
APPENDIX D



Lubbock Power & Light

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**ELECTRIC UTILITY BOARD
RULES, POLICIES AND
PROCEDURES**

**LUBBOCK POWER & LIGHT
ELECTRIC UTILITY BOARD POLICIES AND PROCEDURES**

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I. City Charter

In 2004, the City Charter was amended by establishing a board of directors (the "Board") to govern, manage and operate LP&L. The Board is comprised of nine members who serve staggered two year terms. All matters relating to the operation and management of LP&L are the responsibility of the Board except for those powers and duties specifically retained by the City Council. The City Council retained the authority to:

- a) Appoint the nine members of the board who must be citizens of Lubbock and eligible voters;
- b) Approve LP&L's budget
- c) Set the electric rates of LP&L;
- d) Exercise the power of eminent domain on behalf of LP&L; and
- e) Issue debt on behalf of LP&L.

The City Charter also specifically provides the Board with the authority to appoint the Director of Electric Utilities and the general counsel of Lubbock Power & Light.

See Appendix A, *Lubbock City Charter*, Chapter 1, Article XII.

II. Board Purpose

The Boards purpose is to guide LP&L in achieving its primary purpose of providing dependable and reliable electric service at reasonable and competitive rates to the citizens of Lubbock while being financially self-sustaining.

See *City of Lubbock Code of Ordinances*, Chapter 2, Article 2.03, Division 12, §2.03.412.

III. LP&L Governing Ordinance

Pursuant to the City Charter, the City Council passed an ordinance laying out in detail other duties and responsibilities of the Electric Utility Board not inconsistent with the Charter. This ordinance provides, in part, the following:

- a) Board members serve without compensation;
- b) Board members may serve a maximum of three two-year terms;
- c) The Mayor serves as an ex-officio non-voting member of the Board;
- d) Board members are required to fully disclose any potential or actual

conflict of interest to the city council. Additionally, Board members shall not:

- i. be indebted to the city or LP&L;
 - ii. be interested in the profits or emoluments of any contract, job, work or service for the city or LP&L; and
 - iii. have a substantial interest in any public utility operating within the City of Lubbock.
- e) The Board recommends an annual budget for submission to the City Council for approval, including any budget amendments;
 - f) The Board makes recommendations to the City Council for electric rates;
 - g) The Board oversees the audit of the electric fund, and engage an accounting firm for that purpose;
 - h) Overall, the Board governs, manages, administers and operates LP&L with the ability to contract for legal and other services separate and apart from those provided by the City;
 - i) A general reserve fund equal to the greater of (1) four months gross retail electric revenue as determined by taking the average monthly gross retail electric revenue from the previous fiscal year or (2) \$50,000,000; and
 - j) The payment of a franchise fee equivalent and/or payment in lieu of taxes to the City's general fund;

See *City of Lubbock Code of Ordinances*, Chapter 2, Article 2.03, Division 12, §§2.03.413, 2.03.415, 2.03.417.

IV. Electric Utility Board Meetings:

A. Regular Board Meeting

The Electric Utility Board shall meet once each month in the Lubbock Power & Light Building on the third Tuesday or at such other times and places as shall be selected by the Electric Utility Board by motion or consensus. Electric Utility Board meetings are open to the public in accordance with the Texas Open Meetings Act. The Open Meetings Act requires any deliberation between a quorum of members of a governmental body to be conducted at an open meeting to the public pursuant to a seventy- two (72) hour previous posting of the agenda of the meeting (TEX. GOV'T CODE ANN § 551.043(a)).

An exception to these requirements is for a gathering at social functions at which

no business is discussed.

B. Executive Sessions

An executive session on a permitted topic may be held only after the Electric Utility Board has first been convened in open session, for which notice as provided in the Open Meetings Act has been given, and after the presiding officer has announced that an executive session will be held and indicated the section or sections of the Act identifying the reason for the executive session. Executive sessions are generally allowable for consultation with its legal counsel, pending litigation, settlement offers, certain employment matters, and competitive matters as defined in Section 551.086 (c) of the Texas Government Code.

C. Conduct

1. Call of Meetings

Any two board members may call a meeting of the Electric Utility Board at any time deemed advisable.

2. Quorum/Voting

Any five (5) members of the Electric Utility Board shall constitute a quorum. An affirmative vote of the majority of those Board members present and constituting a quorum is required to approve any agreement, resolution, contract or other official action of the Board. However, in no event shall any agreement, resolution, contract or other official action of the Board be considered approved by the Board without a minimum affirmative vote of four (4) Board members.

The Mayor serves as an ex-officio, nonvoting member of the Board but counts towards having a quorum.

3. Elections

At the first meeting in December of each year the Board shall elect a Chairman, Vice- Chairman and Secretary. Any Board member may serve in such office without being subject to any term limits.

4. Presiding Officer

The Chairman shall be the presiding officer of the Electric Utility Board and in the event of absence of or disqualification of the Chairman, the Vice Chairman shall preside. In the event of the absence of or disqualification of the Chairman and Vice Chairman, then the Board shall select a member to preside during their absence.

5. Call to Order

The meetings of the Electric Utility Board shall be called to order by the Chairman, or in his absence, by the Vice Chairman.

