



# Regular Council Meeting Agenda

Tuesday, March 21, 2023 at 6:30 PM  
8301 Westview Drive, Houston, Texas 77055

---

**The City Council of Hilshire Village, Texas will meet on Tuesday, March 21, 2023, at 6:30 PM in the City Hall Council Chambers at 8301 Westview, Houston, Texas 77055.**

**Any person may participate and address the City Council at the meeting by Zoom, telephone, personal appearance at City Hall, or by written submission.**

Join Zoom Meeting

<https://us06web.zoom.us/j/84105908059?pwd=ckpmZEczK1ZDd1RKS1oxNGswWG0vZz09>

Meeting ID: 841 0590 8059

Passcode: 0321

One tap mobile

+13462487799, 84105908059#, \*0321# US (Houston)

This meeting agenda is posted online at <http://www.hilshirevillagetexas.com>.

**IF YOU WOULD LIKE TO SEND YOUR WRITTEN COMMENTS PRIOR TO THE MEETING PLEASE SEND TO [Cassie.Stephens@HilshireVillageTexas.com](mailto:Cassie.Stephens@HilshireVillageTexas.com).**

**1. CALL TO ORDER**

- 1.A. Invocation (Council Member Carey)
- 1.B. Pledge of Allegiance
- 1.C. Roll Call

**2. CITIZEN'S COMMENTS**

*This is an opportunity for citizens to speak to Council relating to agenda and non-agenda items. Comments are limited to up to three minutes. If the topic the speaker wishes to address is on the agenda, the speaker can either speak at this time or defer comments until such time the item is discussed.*

*Speakers are required to address the council at the microphone and give their name and address prior to voicing their concerns.*

*Note: To comply with provisions of the Open Meetings Act, the City Council may not deliberate on items discussed under this agenda item. Items that cannot be referred to the City staff for action may be placed on a future City Council agenda. A copy of any prepared remarks or notes to be used and/or distributed by the speaker must be presented to the City Secretary prior to the beginning of the meeting.*

**3. REPORTS TO COUNCIL**

- 3.A.** Police Report
- 3.B.** Building Official Report
- 3.C.** Engineer Report
  - 8005 Anadell Street
  - 1200 Archley Drive (Asphalt Patch)
  - 1315 Friarcreek Lane
  - 1306 Glourie Drive
  - 1326 Glourie Drive
  - 2 & 3 Pine Creek Lane
  - 12 Pine Creek Lane (ROW Permit)
  - 14 Pine Creek Lane
  - 1131 Wirt Road
  - Hilshire Green Paving, Drainage & Utility Improvements
  - Pine Chase Grove Water Meter area
  - TCEQ MS4 Year 4 Annual Report
  - Wirt Road Safety Project/Interlocal Agreements
- 3.D.** Fire Commissioner's Report (Mayor Buesinger)

**4. DISCUSSION AND POSSIBLE ACTION**

- 4.A.** Discussion and Possible Approval/Acceptance of the City of Hilshire Village's Fiscal Year Ending 2022 Audit (Belt Harris Pechacek)

- 4.B. Discussion and Possible Appointment of Alternate Fire Commissioner (Mayor Buesinger)
- 4.C. Discussion and Possible Approval of Village Fire Department 2023 Budget Amendment for Vehicle Expenditures (Mayor Buesinger)
- 4.D. Discussion and Possible Approval of Village Fire Department 2023 Budget Increase for Computer/Radio Equipment and Bunker Gear (Mayor Buesinger)
- 4.E. Discussion and Possible Approval of Fire Hydrant Paint Color Scheme (Secretary Stephens)
- 4.F. Discussion and Possible Approval of Pavement Striping in Designated No Parking Zones (Secretary Stephens)

5. **DISCUSSION**

- 5.A. Front Yard Items and Obstructions

6. **REPORTS TO COUNCIL**

- 6.A. Mayor Buesinger's Report
- 6.B. City Secretary's Report: (City Secretary Stephens)  
Complaint Log  
Consent Agenda  
CenterPoint Energy 2023 Emergency Operations Plan
- 6.C. City Treasurer's Report (City Secretary Stephens)  
Investment Policy

7. **CONSENT AGENDA**

- 7.A. Approve Disbursements
- 7.B. Approve Minutes from the Regular Council Meeting February 21, 2023.
- 7.C. Approve Check Registers
- 7.D. Approve Resolution 2023-243 approving the City Investment Policy for 2023
- 7.E. Approve Proclamation for Spring Branch ISD
- 7.F. Approve Proclamation for Spring Event

8. **ADDITIONAL COUNCIL COMMENTS**

9. **FUTURE AGENDA TOPICS**

- 9.A. Tree City USA Certification and Texas Arbor Day: 4-step framework, program summary, coordination with citizens and commercial property owners.

## 10. ANNOUNCEMENTS

## 11. ADJOURNMENT

### NOTES:

\*Agenda items may be considered in any order.

\* In the event a quorum of the city council is not present, the members who are present may meet as a sub-committee of council to discuss the agenda items above.

\*City Council may recess into a closed meeting at any time during the open meeting to discuss any of the matters listed above as authorized by Texas Government Code, Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices), 551.087 (Economic Development), and 551.086 (Certain Public Power Utilities: Competitive Matters).

**I, Cassie Stephens, do hereby certify that the above Notice of Meeting and Agenda for the City Council of the City of Hilshire Village was posted in a place convenient and readily accessible March 17, 2023 at 3:00 p.m.**

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretative service must be made 48 hours prior to this meeting. Please contact the City Hall at 713-973-1779 or FAX -713-973-7793 for further information.

# SPRING VALLEY POLICE DEPARTMENT

## Calls - By Type

02\01\2023  
 thru 02\28\2023  
 Zone is: HILSHIRE VILLAGE

Type	Description	# Of Calls
6	ACCIDENT	3
22	ALARM	5
23	AMBULANCE CALL	4
24	ANIMAL CALL	1
135	BUSINESS CHECK	357
54	DECEASED PERSON	1
68	HOUSE CHECK	2
70	INFORMATION	3
86	PUBLIC RELATIONS	56
95	SMOKE IN AREA	1
96	SOLICITOR	1
97	SPECIAL ASSIGNMENT	1
103	SUSPICIOUS ACTIVITY	1
104	SUSPICIOUS PERSON	1
105	SUSPICIOUS VEHICLE	2
11	TRAFFIC STOP	24
111	VEHICLE BLOCKING ROADWAY	1
163	VIOLATION OF CITY ORDINANCE	2
117	WELFARE CONCERN	1
	<b>Total</b>	<b>467</b>

## Plan Review Permit Log

	Date	Permit Number	Address	Issued To	Amount Received	Description / Scope
1	Wed 2/1/23	HV-23-005P	1309 Ridgeley Dr	Village Plumbing	\$160.00	GTO
	Thu 2/2/23	HV-23-007GE	8001 Bomley	A&A GenPro	N/A	Plan Review- Generator
2	Tue 2/7/23	HV-21-111GE	8001 Bromley	A&A GenPro	\$205.00	Generator-Electric
	Wed 2/8/23	HV-21-111I	8001 Bromley	RF Landscaping	N/A	Plan Review-Irrigation Plan
3	Fri 2/10/23	HV-21-111I	8001 Bromley	RF Raymond Landscap	\$240.00	Irrigation
4	Fri 2/10/23	HV-22-091T	8005 Anadell	Jeff Paul Custom Hom	\$25.00	Tree Removal_NSFR
	Mon 2/13/23	HV-23-007	1306 Glourie Dr	New Mark Homes	\$3,850.75	Plan Review -NSFR
	Mon 2/13/23	HV-23-007	1306 Glourie Dr	New Mark Homes	\$1,800.00	Plan Review-Drainage
5	Mon 2/13/23	HV-23-008	8206 Burkhart	Rio Grande	\$175.00	Fence
6	Wed 2/15/23	HV-21-111GP	8001 Bromley	Tri-Tek Plumbing	\$560.00	Generator-Plumbing
7	Thu 2/16/23	HV-23-009	8001 Anadell St	Jamie Grajeda	\$240.00	Drainage Improvement
8	Tue 2/21/23	HV-22-071P	1315 Friarcreek	Quick Water Plumbing	\$530.00	NSFR-Plumbing Permit
	Tue 2/21/23	HV-23-010	1339 Friarcreek	Jay Noth	N/A	Plan Review - Driveway Pads
9	Tue 2/21/23	HV-23-011T	11 Pine Creek Lane	Flores Tree	N/A	Tree Removal
	Thu 2/23/23	HV-23-012	1310 Glourie	A & A Genpro	N/A	Plan Review- Generator
10	Thu 2/23/23	HV-23-013	1315 Pine Chase Dr	DLC Plumbing	\$180.00	Sewer Line Repair
11	Thu 2/23/23	HV-23-014E	18 Hickory Shadows	Guti Electric	\$160.00	Electric Panel
12	Thu 2/23/23	HV-23-012GE	1310 Glourie	A & A Genpro	\$205.00	Generator-Electrical
13	Thu 2/23/23	HV-23-015D	18 Hickory Shadows	There Dump That Hou	\$25.00	Dumpster
14	Fri 2/24/23	HV-23-016T	7910 Hilshire Green	Andy Carey	N/A	Tree Removal
15	Tue 2/28/23	HV-23-017	1310 Glourie	Tri-Tek Plumbing	\$280.00	Generator-Plumbing
16	Thu 2/23/23	HV-23-018	1225 Archley	Linda Limb	\$240.00	Parking Pad

Permits:	
Drainage	1
Dumpster	1
Electrical	3
Parking Pad	1
Plumbing	7
Tree Removal	3
<b>Total</b>	<b>16</b>

## Inspection Log

Log #	Address	Permit #	Inspection Type	Result	Date	Inspector
23-053	1309 Ridgeley Dr	HV-23-005P	Backflow Preventor Final	PASS	2/10/23	BBG
23-054	1126 Guinea Drive	HV-22-093B	Pre-Pour Foundation	PASS	2/7/23	BBG
23-055	1126 Guinea	HV-22-052E	T-Pole	PASS	2/10/23	BBG
23-056	8001 Bromley	HV-21-111GE	Generator-Electrical Underground	PASS	2/10/23	BBG
23-057	8001 Bromley	HV-21-111GE	gas test	PASS	2/10/23	BBG
23-058	8001 Bromley	HV-22-111GP	Generator-ditch cover	PASS	2/10/23	BBG
23-059	1210 Ridgeley	HV-22-048B	Plumbing top-out	PASS	2/13/23	BBG
23-060	8001 Bromley	HV-21-111I	Irrigation-Cover	PASS	2/13/23	BBG
23-061	1315 Pine Chase	HV-23-012P	Secondary drainage modification	PASS	2/23/23	HDR
23-062	1220 Archley	HV-23-001E	Electrical-Solar	PASS	2/22/23	BBG
23-063	1315 Friarcreek	HV-22-071AD	Culvert	PASS	2/23/23	HDR
23-064	1315 Friarcreek	HV-22-071P	Plumbing Ground	PASS	2/23/23	BBG
23-065	8001 Anadell	HV-23-009	Plumbing Cover	PASS	2/23/23	BBG
23-066	1311 Friarcreek Ln	HV-22-078B	Hurricane Clips & Straps	PASS	2/27/23	BBG
23-067	1126 Guinea	HV-22-093B	Hurricane Clips & Straps	PASS	2/28/23	BBG

<b>Inspections:</b>	
Pass	15
Fail	0
Consult	0
Canceled	0
<b>Total</b>	<b>15</b>



March 17, 2023

Mayor and City Council  
City of Hilshire Village  
8301 Westview Drive  
Houston, Texas 77055

Re: Engineer's Report for March 21, 2023 Council Meeting  
HDR Job No. 10361759

Dear Mayor and Council Members:

HDR Engineering, Inc. (HDR) is pleased to submit this report on engineering related issues from February 17, 2023 to March 17, 2023.

1. On-Going Services (10361759):

a. 8005 Anadell Street –

- On March 17, 2023, HDR reviewed and returned comments for the Drainage Plan for 8005 Anadell Street. All previous comments/corrections were addressed by the engineer and the drainage plan was approved with exceptions noted.

b. 1200 Archley Drive (Asphalt Patch) –

- HDR has coordinated a field meeting with CenterPoint Energy contractor for Monday, March 20, 2023, to review the repair that was completed and to review site restoration to the area. An update to City Staff will be provided after the field meeting to determine what corrections will be required by the contractor.

c. 1315 Friarcreek Lane –

- On February 22, 2023, HDR provided a culvert inspection for 1315 Friarcreek Lane. The inspection passed with exceptions noted.

d. 1306 Glourie Drive –

- On March 17, 2023, HDR reviewed and returned comments for the Drainage Plan for 1306 Glourie Drive. The drainage plan shall be revised and resubmitted to address all comments.

[hdrinc.com](http://hdrinc.com) 4828 Loop Central Drive, Suite 800  
Houston, Texas 77081  
T 713-622-9264 F 713-622-9265  
Texas Registered Engineering Firm F-754

- e. 1326 Glourie Drive –
  - On March 6, 2023, HDR provided an as-built drainage consultation for 1326 Glourie Drive. The consultation was conducted to review the as built drainage comments with the landscaping and drainage contractor onsite to address outstanding comments. The contractor will be completing the work and provide coordination for a revised as built drainage submittal for review.
  
- f. 2 & 3 Pine Creek Lane –
  - On March 7, 2023, HDR received a request to visit the ravine area along 2 & 3 Pine Creek due to a complaint of construction debris/stockpiles within the ravine area from the project taking place at the subject address. There is an erosion control project currently taking place on the lot; however, the project site is currently inactive due to a stop-work order placed on the property.
  - Two (2) areas along the ravine were noted by HDR to have construction debris/stockpiles that will need to be removed. Notification of removing the debris/stockpiles was sent by City Staff to the Contractor on March 13, 2023. Removal of the debris/stockpiles will be verified by HDR once the Contractor has notified City Staff accordingly.
  
- g. 12 Pine Creek Lane (ROW Permit) –
  - On March 2, 2023, HDR reviewed and returned comments for a right-of-way permit submitted by CenterPoint for gas service to 12 Pine Creek Lane. The permit was approved with exceptions noted.
  
- h. 14 Pine Creek Lane –
  - On March 17, 2023, HDR reviewed and returned comments for the As Built Drainage Plan for 14 Pine Creek Lane. All previous comments/corrections were addressed by the engineer and the drainage plan was approved with exceptions noted.
  
- i. 1131 Wirt Road –
  - On March 16, 2023, HDR provided a pre-construction inspection for 1131 Wirt Road. The inspection passed with exceptions noted.
  
- j. Hilshire Green Paving, Drainage & Utility Improvements –
  - HDR is currently coordinating with Geotechnical and Urban Forester Subconsultants to request proposals for geotechnical and tree protection plan services for the proposed Hilshire Green Paving, Drainage & Utility Improvements Project.

- As noted in the February 21, 2023, Regular City Council Meeting, HDR will submit and discuss the Engineering Services Proposal for the Hilshire Green Paving, Drainage & Utility Improvements Project during the April 18, 2023 Regular City Council Meeting.

k. Pine Chase Grove Water Meters –

- Relocation of above ground meter panels to a consolidated area has been completed as of last month's Council Meeting. Other options to further place the above ground meter panels away from area is being coordinated with other requested improvements.
- Additional improvements for safety, screening of the area and potential relocation of the above ground metering are still in coordination along with information regarding the existing easement that is being researched by City of Houston. This pending information is required to help determine where the remaining improvements can be installed as well as potential costs associated with relocating the above ground metering.

l. TCEQ MS4 Year 4 Annual Report –

- HDR is currently coordinating a draft report to submit to TCEQ with City Staff. Information has been provided by Staff to be included in the report and is currently being finalized.
- A final report will be provided next week for Mayor Buesinger's signature and will be processed accordingly with TCEQ.

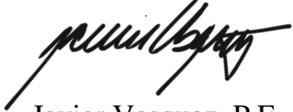
m. Wirt Road Safety Project/ Interlocal Agreements –

- HDR received the topographic survey from Landtech Consultants (HDR Survey Subconsultant) last week and we are currently processing the survey and incorporating information provided by private utility companies in the drawing backgrounds. Redline design of the proposed sidewalk will begin next week.
- HDR will coordinate with the City to schedule a public meeting to discuss the proposed sidewalk improvements and obtain feedback from the community before draft plans are submitted to the City of Houston for review and comments.
- HDR has been following up with Mr. Patrick Nguyen (City of Houston) and Mr. Embry Woods (City of Houston) on the status of the ILA between the City of Houston and Hilshire Village. The ILA is still being reviewed by their Legal Team.

If there are any questions concerning the information contained in this report, we will be glad to discuss them with you.

Sincerely,

HDR Engineering, Inc.

A handwritten signature in black ink, appearing to read 'Javier Vasquez', written in a cursive style.

Javier Vasquez, P.E., CFM  
Civil Engineer

cc: Files (10361759)

**Village Fire Department**  
**2023 Strategic Plan Performance 1st Quarter Report**

2023 BUDGET	Quarter Budget	Jan	Feb	Mar	Qtr Total
Quarterly Budget	\$ 2,172,461.75	\$ 664,796.31	\$ -	\$ -	\$ 664,796.31
Total % of Annual Budget Spent		30.6%			30.6%
Personnel Expenditure	\$ 1,854,265.63	\$ 621,969.68	\$ -	\$ -	\$ 621,969.68
Personnel %		33.54%			33.54%
Overtime Expenditure	\$ 104,524.50	\$ 20,726.32	\$ -	\$ -	\$ 20,726.32
Overtime %		19.83%			19.83%
Capital Expenditure	\$ 37,750.00	\$ -	\$ -	\$ -	\$ -
Capital %		0.00%			0.00%
Operational Expenditure	\$ 216,485.28	\$ 42,826.63	\$ -	\$ -	\$ 42,826.63
Operational %		19.8%			19.78%
EMERGENCY OPERATIONS		Jan	Feb	Mar	Qtr Total
Average Response Time (Nat'l Std 6:30)		4:13			4:13
Incidents		215			215
Apparatuses Responses		358			358
Patients		87			87
Patients Transported		54			54
EMS REVENUE					
EMS Revenue Fund Balance		\$ 111,774.35	\$ -	\$ -	\$ 111,774.35
Amount Charged		\$ 79,332.80	\$ -	\$ -	\$ 79,332.80
Total Revenue Received		\$ 15,208.23	\$ -	\$ -	\$ 15,208.23
FIRE MARSHAL					
General Plans Reviewed		4			4
Sprinkler Systems Reviewed		15			15
Fire Prevention Permits		0			0
Inspections		49			49
Fires Investigated		0			0
Community Education Events		7			7
Total # of Houses	6708				
Houses w/Sprinklers		2284			0
Houses w/ Sprinkler Systems %		34.05%			34.05%



## Management Letter

February 28, 2023

To the Honorable Mayor and  
City Council Members of the  
City of Hilshire Village, Texas:

The American Institute of Certified Public Accountants Statement on Auditing Standards No. 115, *Communicating Internal Control Related Matters Identified in an Audit* (SAS 115), provides guidance to auditors on communicating internal control matters to management and the governing body, board of directors, or equivalent body.

It is important to note when reviewing findings reported within this letter that classification of the findings is based on the definitions required by SAS 115 as further discussed below. Please note that these classifications are based on the potential impact to the financial statements, not necessarily the likelihood of actual loss to the City. Accordingly, the City's assessment of the "significance" or ranking of severity will likely be substantially different based on a number of factors including, but not limited to, its assessment of risk and the cost benefit of making the change.

Our report is as follows:

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the discretely presented component units, and each major fund of the City of Hilshire Village, Texas (the "City") as of and for the year ended September 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. There is a new pronouncement we want to bring to your attention.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our findings and additional comments are as follows:

***CURRENT YEAR MATTER***

***Future Matters That May Subsequently Warrant Attention:***

**2022.001 IMPLEMENTATION OF GASB STANDARD NO. 96 – SBITAS**

**Background**

Governmental Accounting Standards Board Statement 96 (GASB 96), *Subscription-Based Information Technology Arrangements* (SBITAs), is effective for the year ending September 30, 2023 and, accordingly, the City has less than one year to implement GASB 96. GASB 96 defines a SBITA as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. GASB 96 essentially requires that all SBITAs should be reported on the balance sheet as a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability, much like GASB 87, *Leases*, accounting for lease transactions. Unlike many new accounting standards, GASB 96 may require preplanning and changes in the way the City does business. Implementation of GASB 96 will generally require centralized document management; in-depth review of SBITA documents; recording and tracking of multiple data points per agreement, which may necessitate new software based on the volume of arrangements; and development of new controls, reconciliations, and policies and procedures.

**Recommendation**

The City needs to begin making initial assessments immediately to determine the lead time and resources needed. The City needs to identify all SBITAs in which the term initially exceeded 12 months. Based on the aggregate value of SBITAs and materiality, the City should determine a cutoff for exclusion of insignificant arrangements. If the City's number of SBITAs approaches 10, it may be beneficial for the City to procure and implement software to aid in the task. The City should establish the goal of being fully implemented 60 days prior to year end to provide for a sufficient buffer to safeguard against delay in issuing the City's September 30, 2023 financial statements.

This communication is intended solely for the information and use of management, City Council, and others within the City, and is not intended to be, and should not be, used by anyone other than these specified parties.

We would like to thank the City Council and the City's management for their cooperation during the course of our audit. Please feel free to contact us at your convenience to discuss this report or any other concerns that you may have.

*BELT HARRIS PECHACEK, LLLP*

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas



## Required Auditor Disclosure Letter Conclusion of Audit

February 28, 2023

To the Honorable Mayor and  
City Council Members of the  
City of Hilshire Village, Texas:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, and each major fund of the City of Hilshire Village, Texas (the “City”) for the year ended September 30, 2022. Professional standards require that we provide the City Council (the “governing body”) with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter previously sent at the start of the annual audit. Professional standards also require that we communicate to the governing body the following information related to our audit.

### I. Significant Audit Findings

#### 1. *Qualitative Aspects of Accounting Practices*

- A. Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.
- B. Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management’s estimate of the useful lives of capital assets is based on industry standards relating to capital assets. We evaluated the key factors and assumptions used to develop the useful lives of capital assets in determining that they are reasonable in relation to the financial statements taken as a whole.

Estimates are used in the calculation of the pension liability and the required annual contribution. The Texas Municipal Retirement System (TMRS) hires a licensed actuary to make key assumptions and to perform calculations, as well as an independent auditor to review those assumptions and calculations. We evaluated the reasonableness of the employee data provided by the City to TMRS.

- C. The financial statement disclosures are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of long-term debt in the financial statements is significant to financial statement users because it discloses the City's long-term financial obligations.

*2. Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*3. Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached schedule summarizes both material and immaterial misstatements detected as a result of our audit procedures. Management has corrected all misstatements.

*4. Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

*5. Management Representations*

We have requested certain representations from management that are included in the management representation letter dated February 28, 2023.

*6. Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*7. Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

*8. Changes in Risk Assessment*

No changes in risk assessment were noted in the completion of the audit as previously communicated in our planning letter.

II. Other Matters

We applied certain limited procedures to the Required Supplementary Information (RSI), as identified on the table of contents, which supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplementary information, as identified on the table of contents, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

III. Restrictions on Use

This information is intended solely for the use of the Mayor, City Council, and management and is not intended to be, and should not be, used by anyone other than these specified parties.

