
LCRA TRANSMISSION SERVICES CORPORATION BOARD POLICY

T102 – AUTHORITY AND RESPONSIBILITIES

Feb. 15, 2017

T102.10 PURPOSE

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

T102.20 POLICY

T102.201 Responsibilities of the Board of Directors. The Board of Directors (Board) will establish the overall goals and objectives of LCRA TSC, 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. The Board members, collectively and severally, will not direct the policies and actions of LCRA TSC from perspectives of private gain or personal advantage.

T102.202 Delegations to the Chief Executive Officer. The Board delegates to the CEO all general powers and duties in the LCRA TSC Articles of Incorporation, bylaws and Board policies necessary to accomplish LCRA TSC's purpose, plans and objectives as approved by the Board, except for those specifically reserved for the Board by provisions of applicable laws, bylaws, bond resolutions and other Board policies. Such exceptions include:

- A. Authorization to borrow money or approve bond resolutions.
- B. Establishment of rates charged for transmission.
- C. Approval of sale of any real property.
- D. Approval of any services agreement or modification thereof between LCRA TSC and LCRA.

- E Authorization to acquire land rights as provided in Board Policy T401 – Land Resources.
- F. Approval of any contracts and purchase orders for consultant services costing in excess of \$100,000 that are not acquired through the services agreement between LCRA TSC and LCRA.
- G. Approval of certain contracts and purchase orders for the acquisition of materials, supplies, equipment and related services, costing in excess of \$2 million that are not acquired through the services agreement between LCRA TSC and LCRA.

Surplus personal property with a fair market value of less than \$500,000 that is no longer necessary, convenient or of beneficial use to the business of LCRA TSC may be sold, transferred or conveyed by the CEO for appropriate consideration.

The Board will articulate clear and coherent goals and statements of its expectations through its policies and plans. The CEO is responsible for fulfilling these commitments and managing the organization.

T102.203 Responsibilities of the CEO. The CEO is responsible for carrying out the business and activities of LCRA TSC according to state law, LCRA TSC's bylaws and Board policy.

The 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 TSC affairs.

The 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 TSC's overall financial performance and capital financing plans and describe the projects, programs and associated revenues and expenditures for the next fiscal year.

Adoption of the business plan authorizes the CEO to complete work plans and make associated expenditures within budgets as provided in accordance with Board policies. The 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 business plan will establish the amount that may not be exceeded without Board approval.

The CEO will issue appropriate management procedures setting forth desired direction of staff to fulfill the policies, goals, objectives and directions of the Board.

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

The CEO is responsible for bringing policy matters to the attention of the Board when its current policies give inadequate direction to LCRA TSC operations or leave LCRA TSC at a disadvantage because of changing conditions. The 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 TSC.

EFFECTIVE: Aug. 22, 2001. Amended May 21, 2003; Nov. 19, 2003; Dec. 14, 2011; and Feb. 15, 2017.