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## LCRA BOARD POLICY

### 107 – PROCESS OF EVALUATING THE GENERAL MANAGER/CHIEF EXECUTIVE OFFICER AND GENERAL AUDITOR

Sept. 21, 2016

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#### 107.10 PURPOSE

This policy establishes the process and guidelines for an annual performance evaluation of the LCRA Board of Directors' direct reports, which include the GM/CEO and the general auditor.

#### 107.20 EVALUATION

The purpose of each evaluation is to provide feedback and a forum for discussion between the Board and the Board's direct reports of issues surrounding successful implementation of Board policies, goals and objectives. Specifically, the Board will hold the direct reports accountable for achieving specific objectives approved by the Board. The direct reports will deliver their objectives for the coming year to the Board at each year's annual evaluation.

**107.201 GM/CEO:** The Board annually will evaluate the performance of the general manager as the chief executive officer responsible for the business operations and activities of the organization.

**107.202 General Auditor:** The Board annually will evaluate the performance of the general auditor. In general, the Board will evaluate the general auditor's execution of his or her responsibilities, powers and duties assigned by the Board in the bylaws and Board Policy 221 – Auditors, including the specific objectives approved by the Board.

#### 107.30 EVALUATION PROCESS

The Executive Committee of the Board will implement the review process for the GM/CEO. The Audit and Risk Committee will implement the review process for the general auditor. The GM/CEO and general auditor each will provide the respective committees a written self-evaluation of their past fiscal year's performance and goals for the next year. The committee will solicit input from the remainder of the Board and may solicit from the LCRA staff reporting directly to the GM/CEO and general auditor. The Audit and Risk Committee also may ask the GM/CEO to perform a preliminary evaluation of the general auditor.

Annually, the committees will review the self-evaluations, and Board members' and staff input, and then prepare a summary written evaluation of the last fiscal year, a

recommendation regarding the goals for the coming fiscal year and a recommendation regarding compensation. The committee must provide each director a copy of the evaluation and any compensation recommendations. Except as otherwise required by law, the entire Board will meet with each direct report in executive session to discuss each specific review. The Board will vote in open session on the goals for the coming fiscal year and any adjustments in compensation.

**107.40      AUTHORITY**

LCRA enabling legislation, Section 8503.007, Texas Special District Local Laws Code  
LCRA bylaws, sections 3.02 and 4.02

**EFFECTIVE:** Feb. 20, 1997. Amended June 21, 2000; Sept. 17, 2003; Sept. 17, 2008;  
June 15, 2011; Aug. 15, 2012; and Sept. 21, 2016.