*BELT HARRIS PECHACEK, LLLP*

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas

Client: **City of Hilshire Village, Texas**  
 Engagement: **4.1 - Hilshire 9/30/22**  
 Period Ending: **9/30/2022**  
 Trial Balance: **2.2.01 - TB**  
 Workpaper: **2.5.06 - Adjusting Journal Entries Report**

Account	Description	Debit	Credit
<b>Adjusting Journal Entries</b>			
<b>Adjusting Journal Entries JE # 1</b>			
To correct beginning fund balance.			
01-32000	Retained Earnings	119,553.55	
01-31100	Fund Bal-Unres (Metro)		103,038.39
01-31250	Fund Balance-Reserved (DSF)		10,519.93
01-42101	Property Taxes-Debt-Current		2,273.63
01-46100	Int. Income-Gen funds		7.20
01-46800	Int. Income-Debt Taxes		114.40
01-48100	Other Income		1,500.00
01-55500	Miscellaneous test		2,100.00
<b>Total</b>		<b>119,553.55</b>	<b>119,553.55</b>
<b>Adjusting Journal Entries JE # 2</b>			
To reclass capital assets below 5k to expense.			
02-55501	Repairs to Water Lines	7,167.84	
02-11026	Improvements		7,167.84
<b>Total</b>		<b>7,167.84</b>	<b>7,167.84</b>
<b>Adjusting Journal Entries JE # 3</b>			
To record transfers and reclass property tax activity to balance the funds.			
01-21400	Deferred Revenue-Property Tax	82.47	
01-41019	Transfer from General	23,241.76	
01-21450	Def. Revenue-Debt-Property Tax		82.47
01-41018	Transfer to DSF		23,241.76
<b>Total</b>		<b>23,324.23</b>	<b>23,324.23</b>
<b>Adjusting Journal Entries JE # 4</b>			
To correct TDEM activity.			
02-11255	Transfer from Gen-Other funds	100,105.53	
02-11261	Utility - Due to General Fund		100,105.53
<b>Total</b>		<b>100,105.53</b>	<b>100,105.53</b>
<b>Adjusting Journal Entries JE # 5</b>			
For reporting purposes only: to reclass utility AP to due to general fund.			
02-50000	Accounts Payable	14,968.91	
02-11261	Utility - Due to General Fund		14,968.91
<b>Total</b>		<b>14,968.91</b>	<b>14,968.91</b>
<b>Adjusting Journal Entries JE # 6</b>			
To adjust property tax.			
01-11216	A/R Debt Proceeds Delinquent	1.86	
01-42200	Property Taxes - Delinquent	3,345.15	
01-42201	Property tax-debt-delinquent	1,080.81	
01-11214	A/R Property Tax Delinquent		1.91
01-21400	Deferred Revenue-Property Tax		3,343.24
01-21450	Def. Revenue-Debt-Property Tax		1,082.67
<b>Total</b>		<b>4,427.82</b>	<b>4,427.82</b>
<b>Adjusting Journal Entries JE # 7</b>			
To record issuer fee revenue and transfer for HVCEFFC.			
03-6210	Transfer out to City	20,000.00	
03-4000	Issuer Fees		20,000.00
<b>Total</b>		<b>20,000.00</b>	<b>20,000.00</b>

**Adjusting Journal Entries JE # 8**

To record W&S depreciation expense.

02-56550	Depreciation Expense	134,051.26	
02-11050	Accumulated Depreciation		134,051.26
<b>Total</b>		<b><u>134,051.26</u></b>	<b><u>134,051.26</u></b>

**Adjusting Journal Entries JE # 9**

To reclassify refund from bank.

01-11216.01	A/R Bank Refund	1,400.00	
01-56525	Bank Charges		1,400.00
<b>Total</b>		<b><u>1,400.00</u></b>	<b><u>1,400.00</u></b>

**Adjusting Journal Entries JE # 10**

For reporting purposes only: To clear negative cash.

01-11117	Anticiptn Note Dbt Ser-#3692515	175.96	
01-21211	Due from DSF	175.96	
01-11114	Checking-Amegy Bank		175.96
01-11266	DSF - Due to General		175.96
<b>Total</b>		<b><u>351.92</u></b>	<b><u>351.92</u></b>

<b>Total Adjusting Journal Entries</b>	<b><u>425,351.06</u></b>	<b><u>425,351.06</u></b>
--	--------------------------	--------------------------

<b>Total All Journal Entries</b>	<b><u>425,351.06</u></b>	<b><u>425,351.06</u></b>
----------------------------------	--------------------------	--------------------------



## Required Auditor Disclosure Letter Planning

February 28, 2023

To the Honorable Mayor and  
City Council Members of the  
City of Hilshire Village, Texas:

We are engaged to audit the financial statements of the governmental activities, the business-type activities, the discretely presented component units, and each major fund of the City of Hilshire Village, Texas (the “City”) for the year ended September 30, 2022. Professional standards require that we provide the City Council (the “governing body”) with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit.

### I. Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated March 9, 2021, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with the governing body’s oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve the governing body or management of its responsibilities.

Generally accepted accounting principles provide for certain Required Supplementary Information (RSI) to supplement the basic financial statements. Our responsibility with respect to the Management’s Discussion and Analysis, budgetary comparison schedules, schedules of changes in the net pension and total other postemployment benefits liability and related ratios, and schedule of contributions, which supplement the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

We have been engaged to report on the schedule, which accompany the financial statements but are not RSI. Our responsibility for this supplementary information, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## II. Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgement about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on the behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We have identified the following significant risks of material misstatement as part of our audit planning: risk that payroll liabilities for full accrual statements will be misstated as they relate to the recording of pension and other postemployment benefits liabilities and related activity; changes related to the implementation of new Government Accounting Standards Board Standard No. 87, *Leases*; management override of controls; and revenue recognition.

We expect to begin our audit as soon as management has closed the fiscal year and provided a clean trial balance and applicable items as noted on the auditor provided needs list. Information for the audit is needed a minimum of 90 days in advance of the desired meeting date.

Should any matters be reported through the related party questionnaires regarding concerns of fraud or other financial reporting concerns that require auditor follow up, this will result in an increase in fees charged for the audit based on actual time expended.

## III. Restrictions on Use

This information is intended solely for the use of the Mayor, City Council, and management and is not intended to be, and should not be, used by anyone other than these specified parties.

*BELT HARRIS PECHACEK, LLLP*

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas

*ANNUAL FINANCIAL REPORT*

of the

**CITY OF  
HILSHIRE VILLAGE, TEXAS**

**For the Year Ended  
September 30, 2022**

(This page intentionally left blank.)

# CITY OF HILSHIRE VILLAGE, TEXAS

## TABLE OF CONTENTS

September 30, 2022

	<u>Page</u>
<b>Independent Auditors' Report</b>	5
<b>Management's Discussion and Analysis (Required Supplementary Information)</b>	11
<b><u>BASIC FINANCIAL STATEMENTS</u></b>	
<b>Government-Wide Financial Statements</b>	
Statement of Net Position	20
Statement of Activities	22
<b>Fund Financial Statements</b>	
<b>Governmental Fund Financial Statements</b>	
Balance Sheet – Governmental Funds	25
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	27
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	29
<b>Proprietary Fund Financial Statements</b>	
Statement of Net Position – Proprietary Fund	31
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Fund	33
Statement of Cash Flows – Proprietary Fund	35
<b>Notes to Financial Statements</b>	37
<b><u>REQUIRED SUPPLEMENTARY INFORMATION</u></b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	61
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – METRO Fund	63
Schedule of Changes in Net Pension Liability and Related Ratios – Texas Municipal Retirement System	64
Schedule of Contributions – Texas Municipal Retirement System	66
Schedule of Changes in Total OPEB Liability and Related Ratios – Texas Municipal Retirement System	68
<b><u>SCHEDULE</u></b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund	73

(This page intentionally left blank.)



## ***INDEPENDENT AUDITORS' REPORT***

To the Honorable Mayor and  
City Council Members of the  
City of Hilshire Village, Texas:

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, and each major fund of the City of Hilshire Village, Texas (the "City"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, and each major fund of the City as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibility of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditors' Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedule of changes in net pension liability and related ratios, and schedule of contributions, identified as Required Supplementary Information on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*BELT HARRIS PECHACEK, LLLP*

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas  
February 28, 2023

(This page intentionally left blank.)

***MANAGEMENT'S DISCUSSION  
AND ANALYSIS***

(This page intentionally left blank.)



**CITY OF HILSHIRE VILLAGE, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2022**

The Statement of Activities presents information showing how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows – the accrual method rather than the modified accrual method that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities divide the City's financials into two classes of activities:

1. *Governmental Activities* – Most of the City's basic services are reported here including public safety (police and fire), public works (sanitation and street maintenance), and general government. Interest payments, sales taxes, property taxes, franchise fees, intergovernmental revenue, and permit fees finance most of these activities.
2. *Business-Type Activities* – Services involving a fee for those services are reported here. These services include the City's water distribution and wastewater collection.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate cultural education facilities finance corporation and higher education finance corporation for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found after the MD&A.

## **FUND FINANCIAL STATEMENTS**

Funds may be considered as operating companies of the parent corporation, which is the City. They are usually segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal reporting requirements. The two categories of City funds are governmental and proprietary.

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains three governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, and the METRO fund, which are considered to be major funds for reporting purposes.

**CITY OF HILSHIRE VILLAGE, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2022**

The City adopts an annual appropriated budget for the general fund, the debt service fund, and the METRO fund. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with the budgets.

**Proprietary Funds**

The City maintains one type of proprietary fund, an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its water and wastewater operations. The proprietary fund financial statements can be found in the basic financial statements of this report.

**Notes to Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

**Other Information**

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes budgetary comparison schedules for the general fund and the METRO fund and schedules of changes in net pension and total other postemployment benefits liability and related ratios and a schedule of contributions for the Texas Municipal Retirement System. RSI can be found after the notes to the basic financial statements.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. Assets and deferred outflows of resources exceed liabilities and deferred inflows by \$10,609,736 as of September 30, 2022 for the primary government. This compares to the prior year's balance of \$10,375,410. The largest portion of the City's net position (76 percent) reflects its investments in capital assets (e.g., land, City hall, and streets), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

**CITY OF HILSHIRE VILLAGE, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For the Year Ended September 30, 2022

**Statement of Net Position**

The following table reflects the condensed Statement of Net Position:

	2022			2021		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Current and other assets	\$ 2,188,790	\$ 589,699	\$ 2,778,489	\$ 1,908,612	\$ 542,501	\$ 2,451,113
Noncurrent assets	6,580,859	2,446,715	9,027,574	6,838,596	2,547,256	9,385,852
<b>Total Assets</b>	<b>8,769,649</b>	<b>3,036,414</b>	<b>11,806,063</b>	<b>8,747,208</b>	<b>3,089,757</b>	<b>11,836,965</b>
Deferred outflows - pensions	12,405	-	12,405	12,355	-	12,355
Deferred outflows - OPEB	1,402	-	1,402	1,641	-	1,641
<b>Total Deferred Outflows of Resources</b>	<b>13,807</b>	<b>-</b>	<b>13,807</b>	<b>13,996</b>	<b>-</b>	<b>13,996</b>
Long-term liabilities	909,795	-	909,795	1,241,858	-	1,241,858
Other liabilities	5,884	283,634	289,518	26,519	203,092	229,611
<b>Total Liabilities</b>	<b>915,679</b>	<b>283,634</b>	<b>1,199,313</b>	<b>1,268,377</b>	<b>203,092</b>	<b>1,471,469</b>
Deferred inflows - pensions	10,367	-	10,367	3,766	-	3,766
Deferred inflows - OPEB	454	-	454	316	-	316
<b>Total Deferred Inflows of Resources</b>	<b>10,821</b>	<b>-</b>	<b>10,821</b>	<b>4,082</b>	<b>-</b>	<b>4,082</b>
<b>Net position:</b>						
Net investment in capital assets	5,669,582	2,446,715	8,116,297	5,608,596	2,547,256	8,155,852
Restricted	421,346	-	421,346	345,383	-	345,383
Unrestricted	1,766,028	306,065	2,072,093	1,534,766	339,409	1,874,175
<b>Total Net Position</b>	<b>\$ 7,856,956</b>	<b>\$ 2,752,780</b>	<b>\$ 10,609,736</b>	<b>\$ 7,488,745</b>	<b>\$ 2,886,665</b>	<b>\$ 10,375,410</b>

A portion of the City's net position, \$421,346 or 4 percent, represents resources that are subject to external restriction on how they may be used.

**CITY OF HILSHIRE VILLAGE, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2022**

**Statement of Activities**

The following table provides a summary of the City's changes in net position:

	For the Year Ended September 30, 2022			For the Year Ended September 30, 2021		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
			Primary Government			Primary Government
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 239,004	\$ 532,648	\$ 771,652	\$ 189,654	\$ 486,309	\$ 675,963
Operating grants	103,198	-	103,198	133,689	-	133,689
General revenues:						
Property taxes	1,581,583	-	1,581,583	1,519,252	-	1,519,252
Sales taxes	67,116	-	67,116	66,830	-	66,830
Franchise fees	60,490	-	60,490	56,391	-	56,391
Investment income	1,893	3,466	5,359	2,560	2,193	4,753
<b>Total Revenues</b>	<b>2,053,284</b>	<b>536,114</b>	<b>2,589,398</b>	<b>1,968,376</b>	<b>488,502</b>	<b>2,456,878</b>
<b>Expenses</b>						
General government	414,461	-	414,461	363,845	-	363,845
Police protection	568,642	-	568,642	522,030	-	522,030
Fire protection	230,950	-	230,950	215,490	-	215,490
Public works	443,167	-	443,167	442,846	-	442,846
Long-term debt interest	27,853	-	27,853	39,380	-	39,380
Water and sewer	-	669,999	669,999	-	580,461	580,461
<b>Total Expenses</b>	<b>1,685,073</b>	<b>669,999</b>	<b>2,355,072</b>	<b>1,583,591</b>	<b>580,461</b>	<b>2,164,052</b>
<b>Change in Net Position</b>	<b>368,211</b>	<b>(133,885)</b>	<b>234,326</b>	<b>384,785</b>	<b>(91,959)</b>	<b>292,826</b>
Beginning net position	7,488,745	2,886,665	10,375,410	7,103,960	2,978,624	10,082,584
<b>Ending Net Position</b>	<b>\$ 7,856,956</b>	<b>\$ 2,752,780</b>	<b>\$ 10,609,736</b>	<b>\$ 7,488,745</b>	<b>\$ 2,886,665</b>	<b>\$ 10,375,410</b>

Overall governmental activity revenues increased by \$84,908, or 4 percent, over the prior year, primarily due to the increase in property taxes and charges for services. Governmental expenses increased by \$101,482, or 6 percent, compared to the prior year mainly due to increases in expenditures related to general government, police protection, and fire protection.

Revenues from business-type activities totaled \$536,114, which is an increase of \$47,612 from the prior year. Business-type activities expenses increased by \$89,538, which is an increase of 15 percent from the prior year.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

**CITY OF HILSHIRE VILLAGE, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2022**

**Governmental Funds** – The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, the unassigned fund balance may serve as a useful measure of the City’s net resources available for spending at the end of the year.

The City’s general fund reflects a fund balance of \$1,737,500, of which \$8,696 is restricted for child safety and \$1,728,804 is unassigned. There was an increase in the fund balance for the general fund of \$234,517 from the prior year. The increase in fund balance is primarily due to an increase in property tax revenue. Unassigned fund balance for the general fund is approximately 15 months of operating expenditures based on the 2022 fiscal year expenditures.

The City’s debt service fund reflects a fund balance of \$1,224. There was a decrease in the fund balance of \$18,816 from the prior year, due to an increase in debt service principal expenditures. The fund balance is restricted for debt service payments.

The City’s METRO fund reflects a fund balance of \$411,426, which is restricted for METRO-related street maintenance and improvement. The METRO fund reported an increase in fund balance of \$93,861 from the prior year. The increase in fund balance is due to excess revenues over expenditures.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

For the year, the general fund’s actual revenues exceeded budgeted revenues by \$93,029. This net variance includes a positive variances of \$31,619 in licenses and permits, \$27,397 in charges for services and \$14,474 in property taxes. General fund expenditures were less than the final budget by \$267,643. This was primarily due to a positive variance of \$87,914 in general government expenditures and \$153,000 in expenditures related to street (METRO) projects.

**CAPITAL ASSETS**

At the end of the year, the City’s governmental and business-type activities had invested \$9,016,297, net of depreciation, in a variety of capital assets and infrastructure. This represents a net decrease of \$358,278 due to depreciation exceeding capital asset additions.

More detailed information on the City’s capital assets is presented in Note III.C. to the financial statements.

**LONG-TERM DEBT**

At the end of the year, the City’s long-term debt consisted of certificates of obligation and a tax maintenance note with an outstanding balance of \$900,000.

More detailed information about the City’s long-term liabilities is presented in Note III.D. to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGET**

The primary function of government is to provide for the health, safety, and wellbeing of the community. All of the duties of the City administration are guided by these three responsibilities. Other activities are imposed on the administration by requests of citizens, state government, and others. This work consists of maintaining infrastructure (streets, drainage, water, sewer) and other more routine functions such as construction permits and inspections; citizen requests and complaints; utility metering and billing; City Council meetings; preparing, recording and codifying ordinances; legal matters; and budget preparation and management. The following

**CITY OF HILSHIRE VILLAGE, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2022**

sections provide further detail on the governmental, business-type, and capital improvement activities for the City.

**Governmental Activities**

To ensure that fire protection, law enforcement, and trash removal services are sustained, the City must make sure that they are adequately funded. The City continues to charge a trash collection fee to recover all associated costs of trash removal. Essential services from the Fire and Police departments, the City's largest expenditures, continue to be funded by ad valorem and sales tax revenue. Both Fire and Police budgets have substantially increased over the last couple of years.

The general fund, used for its governmental activities continues to be at a healthy level. This is attributable to careful budgeting and diligent fiscal management. The City Council approved the 2022 tax rate to fund the operating budget for fiscal year 2023. The City was able to decrease the total tax rate by \$0.012296, funding both the maintenance and operation fund and the payment of the City's tax anticipation notes. The rate decrease was due to home appraisal evaluation increasing for the year and the City controlling its expenses.

The City was able to paint city hall interior and replace the carpet in fiscal year 2022; however, the lighting upgrade project will not be completed until fiscal year 2023.

The Village Fire Department facility remodeling project has taken longer than anticipated and is now projected to be completed sometime in May 2023. The City does not anticipate that the Fire Department will need any additional funding to finish the remodel project; however, if funding is required to complete the project, the City will use a portion of its fiscal year 2023 operating budget reserve.

The City collects minimal funds from sales tax revenue. The City was back charged \$21,597 for sales tax funds received for a business not in the City's jurisdiction. The City entered into a 47-month payback agreement with the State Comptroller starting in January of 2023.

**Business-Type Activities**

An existing policy is in effect to review the City of Houston's water rates annually and to adjust the City's water rates accordingly. The City subsequently increased the water rate by \$0.25 per 1,000 gallons in fiscal year 2022 to continue maintaining its reserve for water system maintenance while minimizing the impact on residents.

In the fiscal year 2023 budget adoption process, the City again studied the proposed water rate increase by the City of Houston and therefore increased the water rates by \$0.25 per 1,000 gallons. Future rate increases may need to exceed the standard \$0.25 per 1,000 gallons to cover rising costs.

**Capital Infrastructure Improvements**

The City did not budget any new paving, drainage, water or sanitary sewer rehabilitation projects for the 2021 through 2023 fiscal budget time frame. The City will be planning the next infrastructure project in the end of fiscal year 2023.

The City's intent is to continually maintain and replace the City's infrastructure to avoid costly emergency repairs in the future.

The City went out for quotes and issued a purchase order to install a generator for the lift station. Due to long lead times the generator should be installed at the end of December 2022.

**CITY OF HILSHIRE VILLAGE, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2022**

**Grants**

The City Administrator continues to seek grants to help fund projects to benefit the City. A grant of \$200,409 was awarded from the American Rescue Plan to be used on utility infrastructure. This will be used to engineer the next infrastructure project in fiscal year 2024.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the City's finances. Questions concerning this report or requests for additional financial information should be directed to the City Secretary, City Hall, 8301 Westview, Houston, TX, 77055, telephone (713) 973-1779. You may also visit the City's website at [www.hilshirevillagetexas.com](http://www.hilshirevillagetexas.com) for additional information.

***BASIC FINANCIAL STATEMENTS***

# CITY OF HILSHIRE VILLAGE, TEXAS

## STATEMENT OF NET POSITION

September 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b><u>Assets</u></b>			
Current assets:			
Cash and cash equivalents	\$ 2,218,627	\$ 385,375	\$ 2,604,002
Receivables, net	55,397	118,990	174,387
Prepaid expenses	100	-	100
Internal balances	(85,334)	85,334	-
<b>Total current assets</b>	<b>2,188,790</b>	<b>589,699</b>	<b>2,778,489</b>
Noncurrent assets:			
Net pension asset	11,277	-	11,277
Nondepreciable capital assets	115,896	-	115,896
Net depreciable capital assets	6,453,686	2,446,715	8,900,401
<b>Total noncurrent assets</b>	<b>6,580,859</b>	<b>2,446,715</b>	<b>9,027,574</b>
<b>Total Assets</b>	<b>8,769,649</b>	<b>3,036,414</b>	<b>11,806,063</b>
<b><u>Deferred Outflows of Resources</u></b>			
Deferred outflows - pensions	12,405	-	12,405
Deferred outflows - OPEB	1,402	-	1,402
<b>Total Deferred Outflows of Resources</b>	<b>13,807</b>	<b>-</b>	<b>13,807</b>
<b><u>Liabilities</u></b>			
Current liabilities:			
Accounts payable and accrued liabilities	5,884	-	5,884
Customer deposits	-	83,225	83,225
Unearned revenue	-	200,409	200,409
<b>Total current liabilities</b>	<b>5,884</b>	<b>283,634</b>	<b>289,518</b>
Noncurrent liabilities:			
Due within one year	340,000	-	340,000
Due in more than one year	569,795	-	569,795
<b>Total noncurrent liabilities</b>	<b>909,795</b>	<b>-</b>	<b>909,795</b>
<b>Total Liabilities</b>	<b>915,679</b>	<b>283,634</b>	<b>1,199,313</b>
<b><u>Deferred Inflows of Resources</u></b>			
Deferred inflows - pensions	10,367	-	10,367
Deferred inflows - OPEB	454	-	454
<b>Total Deferred Inflows of Resources</b>	<b>10,821</b>	<b>-</b>	<b>10,821</b>
<b><u>Net Position</u></b>			
Net investment in capital assets	5,669,582	2,446,715	8,116,297
Restricted	421,346	-	421,346
Unrestricted	1,766,028	306,065	2,072,093
<b>Total Net Position</b>	<b>\$ 7,856,956</b>	<b>\$ 2,752,780</b>	<b>\$ 10,609,736</b>

See Notes to Financial Statements.



# CITY OF HILSHIRE VILLAGE, TEXAS

## STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
<b>Primary Government</b>			
<b>Governmental Activities</b>			
General government	\$ 414,461	\$ 20,918	\$ -
Police protection	568,642	12,439	-
Fire protection	230,950	-	-
Public works	443,167	205,647	103,198
Long-term debt interest and fiscal agent fees	27,853	-	-
<b>Total Governmental Activities</b>	<b>1,685,073</b>	<b>239,004</b>	<b>103,198</b>
<b>Business-Type Activities</b>			
Water and sewer	669,999	532,648	-
<b>Total Business-Type Activities</b>	<b>669,999</b>	<b>532,648</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 2,355,072</b>	<b>\$ 771,652</b>	<b>\$ 103,198</b>
<b>Component Units</b>			
Hilshire Village Cultural Education Facilities Finance Corporation	\$ 20,035	\$ 20,000	\$ -
Hilshire Village Higher Education Finance Corporation	35	-	-
<b>Total Component Units</b>	<b>\$ 20,070</b>	<b>\$ 20,000</b>	<b>\$ -</b>

**General Revenues:**

Taxes:

Property taxes

Sales taxes

Franchise fees

Investment income

**Total General Revenues**

**Change in Net Position**

Beginning net position

**Ending Net Position**

See Notes to Financial Statements.