6. Right to Floor

Any Board member or other person appearing before the Board desiring to speak shall be recognized by the presiding officer, and shall confine his or her remarks to the subject under consideration or to be considered. No one shall be allowed to speak more than once on any one subject until every member or interested person wishing to speak shall have spoken or be given an opportunity to speak. Any person who wishes to address the Board must have the unanimous consent of the Board.

7. Preservation of Order

The presiding officer shall preserve order and decorum, prevent personalities or the impugning of members' motives and confine discussion to the question in debate.

8. Points of Order

The presiding officer shall determine all points of order, subject to the right of any member to appeal to the Board. If any appeal is taken, the question shall be, "Shall the decision of the presiding officer be sustained?" Unless otherwise outlined herein, the presiding officer shall govern meetings in accordance with the latest edition of *Roberts Rules of Order*.

9. Questions to be Stated

The presiding officer shall state all questions submitted for a vote and announce the result. A roll call shall be taken upon the request of any member.

10. Voting Required

No member shall be excused from voting except on matters of his own official conduct, or where his financial interests are involved, or unless excused by the Board for other valid reasons by majority vote of the other members. Refusal to vote without excuse shall be an affirmative vote. The Chairman shall vote as a member of the Board on all matters coming before the body.

11. Agenda

The order of business of each meeting shall be contained in the agenda prepared by the Director of Electric Utilities. The agenda shall be a listing by topic of subjects to be considered.

12. Placing an item on the Agenda

Any member of the Board may, before the agenda deadline (5 p.m. the day before the agenda must be posted for purposes of complying with the Texas Open Meetings Act), request that an item be placed on the agenda. The Director of Electric Utilities shall be notified of the request and provide staff research support when requested to do so.

13. Board Appointments

The Electric Utility Board shall be responsible for recommending individuals to the City Council for their consideration in appointing members to the Board and to the board of the West Texas Municipal Power Agency ("WTMPA Board").

See *City of Lubbock Code of Ordinances*, Chapter 2, Article 2.03, Division 12, §2.03.415.

Additionally, the Board is responsible for appointing an individual to the Audit Advisory Committee as established by the City Council via Resolution No. 2003- R0220.

14. Conflict of Interest

Board members are subject to the conflict of interest requirements of the Lubbock City Charter, Chapter 171 of the Local Government Code and other applicable state law conflict of interest provisions. Under the Charter, Board members may not have an interest in the profits or emoluments of any contract, job, work or service for the City or interest in the sale to the City of any supplies, equipment, material or articles purchased; nor be the owner of any public utility or public service corporation in the City nor in the employ of any owner of stock in any such public service corporation. Chapter 171 of the Local Government Code further requires that a Board member having a substantial interest in real property (generally a fair market value of \$2,500 or more) or stock or business entity (generally a 10% or more interest) may not vote on matters involving such property or businesses and must file an affidavit of substantial interest on the Board member's (or close relative's) behalf with the City Secretary before a vote is taken on such matters. Violations of these conflict of interest provisions

could carry criminal penalties for the individual Board member. Board members are encouraged to consult the General Counsel with regard to any potential conflicts of interest and the appropriate application of the law. Due to the fact that it carries criminal penalties, it is the responsibility of the individual Board member to decide whether or not he/she has a conflict of interest.

D. Attendance/Duties

1. Board Members

The Board members shall attend all regularly scheduled Board meetings unless an absence is excused as that term is defined below.

An absence by a Board member is "excused" for purposes of this policy if the Board member is out of town for business reasons, illness or family emergency (death in the family, hospitalization), jury duty, previous commitments that prevents attendance at specially called meetings other than regularly scheduled meetings.

2. Director of Electric Utilities

The Director of Electric Utilities serves as the chief administrative officer of Lubbock Power and Light and shall report to the Board for the proper administration, management and operation of LP&L as directed and authorized by the Board, the City's Charter and/ or the city's ordinances and resolutions.

3. General Counsel

The General Counsel shall attend all meetings of the Electric Utility Board unless excused and shall, upon request, render written or oral opinions on questions of law. The General Counsel shall act as the Electric Utility Board's parliamentarian.

4. Officers and Employees

An officer or employee of Lubbock Power & Light when requested by the Board, shall attend the meetings of the Electric Utility Board. If requested to do so by the Board, such officer may present information relating to matters before the Board.

5. Annual Review

The Board shall review and evaluate performance, duties and responsibilities of the Director of Electric Utilities and the General Counsel of Lubbock Power & Light. Normally this review shall be conducted at the regularly scheduled Board meetings in April, May

and/or June, but in any event, must be conducted at least once annually in any given fiscal year.

6. Compensation of Director of Electric Utilities and General Counsel.

The Board shall determine the compensation payable to the Director of Electric Utilities and General Counsel. In the case of the Director of Electric Utilities, the Board may provide for compensation to be payable in the manner and method it deems beneficial to Lubbock Power & Light and its ratepayers, including without limitation, provision for an incentive or bonus payment(s) to be applicable to future services rendered.

Passed by the Electric Utility Board October 18, 2011.

Amended by the Electric Utility Board January 24, 2012.

Amended by the Electric Utility Board November 13, 2018.