

Attachment N

LCRA Policies Re: Signature Authority

LCRA BOARD POLICY

102 - AUTHORITY AND RESPONSIBILITIES

December 14, 2011

102.10 PURPOSE

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

102.20 POLICY

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

102.202 Delegations to the General Manager. The Board of Directors delegates to the general manager all general powers and duties in the LCRA enabling legislation, other applicable law, LCRA Bylaws and Board Policies necessary to accomplish LCRA's purpose, plans and objectives as approved by the Board, except for those specifically reserved for the Board by provisions of the LCRA enabling legislation, Bylaws, Bond Resolutions and other Board policies. Notable exceptions include:

- A. Authorization to borrow money or approve bond resolutions.
- B. Approval of agreements related to joint ownership of generating facilities.
- C. Setting rates charged for water, power and other services.
- D. Approval of sale of any real property.
- E. Approval of contracts and purchase orders for consultant services in accordance with related Board policies.

- F. Approval of contracts and purchase orders for the acquisition of materials, supplies, equipment, and related services, in accordance with related Board policies (except that the general manager is delegated the authority to approve contracts for capacity and/or energy purchases to replace capacity, for emergency conditions, and for economic advantage related to LCRA electric system operations, provided that any such off-system purchase must be for a term of less than one year).
- G. Regardless of delegated authority in this or any other LCRA Board policy, Board approval is required for all decisions where Board policy or direction has not been clearly established.

The Board will articulate clear and coherent goals and statements of its expectations through its policies and plans.

102.203 Responsibilities of the General Manager. The general manager, as the chief executive officer of LCRA, is responsible for carrying out the business and activities of LCRA according to state law, the LCRA Bylaws, and Board policy.

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

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

102.30 PROCEDURES

102.301 Goals and Priorities. As provided in the bylaws, the general manager 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 affairs.

102.302 Annual Budget. The general manager 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's overall financial performance and capital financing plans, and describe the projects, programs and the associated revenues and expenditures for the next fiscal year.

Adoption of the Business Plan authorizes the general manager to complete work plans and make associated expenditures within budgets as provided for in accordance with Board policies. The general manager 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 budget will establish

the amount that may not be exceeded without Board approval and the guidelines for approving amendments, reallocations or adjustments to the capital and operating budgets.

102.303 Sunset Review of Regulatory Programs. The general manager will review the effectiveness of, and need for, each major regulatory program of LCRA at least once every six years. These programs shall include, but not be limited to, the Highland Lakes Watershed Ordinance, the Highland Lakes Marina Ordinance, the On-Site Sewerage Facilities Rules, the Litter and Illegal Dumping Abatement Ordinance, and the LCRA Land and Water Use Regulations. The general manager shall recommend to the Board whether to abolish, continue or modify each such program.

102.40 AUTHORITY

LCRA enabling legislation, Chapter 8503, Special District Local Laws Code
LCRA Bylaws, Sections 3.02, 6.01, 6.02

EFFECTIVE: December 1984. Amended Dec. 14, 1989; Oct. 25, 1991; Sept. 22, 1994; Dec. 15, 1999; March 22, 2000; July 1, 2002; Nov 19, 2003; and Dec. 14, 2011.

LCRA EMPLOYEE POLICY MANUAL: 100 GENERAL AND ADMINISTRATIVE

Policy 106: Delegation of Authority

Approval Date	November 2010	Owner	General Manager
Effective Date	July 1, 2011	Policy Owner Review	Annual
Revision Dates	Nov. 18, 2011 Jan. 30, 2014	Next Executive Team or Designee Review	2017

Purpose

This policy ensures compliance with matters specifically reserved by the Board of Directors and identifies matters either reserved to or delegated by the general manager.

Policy

No employee of LCRA is authorized to take any action reserved to the Board of Directors under Board Policy 102. All other general powers and duties in the LCRA Enabling Act, bylaws, Board policies, and other applicable law necessary to accomplish LCRA's purpose, plans, and objectives are the responsibility of the general manager and those persons to whom the general manager specifically delegates such authority.

106.1 Authority Reserved to General Manager

Authority for the following matters is reserved to the general manager unless specifically delegated to an executive manager/officer or other LCRA employee by separate documented authorization from the general manager:

- Taking a position on matters that significantly affect relations with public or private entities outside of LCRA
- Employing outside legal counsel, in consultation with the general counsel
- Filing, dismissing, or settling a lawsuit, in consultation with the general counsel
- Taking a formal position in the name of LCRA with regard to federal, state, or local legislation consistent with Board Policy 104
- Filing non-routine pleadings before any state or federal administrative agency
- Acquiring interests in real property. However, documents of conveyance or acquisition may be executed by managers or their designees after the transaction or project involving acquisition has been approved by the Board of Directors.

106.2 General Delegation of Authority by General Manager

The general manager delegates to the executive managers/officers any and all powers and duties necessary to manage their respective departments and service areas, except for those matters reserved to the Board of Directors or general manager as specified in this policy and Board Policy 102. Executive managers/officers are further authorized to delegate authority to their respective department managers and staff. Except in cases of unanticipated short-term absences and emergencies, all delegations must be authorized by another policy, or be documented and consistent with this and other policies, including but not limited to policies related to employment, contract administration, and supply management.

106.3 Exception for Unanticipated Short-Term Absence or Emergency

Temporary delegations by the general manager or executive managers/officers, or re-delegations necessitated by short-term absence in the event of an emergency, should be in writing when possible but may be made verbally. For purposes of this exception, an emergency is a condition or circumstance that poses an imminent threat to power generation, transmission, or distribution; environmental quality; flood control; water operations; employee or public safety; or that could result in an immediate, significant financial, or operational loss or damage to property.

See also:

[EPM Policy 107: Contract Management](#)

[EPM Policy 108: Supply Management](#)

[EPM 106R1: Expense Approval Authority](#)

[Board Policy 104 - LCRA Board Position on Legislation](#)

LCRA Organizational Overview

Updated May 12, 2015