**Net (Expense) Revenue and Changes in Net Position**

Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	HVCEFFC	HVHEFC
\$ (393,543)	\$ -	\$ (393,543)	\$ -	\$ -
(556,203)	-	(556,203)	-	-
(230,950)	-	(230,950)	-	-
(134,322)	-	(134,322)	-	-
(27,853)	-	(27,853)	-	-
<u>(1,342,871)</u>	<u>-</u>	<u>(1,342,871)</u>	<u>-</u>	<u>-</u>
-	(137,351)	(137,351)	-	-
-	(137,351)	(137,351)	-	-
<u>(1,342,871)</u>	<u>(137,351)</u>	<u>(1,480,222)</u>	<u>-</u>	<u>-</u>
-	-	-	(35)	-
-	-	-	-	(35)
-	-	-	<u>(35)</u>	<u>(35)</u>
1,581,583	-	1,581,583	-	-
67,116	-	67,116	-	-
60,490	-	60,490	-	-
1,893	3,466	5,359	-	-
<u>1,711,082</u>	<u>3,466</u>	<u>1,714,548</u>	<u>-</u>	<u>-</u>
368,211	(133,885)	234,326	(35)	(35)
7,488,745	2,886,665	10,375,410	576	965
<u>\$ 7,856,956</u>	<u>\$ 2,752,780</u>	<u>\$ 10,609,736</u>	<u>\$ 541</u>	<u>\$ 930</u>

(This page intentionally left blank.)

# CITY OF HILSHIRE VILLAGE, TEXAS

## BALANCE SHEET GOVERNMENTAL FUNDS

September 30, 2022

	General	Debt Service	METRO	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 1,807,201	\$ -	\$ 411,426	\$ 2,218,627
Receivables	45,936	9,461	-	55,397
Prepaid expenses	100	-	-	100
Due from other funds	176	-	-	176
<b>Total Assets</b>	<b>\$ 1,853,413</b>	<b>\$ 9,461</b>	<b>\$ 411,426</b>	<b>\$ 2,274,300</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 3,581	\$ -	\$ -	\$ 3,581
Due to other funds	85,334	176	-	85,510
<b>Total Liabilities</b>	<b>88,915</b>	<b>176</b>	<b>-</b>	<b>89,091</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - property taxes	26,998	8,061	-	35,059
<b>Fund Balances</b>				
Restricted for METRO	-	-	411,426	411,426
Restricted for debt service	-	1,224	-	1,224
Restricted for child safety	8,696	-	-	8,696
Unassigned	1,728,804	-	-	1,728,804
<b>Total Fund Balances</b>	<b>1,737,500</b>	<b>1,224</b>	<b>411,426</b>	<b>2,150,150</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 1,853,413</b>	<b>\$ 9,461</b>	<b>\$ 411,426</b>	
<b>Adjustments for the Statement of Net Position:</b>				
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.				
Nondepreciable capital assets				115,896
Depreciable capital assets				10,369,799
Accumulated depreciation				(3,916,113)
Long-term liabilities and deferred outflows and deferred inflows related to the net pension asset and total OPEB liability are not reported in the governmental funds.				
Net pension asset				11,277
Total OPEB liability				(9,795)
Deferred outflows - pensions				12,405
Deferred inflows - pensions				(10,367)
Deferred outflows - OPEB				1,402
Deferred inflows - OPEB				(454)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.				
Deferred revenue				35,059
Some liabilities, including bonds payable, are not reported as liabilities in the governmental funds.				
Accrued interest payable				(2,303)
Noncurrent liabilities due within one year				(340,000)
Noncurrent liabilities due in more than one year				(560,000)
<b>Net Position of Governmental Activities</b>				<b>\$ 7,856,956</b>

See Notes to Financial Statements.

(This page intentionally left blank.)

# CITY OF HILSHIRE VILLAGE, TEXAS

## STATEMENT OF REVENUES, EXPENDITURES,

### AND CHANGES IN FUND BALANCES

#### GOVERNMENTAL FUNDS

For the Year Ended September 30, 2022

	<u>General</u>	<u>Debt Service</u>	<u>METRO</u>	<u>Total Governmental Funds</u>
<b><u>Revenues</u></b>				
Property taxes	\$ 1,228,053	\$ 362,601	\$ -	\$ 1,590,654
Sales taxes	67,116	-	-	67,116
Franchise fees	60,490	-	-	60,490
Licenses and permits	121,419	-	-	121,419
Investment income	1,375	-	518	1,893
Intergovernmental revenue	198	-	103,000	103,198
Charges for services	117,585	-	-	117,585
<b>Total Revenues</b>	<b>1,596,236</b>	<b>362,601</b>	<b>103,518</b>	<b>2,062,355</b>
<b><u>Expenditures</u></b>				
<b>Current:</b>				
General government	412,415	-	-	412,415
Police protection	568,642	-	-	568,642
Fire protection	230,950	-	-	230,950
Public works	172,954	-	9,657	182,611
<b>Debt Service:</b>				
Principal	-	330,000	-	330,000
Interest	-	28,175	-	28,175
<b>Total Expenditures</b>	<b>1,384,961</b>	<b>358,175</b>	<b>9,657</b>	<b>1,752,793</b>
<b>Excess of Revenues Over Expenditures</b>	<b>211,275</b>	<b>4,426</b>	<b>93,861</b>	<b>309,562</b>
<b><u>Other Financing Sources Proceeds (Uses)</u></b>				
Transfers in (out)	23,242	(23,242)	-	-
<b>Total Other Financing Sources Proceeds (Uses)</b>	<b>23,242</b>	<b>(23,242)</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>234,517</b>	<b>(18,816)</b>	<b>93,861</b>	<b>309,562</b>
Beginning fund balances	1,502,983	20,040	317,565	1,840,588
<b>Ending Fund Balances</b>	<b>\$ 1,737,500</b>	<b>\$ 1,224</b>	<b>\$ 411,426</b>	<b>\$ 2,150,150</b>

See Notes to Financial Statements.

(This page intentionally left blank.)

**CITY OF HILSHIRE VILLAGE, TEXAS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2022**

Net change in fund balances - governmental funds \$ 309,562

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense (269,014)

Revenues that do not provide current financial resources are not reported as revenues in the funds.

(9,071)

Net pension and total other postemployment benefits (OPEB) liability and related deferred outflows/inflows are reported in the governmental funds.

Net pension liability/(asset)	13,842
Total OPEB liability	(502)
Deferred outflows - pensions	50
Deferred inflows - pensions	(6,601)
Deferred outflows - OPEB	(239)
Deferred inflows - OPEB	(138)

The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effects of issuance costs, premiums, discounts, and similar items when it is first issued; whereas, these amounts are deferred and amortized in the Statement of Activities. In addition, pension and other post employment benefits (OPEB) expenses and the amortization of deferred items are accounted for in the Statement of Activities.

Principal payment	330,000
Accrued interest	322

<b>Change in Net Position of Governmental Activities</b>	<b>\$ 368,211</b>
--	-------------------

See Notes to Financial Statements.

(This page intentionally left blank.)

# CITY OF HILSHIRE VILLAGE, TEXAS

## STATEMENT OF NET POSITION

### PROPRIETARY FUND

September 30, 2022

	<u>Business-Type Activities Enterprise</u>
<b>Assets:</b>	
Cash and cash equivalents	\$ 385,375
Accounts receivable, net	118,990
Due from other funds	85,334
<b>Total Current Assets</b>	<u>589,699</u>
Capital assets:	
Water	2,587,695
Sewer	1,727,399
Less: accumulated depreciation	<u>(1,868,379)</u>
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<u>2,446,715</u>
<b>Total Noncurrent Assets</b>	<u>2,446,715</u>
<b>Total Assets</b>	<u>3,036,414</u>
<b>Liabilities:</b>	
Customer deposits	83,225
Unearned revenue	200,409
<b>Total Current Liabilities</b>	<u>283,634</u>
<b>Total Liabilities</b>	<u>283,634</u>
<b>Net Position:</b>	
Net investment in capital assets	2,446,715
Unrestricted	306,065
<b>Total Net Position</b>	<u>\$ 2,752,780</u>

See Notes to Financial Statements.

(This page intentionally left blank.)

# CITY OF HILSHIRE VILLAGE, TEXAS

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUND

For the Year Ended September 30, 2022

	Business-Type Activities
	Enterprise
<b><u>Operating Revenues</u></b>	
Water and sewer charges	\$ 532,648
<b>Total Operating Revenues</b>	<b>532,648</b>
<b><u>Operating Expenses</u></b>	
Water services	411,247
Sewer services	113,141
Administrative	11,560
Depreciation	134,051
<b>Total Operating Expenses</b>	<b>669,999</b>
<b>Operating (Loss)</b>	<b>(137,351)</b>
<b><u>Nonoperating Revenues (Expenses)</u></b>	
Investment income	3,466
<b>Total Nonoperating Revenues</b>	<b>3,466</b>
<b>Change in Net Position</b>	<b>(133,885)</b>
Beginning net position	2,886,665
<b>Ending Net Position</b>	<b>\$ 2,752,780</b>

See Notes to Financial Statements.

(This page intentionally left blank.)

# CITY OF HILSHIRE VILLAGE, TEXAS

## STATEMENT OF CASH FLOWS

### PROPRIETARY FUND

For the Year Ended September 30, 2022

	<b>Business-Type Activities</b>
	<b>Enterprise</b>
<b><u>Cash Flows from Operating Activities</u></b>	
Receipts from customers	\$ 557,256
Payments to suppliers	(559,209)
<b>Net Cash Provided by Operating Activities</b>	<b>(1,953)</b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>	
Capital grants	100,303
Capital purchases	(33,510)
<b>Net Cash Provided by Capital and Related Financing Activities</b>	<b>66,793</b>
<b><u>Cash Flows from Investing Activities</u></b>	
Interest on investments	3,466
<b>Net Cash Provided by Investing Activities</b>	<b>3,466</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>68,306</b>
Beginning cash and cash equivalents	317,069
<b>Ending Cash and Cash Equivalents</b>	<b>\$ 385,375</b>
 <b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>	
Operating (loss)	\$ (137,351)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:	
Depreciation	134,051
<b>Changes in Operating Assets and Liabilities:</b>	
<b>(Increase) Decrease in:</b>	
Accounts receivable	(1,538)
Prepaid items	7,874
Due from other funds	14,772
<b>Increase (Decrease) in:</b>	
Accounts payable	(23,261)
Customer deposits	3,500
<b>Net Cash Provided by Operating Activities</b>	<b>\$ (1,953)</b>

See Notes to Financial Statements.

(This page intentionally left blank.)

# CITY OF HILSHIRE VILLAGE, TEXAS

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2022

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

The City of Hilshire Village, Texas (the “City”) was organized as the Town of Hilshire Village, Texas, and incorporated in 1955 as a General Law Village under Chapter 11, Title 28, Acts of the Texas Legislature, 1925 as amended (the “Act”). The incorporation papers were amended in 1973 to permit operation as a Type A General Law City under the authority of chapters one through ten of the above Act and the name changed to its present name.

The City’s primary activities include general administration, police protection, fire protection, and public works including water, sewer, and solid waste disposal services.

The City is an independent political subdivision of the State of Texas (the “State”) governed by an elected council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City’s financial reporting entity. The component units as listed below, although legally separate, are considered part of the reporting entity. No other entities have been included in the City’s reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the City’s financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with the prescribed criteria considered in determining that the City’s financial reporting entity status is that of a primary government are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles (GAAP) include considerations pertaining to organizations for which the primary government is financially accountable, and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

#### **Discretely Presented Component Units**

##### **Hilshire Village Cultural Education Facilities Finance Corporation**

The Hilshire Village Cultural Education Facilities Finance Corporation (HVCEFFC) has been included in the reporting entity as a discretely presented component unit.

The HVCEFFC was created by the City in 2006 under the Cultural Education Facilities Finance Corporation Act, Article 1528m, Vernon’s Texas Civil Statutes, for the purpose of benefiting and accomplishing public purposes on behalf of the City. The Board of Directors is appointed by and serves at the discretion of the City Council. City Council approval is required for annual budgets and bonded debt issuance. In the event of dissolution, net position shall be conveyed to the City.

# CITY OF HILSHIRE VILLAGE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

### Hilshire Village Higher Education Finance Corporation

The Hilshire Village Higher Education Finance Corporation (HVHEFC) has been included in the reporting entity as a discretely presented component unit.

The HVHEFC was created by the City in 2015 under Section 53.35(b) of the Texas Education Code for the purpose of benefiting and accomplishing public purposes on behalf of the City. The Board of Directors is appointed by and serves at the discretion of the City Council.

### **B. Government-Wide Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

### **C. Basis of Presentation – Government-Wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the City's enterprise fund. Separate financial statements are provided for governmental and proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's water and wastewater functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

### **D. Basis of Presentation – Fund Financial Statements**

The fund financial statements provide information about the City's funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

The City reports the following governmental funds:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the City, except those to be accounted for in another fund. The general fund is always considered a major fund for reporting purposes.

The *debt service fund* is used to account for the payment of interest and principal on all general obligation debt of the City. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

The *special revenue fund* is used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The METRO fund is considered a major fund for reporting purposes.

**CITY OF HILSHIRE VILLAGE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

The City reports the following enterprise fund:

The *enterprise fund* is used to account for the City's water and wastewater operations. The services are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges. The enterprise fund is considered a major fund for reporting purposes.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise fund) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

**E. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

# CITY OF HILSHIRE VILLAGE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

Property taxes, sales taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the City.

### F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

#### 1. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

#### 2. Investments

Investments, except for certain investment pools, are reported at fair value. The investment pool operates in accordance with appropriate state laws and regulations and is reported at amortized cost. Investments in nonparticipating interest earning contracts, such as certificates of deposits, are reported at cost.

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Government Code. In summary, the City is authorized to invest in the following:

- Direct obligations of the U.S. government
- Repurchase agreements
- Fully collateralized certificates of deposit
- Savings and loan association deposits backed by FSLIC
- Mutual funds of a specific type
- Statewide investment pools

#### 3. Prepaid Items

Certain payments to vendors reflect costs applicable to a future accounting period (prepaid expenditures) are recognized as expenditures when utilized.

#### 4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of two years or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

**CITY OF HILSHIRE VILLAGE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred in connection with the construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful years:

Asset Description	Estimated Useful Life
Water and sewer system	10 to 45 years
Buildings and improvements	10 to 45 years
Furniture and equipment	3 to 20 years
Vehicles	3 to 10 years
Infrastructure	20 years

**5. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension/other postemployment benefits (OPEB) activities are amortized over the average of the expected service lives of pension/OPEB plan members, except for the net differences between the projected and actual investment earnings on the pension/OPEB plan assets, which are amortized over a period of five years.
- For employer pension/OPEB plan contributions that were made subsequent to the measurement date through the end of the City's fiscal year, the amount is deferred and recognized as a reduction to the net pension/OPEB liability during the measurement period in which the contributions were made.

At the fund level, the City only has one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**6. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position.

# CITY OF HILSHIRE VILLAGE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund.

### 7. Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

### 8. Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

### 9. Fund Balance Policies

Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

# CITY OF HILSHIRE VILLAGE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

### 10. Estimates

The preparation of financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

### 11. Pensions

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### 12. Other Postemployment Benefits

The City participates in a single-employer, unfunded, defined benefit group-term life insurance plan operated by TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. Benefit payments are treated as being equal to the employer's yearly contributions for retirees. Benefit payments and refunds are due and payable in accordance with the benefit terms. Information about the City's total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense is provided by TMRS from reports prepared by their consulting actuary.

## G. Revenues and Expenditures/Expenses

### 1. Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

**CITY OF HILSHIRE VILLAGE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

**2. Property Taxes**

Property taxes are levied during September of each year and are due upon receipt of the City’s tax bill and become delinquent on February 1 of the following year. The City’s tax lien exists from January 1 (the assessment date) each year until the taxes are paid. The procedure for collection on delinquent taxes is to send delinquent notices and a letter and then refer the delinquent accounts to the tax attorney for legal action. A penalty of seven percent is added to delinquent taxes on February 1 and increases two percent each month through September. An additional penalty of 15 percent is added in July for attorney costs. There are no discounts allowed on taxes.

**3. Proprietary Funds Operating and Nonoperating Revenues and Expenses**

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. The enterprise fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Annual budgets are adopted on a basis consistent with GAAP for the general fund, the debt service fund, and the METRO fund. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control is the object and purpose stated in the approved budget.

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS**

**A. Deposits and Investments**

As of September 30, 2022, the City had the following investments:

<u>Investment Type</u>	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>
TexPool	1,358,391	0.07
<b>Total Value</b>	<b>\$ 1,358,391</b>	
Portfolio weighted average maturity		0.07

*Interest rate risk.* In accordance with its investment policy, the City manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term securities.

*Credit risk.* The City’s policy requires that investment pools must be rated no lower than ‘AAA’ or ‘AAA-m’. As of September 30, 2022, the City’s investments in TexPool was rated ‘AAAm’ by Standard & Poor’s.

*Custodial credit risk – deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City’s investment policy requires funds on deposit at the depository bank to be collateralized by securities and/or FDIC insurance. As of

**CITY OF HILSHIRE VILLAGE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

September 30, 2022, the City’s bank balances were covered by FDIC insurance and market values of pledged securities.

**TexPool**

TexPool was established as a trust company with the Treasurer of the State as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor’s rates TexPool “AAAm”. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor’s, as well as to the office of the Comptroller of Public Accounts for review.

TexPool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, TexPool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity, and diversification requirements within TexPool. TexPool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have no more than five percent of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool’s authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national state of emergency that affects TexPool’s liquidity.

**B. Receivables**

The following comprises receivable balances at year end:

	<u>General</u>	<u>Debt Service</u>	<u>Enterprise</u>
Property taxes	\$ 26,998	\$ 8,061	\$ -
Other taxes	11,343	-	-
Other receivables	7,595	1,400	-
Accounts	-	-	118,990
<b>Total Receivables</b>	<u>\$ 45,936</u>	<u>\$ 9,461</u>	<u>\$ 118,990</u>

**CITY OF HILSHIRE VILLAGE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

**C. Capital Assets**

A summary of changes in capital assets at year end is as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>(Decreases)</b>	<b>Ending Balance</b>
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 115,896	\$ -	\$ -	\$ 115,896
Total capital assets not being depreciated	115,896	-	-	115,896
Other capital assets:				
Buildings and improvements	276,379	-	-	276,379
Infrastructure	10,093,420	-	-	10,093,420
Total other capital assets	10,369,799	-	-	10,369,799
Less accumulated depreciation for:				
Buildings and improvements	(171,597)	(8,458)		(180,055)
Infrastructure	(3,475,502)	(260,556)	-	(3,736,058)
Total accumulated depreciation	(3,647,099)	(269,014)	-	(3,916,113)
Other capital assets, net	6,722,700	(269,014)	-	6,453,686
<b>Governmental Activities         Capital Assets, Net</b>	<b>\$ 6,838,596</b>	<b>\$ (269,014)</b>	<b>\$ -</b>	<b>6,569,582</b>
			<b>Less related debt</b>	<b>(900,000)</b>
			<b>Net Investment in Capital Assets</b>	<b>\$ 5,669,582</b>

Depreciation was charged to governmental functions as follows:

General government	\$ 8,458
Public works	260,556
<b>Total Governmental Activities Depreciation Expense</b>	<b>\$ 269,014</b>

# CITY OF HILSHIRE VILLAGE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

The following is a summary of changes in capital assets for business-type activities for the year:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Ending Balance</u>
<b>Business-Type Activities:</b>				
Capital assets:				
Water system	\$ 2,587,695	\$ -	\$ -	\$ 2,587,695
Sewer system	1,693,889	33,510	-	1,727,399
Total other capital assets	<u>4,281,584</u>	<u>33,510</u>	<u>-</u>	<u>4,315,094</u>
Less accumulated depreciation for:				
Water system	(1,002,291)	(80,558)	-	(1,082,849)
Sewer system	(732,037)	(53,493)	-	(785,530)
Total accumulated depreciation	<u>(1,734,328)</u>	<u>(134,051)</u>	<u>-</u>	<u>(1,868,379)</u>
Other capital assets, net	<u>2,547,256</u>	<u>(100,541)</u>	<u>-</u>	<u>2,446,715</u>
<b>Business-Type Activities Capital Assets, Net</b>	<u>\$ 2,547,256</u>	<u>\$ (100,541)</u>	<u>\$ -</u>	<u>\$ 2,446,715</u>

Depreciation was charged to business-type functions as follows:

Water	\$ 80,558
Sewer	53,493
<b>Total Business-Type Activities Depreciation Expense</b>	<u>\$ 134,051</u>

### D. Long-Term Debt

In general, the City uses the debt service fund to liquidate governmental long-term liabilities. The following is a summary of changes in the City's long-term liabilities for the year ended September 30, 2022:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
<b>Governmental Activities</b>					
Bonds, notes, and other payables:					
Certificates of obligation, series 2014	\$ 420,000	\$ -	\$ 135,000	\$ 285,000 *	\$ 140,000
Tax anticipation note, series 2018	810,000	-	195,000	615,000 *	200,000
Other liabilities:					
Net pension liability	2,565	-	2,565	-	-
Total OPEB liability	9,293	502	-	9,795	-
<b>Total Governmental Activities</b>	<u>\$ 1,241,858</u>	<u>\$ 502</u>	<u>\$ 332,565</u>	<u>\$ 909,795</u>	<u>\$ 340,000</u>
<b>Long-term liabilities due in more than one year</b>				<u>\$ 569,795</u>	
<b>* Debt associated with capitals assets</b>				<u>\$ 900,000</u>	

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

**CITY OF HILSHIRE VILLAGE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

Long-term debt at year end was comprised of the following debt issue:

	<u>Amounts Outstanding</u>	<u>Interest Rate</u>	<u>Maturity Interest Pmt. Dates</u>
Certificates of obligation, series 2014	\$ 285,000	2.19%	Mar 1, Sep 1
Tax anticipation note, series 2018	615,000	2.91%	Mar 1, Sep 1
	<u>\$ 900,000</u>		

As of September 30, 2022, the debt service requirements on the debt outstanding is as follows:

<u>Fiscal Year Ending Sept. 30</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2023	340,000	19,695	359,695
2024	350,000	10,682	360,682
2025	210,000	3,055	213,055
<b>Total</b>	<u>\$ 900,000</u>	<u>\$ 33,432</u>	<u>\$ 933,432</u>

The City is not obligated in any manner for special assessment debt.

**Federal Arbitrage**

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or are not performed correctly, a substantial liability to the City could result. The City periodically engages an arbitrage consultant to perform the calculations in accordance with the rules and regulations of the IRS.

**E. Interfund Transactions**

The composition of interfund balances was as follows:

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Amount</u>
Debt service fund	General Fund	\$ 176
General fund	Enterprise fund	85,334
		<u>\$ 85,510</u>

Amounts recorded as due to/from are considered to be temporary loans and will be repaid during the following year.

