

LCRA WSC Energy II
Board Agenda
Wednesday, May 16, 2018
LCRA Board Room
Austin

Consent Items

- 1. Minutes of Prior Meeting 2

Action / Discussion Items

- 2. Fiscal Year 2019 WSC Energy II Business Plan 7

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 Section 32.053 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 Meetings

Proposed Motion

Approve the minutes of the May 10, 2017, and April 18, 2018, meetings.

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 10, 2017, meeting
- B – Minutes of April 18, 2018, meeting

EXHIBIT A

Minutes Digest
May 10, 2017

- 17-01 Approval of the minutes of the May 18, 2016, meeting.

- 17-02 Adoption of a resolution approving the fiscal year 2018 business plan for WSC Energy II.

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF
WSC ENERGY II
Austin, Texas
May 10, 2017

Pursuant to notice posted in accordance with the Texas Open Meetings Act, the Board of Directors (Board) of WSC Energy II convened in a regular meeting at 9:09 a.m. Wednesday, May 10, 2017, 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
Joseph M. "Joe" Crane
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: Pamela Jo "PJ" Ellison

Chair Timmerman convened the meeting at 9:09 a.m.

17-01 Upon motion by Director Lewis, seconded by Director Berger, the Board unanimously approved the minutes of the May 18, 2016, meeting [Consent Item 1] by a vote of 14 to 0.

17-02 Director of Financial Planning and Analysis Stephen Kellicker presented for consideration a staff recommendation, described in Agenda Item 2 [attached hereto as Exhibit A], that the Board adopt a resolution approving the fiscal year 2018 business plan for WSC Energy II. Staff presented the plan to the Board at a work session on April 12. Upon motion by Director Lewis, seconded by Director Whitten, 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 9:11 a.m.

Thomas E. Oney
Secretary
WSC Energy II

Approved: May 16, 2018

MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF
WSC ENERGY II
Burnet, Texas
April 18, 2018

Pursuant to notice posted in accordance with the Texas Open Meetings Act, the Board of Directors (Board) of WSC Energy II convened in a special meeting at 8:22 a.m. Wednesday, April 18, 2018, in the Live Oak Room at Canyon of the Eagles Nature Park, 16942 Ranch Road 2341, Burnet, Burnet 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
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

Chair Timmerman convened the meeting at 8:22 a.m. The Board next took action on the agenda item for this special meeting.

18-01 Upon motion by Director Johnson, seconded by Director Balas, the Board unanimously appointed James D. Travis as treasurer and chief financial officer of WSC Energy II effectively immediately, as recommended in Consent Item 1 [attached hereto as Exhibit A], by a vote of 15 to 0.

There being no further business to come before the Board, the meeting was adjourned at 8:23 a.m.

Thomas E. Oney
Secretary
WSC Energy II

Approved: May 16, 2018

FOR ACTION

2. Fiscal Year 2019 LCRA WSC Energy II Business Plan

Proposed Motion

Adopt a resolution (Exhibit A) approving the fiscal year 2019 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 2019 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 2019 business plan for a work session on April 18, 2018. Approval of the WSC Energy II FY 2019 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 2019 business plan document, incorporating key policy elements from the April work session.

Presenter(s)

Jim Travis
LCRA Chief Financial Officer

Exhibit(s)

A – WSC Energy II Board Resolution approving the FY 2019 Business Plan for WSC Energy II

EXHIBIT A

WSC ENERGY II BOARD RESOLUTION APPROVING THE FISCAL YEAR 2019 BUSINESS PLAN for WSC Energy II

BE IT RESOLVED, that the Board hereby adopts and approves the Fiscal Year (FY) 2019 Business Plan for LCRA WSC Energy II.

The WSC Energy II FY 2019 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 2019 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.