

LCRA Wholesale Energy Services Corporation

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 LCRA Wholesale Energy Services Corporation
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

LCRA Wholesale Energy Services Corporation, known as WSC Energy, 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 Board of Directors and approves WSC Energy’s annual budget and any WSC Energy debt. WSC Energy has no employees, and operations are provided by LCRA employees through a services agreement.

FOR ACTION (CONSENT)

1. Minutes of Prior Meeting

Proposed Motion

Approve the minutes of the Aug. 17, 2016, meeting.

Board Consideration

Section 4.06 of the LCRA Wholesale Energy 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 Aug. 17, 2016, meeting

EXHIBIT A

Minutes Digest
Aug. 17, 2016

- 16-04 Approval of the minutes of the May 18, 2016, meeting.
- 16-05 Approval of amendments to LCRA WSC Energy Board Policy E102 - Authority and Responsibilities.

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE
LCRA WHOLESAL ENERGY SERVICES CORPORATION
Austin, Texas
Aug. 17, 2016

Pursuant to notice posted in accordance with the Texas Open Meetings Act, the Board of Directors (Board) of the LCRA Wholesale Energy Services Corporation (LCRA WSC Energy) convened in a regular meeting at 9:11 a.m. Wednesday, Aug. 17, 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
Steve K. Balas
Lori A. Berger
Stephen F. "Steve" Cooper
Pamela Jo "PJ" Ellison
John M. Franklin
Raymond A. "Ray" Gill Jr.
Sandra Wright "Sandy" Kibby
Robert "Bobby" Lewis
George W. Russell
Franklin Scott Spears Jr.
Martha Leigh M. Whitten

Absent: Joseph M. "Joe" Crane
Charles B. "Bart" Johnson

Chair Timmerman convened the meeting at 9:11 a.m. and led the Board in pledges of allegiance to the American and Texas flags. Director Spears provided an invocation.

16-04 Upon motion by Director Berger, seconded by Director Balas, the Board unanimously approved the minutes of the May 18, 2016, meeting [Consent Item 1] by a vote of 13 to 0.

16-05 Vice President and Chief Operating Officer Ken Price presented for consideration a staff recommendation, described in Agenda Item 2 [attached hereto as Exhibit A], that the Board approve amendments to LCRA WSC Energy Board Policy E102 - Authority and Responsibilities. Upon motion by Director Spears, seconded by Director Franklin, the recommendation was unanimously approved by a vote of 13 to 0.

There being no further business to come before the Board, the meeting was adjourned at 9:14 a.m.

Thomas E. Oney
Secretary
LCRA Wholesale Energy Services Corporation

FOR ACTION

2. Fiscal Year 2018 LCRA Wholesale Energy Services Corporation Business Plan

Proposed Motion

Adopt a resolution (Exhibit A) approving the fiscal year 2018 business plan for LCRA Wholesale Energy Services Corporation (WSC Energy).

Board Consideration

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

Budget Status and Fiscal Impact

The proposed business plan and the budgets included therein provide targets for revenue, operating and maintenance expenses, and capital spending for FY 2018.

Summary

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

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

Presenter(s)

Richard Williams
Treasurer and Chief Financial Officer

Exhibit(s)

A – LCRA Wholesale Energy Services Corporation Board Resolution approving the FY 2018 Business Plan for LCRA Wholesale Energy Services Corporation

EXHIBIT A

LCRA WHOLESALE ENERGY SERVICES CORPORATION BOARD RESOLUTION APPROVING THE FISCAL YEAR 2018 BUSINESS PLAN for LCRA Wholesale Energy Services Corporation

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

The LCRA Wholesale Energy Services Corporation FY 2018 operating and capital budget 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 Wholesale Energy Services Corporation'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 LCRA Wholesale Energy Services Corporation, 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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