Transfers between the primary government funds during the year were as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Debt service fund	General fund	<u>\$ 23,242</u>

# CITY OF HILSHIRE VILLAGE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

### F. Fund Equity

The City entered into an interlocal street maintenance agreement with the Metropolitan Transit Authority of Harris County, Texas (METRO) in 1992 for the purpose of improving the street network throughout the METRO region of the City. Additional expanded sales tax funding was also dedicated for street maintenance and improvement. Money received from METRO is recognized as intergovernmental revenue. The City's METRO fund has a restricted fund balance of \$411,426.

## IV. OTHER INFORMATION

### A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City participates along with 2,617 other entities in the Texas Municipal League's Intergovernmental Risk Pool (the "Pool"). The Pool purchases commercial insurance at a group rate for participants in the Pool. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts for the past three years.

### B. Contingent Liabilities

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures that may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Liabilities are reported when it is probable a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. No claim liabilities are reported at year end.

### C. Pension Plan

#### Texas Municipal Retirement System

##### Plan Description

The City participates as one of 901 plans in the defined benefit cash-balance plan administered by TMRS. TMRS is a statewide public retirement plan created by the State and administered in accordance with the Texas Government Code, Title 8, Subtitle G (the "TMRS Act") as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees (the "Board"); however, TMRS does not receive any funding from the State. TMRS issues a publicly available Annual Comprehensive Financial Report that can be obtained at [tmrs.com](http://tmrs.com).

All eligible employees of the City are required to participate in TMRS.

# CITY OF HILSHIRE VILLAGE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

### Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the member's benefit is calculated based on the sum of the member's contributions, with interest, and the City-financed monetary credits, with interest, and their age at retirement and other actuarial factors. The retiring member may select one of seven monthly payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member contributions and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	2022	2021
Employee deposit rate	5.00%	5.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service requirement eligibility (expressed as age/yrs of service)	60/5, 20/0	60/5, 20/0
Updated service credit	0%	0%
Annuity increase (to retirees)	0% of CPI	0% of CPI

### Employees Covered by Benefit Terms

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1	
Active employees	2	
<b>Total</b>	3	

### Contributions

Member contribution rates in TMRS are either 5%, 6%, or 7% of the member's total compensation, and the City-matching ratios are either 1:1 (1 to 1), 1.5:1 (1½ to 1), or 2:1 (2 to 1), both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

# CITY OF HILSHIRE VILLAGE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

Employees for the City were required to contribute 5% of their annual gross earnings during the fiscal year. The contribution rates for the City were 7.94 percent and 9.97 percent in 2021 and 2022, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2022 were \$14,342, which were equal to the required contributions.

### Net Pension Liability/(Asset)

The City's Net Pension Liability/(Asset) (NPL/(A)) was measured as of December 31, 2021 and the Total Pension Liability (TPL) used to calculate the NPL/(A) was determined by an actuarial valuation as of that date.

### Actuarial Assumptions

The TPL in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-Distinct 2019 Municipal Retirees of Texas mortality tables. The rates for active members, healthy retirees, and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a four-year set-forward for males and a three-year set-forward for females. In addition, a 3.5 percent and 3.0 percent minimum mortality rate is applied for males and females, respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The postretirement mortality assumption for annuity purchase rates is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation, as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, the actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

# CITY OF HILSHIRE VILLAGE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global public equity	35.00%	7.55%
Core fixed income	6.00%	2.00%
Non-core fixed income	20.00%	5.68%
Other public and private markets	12.00%	7.22%
Real estate	12.00%	6.85%
Hedge funds	5.00%	5.35%
Private equity	10.00%	10.00%
<b>Total</b>	100.00%	

### Discount Rate

The discount rate used to measure the TPL was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the TMRS fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

### Changes in the NPL/(A)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(A)	(B)	(A) - (B)
Changes for the year:			
Service cost	\$ 15,729	\$ -	\$ 15,729
Interest	10,921	-	10,921
Difference between expected and actual experience	1,840	-	1,840
Contributions - employer	-	14,846	(14,846)
Contributions - employee	-	7,613	(7,613)
Net investment income	-	19,964	(19,964)
Benefit payments, including refunds of employee contributions	(1,184)	(1,184)	-
Administrative expense	-	(92)	92
Other changes	-	1	(1)
<b>Net Changes</b>	27,306	41,148	(13,842)
Balance at December 31, 2020	154,515	151,950	2,565
<b>Balance at December 31, 2021</b>	\$ 181,821	\$ 193,098	\$ (11,277)

**CITY OF HILSHIRE VILLAGE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

Sensitivity of the NPL/(A) to Changes in the Discount Rate

The following presents the NPL/(A) of the City, calculated using the discount rate of 6.75 percent, as well as what the City's NPL/(A) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	<b>1% Decrease in Discount Rate (5.75%)</b>	<b>Discount Rate (6.75%)</b>	<b>1% Increase in Discount Rate (7.75%)</b>
City's Net Pension Liability/(Asset)	\$ 10,142	\$ (11,277)	\$ 29,238

Pension Plan Fiduciary Net Position

Detailed information about the TMRS fiduciary net position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at [www.tmrs.com](http://www.tmrs.com).

Pension Expense and Deferred Outflows/Deferred Inflows of Resources Related to Pensions

For the fiscal year ended September 30, 2022, the City recognized pension expense of \$7,052.

At September 30, 2022, the City reported deferred outflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual economic experience	\$ 1,594	\$ (107)
Changes in actuarial assumptions	375	-
Net difference between projected and actual investment earnings	-	(10,260)
Contributions subsequent to the measurement date	10,436	-
<b>Total</b>	<b>\$ 12,405</b>	<b>\$ (10,367)</b>

\$10,436 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the NPL/(A) for the fiscal year ending September 30, 2023. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<b>Fiscal Year Ended September 30</b>	<b>Pension Expense</b>
2023	(1,642)
2024	\$ (3,344)
2025	(1,780)
2026	(1,632)
<b>Total</b>	<b>\$ (8,398)</b>

# CITY OF HILSHIRE VILLAGE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

### D. Other Postemployment Benefits

#### TMRS Supplemental Death Benefits

##### Plan Description

The City participates in an OPEB plan administered by TMRS. TMRS administers the defined benefit group-term life insurance plan known as the SDBF. This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. Employers may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The member city contributes to the SDBF at a contractually required rate (based on the covered payroll of employee members) as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). As such, the SDBF is considered to be a single-employer unfunded OPEB defined benefit plan with benefit payments treated as being equal to the employer's yearly contributions for retirees.

The contributions to the SDBF are pooled for investment purposes with those of the Pension Trust Fund (PTF). The SDBF's funding policy assures that adequate resources are available to meet all death benefit payments for the upcoming year. The SDBF is a pay-as-you-go fund, and any excess contributions are available for future SDBF benefits.

##### Benefits

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an OPEB and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e., no assets are accumulated). Participation in the SDBF as of December 31, 2021 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	1
Active employees	2
Total	<u>3</u>

##### Total OPEB Liability

The City's total OPEB liability of \$9,795 was measured as of December 31, 2021 and was determined by an actuarial valuation as of that date.

**CITY OF HILSHIRE VILLAGE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate	1.84%*
Retirees' share of benefit-related costs	Zero
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements under GASB 68.
Mortality rates-service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates-disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a four-year set-forward for males and a three-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

\* The discount rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2021.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018. Due to the higher mortality rates associated with the global pandemic, the TMRS board adopted changes to the assumptions and methodology used for calculating 2023 rates as determined in the December 31, 2021 actuarial valuation.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Changes for the year:	
Service cost	\$ 502
Interest	190
Difference between expected and actual experience	(335)
Changes of assumptions	267
Benefit payments*	(122)
<b>Net Changes</b>	<u>502</u>
Beginning balance	9,293
<b>Ending Balance</b>	<u><u>\$ 9,795</u></u>

\* Benefit payments are treated as being equal to the employer's yearly contributions for retirees due to the SDBF being considered an unfunded

The discount rate decreased from 2.00% as of December 31, 2020 to 1.84% as of December 31, 2021. There were no other changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

There were no changes of benefit terms that affected the measurement of the total OPEB liability during the measurement period.

# CITY OF HILSHIRE VILLAGE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

### Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	<b>1% Decrease in Discount Rate (0.84%)</b>	<b>Discount Rate (1.84%)</b>	<b>1% Increase in Discount Rate (2.84%)</b>
City's Total OPEB Liability	\$ 11,658	\$ 9,795	\$ 8,291

### OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended September 30, 2022, the City recognized OPEB expense of \$1,033. The City reported deferred outflows/inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes in actuarial assumptions	\$ 1,280	\$ -
Difference between expected and actual experience	-	(454)
Contributions subsequent to the measurement date	122	-
<b>Total</b>	<b>\$ 1,402</b>	<b>\$ (454)</b>

\$122 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the fiscal year ending September 30, 2023.

Amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Fiscal Year Ended September 30</b>	<b>OPEB Expense</b>
2023	\$ 343
2024	\$ 386
2025	109
2026	(12)
<b>Total</b>	<b>\$ 826</b>

## **E. Related Organizations and Joint Ventures**

### **Police Protection**

Police protection is provided to the City through the City of Spring Valley Village, Texas for a fixed amount due in monthly installments.

**CITY OF HILSHIRE VILLAGE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2022**

**Fire Protection**

On December 20, 1978, the City entered into an interlocal cooperation agreement (the “Agreement”) with the cities of Bunker Hill Village, Hedwig Village, Hunters Creek Village, Piney Point Village, and Spring Valley Village, Texas, creating the Village Fire Department (VFD). The Agreement ran for a period of 12 years beginning January 1, 1979 and ended December 31, 1990. Effective January 1, 1991, the Agreement automatically renewed for a period of five years and will continue to renew on each expiration date unless terminated by at least one of the contracting cities. Under the terms of this Agreement, the City is liable for three percent of VFD’s approved budget.

Consolidated financial information extracted from the VFD’s audited financial statements for the year ended December 31, 2021, on which the VFD’s auditors expressed an unqualified opinion, is as follows:

	<b>VFD Total</b>		<b>City's Portion (3%)</b>	
	<b>Net Position</b>	<b>Balance Sheet</b>	<b>Net Position</b>	<b>Balance Sheet</b>
Total assets and deferred outflows	\$ 9,406,192	\$ 1,352,352	\$ 282,186	\$ 40,571
Total liabilities and deferred inflows	2,650,595	1,028,760	79,518	30,863
<b>Total Participants' Equity</b>	<b>\$ 6,755,597</b>	<b>\$ 323,592</b>	<b>\$ 202,668</b>	<b>\$ 9,708</b>
	<b>Change in</b>	<b>Revenues and</b>	<b>Change in</b>	<b>Revenues and</b>
	<b>Net Position</b>	<b>Expenditures</b>	<b>Net Position</b>	<b>Expenditures</b>
Total revenues	\$ 7,256,985	\$ 7,254,685	\$ 217,710	\$ 217,641
Total expenditures/expenses	7,320,554	10,792,826	219,617	323,785
Revenues over/(under) expenditures	(63,569)	(3,538,141)	(1,907)	(106,144)
Other financing sources	-	2,300	-	69
Beginning participants' equity	6,819,166	3,859,433	204,575	115,783
<b>Ending Participants' Equity</b>	<b>\$ 6,755,597</b>	<b>\$ 323,592</b>	<b>\$ 202,668</b>	<b>\$ 9,708</b>

**F. Conduit Debt**

To accomplish its purposes, the HVCEFFC, with the approval of the City, is empowered to issue bonds for financing or refinancing of “cultural facilities” as defined by the act under which the HVCEFFC was created for the benefit of separate legal entities. The bonds are secured by a pledge of the monies to be received from the entities pursuant to the agreements. The bonds are payable solely for revenues pledged to their payment and shall not be considered as general obligations of HVCEFFC or the City. This debt, referred to as conduit debt, is not included in the City’s or HVCEFFC’s financial statements.

Two conduit debt instruments of HVCEFFC have been issued. The total amount of conduit debt outstanding at year end was \$11,942,727, which was issued on behalf of St. Francis Episcopal Day School and Providence Classical School.

To accomplish its purposes, the HVHEFC is empowered to issue revenue bonds on behalf of authorized open-enrollment charter schools for the acquisition, construction, repair, or renovation of educational facilities of those schools as defined by the act under which the HVHEFC was created for the benefit of separate legal entities. The bonds are secured by a pledge of the monies to be received from the entities pursuant to the agreements. The bonds are payable solely for revenues pledged to their payment and shall not be considered as general obligations of HVHEFC or the City.

# **CITY OF HILSHIRE VILLAGE, TEXAS**

## ***NOTES TO FINANCIAL STATEMENTS (Continued)***

**For the Year Ended September 30, 2022**

This debt, referred to as conduit debt, is not included in the City's or HVHEFC's financial statements.

One conduit debt instrument of HVHEFC has been issued. The total amount of conduit debt outstanding at year end was \$2,803,000, which was issued on behalf of Kipp Austin Public Schools, Inc.

### **G. Subsequent Events**

On December 20, 2022, the City approved a payback agreement with the Texas Comptroller for repayment of \$21,597 in sales and use taxes erroneously paid to the City. The payback agreement includes monthly installments of \$459 for 46 months with a final payment of \$483.

***REQUIRED SUPPLEMENTARY INFORMATION***

(This page intentionally left blank.)

**CITY OF HILSHIRE VILLAGE, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**

For the Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>				
Property taxes	\$ 1,213,579	\$ 1,213,579	\$ 1,228,053	\$ 14,474
Sales taxes	54,033	54,033	67,116	13,083
Franchise fees	55,000	55,000	60,490	5,490
Licenses and permits	89,800	89,800	121,419	31,619
Investment income	607	607	1,375	768
Intergovernmental	-	-	198	198
Charges for services	90,188	90,188	117,585	27,397
<b>Total Revenues</b>	<u>1,503,207</u>	<u>1,503,207</u>	<u>1,596,236</u>	<u>93,029</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	510,751	500,329	412,415	87,914
Police protection	568,792	568,792	568,642	150
Fire protection	221,528	231,950	230,950	1,000
<b>Public works</b>				
Sanitation	87,535	87,535	81,592	5,943
Street (Non METRO projects)	70,998	70,998	57,642	13,356
Street (METRO projects)	153,000	153,000	-	153,000
Inspections	40,000	40,000	33,720	6,280
<b>Total Public Works</b>	<u>351,533</u>	<u>351,533</u>	<u>172,954</u>	<u>178,579</u>
<b>Total Expenditures</b>	<u>1,652,604</u>	<u>1,652,604</u>	<u>1,384,961</u>	<u>267,643</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(149,397)</u>	<u>(149,397)</u>	<u>211,275</u>	<u>360,672</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	75,000	75,000	23,242	(51,758)
<b>Total Other Financing Sources</b>	<u>75,000</u>	<u>75,000</u>	<u>23,242</u>	<u>(51,758)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (74,397)</u>	<u>\$ (74,397)</u>	234,517	<u>\$ 308,914</u>
Beginning fund balance			<u>1,502,983</u>	
<b>Ending Fund Balance</b>			<u>\$ 1,737,500</u>	

**Notes to Required Supplementary Information:**

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

(This page intentionally left blank.)

**CITY OF HILSHIRE VILLAGE, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**METRO FUND**

For the Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>				
Investment income	\$ -	\$ -	\$ 518	\$ 518
Intergovernmental	103,000	103,000	103,000	-
<b>Total Revenues</b>	<u>103,000</u>	<u>103,000</u>	<u>103,518</u>	<u>518</u>
<b><u>Expenditures</u></b>				
<b>Current:</b>				
<b>Public works</b>				
Street (METRO projects)	103,000	103,000	9,657	93,343
<b>Total Expenditures</b>	<u>103,000</u>	<u>103,000</u>	<u>9,657</u>	<u>93,343</u>
<b>Excess of Revenue Over Expenditures</b>	<u>-</u>	<u>-</u>	<u>93,861</u>	<u>93,861</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	75,000	75,000	-	(75,000)
<b>Total Other Financing Sources</b>	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>(75,000)</u>
<b>Net Change in Fund Balance</b>	<u>\$ 75,000</u>	<u>\$ 75,000</u>	<u>\$ 93,861</u>	<u>\$ 18,861</u>
Beginning fund balance			<u>317,565</u>	
<b>Ending Fund Balance</b>			<u>\$ 411,426</u>	

**Notes to Required Supplementary Information:**

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

**CITY OF HILSHIRE VILLAGE, TEXAS**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM**  
**For the Year Ended September 30, 2022**

	Measurement Year*			
	2014	2015	2016	2017
<b>Total Pension Liability</b>				
Service cost	\$ 978	\$ 6,151	\$ 8,675	\$ 9,597
Interest (on the total pension liability)	3,077	3,542	4,416	5,471
Changes of benefit terms	43,472	-	-	2,641
Difference between expected and actual experience	-	961	124	(215)
Change of assumptions	-	3,004	-	-
Benefit payments, including refunds of employee contributions	-	-	(197)	(1,184)
<b>Net Change in Total Pension Liability</b>	<u>47,527</u>	<u>13,658</u>	<u>13,018</u>	<u>16,310</u>
Beginning total pension liability	<u>-</u>	<u>47,527</u>	<u>61,185</u>	<u>74,203</u>
<b>Ending Total Pension Liability</b>	<u><u>\$ 47,527</u></u>	<u><u>\$ 61,185</u></u>	<u><u>\$ 74,203</u></u>	<u><u>\$ 90,513</u></u>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 1,638	\$ 10,630	\$ 13,721	\$ 16,193
Contributions - employee	628	3,948	5,395	6,051
Net investment income	-	3	1,144	5,138
Benefit payments, including refunds of employee contributions	-	-	(197)	(1,184)
Administrative expense	-	(1)	(13)	(27)
Other	-	-	(1)	(1)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>2,266</u>	<u>14,580</u>	<u>20,049</u>	<u>26,171</u>
Beginning plan fiduciary net position	<u>-</u>	<u>2,266</u>	<u>16,846</u>	<u>36,895</u>
<b>Ending Plan Fiduciary Net Position</b>	<u><u>\$ 2,266</u></u>	<u><u>\$ 16,846</u></u>	<u><u>\$ 36,895</u></u>	<u><u>\$ 63,066</u></u>
<b>Net Pension Liability/(Asset)</b>	<u><u>\$ 45,261</u></u>	<u><u>\$ 44,339</u></u>	<u><u>\$ 37,308</u></u>	<u><u>\$ 27,447</u></u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability/(Asset)</b>	4.77%	27.53%	49.72%	69.68%
<b>Covered Payroll</b>	\$ 12,551	\$ 78,961	\$ 107,899	\$ 121,027
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	360.62%	56.15%	34.58%	22.68%

\*Only eight years of information is currently available. The City will build this schedule over the next two-year period.

Measurement Year*				
	2018	2019	2020	2021
\$	13,355	\$ 14,352	\$ 14,995	\$ 15,729
	6,520	7,864	9,425	10,921
	-	-	-	-
	723	785	(255)	1,840
	-	2,169	-	-
	(1,184)	(1,184)	(3,563)	(1,184)
	19,414	23,986	20,602	27,306
	90,513	109,927	133,913	154,515
\$	<u>109,927</u>	<u>\$ 133,913</u>	<u>\$ 154,515</u>	<u>\$ 181,821</u>
\$	20,373	\$ 17,554	\$ 15,871	\$ 14,846
	6,206	6,757	7,230	7,613
	(1,902)	13,490	9,416	19,964
	(1,184)	(1,184)	(3,563)	(1,184)
	(37)	(76)	(60)	(92)
	(2)	(2)	(3)	1
	23,454	36,539	28,891	41,148
	63,066	86,520	123,059	151,950
\$	<u>86,520</u>	<u>\$ 123,059</u>	<u>\$ 151,950</u>	<u>\$ 193,098</u>
\$	<u>23,407</u>	<u>\$ 10,854</u>	<u>\$ 2,565</u>	<u>\$ (11,277)</u>
	78.71%	91.89%	98.34%	106.20%
\$	124,114	\$ 135,137	\$ 144,605	\$ 152,264
	18.86%	8.03%	1.77%	-7.41%

# CITY OF HILSHIRE VILLAGE, TEXAS

## SCHEDULE OF CONTRIBUTIONS

### TEXAS MUNICIPAL RETIREMENT SYSTEM

For the Year Ended September 30, 2022

	Fiscal Year*			
	2015	2016	2017	2018
Actuarially determined contribution	\$ 9,754	\$ 12,666	\$ 15,584	\$ 18,677
Contributions in relation to the actuarially determined contribution	9,754	12,666	15,584	18,677
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 72,248	\$ 99,079	\$ 117,679	\$ 122,619
Contributions as a percentage of covered payroll	13.50%	12.78%	13.24%	15.23%

\*Only eight years of information is currently available. The City will build this schedule over the next two-year period.

**Notes to Required Supplementary Information:**

1. Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	5 years
Asset valuation method	10 year smoothed market; 12% soft corridor
Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2020 valuation pursuant to an experience study of the period December 31, 2014 - December 31, 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

3. Other Information:

There were no benefit changes during the year.

Fiscal Year*				
2019	2020	2021	2022	
\$ 18,130	\$ 16,400	\$ 15,066	\$ 14,342	
18,130	16,400	15,066	14,342	
\$ -	\$ -	\$ -	\$ -	
\$ 132,270	\$ 142,815	\$ 149,780	\$ 175,598	
13.71%	11.48%	10.06%	8.17%	

**CITY OF HILSHIRE VILLAGE, TEXAS**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM**  
**For the Year Ended September 30, 2022**

	Measurement Year*			
	2017	2018	2019	2020
<b>Total OPEB Liability</b>				
Service cost	\$ 254	\$ 298	\$ 270	\$ 390
Interest (on the total OPEB liability)	211	216	235	219
Difference between expected and actual experience	-	(255)	(148)	(183)
Change of assumptions	464	(398)	1,290	1,114
Benefit payments**	-	(37)	(54)	(58)
<b>Net Change in Total OPEB Liability</b>	<u>929</u>	<u>(176)</u>	<u>1,593</u>	<u>1,482</u>
Beginning total OPEB liability	<u>5,465</u>	<u>6,394</u>	<u>6,218</u>	<u>7,811</u>
<b>Ending Total OPEB Liability</b>	<u>\$ 6,394</u>	<u>\$ 6,218</u>	<u>\$ 7,811</u>	<u>\$ 9,293</u>
<b>Covered Payroll</b>	\$ 121,027	\$ 124,114	\$ 135,137	\$ 144,605
<b>Total OPEB Liability as a Percentage of Covered Payroll</b>	5.28%	5.01%	5.78%	6.43%

\* Only five years' of information is currently available. The City will build this schedule over the next five-year period.

\*\* Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

**Notes to Required Supplementary Information:**

1. Valuation Date:

Actuarially determined rates are calculated as of December 31 and become effective in January, 13 months later.

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate	1.84%
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements under GASB 68.
Mortality - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.50% and 3.00% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

3. Other Information:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2021.

The actuarial assumptions used in the December 21, 2021 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

There were no benefit changes during the year.

**Measurement  
Year\***  
**2021**

\$	502
	190
	(335)
	267
	<u>(122)</u>
	<u>502</u>
	<u>9,293</u>
\$	<u>9,795</u>
\$	152,264
	6.43%

(This page intentionally left blank.)

***SCHEDULE***

(This page intentionally left blank.)

