

WSC Energy II
Board Agenda
Wednesday, May 10, 2017
LCRA Board Room
Austin

Consent Items

- 1. Minutes of Prior Meeting 2

Action / Discussion Items

- 2. Fiscal Year 2018 WSC Energy II Business Plan 6

Legal Notice

Although this is the expected agenda, the Board may discuss or take action on any item listed in the legal notice, which may include some items not currently on the Board agenda. Legal notices are available on the Texas Secretary of State website 72 hours prior to the meeting at the following link: <http://www.sos.state.tx.us/open/>.

Executive Session

The Board may go into executive session for deliberation on the matters listed in the legal notice posted pursuant to Chapter 551 of the Texas Government Code.

The Board may take final action on any of the executive session matters upon reconvening in open session pursuant to Chapter 551 of the Texas Government Code.

OVERVIEW OF WSC ENERGY II

WSC Energy II is a nonprofit corporation created under Chapter 152 of the Texas Water Code, as amended, and operating under Chapter 32 of the Texas Utilities Code, as amended. The LCRA Board of Directors appoints the WSC Energy II Board of Directors and approves WSC Energy II’s annual budget and any WSC Energy II debt. WSC Energy II has no employees, and operations are provided by LCRA employees.

FOR ACTION (CONSENT)

1. Minutes of Prior Meeting

Proposed Motion

Approve the minutes of the May 18, 2016, meeting.

Board Consideration

Section 4.06 of the WSC Energy II bylaws require 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 May 18, 2016, meeting

EXHIBIT A

Minutes Digest
May 18, 2016

- 16-01 Approval of the bylaws of WSC Energy II.

- 16-02 Appointment of the following officers of WSC Energy II: Phil Wilson, president and chief executive officer; Ken price, vice president and chief operating officer; Richard Williams, treasurer and chief financial officer; Thomas E. Oney, Secretary; Michael McCluskey, vice president; and Randa Stephenson, vice president.

- 16-03 Adoption of a resolution approving the fiscal year 2017 business plan for WSC Energy II.

MINUTES OF THE ORGANIZATIONAL MEETING OF THE
BOARD OF DIRECTORS OF
WSC ENERGY II
Austin, Texas
May 18, 2016

Pursuant to notice posted in accordance with the Texas Open Meetings Act, the Board of Directors (Board) of WSC Energy II convened in an organizational meeting at 8:40 a.m. Wednesday, May 18, 2016, in the Board Room of the Hancock Building, at the principal office of the Lower Colorado River Authority (LCRA), 3700 Lake Austin Blvd., Austin, Travis County, Texas. The meeting was open to the public, and the following directors were present, constituting a quorum:

Timothy Timmerman, Chair
Thomas Michael Martine, Vice Chair
Lori A. Berger
Stephen F. "Steve" Cooper
Joseph M. "Joe" Crane
Pamela Jo "PJ" Ellison
John M. Franklin
Raymond A. "Ray" Gill Jr.
Charles B. "Bart" Johnson
Sandra Wright "Sandy" Kibby
Robert "Bobby" Lewis
George W. Russell
Franklin Scott Spears Jr.
Martha Leigh M. Whitten

Absent: Steve K. Balas

Chair Timmerman convened the meeting at 8:40 a.m.

16-01 Chief Commercial Officer Ken Price presented for consideration a staff recommendation, described in Agenda Item 1 [attached hereto as Exhibit A], that the Board approve the bylaws of WSC Energy II. Upon motion by Director Berger, seconded by Director Lewis, the recommendation was unanimously approved by a vote of 14 to 0.

16-02 Chief Commercial Officer Ken Price presented for consideration a staff recommendation, described in Agenda Item 2 [attached hereto as Exhibit B], that the Board appoint the following officers of WSC Energy II: Phil Wilson, president and chief executive officer; Ken price, vice president and chief operating officer; Richard Williams, treasurer and chief financial officer; Thomas E. Oney, Secretary; Michael McCluskey, vice president; and Randa Stephenson, vice president. Upon motion by Director Russell, seconded by Director Cooper, the recommendation was unanimously approved by a vote of 14 to 0.

16-03 Director of Financial Planning and Analysis Stephen Kellicker presented for consideration a staff recommendation, described in Agenda Item 3 [attached hereto as Exhibit C], that the Board adopt a resolution approving the fiscal year 2017 business plan for WSC Energy II. Upon motion by Director Gill, seconded by Director Spears, 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 8:45 a.m.

Thomas E. Oney
Secretary
WSC Energy II

FOR ACTION

2. Fiscal Year 2018 WSC Energy II Business Plan

Proposed Motion

Adopt a resolution (Exhibit A) approving the fiscal year 2018 business plan for WSC Energy II.

Board Consideration

Section 5.01 of the WSC Energy II bylaws requires approval of a business plan by the WSC Energy II and LCRA boards prior to the start of each fiscal year.

Budget Status and Fiscal Impact

This FY 2018 business plan does not include an operating budget or projections of financial performance due to a lack of substantive sales and expense forecasts. The business plan does not include any capital component.

Summary

The Board received a draft of the WSC Energy II FY 2018 business plan for a work session on April 12, 2017. Approval of the WSC Energy II FY 2018 business plan provides authorization for all expenditures and plans in the business plan and approves the budget for WSC Energy II.

Staff provided to the Board, under separate cover, the formal WSC Energy II FY 2018 Business Plan document, incorporating key policy elements from the April work session.

Presenter(s)

Richard Williams
LCRA Chief Financial Officer

Exhibit(s)

A – WSC Energy II Board Resolution approving the FY 2018 Business Plan for WSC Energy II

EXHIBIT A

WSC ENERGY II BOARD RESOLUTION APPROVING THE FISCAL YEAR 2018 BUSINESS PLAN for WSC Energy II

BE IT RESOLVED, that the Board hereby adopts and approves the Fiscal Year (FY) 2018 Business Plan for LCRA WSC Energy II.

The WSC Energy II FY 2018 business plan is presented to the Board under separate cover as a confidential competitive electric matter.

The Board recognizes that through its normal agenda process it will approve capital projects and other major expenditures not included in the business plan, and the president and chief executive officer is instructed to inform the Board when a capital project or other major expenditure is proposed on the agenda that significantly changes or varies from the approved budget in accordance with LCRA financial policy. Furthermore, the president and chief executive officer shall provide the Board with monthly financial reports and quarterly business plan updates describing the progress toward the accomplishment of LCRA WSC Energy II's goals within the budgeted amounts approved by the Board.

Adoption of the FY 2018 Business Plan provides authorization for all expenditures and plans in the business plan and approves the budget for WSC Energy II, as required by state law. Individual purchases and contracts to implement the business plan fall under various state laws and Board policies, and may require additional approval.

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