Sky Street
Ellinger, TX 78938**



0 2 miles



Ellinger Chamber of Commerce Community Center

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 March 23, 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 March 23, 2022, meeting

EXHIBIT A

Minutes Digest
March 23, 2022

- 22-06 Appointment of Leigh Sebastian as secretary of LCRA Transmission Services Corporation.

- 22-07 Approval of the minutes of the Feb. 23, 2022, meeting.

- 22-08 Approval of an amendment to the Fiscal Year 2022 LCRA Transmission Services Corporation Capital Plan to increase authorization for capital spending in FY 2022 from \$406.8 million to \$445 million.

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF
LCRA TRANSMISSION SERVICES CORPORATION
Austin, Texas
March 23, 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 10:07 a.m. Wednesday, March 23, 2022, in the Board Room of the Hancock Building, at the principal office of the Lower Colorado River Authority, 3700 Lake Austin Blvd., Austin, Travis County, Texas. The following directors were present, constituting a quorum:

Timothy Timmerman, Chair
Stephen F. Cooper, Vice Chair
Michael L. "Mike" Allen
Matthew L. "Matt" Arthur
Melissa K. Blanding
Joseph M. "Joe" Crane
Laura D. Figueroa
Carol Freeman
Raymond A. "Ray" Gill Jr.
Robert "Bobby" Lewis
Thomas Michael Martine
Margaret D. "Meg" Voelter
Martha Leigh M. Whitten
Nancy Eckert Yeary

Absent: Thomas L. "Tom" Kelley

Chair Timmerman convened the meeting at 10:07 a.m.

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

The Board next took action on the consent agenda. Upon motion by Director Crane, seconded by Director Yeary, the Board unanimously approved consent items 2 and 3 by a vote of 14 to 0 as follows:

22-06 Appointment of Leigh Sebastian as secretary of LCRA Transmission Services Corporation effective immediately, as recommended in Consent Item 2 [attached hereto as Exhibit A].

22-07 Approval of the minutes of the Feb. 23, 2022, meeting [Consent Item 3].

22-08 Vice President and Chief Operating Officer Kristen Senechal presented for consideration a staff recommendation, described in Agenda Item 4 [attached hereto as

Exhibit B], that the Board approve an amendment to the Fiscal Year 2022 LCRA Transmission Services Corporation Capital Plan to increase authorization for capital spending in FY 2022 from \$406.8 million to \$445 million. Upon motion by Director Lewis, seconded by Director Martine, the recommendation was unanimously approved by a vote of 14 to 0.

There being no further business to come before the Board, the meeting was adjourned at 10:09 a.m.

Leigh Sebastian
Secretary
LCRA Transmission Services Corporation
Approved: April 19, 2022

FOR ACTION

3. Capital Improvement Projects Approval

Proposed Motion

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

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 2022 capital plan.
- The GPI Switch to Loop 337 Fiber Restoration project is presented as a ratification as this project work is underway due to the need for immediate system restoration in response to failed equipment.
- Staff will monitor the FY 2022 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
Service Reliability Projects						
Buchanan CTEC to Pittsburg Transmission Line Overhaul	1.0	23.9	-	-	-	24.9
Containment Structure – FY 2022 System Upgrade	0.5	11.0	-	-	-	11.5
Fayetteville to Salem Transmission Line Upgrade	1.3	42.0	34.5	-	-	77.8
GPI Switch to Loop 337 Fiber Restoration*	1.8	-	-	-	-	1.8
Total	4.6	76.9	34.5	-	-	116.0

**Ratification due to need for immediate system restoration in response to failed equipment.*

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

EXHIBIT B

Project Details

Project Name: Buchanan CTEC to Pittsburg Transmission Line Overhaul

Project Number: 1024836

Lifetime Budget: \$24.9 million

Description: The project will overhaul the Buchanan CTEC to Pittsburg 69-kilovolt 14.6-mile transmission line located in Llano County. The project scope includes routine work such as replacing structures and conductor to support operation at 138-kV and meet current LCRA TSC design standards. The recommended project completion date is June 30, 2023.

Project Name: Containment Structure – FY 2022 System Upgrade

Project Number: 1025812

Lifetime Budget: \$11.5 million

Description: The project will install containment structures on the Dimmit to Rosita Creek and Bellville North to Highway 36 138-kV transmission lines in Dimmit and Maverick counties. The project scope includes replacing existing structures with steel monopoles and is intended to mitigate cascading failures due to accidental or environmental events. The recommended project completion date is May 15, 2023.

Project Name: Fayetteville to Salem Transmission Line Upgrade

Project Number: 1023804

Lifetime Budget: \$77.8 million

Description: The project will increase the reliability and capacity of transmission facilities on the Fayetteville to Salem 138-kV and FPP Yard No. 1 to Salem 345-kV 19.3-mile double-circuit transmission line in Austin, Fayette and Washington counties. The project scope includes replacing structures and conductor and adding optical ground wire. The recommended project completion date is May 15, 2024.

Project Name: GPI Switch to Loop 337 Fiber Restoration*

Project Number: 1027886

Lifetime Budget: \$1.8 million

Description: The project will upgrade the optical ground wire between the GPI Switchyard and Loop 337 Substation in Comal County. The project scope includes replacing existing failed OPGW with higher capacity fiber and is intended to improve reliability of the fiber backbone along the I-35 corridor. The recommended project completion date is June 30, 2022.

**Ratification due to need for immediate response to failed equipment.*

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