**CITY OF HILSHIRE VILLAGE, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**

For the Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>				
Property taxes	\$ 358,458	\$ 358,458	\$ 362,601	\$ 4,143
<b>Total Revenues</b>	<u>358,458</u>	<u>358,458</u>	<u>362,601</u>	<u>4,143</u>
<b>Expenditures</b>				
Principal	330,000	330,000	330,000	-
Interest and fiscal charges	28,454	28,454	28,175	279
<b>Total Expenditures</b>	<u>358,454</u>	<u>358,454</u>	<u>358,175</u>	<u>279</u>
<b>Excess of Revenue Over Expenditures</b>	<u>4</u>	<u>4</u>	<u>4,426</u>	<u>4,422</u>
<b>Other Financing Sources (Uses)</b>				
Transfers (out)	-	-	(23,242)	(23,242)
<b>Total Other Financing (Uses)</b>	<u>-</u>	<u>-</u>	<u>(23,242)</u>	<u>(23,242)</u>
<b>Net Change in Fund Balance</b>	<u>\$ 4</u>	<u>\$ 4</u>	<u>(18,816)</u>	<u>\$ (18,820)</u>
Beginning fund balance			<u>20,040</u>	
			<u>\$ 1,224</u>	

**Notes to Required Supplementary Information:**

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

(This page intentionally left blank.)

**TO: Wendy Baimbridge, City of Hedwig Village**  
**Cassie Stevens, City of Hilshire Village**  
**Tom Fullen, City of Hunters Creek Village**  
**Bobby Pennington, City of Piney Point Village**  
**Julie Robinson, City of Spring Valley Village**  
**Karen Glynn, City of Bunker Hill Village**

**CC: Village Fire Department Commissioner and Alternates**

**From: Marlo Longoria**

**Date: March 2, 2023**

**Re: 2023 Budget Amendment 2023-01**

---

During a regular fire commission board meeting on February 22, 2023, the Village Fire Department Board of Commissioners unanimously approved increasing the line item “Vehicle Expenditures” from \$220,000 to \$400,000 to complete the purchase of the two new ambulances and purchase an unbudgeted power-load system for \$28,000. The total cost for the two new ambulances is \$527,779.96. The cost includes two power-load systems, a cot, the full assembly of the ambulance, antennas, monitors, floor plate, and an \$8,000 trade-in value.

The budget line “Vehicle Expenditures” increase will **not** increase 2023 assessments. The increase to the line item will be funded by \$180,000 from the ending Capital Replacement fund balance of 2022.

Please place this budget amendment on your agenda for consideration and advise us on your council’s action in writing.

Thank you,

Marlo Longoria

**To:**

Wendy Baimbridge, City of Hedwig Village  
Cassie Stevens, City of Hilshire Village  
Tom Fullen, City of Hunters Creek Village  
Bobby Pennington, City of Piney Point Village  
Julie Robinson, City of Spring Valley Village  
Karen Glynn, City of Bunker Hill Village

**CC:** Village Fire Department Commissioners and Alternates

**From:** Marlo Longoria

**Date:** March 3, 2023

**Re:** 2023 Budget Amendment 2023-02

During a special fire commission board meeting on March 2, 2023, the Village Fire Department Board of Commissioners unanimously approved increasing 2023 Budget line items:

- Computer/ Radios Equipment \*Radio (system cost) from \$29,000 to \$100,000 to fund the additional 8 radios and accountability software; and
- Protective Gear from \$55,000 to \$125,000 to fund the 29 sets of bunker gear that were allocated in 2022 and some additional helmets/boots for firefighters.

Though these purchases were originally budgeted in 2022, the purchases were not finalized in 2022 and must be purchased in 2023. A significant portion of these funds are available through a 2022 surplus. However, due to overages in other categories in the 2022 Budget, the Village Fire Department now requires a budget amendment and additional funding for the above items in the 2023 Budget.

The total amendment is \$141,000. The \$141,000 will be funded by:

*\*\*\* Assuming the 2022 Surplus is \$91,041.62*

- *2022 surplus (pending audit) and a one-time additional assessment payment.*

Bunker Hill Village	19.00%	\$ 9,492.09
Hedwig Village	18.50%	\$ 9,242.30
Hilshire Village	3.00%	\$ 1,498.75
Hunters Creek Village	22.25%	\$ 11,115.74
Piney Point Village	21.00%	\$ 10,491.26
Spring Valley Village	16.25%	\$ 8,118.24
<b>Total</b>		<b>\$ 49,958.38</b>

Please place this budget amendment on your agenda for consideration and advise us on your council's action in writing.

Thank you,

Marlo Longoria

The City of Houston hydrants have a blue body with a white or green cap.



Received quote for \$2,400 including:

- 1) Waterblast hydrants with industrial pressure washer to remove all loose paint and dirt.
- 2) Refurbish, clean and grease all cap and nozzle threads with food grade grease.
- 3) Remove or rehang all loose or damaged chains.
- 4) Paint all hydrants specified colors with alkyd industrial enamel paint.
- 5) Replace all missing or worn blue FH road reflectors marking the hydrant locations.

Storz adapters will be removed prior to painting because they are made of a polished aluminum and the paint does not adhere to it well.

ORDINANCE NO. 778

**AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF HILSHIRE VILLAGE, TEXAS, BY AMENDING ARTICLE 10.600, SECTION 10.601 AND SECTION 10.604 AND ADDING ARTICLE 10.700 TO CHAPTER 10, TRAFFIC CONTROL; THE PARKING OF VEHICLES ON STREETS; PROVIDING FOR TRAFFIC SCHEDULES; DESIGNATING PORTIONS OF GLOURIE DRIVE AND RIDGELEY DRIVE AS NO PARKING ZONES; PROVIDING A PENALTY IN AN AMOUNT NOT TO EXCEED \$200.00 FOR VIOLATION OF ANY PROVISION IN THIS ORDINANCE; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES INCONSISTENT OR IN CONFLICT HEREWITH, AND PROVIDING FOR SEVERABILITY.**

**WHEREAS**, Texas Transportation Code Section 542.201 authorizes the City to enact and enforce rules regulating traffic that do not conflict with Texas's Rules of the Road; and

**WHEREAS**, the City has previously adopted traffic regulations applicable within the City; and

**WHEREAS**, the City Council hereby finds and determines that the regulations and amendments set forth herein are in the best interest of the public and are adopted in furtherance of the public health, safety, morals, and general welfare.

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HILSHIRE VILLAGE, TEXAS:**

**Section 1.** The Code of Ordinances of the City of Hilshire Village, Texas, is hereby amended by amending Article 10.600, Section 10.601, of Chapter 10 thereof to read as follows:

ARTICLE 10.600

Sec. 10.601. Regulations Generally.

- (a) No person shall stop, park, or leave standing any unattended vehicle upon the paved part of any street in the City so as to impede the reasonable flow of traffic or passage of emergency vehicles.
- (b) No person shall stop, park, or leave standing any unattended vehicle in a manner that impedes the ingress or egress of a public or private driveway.
- (c) Vehicles may not be parked on the street for more than 48 consecutive hours.

**Section 2.** The Code of Ordinances of the City of Hilshire Village, Texas, is hereby amended by amending Article 10.600, Section 10.604, of Chapter 10 thereof to read as follows:

Sec. 10.604. Specific Parking Zones.

- (a) A person commits an offense if the person stops, stands or parks a vehicle, in a curb zone
  - (1) for a period of time longer than designated;
  - (2) at a time prohibited by designation;
  - (3) for a purpose other than that which is designated; or
  - (4) at a place prohibited by designation.

- (b) Any vehicle parked in such prohibited area shall be deemed to be a traffic hazard, and may be removed by police officers. Upon removal, the owner of such vehicle, trailer, motor home or other device, shall pay all towing and storage charges incurred in removing said vehicle.
- (c) Any person violating this article, shall, upon conviction, be guilty of a Class "C" misdemeanor and shall be fined as provided for in the general penalty provision found in Section 1.106 of this code.

**Section 3.** The Code of Ordinances of the City of Hilshire Village, Texas, is hereby amended by amending Article 10.600 of Chapter 10 thereof by adding Sections 10.606 and 10.607 to read as follows:

10.607 Further Restrictions on Vehicle Parking.

- (c) Long Term Parking Restriction: No vehicle may be parked on the street for more than 48 consecutive hours.

**Section 4.** The Code of Ordinances of the City of Hilshire Village, Texas, is hereby amended by adding to Chapter 10 thereof, Article 10.700, Section 10.700 to read as follows:

**ARTICLE 10.700 - SCHEDULES OF DESIGNATED STREETS AND ZONES.**

Sec. 10.701 Specific traffic regulations; traffic schedules.

- (a) The city administrator is directed to maintain and to provide the city engineer, municipal court, and police department a schedule of designated streets, zones and traffic control devices, including but not limited to load limit zones, no parking zones, parking limit zones, speed limit zones, stop intersections and yield intersections
- (b) The traffic schedules are included in this Chapter by reference.

**Section 5.** The following areas are designated as no parking zones:

Street Name:	Side of Street:	Limits:
Glourie Drive	Both	Westview to 100' south of Westview
Ridgeley Drive	Both	Westview to 100' south of Westview
Ridgeley Drive	Both	Wirt Road to 100' west of Wirt Road
Ridgeley Drive	North Side	100' south-east of Mallie Court intersection

The traffic schedules of the Section 10.701 of the Code of Ordinances of the City of Hilshire Village, Texas, shall be revised to reflect the amendments made by this Ordinance. The City Administrator is authorized to place signs in accordance with the provisions of this Ordinance.

**Section 6.** Any person, corporation or entity who shall violate any provision of this Ordinance shall be deemed guilty of a misdemeanor and, upon conviction, shall be fined in an amount not to exceed \$200.00. Each day in which any violation shall occur, or each occurrence of any violation, shall constitute a separate offense.

**Section 7.** All ordinances or parts of ordinances inconsistent or in conflict herewith are, to the extent of such inconsistency or conflict, hereby repealed.

**Section 8.** In the event any clause, phrase, provision, sentence, or part of this Ordinance or the application of the same to any person or circumstances shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision hereof other than the part declared to be invalid or

unconstitutional; and the City Council of the City of Hilshire Village, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

**Section 9.** This ordinance shall be effective immediately upon adoption and publication of this ordinance or a caption that summarizes the purpose of this ordinance and the penalty for violating this ordinance in every issue of the official newspaper for two days, or one issue of the newspaper if the official newspaper is a weekly paper, in accordance with Section 52.011 of the Texas Local Government Code.

PASSED, APPROVED, AND ADOPTED this 19<sup>th</sup> day of February, 2019.



*Russell Herron*

Russell Herron, Mayor

ATTEST:

*Susan Blevins*

Susan Blevins, City Secretary



**Additional Information to be provided by SVPD at the meeting**

Captain Lane ran a report for citations issued for parking violations, since August 2022 there have been **10**

No Parking Zones	Side of Street	Limits	# of Citations (to be provided)
Glourie Drive	Both	Westview to 100' south of Westview	
Ridgeley Drive	Both	Westview to 100' south of Westview	
Ridgeley Drive	Both	Wirt to 100' west of Wirt	
Ridgeley Drive	North Side	100' south-east of Mallie Court intersection	

Additional parking violation citations were issued at:

- Archley Drive

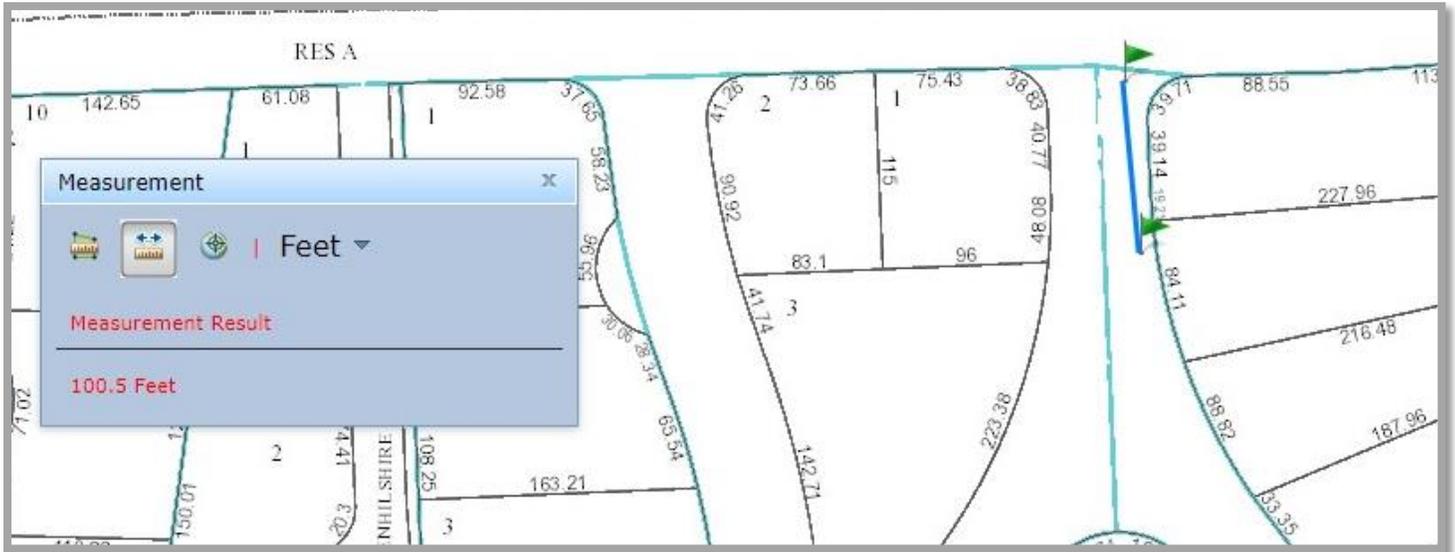
Captain Lane is double checking traffic code for stripe color and letter height requirements, will provide to the council before or at the meeting.

If a no parking zone includes a driveway, then the stripe will terminate at the driveway and continue on the other side until the end of the zone.

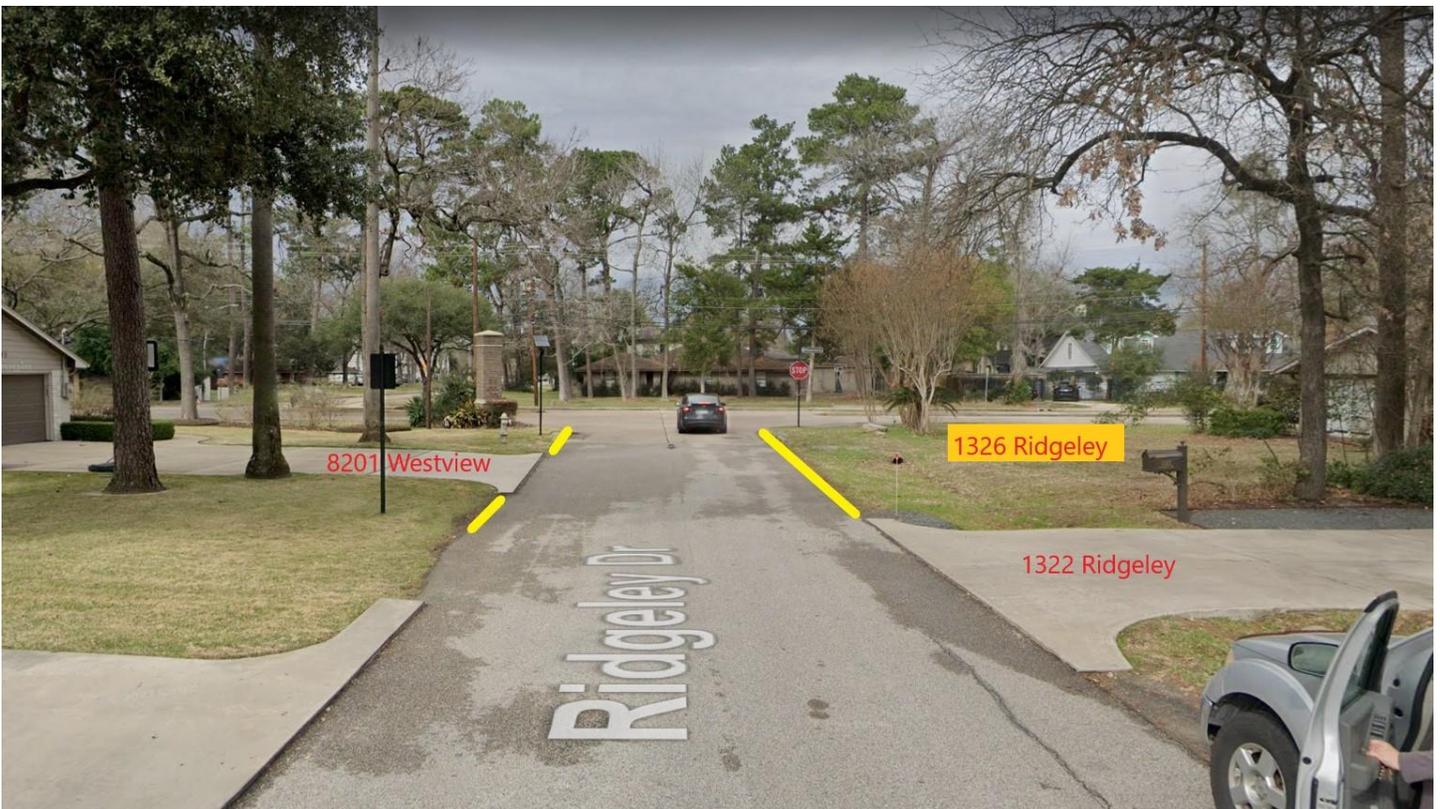
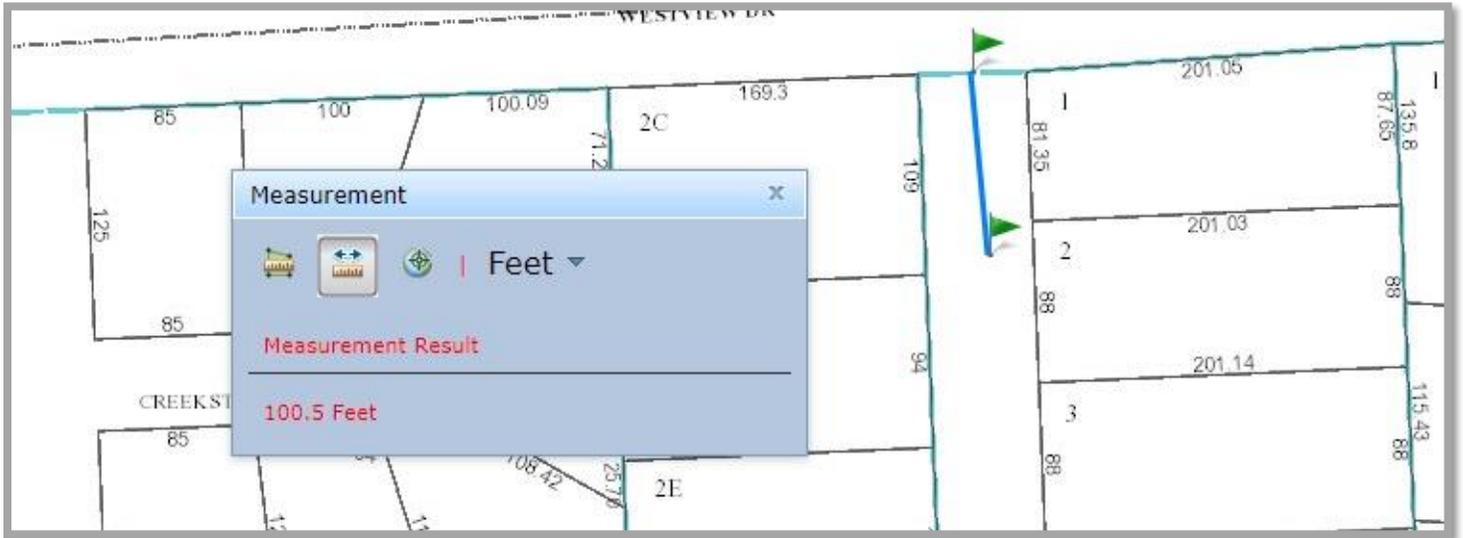
These addresses will have a stripe on their side of the street:

No Parking Zones	Primary affected addresses (80% or more of street front is No Parking)	Secondary affected addresses
Glourie Drive	1327 Glourie Undeveloped lot 1 Glourie	
Ridgeley Drive @ Westview	8201 Westview 1326 Ridgeley	1322 Ridgeley (NW corner)
Ridgeley Drive @ Wirt	1003 Ridgeley	1007 Ridgeley 2 Hilshire Oaks
Ridgeley Drive Curve	1100 Ridgeley	

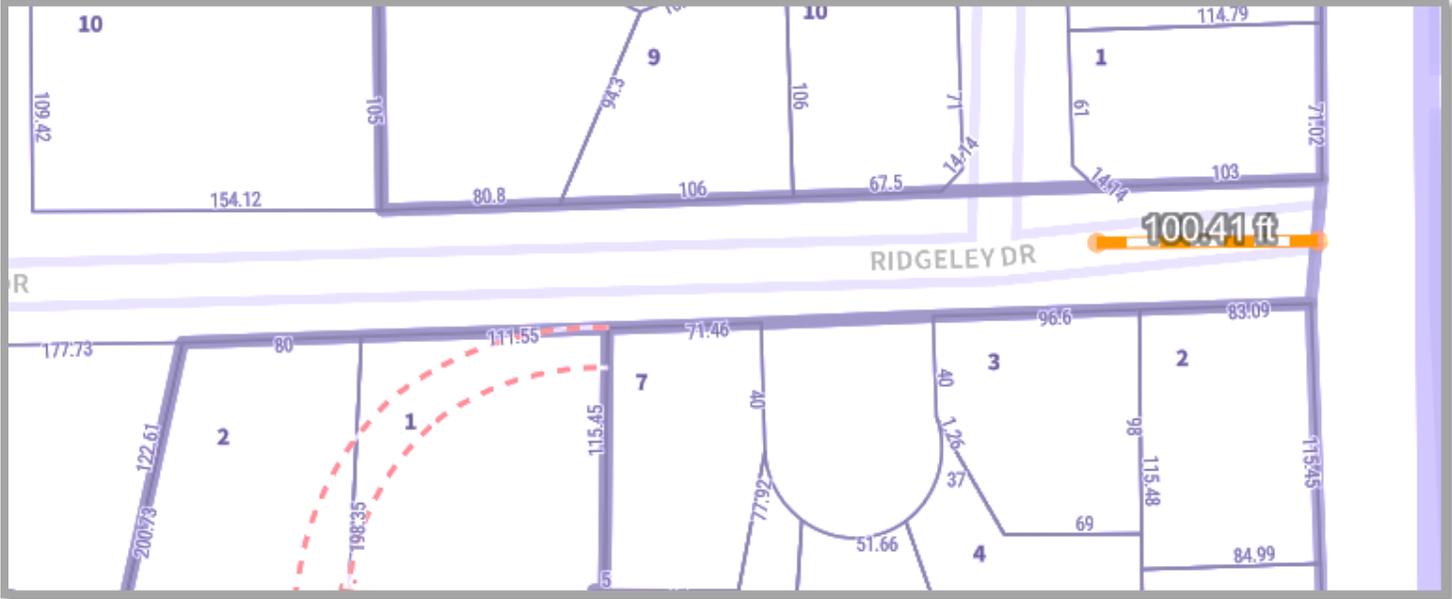
# Glourie Drive @ Westview



# Ridgeley Drive @ Westview



# Ridgeley @ Wirt



# Ridgeley Curve





ESTIMATE	#9230015
TOTAL	\$1,547.98

## G-FORCE Houston North

8301 Westview Dr  
Houston, TX 77055

(713) 973-1779  
cassie.stephens@hilshirevillagetexas.com

### CONTACT US

7802 Cherry Place Court  
Humble, TX 77346

(832) 499-7578  
ronnie@gogforce.com

## ESTIMATE

Services	qty	unit price	amount
Mobilizations - Mobilization - Initial Initial Mobilization Fee - Includes Costs for Crew, Transportation, Set-up, and Breakdown. ***NOTE: Additional Mobilization Fee will be Charged at a rate of \$500 if Site is Not Ready for Service at our Scheduled Arrival Time (Excluding Weather Issues).***	1.0	\$400.00	\$400.00
Sign Install SPEED Limit Sign Installation - Soft Earth Installation of Pole (Set in Concrete) and Sign - Price includes new pole only - We will be using customer's existing metal sign, pole cap and hardware unless other requests are noted.	1.0	\$365.00	\$365.00
Striping - Line Painting Line Painting - 5" to 6" White Line - w/4" NO PARKING stenciling in Black	700.0	\$0.95	\$665.00

### Notes - Notes

Light sweeping and/or blowing off surface area will be done if required, does not include pressure washing, deep cleaning, or extensive prep work. Site should be clear and ready to paint prior to crew arrival unless other arrangements are made with customer and crew. Other items not listed are not included and will be charged at standard rates if customer requests more services while we are on site.

