
LCRA BOARD POLICY

102 – AUTHORITY AND RESPONSIBILITIES

Sept. 21, 2016

102.10 PURPOSE

This policy defines the relationship between the LCRA Board of Directors and the management of LCRA through the description of responsibilities and expectations and through the establishment of guidelines for the delegation of certain powers and duties.

102.20 POLICY

102.201 Responsibilities of the Board of Directors. The Board of Directors (Board) will establish the overall goals and objectives of LCRA, review them on an ongoing basis and adopt Board policies setting forth desired direction of management actions to attain such goals and objectives. The Board will approve an annual business plan that provides funding for the realization of those goals and objectives.

The Board will consider and establish policies in the public interest. The Board will faithfully discharge its public trust by conducting its affairs in a highly moral, ethical and sound business manner. Board members, collectively and severally, will not direct the policies and actions of LCRA from perspectives of private gain or personal advantage.

102.202 Delegations to the GM/CEO. The Board of Directors delegates to the GM/CEO all general powers and duties in the LCRA enabling legislation, other applicable law, LCRA bylaws and Board policies necessary to accomplish LCRA's purpose, plans and objectives as approved by the Board, except for those specifically reserved for the Board by provisions of the LCRA enabling legislation, bylaws, Bond resolutions and other Board policies. Notable exceptions include:

- A. Authorization to borrow money or approve bond resolutions.
- B. Approval of agreements related to joint ownership of generating facilities.
- C. Setting rates charged for water and power.
- D. Approval of sale of any real property.
- E. Approval of certain contracts and purchase orders for the acquisition of consulting services, materials, supplies, equipment and related services, in accordance with related Board policies.

The Board will articulate clear and coherent goals and statements of its expectations through its policies and plans.

102.203 Responsibilities of the GM/CEO. The GM/CEO, as the chief executive officer of LCRA, is responsible for carrying out the business and activities of LCRA according to state law, the LCRA bylaws, and Board policies.

The GM/CEO may delegate in writing any general powers, duties and related authorities, as deemed appropriate, to officers and staff members.

The GM/CEO is responsible for bringing policy matters to the attention of the Board when its current policies give inadequate direction to LCRA operations or leave LCRA at a disadvantage because of changing conditions. The GM/CEO will provide thorough, well-organized information to the Board in a timely manner. Communications to the Board will be made forthrightly and with candor in the evaluation of the conduct of business and operations of LCRA.

The GM/CEO will ensure appropriate contracting procedures are developed and implemented.

102.30 PROCEDURES

102.301 Goals and Priorities. As provided in the bylaws, the GM/CEO each year will present to the Board objectives, goals and priorities for its consideration. These goals will clearly establish the Board's direction in key areas of LCRA affairs.

102.302 Annual Budget. The GM/CEO will present to the Board an annual business plan that will include operating and capital budgets to carry out the Board's goals and priorities. The business plan will include projections of LCRA's overall financial performance and capital financing plans and describe the projects, programs, and the associated revenues and expenditures for the next fiscal year.

Adoption of the business plan authorizes the GM/CEO to complete work plans and make associated expenditures within budgets as provided for in accordance with Board policies. The GM/CEO will provide quarterly updates that include indicators of performance toward key goals, actual revenues and expenditures compared to budget, future financial performance projections, and status of major capital projects. The resolution adopting the budget will establish the amount that may not be exceeded without Board approval and the guidelines for approving amendments, reallocations or adjustments to the capital and operating budgets.

102.40 AUTHORITY

LCRA enabling legislation, Chapter 8503, Special District Local Laws Code
LCRA bylaws, sections 3.02, 6.01, 6.02

EFFECTIVE: December 1984. Amended Dec. 14, 1989; Oct. 25, 1991; Sept. 22, 1994; Dec. 15, 1999; March 22, 2000; July 1, 2002; Nov. 19, 2003; Dec. 14, 2011; and Sept. 21, 2016.