Services subtotal: \$1,430.00

Subtotal	\$1,430.00
----------	------------

---

Tax (Sales Tax 8.25%)	\$117.98
-----------------------	----------

---

<b>Total</b>	<b>\$1,547.98</b>
--------------	-------------------

40 Locations Nationwide, All Veteran-Owned and Operated, We appreciate your business!



CITY OF HILSHIRE VILLAGE  
COMPLAINT FORM

<b>Date Notified</b>	<b>Complaint/Issue</b>	<b>Address of Concern</b>	<b>Action</b>	<b>Results</b>	<b>Date Resolved</b>
3/2/22	Drainage issues in the right-of-way caused by hydrant flushing.	1324 Pine Chase Grove	Area was reported on 11/13/19 and addressed by DonMar Grading on 10/20/20.	City of Houston has been contacted and we are awaiting a meeting to discuss the area. The homeowners do not want the area fenced.	
12/2/22	Fire hydrant doesn't have the Storz connector like others in the city.	4 Hilshire Grove	Village Firefighter visited site, said that it was possibly skipped because all three steamer caps are still present. City will need to purchase another adapter to install and/or look into whether this was counted in the installation, could have been installed on a City of Houston hydrant mistakenly.	Purchase pending, VFD offered to install	
12/5/22	Wondering how long the temporary street patch will be in place.	Archley & Ridgeley	Informed that the patch will remain until they are finished with the ROW construction.	Patch repair made incorrectly, Engineer Vasquez to meet with CenterPoint contractor Monday 3/20/23	
12/5/22	Asked when the fire hydrants will be painted.	Hilshire Village	Susan requested a quote	Presenting hydrant colors 3/21/23	
2/6/23	Fence falling down at the ravine behind his house, wanted to know if it was his responsibility.	1339 Friarcreek	Cassie is working on contacting Harris County	Harris County responded that the channel is responsibility of the property owner	3/10/2023
2/28/23	Neighbor has limbs that are not bundled properly and have not been collected with garbage.	9 Pine Creek Lane	Cassie spoke with the homeowner, advised procedures for yard waste bundling.	Yard waste was removed	3/10/2023
2/24/23	Signs posted on jobsites that violate the ordinance.	1126 Guinea	Cassie contacted the contractor.	Contractor removed sign	3/13/2023
2/24/23	Signs posted on jobsites that violate the ordinance.	1210 Ridgeley	Cassie contacted the contractor.	Contractor removed sign	3/23/2023
3/6/23	Piles of dirt and loose material in the backyard of 2 & 3 Pine Creek	2 & 3 Pine Creek Ln	Notified contractor to remove debris		



## Filing Receipt

**Received - 2023-03-15 10:26:38 AM**

**Control Number - 53385**

**ItemNumber - 1189**

**PROJECT NO. 53385**

<b>PROJECT TO SUBMIT</b>	<b>§</b>	<b>BEFORE THE</b>
<b>EMERGENCY OPERATIONS PLANS</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>AND RELATED DOCUMENTS</b>	<b>§</b>	<b>OF TEXAS</b>
<b>UNDER 16 TAC § 25.53</b>	<b>§</b>	

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC’S  
EMERGENCY OPERATIONS PLAN EXECUTIVE SUMMARY**

CenterPoint Energy Houston Electric, LLC (“CenterPoint Houston”) has filed a complete copy of its Emergency Operations Plan (“EOP”) in this Project on March 15, 2023, with all confidential portions removed pursuant to the Public Utility Commission of Texas’ (“Commission”) Electric Service Emergency Operations Plan rule adopted in Project No. 51841 and codified at 16 Tex. Admin. Code (TAC) § 25.53 (the “EOP Rule”). The executive summary for CenterPoint Houston’s EOP, as required by subsection (c)(1)(A)(i) of the EOP Rule, follows.

**EXECUTIVE SUMMARY**

**A. Description of EOP**

CenterPoint Houston’s EOP is intended to be used to prepare for, mitigate against, respond to and recover from impacts from a variety of emergency events and to safely restore service to customers as safely, quickly, and efficiently as possible. The primary goal of the EOP is the orderly repair and restoration of CenterPoint Houston’s electric service facilities after a weather-related or other emergency event, so that public health and safety are protected, and service is restored to all customers in the minimum amount of time through the proper, safe and efficient use of all resources. CenterPoint Houston’s goal is to safely restore the greatest number of customers in the least amount of time.

The major elements of CenterPoint Houston’s EOP include operational plans, as well as a communications plan and various annexes covering weather emergencies, load shed events, pandemics and epidemics, wildfires, hurricanes, cyber and physical security, and the use of mobile generation/long lead time facilities. Collectively, the information in the EOP will guide CenterPoint Houston’s preparations for and actions during an emergency as defined in the EOP Rule.

**B. Reference to Specific EOP Sections**

CenterPoint Houston’s EOP complies with the content requirements contained in subsection (d) of the EOP Rule. The specific sections of the EOP that correspond to those requirements and their respective locations within the EOP are as follows:

<b>EOP Rule Requirement</b>	<b>Location</b>
<u>EOP Rule subsection (d)(1)</u> . Approval and implementation section	Section A: Overview
<u>EOP Rule subsection (d)(1)(A)</u> . Introduction and applicability	Section A: Overview
<u>EOP Rule subsection (d)(1)(B)</u> . List of individuals responsible for maintaining and implementing the EOP, and those who can change the EOP	Section A: Overview
<u>EOP Rule subsection (d)(1)(C)</u> . EOP revision control summary that lists the dates for each change made to the EOP	Section A: Overview
<u>EOP Rule subsection (d)(1)(D)</u> . Dated statement that the current EOP supersedes previous EOPs	Section A: Overview
<u>EOP Rule subsection (d)(1)(E)</u> . Date the current EOP was most recently approved by CenterPoint Energy	Section A: Overview
<u>EOP Rule subsection (d)(2)(A)</u> . Communications plan	Section B: Communications Plan
<u>EOP Rule subsection (d)(3)</u> . Plan to maintain pre-identified supplies for emergency response	Annex A: Weather Emergency Annex Annex E: Hurricane Annex
<u>EOP Rule subsection (d)(4)</u> . Plan that addresses staffing during emergency responses	Section C: ICS Implementation
<u>EOP Rule subsection (d)(5)</u> . Plan that addresses how an entity identifies weather-related hazards and the process CenterPoint Energy follows to activate the EOP	Annex A: Weather Emergency Annex Annex E: Hurricane Annex
<u>EOP Rule subsection (d)(6)</u> . Relevant annexes	Beginning on page 103 Update to Annex H: Mobile Generation/Long Lead Time Facilities Annex on page 160

**C. Record of EOP Access and Training**

In accordance with EOP Rule subsections (c)(1)(A)(i)(c) and (c)(4)(A), the table below contains the names and titles of senior persons in CenterPoint Houston’s organization who have received training on or formal access to the EOP, including the dates of such training and access.

<b>Name*</b>	<b>Title</b>	<b>Access Date</b>
Lynnae Wilson	Senior VP Electric Business	March 15, 2023
Eric Easton	VP Grid Transformation & Investment Strategy	March 15, 2023
David Mercado	VP High Voltage & System Operations	March 15, 2023
Randy Pryor	VP Major Underground & Distribution Modernization	March 15, 2023
Mandie Shook	VP Electric Engineering	March 15, 2023
Brad Tutunjian	VP Distribution Operations & Service Delivery	March 15, 2023

Employees within each of these officer’s respective organization will receive training on and/or access to CenterPoint Houston’s plan, and each of the officer is responsible for ensuring they do so.

**D. List of CenterPoint Energy EOP Contacts**

In accordance with EOP Rule subsection (c)(4)(B), the following table lists the CenterPoint Houston employees who have been designated as the company’s primary and backup contacts for urgent Commission requests and questions during an emergency.

<b>Name</b>	<b>Title</b>	<b>Email</b>	<b>Phone</b>
Patrick Reinhart (Primary)	VP Electric Regulatory Relations & Policy	patrick.reinhart@centerpointenergy.com	512-397-3061
Perrin Wall (Backup)	Director, Regulatory Affairs Texas Electric	perrin.wall@centerpointenergy.com	512-397-3048

**E. Affidavit**

In accordance with EOP Rule subsections (c)(1)(A)(i)(d) and (c)(4)(C), attached to this EOP Executive Summary is the signed affidavit of Lynnae Wilson, CenterPoint Energy's Senior Vice President.

Respectfully submitted,

CenterPoint Energy Houston Electric, LLC



---

Sam Chang  
Senior Counsel  
State Bar No. 24078333  
1005 Congress Ave, Suite 650  
Austin, Texas 78701  
(512) 397-3005  
[se.chang@centerpointenergy.com](mailto:se.chang@centerpointenergy.com)

**PROJECT NO. 53385**

<b>PROJECT TO SUBMIT</b>	§	<b>BEFORE THE</b>
<b>EMERGENCY OPERATIONS PLANS</b>	§	<b>PUBLIC UTILITY COMMISSION</b>
<b>AND RELATED DOCUMENTS UNDER</b>	§	<b>OF TEXAS</b>
<b>16 TAC § 25.53</b>	§	

**AFFIDAVIT OF LYNNAE WILSON**

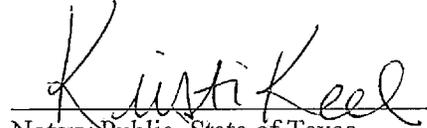
**STATE OF TEXAS** §  
**COUNTY OF HARRIS** §

Before me, the undersigned authority, on this day personally appeared Lynnae Wilson, who, having been placed under oath by me, did depose as follows:

1. My name is Lynnae Wilson. I am over the age of 18 and fully competent to make this affidavit.
2. I am the Senior Vice President, Electric Business, for CenterPoint Energy. As Senior Vice President, I lead and have oversight over the operations of CenterPoint Energy Houston Electric, LLC (CenterPoint Houston).
3. All relevant operating personnel of CenterPoint Houston are familiar with and have received training on the applicable contents and execution of CenterPoint Houston's Emergency Operations Plan (EOP), and such personnel are instructed to follow the applicable portions of the EOP except to the extent deviations are appropriate as a result of specific circumstances during the course of an emergency.
4. The EOP has been reviewed and approved by the appropriate executives.
5. Drills have been conducted to the extent required by 16 Tex. Admin. Code § 25.53(f).
6. The EOP or an appropriate summary has been distributed to local jurisdictions as needed.
7. CenterPoint Houston maintains a business continuity plan that addresses returning to normal operations after disruptions caused by an incident.
8. CenterPoint Houston's emergency management personnel who are designated to interact with local, state, and federal emergency management officials during emergency events have received the latest IS-100, IS-200, IS-700 and IS-800 National Incident Management System (NIMS) training.

  
Lynnae Wilson

SUBSCRIBED AND SWORN TO BEFORE ME by the said Lynnae Wilson on the  
13<sup>th</sup> day of March, 2023.

  
Notary Public, State of Texas



**PROJECT NO. 53385**

<b>PROJECT TO SUBMIT</b>	<b>§</b>	<b>BEFORE THE</b>
<b>EMERGENCY OPERATIONS PLANS</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>AND RELATED DOCUMENTS</b>	<b>§</b>	<b>OF TEXAS</b>
<b>UNDER 16 TAC § 25.53</b>		

**CENTERPOINT ENERGY HOUSTON ELECTRIC**

**MARCH 15, 2023**

Version 1.1

## TABLE OF CONTENTS

<b>Section</b>	<b>Page</b>
Overview	3
Communications Plan	
Introduction	8
Pre-Event Procedures	10
Duties During Event	12
Post Event Duties - Return to Normal Operations	15
ICS Implementation	
Introduction	17
Incident Action Planning Process	18
Organization	
Introduction	38
Command Staff Section	40
General Staff Section	50
Annexes	
Annex A – Weather Emergency Annex	104
Annex B – Load Shed Annex	108
Annex C – Pandemic and Epidemic Annex	112
Annex D – Wildfire Annex	121
Annex E – Hurricane Annex	123
Annex F – Cyber Security Annex	146
Annex G – Physical Security Incident Annex	153
Annex H – Mobile Generation/Long Lead Time Facilities Annex	160

## Purpose and Scope

The purpose of this manual is to show how CenterPoint Energy Houston Electric, LLC (CEHE and/or the Company) prepares for, responds to, and recovers from events that require the activation of the Emergency Operations Plan.

## Section A: Overview

### A.1 Comprehensive Summary

#### A.1.2 Introduction

CEHE provides an essential public service that vitally affects the health, safety, comfort, and general well-being of the people living in the area served by the Company. The goal of the Company's Emergency Operations Plan (EOP) is to prepare for, mitigate against, respond to and recover from impacts from a potential hazard and safely restore service to our customers as safely, quickly, and efficiently as possible.

This EOP is written to support response plans to multiple different events including (but not limited to):

- Hurricane
- Winter Storm
- Severe Thunderstorm
- Pandemic
- Wildfire
- ERCOT Load Shed Event
- Heat/Cold Emergency

#### A.1.3 Goal

Consistent with the Public Utility Commission of Texas (PUCT) regulatory rules, industry practice, and state and local governments' interests, the primary goal of this EOP is the safe and orderly repair and restoration of the Company's electric service facilities after a weather-

related or other emergency event, so that public health and safety are protected, and service is restored to all customers in the minimum amount of time through the proper, safe and efficient use of all resources. The Company’s goal is to safely restore the greatest number of customers in the least amount of time.

Experience has shown that the following factors are critical to successfully achieving this goal: extensive planning, training and exercises, adherence to established processes, and execution that can be scaled quickly to respond to and recover from the emergency situation. This plan provides a basic framework describing who does what and when and is flexible depending on the needs dictated by the emergency.

#### **A.1.4 Safety Practices within EOP**

All departments and organizations have standard operating and safety procedures that are well-practiced and adopted for their unique operating area and services. The EOP and Incident Command System (ICS) principles are intended to enhance, not replace, existing procedures. Each area involved in a response should integrate its standard operating and safety procedures as needed into their ICS roles as appropriate. It is important to review how conditions change during specific emergencies—fire, flood, hurricane, earthquake, tornado, hot/cold weather, etc.—and expand traditional safety procedures for any situation if needed.

Every response includes a Safety Officer who is tasked with developing the safety plan specific to the emergency and providing briefing and training to appropriate personnel. In a multi-jurisdictional or multi-discipline response, several organizations may have to contribute their safety procedures to the overall safety plan and agree to resolve any inconsistencies. Having a common safety environment for all responders will contribute to a safe and efficient response and make safety monitoring / observations consistent throughout the response area. In the absence of a formal “site safety plan” for the emergency response, departments should maintain their existing safety procedures as applicable to their response activities. If unknown hazards are encountered, or hazards are present for which safety procedures have not been developed, personnel should stop activities until adequate safety measures can be established.

#### **A.1.5 Key Components of CNP’s Plan**

Key components of the EOP for the Company are the following:

- Disaster response guidelines
- Overview and use of the Incident Command System (ICS)
- Communication and notification plan for employees, customers, community leaders, emergency operation centers and regulators
- A centralized incident command center with an organization for command and control of emergency response teams
- Systems necessary to support outage management procedures and customer communications

**A.1.6 Authorities and References: The Public Utility Commission of Texas Substantive Rules – Chapter 25**

The PUCT adopted new P.U.C. Subst. R. §25.53 on February 25, 2022, which requires that each utility file an emergency operations plan (EOP) and executive summary under this section by March 15<sup>th</sup> of each calendar year. A complete, unredacted copy of this plan is available at the Company’s main office for inspection by the PUCT or its staff. The rule is provided at the link below.

<https://www.puc.texas.gov/agency/ruleslaws/subrules/electric/25.53/25.53.pdf>

**A.1.7 Approval and Implementation**

The Company’s emergency operations plan and accompanying annexes are maintained and revised as needed by multiple departments within the organization. The combined document is ultimately reviewed and approved by the Senior Vice President Houston Electric and Senior Vice President and Deputy General Counsel.

**Revision Control Summary**

Date of Change	Version Number
April 18 2022	1.0
March 15, 2023	1.1

EOP Version 1.1, was approved by the entity on March 15, 2023, and supersedes any previous EOP document.

#### A.1.8 Activation of Plan

##### Introduction

This plan provides a framework for the activation of the EOP. Events that may cause disruption to the area's electric service are varied and unpredictable as to severity and portion of the system affected.

In order to activate the plan, clear communication must be provided to all personnel involved in the planning, response and recovery phases supporting the restoration of electric service.

Electric Operations leadership, or authorized designees, shall have the following responsibilities:

- Activating the EOP when a system-wide storm emergency situation exists or a threat is imminent
- Directing all operations once the EOP is activated
- Keeping the President and Chief Executive Officer of CNP informed of system conditions, activities, and progress towards restoration of electric power under the EOP

##### Activation Alerts

The Company has a three-level alert system for weather and system conditions which are used in operations and are not exclusive to a hurricane, storm, weather related or other event. These three EOP levels are designed to ensure sufficient resources are available to effectively respond to any type of event impacting CEHE's service territory. The Company has implemented a tiered approach to Emergency Operations and utilizes three levels of the Emergency Operations Plan. The following is a summary of the alert levels that may be activated, based on the needs, during a specific type of event:

##### **EOP Level 1:**

- Short duration or low impact event affecting the entire CEHE service territory
- Severe impacts to only a specific area of the CEHE service territory
- Additional support roles may be needed

##### **EOP Level 2:**

- Medium duration and impact event

- Severe impacts to multiple areas of the CEHE service territory
- Additional support roles needed

**EOP Level 3:**

- High duration and impact event
- Severe impacts to all or nearly all areas of the CEHE service territory
- All support roles needed unless otherwise notified
- Individual department emergency plans and/or business continuity plans initiated as needed

**Regardless of the EOP level declared, employees must be prepared to respond.** Employees should connect with their supervisor and know their EOP role if any level of EOP is declared. If necessary and called upon, management is encouraged to release their employees from their normal responsibilities to assist in the EOP response. Since emergency events can change quickly, employees should be prepared to escalate response if necessary.

Employees who have an electric storm assignment that requires participation in any drills will be contacted by their EOP storm response leader and provided with instructions on where to report. For those who do not currently have a role, the EOP team will make assignments after determining where assistance is most needed.

Hazard specific response plans in the Annex of this Emergency Operations Plan identify specific activations triggers, authorities, and levels of activation depending on the specific response.

## Section B: Communications Plan

### A. INTRODUCTION

A critical component of the Company's response to any emergency is the communication of timely and accurate information to employees, customers, government officials, and other stakeholders. The primary objectives of the EOP Communications Plan are:

- 1) Collect information about the event and the progress being made to return the situation to normal conditions; and
- 2) Communicate this information in a timely and accurate manner to employees, management, the general public, governmental officials, and other key stakeholders through traditional and social media.

The EOP Communications Plan is designed to achieve the Company's communications objectives and may be implemented at the discretion of the Public Information Officer. The EOP Communications Plan consists of, but is not limited to, the following functions:

- Public Information Officer
  - Maintain the Company's credibility and reputation
  - Execution of key decisions and deliverables
  - Identification of appropriate communication channels during the event
  - After-action review to identify areas of plan enhancement
- Media Relations (Public Communications Manager)
  - Write news releases with safety tips
  - Hold news conferences, as necessary
  - Monitor news coverage
- Customer Communications (Director, Marketing)
  - Web Communications (Digital Channel Manager)
    - Web updates
    - Advertising support
    - Power Alert Service
    - Email communications

- Outbound customer phone calls
- Social Media (Marketing Creative and Brand Manager)
  - Monitor social media and public sentiment
  - Provide social media updates
  - Receive field reports from Crew Spokesperson Leads for neighborhood-level updates
  - Direct photography and video
  - Enable and manage employee ambassadors
- Customer Sentiment, Analytics and Reporting (Market Research Manager)
  - Conduct and analyze Voice of the Customer surveys for Contact Center, Social Media, and Web
  - Collect data from channels and prepare executive reports
  - Conduct post-event surveys as needed
- Employee Communications and Documentation (Employee Communications Manager)
  - Newsletters, intranet, digital signs
  - Setup and update Employee storm hotline, if necessary
- Customer Service (Customer Service Liaison Manager)
  - Liaison to Customer Service and Regulatory, including government liaisons
  - Respond to customer service requests on social media (Customer Experience Resolution Team (CERT) and OCS as needed)
- Crew Spokespersons (Crew Spokespersons Branch Director)
  - Liaison with the general public while crews perform restoration activities
  - Provide field reports to Web/Social Media Channel Branch
- Regulatory, Government Liaison (Director, Government Policy)
  - Communicate with county, state, regulatory and City of Houston officials

Although a team under the Public Information Officer will be organized and charged with performing specialized tasks during the emergency, everyone may be called upon to assume extra duties and responsibilities, including Minnesota and Indiana communications staff, as part of the overall team effort. Marketing will work in conjunction with Corporate Communications.

The Company maintains a 24-hour Call Center for customer service, so customer service personnel are available in the event of an emergency. To supplement these personnel during an emergency, the Manager of the Call Center may implement call-out procedures. At that time, additional personnel report to the call center. If necessary, other Company personnel designated for telephone duty will be notified to report to their temporary work assignment. The Company, during major storms, may activate a third-party High-Volume Call Answering system (HVCA) that can handle the maximum number of calls received. The HVCA system allows customers to report outages and generate an outage report to the Company's crews. The Manager of the Call Center works to adequately staff telephones until the emergency situation has ended.

## **B. PRE-EVENT PROCEDURES**

The Company strives to provide prompt notification about potential or actual events to the public through regular news releases and media advisories on current emergency status and restoration activities. This information is distributed to the media through multiple communication channels and posted on the Internet site of CenterPoint Energy, Inc. (CNP). The Public Information Officer arranges news conferences, media interviews, and access to restoration activities for news footage as needed. Collaboration with internal Marketing is also maintained for consistency in messaging to all stakeholders.

The Company maintains liaisons with various first responders and emergency management organizations, as well as third-party assistance agencies and public officials throughout the service area and communicates regularly with these groups regarding the status of electrical emergencies. Additionally, the Company provides required notifications to the PUC, ERCOT, the Department of Energy, the North American Electric Reliability Corporation (NERC), and the Texas Reliability entity, as appropriate.

In the event of an emergency, the communications team would operate at the Incident Command Center or at a designated location. The communications team will operate 24-hours-a-day, or as required until normal schedules can be resumed.

1. The communications team will set up a base of operations for communications personnel during the emergency. The following items will be set up and tested:
  - Phones

- Laptop computers with all needed software, applications and network access
  - Printers
  - TVs
  - Access to system outage maps and situational awareness displays via a large-screen monitor (dashboard)
  - CNP Now, the Company's employee communications digital app
2. Public Information Office personnel will be advised to:
    - Pack a bag of personal necessities
    - Bring personal cameras (i.e., smart phone) and chargers
    - Test individual remote access from outside the office to work computers
    - Minnesota and Indiana communications staff are on standby to back up the Houston staff, as necessary
  3. An extended work schedule of up to 16-hour shifts (or longer, if needed) may also be determined at this time; designated team members will be asked to make necessary arrangements to report for duty.
  4. The team will be responsible for communicating to CNP employees about the activation of the Company's Crisis Communications Plan, Storm Hotline activation and when/where to report to duty.
  5. Under the guidance of the Public Information Officer, the team also will have the responsibility for communicating to our external customers and the media before an event.
    - In the event of a crisis, contact with the local news media will be established as soon as deemed necessary
    - Pre-written media advisories will be distributed
    - Information on how to track outages and restoration information on demand (e.g., Outage Tracker Web application, Twitter feeds or other methods as may be used) will be distributed to news media outlets, emergency management organizations and other stakeholders and posted on our intranet and Internet sites to show number and locations of outages on our system, if necessary, along with information, including videos, on the restoration and prioritization process, FAQs, safety tips, etc.
    - Pre-storm advertising to alert the public about the length of potential outages,

safety tips and how to prepare

- CenterPointEnergy.com dark site (Web page to be used in the event main site is unavailable) will be updated and verified ready for use

### **C. DUTIES DURING EVENT**

1. Notification and Call-out - If the Crisis Communications Plan is implemented, decisions will be made including where and when to report for emergency duty, the nature of the emergency and other pertinent information.
2. Public Communications Manager will be responsible for public information distribution. The team will produce media advisories, news releases and/or other information for public distribution as required to communicate about CNP's event. The Public Information Officer or a designated person will approve the information.
  - Information will be collected from Distribution Evaluation (DVAL) and Central Evaluation (CVAL). In a natural gas emergency, information will be collected from the Gas Dispatching
  - The typical information to be collected at least twice a day or as needed includes the following:
    - Assessment of system conditions
    - Assessment of safety incidents
    - Number of customers without service and locations
    - Number of restoration crews and their work locations
    - Progress of restoration
    - Estimates of when service will be restored
    - Number of contract crews/mutual assistance and their work locations
    - Hazardous or potentially hazardous conditions
    - Crew spokesperson updates
    - Other updates as appropriate
3. News conferences may be held, as necessary, at various locations depending on the event and road conditions.
4. Calls, Social Media inquiries, Monitor Media and Control Rumors  
The team will be responsible for receiving, logging, referring and answering, as

appropriate, emails received through CNP’s media relations email address, media.relations@centerpointenergy.com. Social media will be monitored, captured and responded to as appropriate according to the company’s social response decision tree process, with a focus on responding to inquiries relevant to the greatest number of people. Customers submitting service requests via social media may be engaged by the Customer Experience Resolution Team (CERT) supported as needed by a scalable team of trained Online Customer Service staff and/or others as appropriate. The team will also be responsible for addressing rumors and misinformation as appropriate .

5. Under the Social Media Channel Manager, the social media team will be responsible for managing and monitoring the company’s social media channels.

Under the direction of the Social Media Channel Manager, before a storm and beginning Day 1 following a storm the team will perform the following:

- Monitor social media
- Determine hashtags to maximize social media audience reach
- Set up automated monitoring reports for stakeholders as needed

Initial content will provide existing general information and templates for system-wide specific information such as:

- Safety messaging – natural gas and electric – for before, during and after the storm
- Process expectations: how we restore power, what and how often we will communicate
- Resources: supplies to have on hand, where to get help, videos (how we restore power, FAQs, generator tips, etc.)
- System-wide outage counts updated on the same schedule as media advisories/news releases/other public communications
- System-wide estimated times of restoration (ETR) by category of storm until more specific ETRs are available
- “One-to-many” responses to inquiries with system-level information until more granular information is available
- Answers to questions from the field and rumor control

As damage assessment takes place, custom content that leverages the strengths of

social media will be added to initial pre-written content:

- CNP-produced news from content created for public officials, employees, mutual assistance crews
- Video coverage of news conferences (e.g., Emergency Operations Center or CNP), messages from executives, etc.
- Videos of crews in action, photos of damage submitted by CNP spokespeople, contract photographer(s) and damage assessors as well as drone videos and photos
- Enhanced outage map with ETR by large sub-areas of system and sub-system-level outage information/ restoration estimates in alignment with outage map
- “One-to-many” responses to inquiries with sub-area ETRs
- Information from crew spokesperson lead reports

Following the transition from damage assessment to creation of work packets and localized restoration, Crew Spokesperson Leaders (CSLs) – at least one per Service Center – will collect and document trends/issues/customer questions as well as field activities from crew leads as reported by crew spokespersons. CSLs participate in Service Area Director calls with ICC and emergency management personnel, commiserate throughout the day with service center operations and dispatching, and report to their designated social media team member or external communications writer throughout the day as information is available and at the end of each day in a scheduled phone report. These reports form the basis of neighborhood/service center-level messages to be shared with customers via social media as well as crew spokespeople and other stakeholders. Progress Reports include information such as the following for the service center area:

- Number and location of crews working in the area
- List of key/critical public facilities energized today
- Circuit/substation restoration progress (range of % complete) and Estimated Completion Date
- Potentially hazardous conditions
- Trends, issues, customer questions

For each service center, a Twitter hashtag is established to direct customers to more granular outage and restoration information to be provided by neighborhood-level data sources, with service center updates also posted on Facebook. Maps and zip code charts

will familiarize customers with the service center for their area. This information will be vetted by Safety and Legal as needed before posting online.

Under the direction of the Social Media Channel Manager, designated employee ambassadors will share approved Company content with their social networks, including closed networks such as Nextdoor.com and closed Facebook groups.

6. Employee Communications Manager responsibilities will include creating channels to be used to communicate to employees and will be updated at least twice a day or as needed:
  - Email
  - Intranet
  - Broadcast voice messages
  - Electric Employee storm line
  - Natural Gas Employee EOP Line, as appropriate
  - CNP Now
  - Special print and electronic news bulletins, as appropriate
  - Digital signs

#### **D. POST-EVENT DUTIES – RETURN TO NORMAL OPERATIONS**

When the Incident Commander determines that an emergency has ended, and the Public Information Officer (or designated person) will announce a return to normal operations. The team will notify Company departments, government offices and other appropriate stakeholders that communications with the Company can now be conducted through normal channels.

1. Critique Crisis Communication Plan Efforts. As soon as possible after the event, the team will analyze the effectiveness of their efforts and recommend improvements in the process.
2. Maintain Historical Record of Event. In conjunction with the Legal Department, the team will develop a historical record of the emergency. This record will include an event chronology, media advisories and news releases, media coverage, internal communications coverage and a summary report describing the event and CNP's response.

At the conclusion of the incident, and in coordination with Emergency Operations, the Incident Command team, and the Corporate Response Plan Team (when applicable), the Communications team participates in a thorough after-action review to identify areas of plan enhancement. Any necessary updates to the communication plan, policies and procedures are completed, along with necessary training to impacted functions for alignment on plan enhancements.

## Section C: ICS Implementation

The purpose of this section is to describe the operational organization utilized to respond to an EOP event and outline the various roles and responsibilities related to the EOP response. This section provides information on:

- The Incident Command System (ICS) and its utilization by the Company during an EOP event
- The ICS Planning Process as implemented by the Company

### C.1 Introduction to ICS at CNP

#### Introduction

This section provides an overview of the ICS and describes the manner in which departmental staff utilizes ICS to plan for, respond to, and recover from an EOP event.

#### History

ICS, a component of the National Incident Management System (NIMS), is a fundamental element of incident management which provides standardization through the use of common terminology and a scalable organizational structure. The ICS process and structure establishes clear roles and responsibilities and provides a process for aligning and documenting activities and information across organizations and departments. The Incident Command System (ICS) is a widely applicable management system designed to enable effective and efficient incident management by integrating a combination of facilities, equipment, personnel, procedures, and communications operating within a common organizational structure. ICS is normally structured to facilitate activities in five major functional areas: command, operations, planning, logistics, finance and administration. At each level of the ICS organization, individuals with primary responsibility positions have distinct titles which provide a common standard for all users.

ICS is based on 14 proven management characteristics, each of which contributes to the strength and efficiency of the overall system:

1. Common Terminology

2. Modular Organization
3. Management by Objectives
4. Incident Action Planning
5. Manageable Spans of Control
6. Incident Facilities and Locations
7. Comprehensive Resource Management
8. Integrated Communications
9. Establishment and Transfer of Command
10. Unity of Command and Span of Control
11. Unified Command
12. Dispatch/Deployment
13. Accountability
14. Information and Intelligence Management

## **C.2 Incident Action Planning (IAP) Process**

### **C.2.1 Summary**

In keeping with the NIMS ICS recommended practices, the Company will develop an Incident Action Plan (IAP) to help manage the response. Incident action planning ensures that the Company has a common operating picture when responding to an EOP event. The purpose of developing an IAP is to:

- Help achieve management by objectives
- Synchronize operations at the incident level
- Create an officially approved and documented plan for the next operational period
- Document a common set of objectives for response and recovery
- Ensure incident operations support the objectives

### **C.2.2** Introduction to Incident Action Planning at CNP

Incident action planning provides a standardized decision-making approach. The Incident Management Team (IMT) will be established for each event and can utilize incident action planning to collect, analyze, and disseminate information in order to create and maintain a common operating picture during the response to an emergency, such as a severe storm event. Incident action planning aligns objectives, resources, and schedules by establishing a single set of objectives and setting a regular frequency (operational period) for planning, communicating, and completing work. In addition, incident action planning provides a process to track objectives, tasks, and resources. The primary planning tool developed during each operational planning cycle is the IAP. An IAP:

- Establishes direction and priorities for operations in the form of overall objectives
- Establishes operational objectives for each IMT function and tracks the progress. I don't recall hearing about IMT before and am not sure how it' fits with the incident comment team, etc.
- Provides for accountability and reduces redundancy
- Provides valuable documentation for After-Action Reports

An IAP is comprised of a series of standard ICS forms that convey the incident status, objectives, work assignments, safety guidelines, and required resources. These forms should be utilized by the IMT, whenever possible. An IAP is produced by the Incident Command Center (ICC) for each operational period. It is approved by the Incident Commander prior to implementation. In general, an IAP will include the following elements:

- Cover page
- Incident objectives and priorities (ICS 202)
- Management structure (ICS 207)
- Kinds and numbers of response resources assigned (ICS 204)
- Medical plan (ICS 206)
- Safety guidelines (ICS 208)

- Daily meeting schedule (ICS 230)
- Tactics summary (ICS 234)
- Other information as required

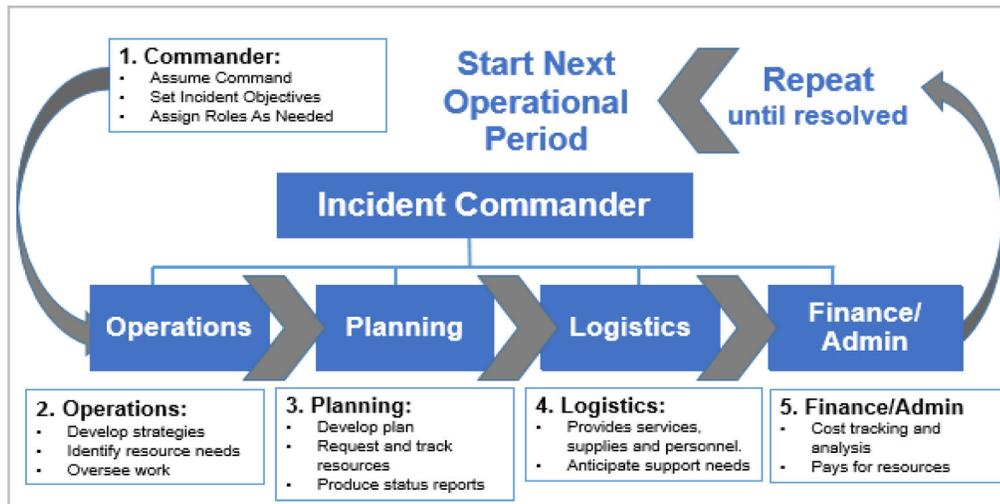
Incident action planning will occur for all events that require the activation of the EOP. However, depending on the event and level of activation, the use of all of the forms listed above is not required. It is the discretion of the Incident Management Team to decide which forms are applicable to the event. Activation of the EOP may also result in the activation of the ICC at the Greenspoint Annex Building, CNP Tower (13<sup>th</sup> Floor) or any other location the Incident Commander determines would best serve the response.

### **C.2.3** Correlation to ICS

As described earlier in this Manual, the Company has adopted the Incident Command System (ICS). ICS, a component of the National Incident Management System (NIMS), is a fundamental element of incident management which provides standardization through the use of common terminology and a scalable organizational structure. The ICS process and structure establishes clear roles and responsibilities and provides a process for aligning and documenting activities and information across organizations and departments.

The Company utilizes ICS to manage large-scale incidents. An IAP is developed within the ICS structure to plan CNP's response operations.

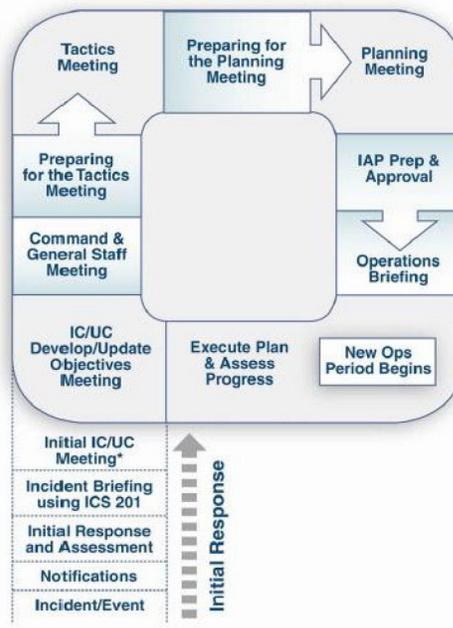
The basic process for Incident Action Planning by ICS role is summarized as follows. Specific requirements and responsibilities will vary by incident.



**C.2.4 Operational Planning Cycle/ Planning “P”**

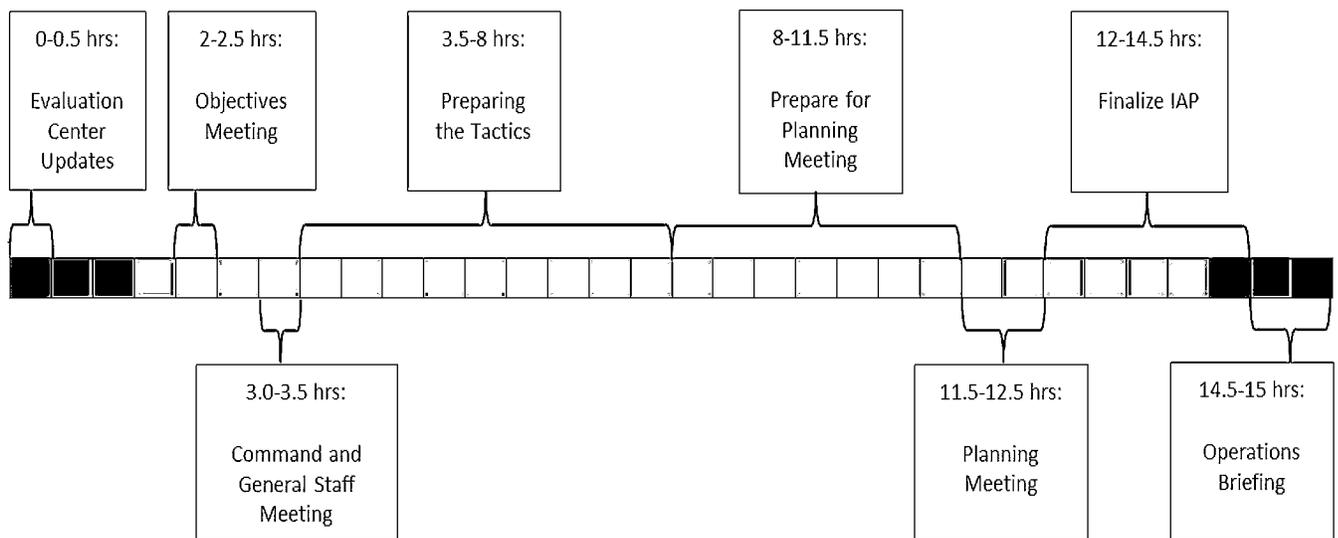
An IAP is developed for each operational period. Incident Action Planning is guided by the Planning “P” (see below).

**Operational Period Planning Cycle- “The Planning P”**



The Planning “P” is a guide to the process and steps involved in planning for an incident. The leg of the “P” describes the initial response period. Once the incident begins, the steps are Notifications, Initial Response and Assessment, Incident Briefing, and Initial Incident Command/Unified Command Meeting. The top of the leg of the “P” is the beginning of the first operational planning period cycle. The circular sequence outlines the planning meetings and steps that are completed in each operational period in order to develop an IAP. The steps in the circular portion of the Planning P are completed for each operational period until the IMT is demobilized.

The graphic below presents a timeline of the recurring planning meetings and steps and provides a guide as to when these steps should occur during a given 16-hour operational period:



**C.2.5 Initial Response and Assessment**

Initial Response and Assessment occurs immediately after a disaster or other event is identified and appropriate notifications are made. This initial response could include damage assessments made by the Company post hurricane landfall, outage evaluations post thunderstorm, or system status post cyber-attack. During the initial response to any incident, regardless of incident classification level, the status, incident objectives, and resources needed to effectively and efficiently respond to the incident may be communicated verbally.

Minimally, the following information should be communicated during the initial response period (before the IMT is fully activated and mobilized):

- Individual leading incident response
- Information regarding the threat (storm course, dates, times, and locations)
- Status of the impacts
- Current incident objectives
- Resources needed to meet incident objectives

#### **C.2.6 Evaluation Center Updates**

This step provides Operations Branch Directors an opportunity to receive an update on any progress achieved since the end of the previous operational period. It is also where the Branch Director will formally communicate the objectives for the operating period. These objectives were defined and communicated during the previous operational period. If this is the first operational period, this is the opportunity to define initial response objectives. The information collected in these updates will vary by branch, but should include:

- Services or repairs required at Company facilities;
- Initial damage observed;
- Resource status (personnel reporting, fleet, etc.);
- Outages; and
- Current day's actions (1st operational period) or objectives/tactics (2nd operational period)

A staff member from the Planning Section shall complete the Incident Briefing Form (ICS 201) based on the information provided during the evaluation center updates. The ICS 201 form serves as a permanent record of the situation status as of the start of the operational period.

### **C.2.7 Incident Brief**

This step provides a briefing of the event to the incoming Incident Commander and Command and General Staff early in the current operational period. For CNP, the incident briefing will take the form of a conference call where all evaluation centers submit a verbal situation report to the Incident Commander and the IMT. Safety concerns, initial impact assessments, and actions taken will be conveyed. The Command and General Staff will attend and the Incident Commander, Planning Section Chief or Emergency Operations will facilitate the discussion. Participants include:

- Incident Commander;
- Command Staff;
- General Staff;
- Section Chiefs (Operations, Logistics, Planning, and Finance);
- Applicable Operations Branch Directors (i.e. Distribution Operations, Transmission/Substation, Vegetation Management, Grid and Market Operations, Technology Operations); and
- Major Underground Manager (if applicable for the response).
- Other functional and support leaders as appropriate

A staff member from the Planning Section shall complete the Incident Briefing Form (ICS 201) based on the information provided during the incident briefing conference call.

#### **C.2.7.1 Meeting Details**

In preparation for the Incident Brief, a quiet space shall be reserved, and any maps or other materials needed to assist with situational awareness (e.g. damage assessment information) shall be made available to meeting participants.

**CENTERPOINT ENERGY HOUSTON ELECTRIC  
EMERGENCY OPERATIONS PLAN (EOP)**



<b>When:</b>	Before Objectives Meeting
<b>Attendees:</b>	Incident Commander Command and General Staff Branch Directors
<b>Facilitator:</b>	Planning Section Chief
<b>Tasks:</b>	<p><u>Incident Commander</u></p> <ul style="list-style-type: none"> <li>• Provides direction/guidance/clarification</li> <li>• Provides leadership presence and motivation</li> </ul> <p><u>Operations Section Chief and Branch Directors</u></p> <ul style="list-style-type: none"> <li>• Provide an update on current operations</li> </ul> <p><u>Technology Operations Officer</u></p> <ul style="list-style-type: none"> <li>• Provide an update on current operations</li> </ul> <p><u>Planning Section Chief</u></p> <ul style="list-style-type: none"> <li>• Facilitates the meeting</li> <li>• Resolves questions</li> <li>• Records action items as required</li> <li>• Updates on resource status</li> </ul> <p><u>Logistics Section Chief</u></p> <ul style="list-style-type: none"> <li>• Briefs transportation, communication, and supply issues</li> </ul> <p><u>Safety Officer</u></p> <ul style="list-style-type: none"> <li>• Provides a safety briefing</li> <li>• Other functional and support reports as appropriate</li> </ul>
<b>Outcomes:</b>	<ul style="list-style-type: none"> <li>• ICS 201 – Incident Brief</li> </ul>

### **C.2.8 Objectives Meeting**

The purpose of the Objectives Meeting is to establish incident objectives for the next operational period. Incident objectives shall be specific, measurable, action-oriented, realistic, and time-sensitive (SMART). Incident objectives are established based on the following priorities:

- Safety (workforce, public, etc.).
- Incident stabilization and/or restoration of operations and services
- Property preservation

In addition to establishing incident objectives during the Objectives Meeting, the Incident Commander may also set response priorities, identify any limitations and constraints, and develop guidelines for the IMT to follow. Products (ICS forms and other documentation) resulting from the Objectives Meeting will be presented at the Command and General Staff meeting. For recurring meetings (Objective Meetings in subsequent operational periods), products from the previous Objectives Meeting will be reviewed and updated as needed.

The initial Objectives Meeting shall be held as soon as reasonably possible after the IMT (including the ICC and evaluation centers) are able to convene and/or at the direction of the Incident Commander. The Objectives Meeting and the Command and General Staff Meeting may be combined if practical. The duration of the Objectives Meeting should not exceed 30 minutes.

#### **C.2.8.1 Meeting Details**

In preparation for the Objectives Meeting, a quiet space shall be reserved and any maps or other materials needed to assist with situational awareness (e.g. damage assessment information) shall be made available to meeting participants.

<b>When:</b>	<b>Before Command Staff Meeting</b>
<b>Attendees:</b>	<b>Incident Commander</b>  <b>Command Officers and General Staff Section Chiefs</b> <b>Situation Planning Branch Director</b>
<b>Facilitator:</b>	<b>Incident Commander or Planning Section Chief</b>
<b>Tasks:</b>	<p><b><u>Incident Commander</u></b></p> <ul style="list-style-type: none"> <li>• <b>Develop incident objectives and command emphasis (ICS 202)</b></li> <li>• <b>Develop tasks for Command and General Staff in response to open items (ICS 233)</b></li> </ul> <p><b><u>Planning Section Chief</u></b></p> <ul style="list-style-type: none"> <li>• <b>Facilitate and document meeting</b></li> <li>• <b>Propose draft objectives to Command</b></li> </ul>
<b>Outcomes:</b>	<ul style="list-style-type: none"> <li>• <b>ICS 202 - Incident Objectives</b></li> <li>• <b>Updated ICS 233 – Incident Open Action Tracker</b></li> </ul>

**C.2.9 Command and General Staff Meeting**

The Command and General Staff Meeting is an opportunity for the Incident Commander to meet with the Command and General Staff and Branch Directors to present their decisions and management direction. The Command and General Staff Meeting clarifies and helps to ensure understanding among the leadership on the decisions, objectives, and priorities determined by the Incident Commander. In addition to the information provided by the Incident Commander, the Operations Section Chief, Planning Section Chief, and Situation Planning Branch Director may also provide situation updates.

The Command and General Staff Meeting shall be held immediately following the Objectives Meeting. The duration of the Command and General Staff Meeting should not exceed 30 minutes.

**CENTERPOINT ENERGY HOUSTON ELECTRIC**  
**EMERGENCY OPERATIONS PLAN (EOP)**



**C.2.9.1 Meeting Details**

In preparation for the Command and General Staff Meeting, the facilitator shall review the meeting agenda, current IAP (ICS 201 or IAP from previous operational period), status information, and the upcoming operational period’s objectives.

<b>When:</b>	<b>Following the Objectives Meeting and prior to Preparing the Tactics</b>
<b>Attendees:</b>	<b>Incident Commander Command and General Staff  Branch Directors</b>
<b>Facilitator:</b>	<b>Planning Section Chief</b>
<b>Tasks:</b>	<p><b><u>Incident Commander</u></b></p> <ul style="list-style-type: none"> <li>• Review status of open actions, work assignments (tasks) from previous meeting (ICS 233).</li> <li>• Present objectives for the upcoming operational period.</li> </ul> <p><b><u>Operations Section Chief</u></b></p> <ul style="list-style-type: none"> <li>• Provide update on current operations.</li> </ul> <p><b><u>Planning Section Chief</u></b></p> <ul style="list-style-type: none"> <li>• Facilitate meeting.</li> <li>• Facilitate discussion on proposed objectives.</li> </ul> <p><b><u>Situation Planning Branch Director</u></b></p> <ul style="list-style-type: none"> <li>• Remind staff to begin preparing tactics.</li> </ul> <p><b><u>Status Documentation Branch Director</u></b></p> <ul style="list-style-type: none"> <li>• Document meeting and distribute meeting materials.</li> <li>• Other function and support reports as appropriate</li> </ul>
<b>Outcomes:</b>	<ul style="list-style-type: none"> <li>• Updated ICS 202 - Incident Objectives, if necessary</li> <li>• Updated ICS 233 - Incident Open Action Tracker, if necessary</li> </ul>

**C.2.10** Preparing the Tactics

This is a period of time where strategies and tactics are developed for later discussion and review at the Planning Meeting. In particular, the Operations Branch Directors and Planning Liaisons will review incident objectives (ICS 202) to determine responsibilities of the Operations Branch Directors and consider Command priorities. The Operations Branch Directors will then work with his/her Section Chiefs and Coordinating Staff to develop strategies and tactics to meet the incident objectives. Additionally, the Safety Officer will evaluate and plan for potential safety hazards.

**C.2.10.1** Details

The Operation Branch Directors, with support from their Planning Liaisons and Coordinating Staff, must determine the strategies and tactics required to accomplish the Incident Commander’s objectives. The ICS 234 Tactics Worksheet will be used to work through and document this process. Also, the Planning Liaisons shall ensure that the material, information, and resources that will be presented at the Planning Meeting are organized and accurate. The time allocated for the preparation of tactics will vary depending on the incident and stage of the response. For example, a large-scale Hurricane, Storm or Ice response with 16-hour IMT work shifts, longer time periods maybe allocated for this activity. Other events should adjust this planning time accordingly.

<b>When:</b>	<b>Following the Command and General Staff Meeting and prior to the preparing for the Planning Meeting</b>
<b>Participants:</b>	<b>Operation Branch Directors Planning Liaison  Logistics Liaison Safety Officer  Technical Specialists, as needed</b>
<b>Facilitator:</b>	<b>Planning Liaison</b>

**CENTERPOINT ENERGY HOUSTON ELECTRIC**  
**EMERGENCY OPERATIONS PLAN (EOP)**



<p><b>Tasks:</b></p>	<p><u>Operations Branch Directors and supporting staff</u></p> <ul style="list-style-type: none"> <li>• Develop draft strategies and tactics for incident objectives (ICS 234)</li> </ul> <p><u>Planning Liaisons</u></p> <ul style="list-style-type: none"> <li>• Synthesize information to prepare for the Planning Meeting</li> <li>• Provide information regarding resource status to the Operations Branch Directors</li> </ul> <p><u>Logistics Liaisons</u></p> <ul style="list-style-type: none"> <li>• Provide information regarding the status of available materials and supplies to the Operations Branch Directors</li> </ul>
<p><b>Outcomes:</b></p>	<ul style="list-style-type: none"> <li>• ICS 234 - Tactics Worksheet</li> </ul>
<p><b>Reports due from:</b></p>	<ul style="list-style-type: none"> <li>• Major Underground</li> <li>• Incident Command</li> <li>• Transmission/Substation</li> <li>• Technology Operations</li> <li>• Distribution</li> <li>• Additional Areas as required</li> </ul>

**C.2.11 Prepare for Planning Meeting**

This is a period of time whereby the Command and General Staffs prepare for the upcoming Planning Meeting. As such, all draft strategies and tactics developed to accomplish the incident objectives for the next operational period will need to be completed.

**C.2.11.1 Preparation Details**

Prior to the Planning Meeting, the Command and General Staff will need to work together to prepare for the Planning Meeting. The Planning Section Chief shall facilitate/support the preparations for the Planning Meeting. The Planning Section Chief also ensures the material, information, and resources used or discussed in the Planning Meeting are completed and ready for presentation during the meeting. Concurrently, the Operations Section Chief will prepare a final draft of the ICS 234, based on input from the Preparing the Tactics, operations updates, and coordination with the Planning Section, as needed.

For the beginning of a large-scale response with 16-hour IMT shifts, 3.5 hours is allocated for this activity. Adjust this time accordingly for other responses with shorter operational periods.

<b>When:</b>	<b>Following the Preparing the Tactics and prior to the Planning Meeting</b>
<b>Participants:</b>	<b>Command Staff General Staff  Technical Specialists, as needed</b>
<b>Facilitator:</b>	<b>Planning Section Chief</b>

<p><b>Tasks:</b></p>	<p><b>PREPARATION FOR PLANNING MEETING</b></p> <p><u><b>Incident Commander</b></u></p> <ul style="list-style-type: none"> <li>• Prepare further guidance/clarification</li> <li>• As needed, meet informally with appropriate staff members</li> </ul> <p><u><b>Operations Section Chief</b></u></p> <ul style="list-style-type: none"> <li>• Prepare operations update</li> <li>• Prepare final draft of the Tactics Worksheet (ICS 234)</li> <li>• Coordinate with other staff as needed.</li> </ul> <p><u><b>Situation Planning Branch Director</b></u></p> <ul style="list-style-type: none"> <li>• Prepare final draft of the Incident Objectives (ICS 202)</li> <li>• Prepare final draft of the Incident Organization Chart (ICS 207)</li> <li>• Prepare final draft of the Daily Meeting Schedule (ICS 230)</li> <li>• Assist with final draft of the Tactics Worksheet (ICS 234)</li> </ul> <p><u><b>Logistics Section Chief</b></u></p> <ul style="list-style-type: none"> <li>• Consider support requirements to support IAP</li> <li>• Verify support requirements</li> </ul> <p><u><b>Resource Acquisition / Resource Unit Branch Directors</b></u></p> <ul style="list-style-type: none"> <li>• Prepare final draft of Resource Summary (ICS 204)</li> </ul> <p><u><b>Safety Officer</b></u></p> <ul style="list-style-type: none"> <li>• Prepare final draft of the Medical Plan (ICS 206)</li> </ul>
	<ul style="list-style-type: none"> <li>• Prepare final draft of the Safety Plan (ICS 208)</li> </ul>
<p><b>Outcomes:</b></p>	<ul style="list-style-type: none"> <li>• Final drafts of:             <ul style="list-style-type: none"> <li>○ ICS 202 – Incident Objectives</li> <li>○ ICS 204 – Resource Summary</li> <li>○ ICS 206 – Medical Plan</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ ICS 207 – Incident Organization Chart</li> <li>○ ICS 208 – Safety Plan</li> <li>○ ICS 230 – Daily Meeting Schedule</li> <li>○ ICS 234 – Tactics Worksheet</li> </ul>
--	---

**C.2.12 Planning Meeting**

The Planning Meeting is the culmination of all meetings that have taken place prior to this meeting. The Planning Meeting provides the opportunity for the Incident Commander, Command Staff, and General Staff to review and validate the proposed tactical plan to achieve the Incident Commander’s direction, priorities, and objectives.

The Operations Section Chief will present the tactical plan that was developed to meet the Incident Commander’s objectives, including proposed resources, and support requirements. In turn, attendees will review and provide feedback on the proposed plan.

The Planning Meeting provides the opportunity for Command and General Staff to discuss and resolve any issues and concerns prior to assembling the IAP. After the review is complete and updates are made, the attendees commit to support the plan. The final IAP is compiled following the Planning Meeting.

The duration of the Planning Meeting should not exceed 1 hour.

**C.2.12.1 Meeting Details**

When:	Following the Preparing of Tactics and preparations for the Planning Meeting
Attendees:	Incident Commander Command Staff General Staff  Situation Planning Branch Director Resource Acquisition Branch Director

**CENTERPOINT ENERGY HOUSTON ELECTRIC  
EMERGENCY OPERATIONS PLAN (EOP)**



	Status Documentation Branch Director Technical Specialists, as needed
Facilitator:	Planning Section Chief
Tasks:	<p><u>Incident Commander</u></p> <ul style="list-style-type: none"> <li>• Ensure all direction, priorities, and objectives have been met</li> <li>• Provide further direction and resolve differences as needed</li> <li>• Give approval of proposed IAP</li> </ul> <p><u>Operations Section Chief</u></p> <ul style="list-style-type: none"> <li>• Present an operations update</li> </ul>
	<ul style="list-style-type: none"> <li>• Present plan of action</li> </ul> <p><u>Planning Section Chief</u></p> <ul style="list-style-type: none"> <li>• Facilitate meeting</li> <li>• Facilitate discussion on the proposed plan</li> <li>• Record action items</li> </ul> <p><u>Resource Acquisition / Resource Unit Branch Director</u></p> <ul style="list-style-type: none"> <li>• Present resource status</li> </ul> <p><u>Status Documentation Branch Director</u></p> <ul style="list-style-type: none"> <li>• Document meeting</li> </ul>
Outcomes:	<ul style="list-style-type: none"> <li>• Final Incident Action Plan:             <ul style="list-style-type: none"> <li>○ ICS 202 – Incident Objectives</li> <li>○ ICS 204 – Resource Summary</li> <li>○ ICS 206 – Medical Plan</li> <li>○ ICS 207 – Incident Organization Chart</li> <li>○ ICS 208 – Safety Plan</li> <li>○ ICS 230 – Daily Meeting Schedule</li> <li>○ ICS 234 – Tactics Worksheet</li> </ul> </li> </ul>

**C.2.13 IAP Preparation and Approval**

Following the Planning Meeting, IMT members must complete the assigned tasks/products that are required for inclusion in the IAP. IMT members must meet the deadlines set by the Planning Section Chief so that the Planning Section has requisite time to assemble the IAP components.

**C.2.13.1 IAP Preparation and Approval Process Information**

When:	Immediately following the Planning Meeting
Facilitator:	Planning Section Chief
Tasks:	<p><u>Incident Commander</u></p> <ul style="list-style-type: none"> <li>• Reviews, approves, and signs IAP</li> </ul> <p><u>Operations Section Chief</u></p> <ul style="list-style-type: none"> <li>• Provides required information for inclusion in the IAP</li> <li>• Works with the Planning Section to ensure the organizational chart and ICS 204s are complete</li> </ul> <p><u>Planning Section Chief</u></p> <ul style="list-style-type: none"> <li>• Reviews IAP for completeness</li> <li>• Provides completed IAP to Incident Commander for review/approval</li> </ul> <p><u>Status Documentation Branch Director</u></p> <ul style="list-style-type: none"> <li>• Facilitates gathering of required documents and assembles IAP</li> <li>• Distributes IAP to the appropriate parties and files the original</li> </ul> <p><u>Logistics Section Chief</u></p> <ul style="list-style-type: none"> <li>• Reviews Logistics Section products for completeness</li> <li>• Provides logistics information for the IAP</li> <li>• Verifies resources ordered status</li> </ul> <p><u>Finance/Admin Section Chief</u></p> <ul style="list-style-type: none"> <li>• Verifies financial and administrative requirements for the IAP</li> </ul>

**CENTERPOINT ENERGY HOUSTON ELECTRIC**  
**EMERGENCY OPERATIONS PLAN (EOP)**



IAP Components	Form	Final Responsibility to Complete
	Cover Page	Planning Section Chief
	ICS 202: Incident Objectives	Planning Section Chief
	ICS 204: Field Assignment List	Resource Unit Branch Director, in coordination with the Resource Acquisition Branch Director
	ICS 206: Medical Plan	Safety Officer
	ICS 207: Incident Organization Chart	Situation Planning Branch Director
	ICS 208: Safety Message	Safety Officer
	ICS 230: Daily Meeting Schedule	Situation Planning Branch Director
	ICS 234: Tactics Worksheet	Operations Section Chief, in coordination with Planning Section

**C.2.14 Operations Briefing**

The Operations Briefing is conducted at the end of each operational period. At the Operations Briefing, the IAP is presented to supervisors of tactical resources. During the Operations Briefing, the Operations Section Chief briefs the organization and provides clarification regarding any of the tactical assignments. Command and General Staff provide information regarding other key information as necessary. The Operations Briefing shall be 30 minutes or less in duration.

**C.2.14.1 Meeting Details**

When:	At the start of the next operational period.
Attendees:	Incident Commander Command and General Staff Branch Directors

**CENTERPOINT ENERGY HOUSTON ELECTRIC**  
**EMERGENCY OPERATIONS PLAN (EOP)**



Facilitator:	Planning Section Chief
Tasks:	<p><u>Incident Commander</u></p> <ul style="list-style-type: none"> <li>• Provides guidance/clarification</li> </ul>
	<ul style="list-style-type: none"> <li>• Provides leadership presence and motivational remarks</li> </ul> <p><u>Safety Officer</u></p> <ul style="list-style-type: none"> <li>• Provides a safety briefing</li> </ul> <p><u>Operations Section Chief and Branch Directors</u></p> <ul style="list-style-type: none"> <li>• Provide an update on current operations</li> <li>• Provide Operational Briefing for next operational period</li> </ul> <p><u>Planning Section Chief</u></p> <ul style="list-style-type: none"> <li>• Set-up briefing area</li> <li>• Facilitates Command and General Staff and attendees briefing responsibilities</li> <li>• Resolves questions</li> <li>• Explains support plans as needed</li> </ul> <p><u>Logistics Section Chief</u></p> <ul style="list-style-type: none"> <li>• Briefs transportation, communication, and supply issues</li> </ul> <p><u>Finance/Admin Section Chief</u></p> <ul style="list-style-type: none"> <li>• Briefs administrative issues and provides financial report</li> </ul>
Outcomes:	The IMT, especially Operations Section Branch Directors, have a clear understanding of the IAP and the incident objectives for the next operational period.

## Section D: Organization

### D.1 Introduction

The Command, Coordination, and Integrated Communications component of NIMS describes the systems, principles, and structures that provide a standard, national framework for emergency management. Regardless of the size, complexity, or scope of the emergency, effective command, and coordination—using flexible and standard processes and systems—helps safely and efficiently manage the emergency. To ensure that entities with a functional role in emergency management can seamlessly integrate, NIMS encourages common principles, such as terminology, management by objectives, a modular organization, and others to enhance the effectiveness of command, coordination, and communications.

#### Modular Organization

ICS and Emergency Operations Center (EOC) organizational structures develop in a modular fashion based on an emergency's size, complexity, and hazard environment. Responsibility for establishing and expanding ICS organizations and EOC teams ultimately rests with the IC (or Unified Command (UC)). As emergency complexity or duration increases, organizations expand as the IC / UC, and subordinate supervisors delegate additional functional responsibilities.

The ICS consists of a standard management hierarchical chain of command that expands, and contracts based on the size and needs of emergencies. Through this scalable organization, everyone fulfilling each role has a clear route, if not means, of communications up and down the chain of command and pre-established responsibilities. To maximize resources only positions that are required at the time should be established.

The purpose of this section is to describe the various sections of the ICS organization that could be utilized to respond to an EOP event. This section also outlines the various roles and responsibilities related to the EOP response. This section provides information on:

- Tasks assigned to the five functional areas (Command, Operations, Planning, Logistics and Finance).
- The interrelationship between those functional areas.

ICS Overview

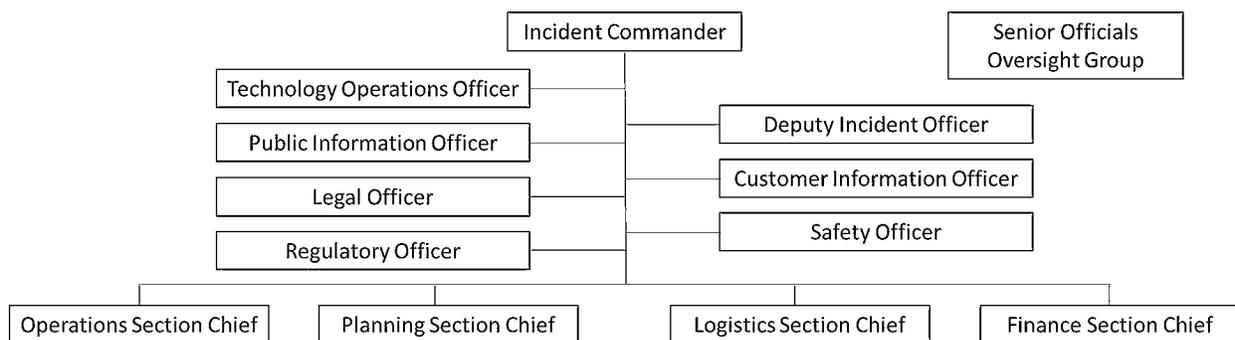
ICS is modular by design and it expands and contracts to fit the incident needs while helping to manage Span of Control (number of resources reporting to any single supervisor). The review of each ICS tool should be deliberate and thoughtful, understanding that ICS is based on a standardized incident management system that has proven to be successful across many disciplines and used across multiple disaster types. Minor modifications are made to fit the mission and resources of the CNP emergency response along with the nature and type of the disaster. Substantial deviation from accepted ICS principles may result in a system that is not recognized by other response partners and could potentially have an adverse impact on the coordination that is necessary during large scale disasters.

Unified Command (UC) UC is an authority structure in which the role of the IC is shared by two or more individuals, each already having authority in a different responding departments. UC is especially helpful for managing events involving multiple departments or business units where the responding organizations and/or areas share responsibility and management for the emergency (Multi-agency Coordination or MAC). If a UC is erected, ICs representing departments or areas that share responsibility for the emergency can manage the emergency response from a single, co-located Incident Command Post.

CNP utilizes the ICS as the baseline for all EOP Response Events. Unified Command may be established at the discretion of the Incident Commander and with the authority of the Senior Oversight Committee/Corporate Response Team (CRPT).

CNP staff members responding to an EOP event are designated as Command Staff or General Staff following the ICS recommended guidelines. The Company’s recommended EOP organization of Command Staff and General Staff is below.

CenterPoint Energy Houston Electric EOP ICS Main Structure:



**D.1.1 Senior Officials Oversight Group**

The Senior Officials Oversight Group or Corporate Response Planning Team, depending on the incident, delegates authority to the Incident Commander. In doing so, they assign the responsibility for all aspects of the restoration effort to the designated Incident Commander. The Senior Official Oversight Group/CRPT has an on-going responsibility to provide policy direction, financial support and strategic direction over the course of the response. They also continuously monitor the situation as an on-going risk assessment to ensure the safety/stability of the company.

**D.1.2 Command Staff**

Command Staff positions are established to assign responsibility for key activities not specifically identified in the General Staff functional elements. Note that although the Senior Officials Oversight Group is documented on the above ICS Organization Chart, they are not actually a part of Command.

Command Staff positions, a high-level description of their responsibilities and a reference of where to find more detailed information is provided in the table below:

Position	General Responsibilities	Reference
Incident Commander	Provides overall leadership for the incident response, delegates authority to others, establishes incident objectives and directs staff to develop the Incident Action Plan (IAP)	<u>Section D.2.2</u>
Public Information Officer	Interfaces with the public, media, and employees to provide incident-related information. Interfaces with local, state and federal agencies to provide incident-related information and coordinate response efforts	<u>Section D.2.3</u>
Safety Officer	Monitors all safety and environmental procedures	<u>Section D.2.4</u>
Technology Operations Officer	Ensures that systems that are essential for projecting and dealing with a storm’s impact are operating in a reliable manner	<u>Section D.2.5</u>

**CENTERPOINT ENERGY HOUSTON ELECTRIC**  
**EMERGENCY OPERATIONS PLAN (EOP)**



Customer Information Officer	Interfaces directly with customers to gather information and provide incident-related information	<a href="#">Section D.2.6</a>
Regulatory Officer	Provides guidance and discusses regulatory issues impacting the response	<a href="#">Section D.2.7</a>
Legal Officer	Provides guidance and discusses legal issues impacting the response	<a href="#">Section D.2.8</a>

**D.1.3 General Staff**

General Staff positions are established to assign responsibility for the major functional elements of ICS, including planning, operations, logistics and finance.

General Staff positions, a high-level description of their responsibilities and a reference of where to find more detailed information is provided in the table below:

Position	Responsibilities	Reference
Operations Section Chief	Implements the strategy and tactics and actively pursues the objectives laid out in the Incident Action Plan	<a href="#">Section D.3.2</a>
Planning Section Chief	Ensures the incident response is run in a cohesive and proactive manner	<a href="#">Section D.3.3</a>
Logistics Section Chief	Provides facilities, services and material in support of the incident	<a href="#">Section D.3.4</a>
Finance Section Chief	Coordinates the finance operations for the incident response	<a href="#">Section D.3.5</a>

**D.2 Command Staff Section**

**D.2.1 Summary**

The Incident Commander provides overall leadership for the incident response. A Deputy Incident Commander may be assigned as necessary.

The command staff functions are directed by the Incident Commander and are usually responsible for the customer and public information, liaison, safety, legal and technology services aspects of the response. Emergency Operations may also be included in the Command Staff to provide support to response operations. Command staff report directly to the Incident Commander. Command Staff may assign Assistants as necessary.

### **D.2.2 Incident Commander**

#### **Summary**

Solely responsible for the emergency effort, including establishing incident objectives and ensuring activities are directed towards accomplishing those objectives. Fulfills role of organizational manager and manages the organization, not the incident.

#### **Responsibilities**

The Incident Commander has the following responsibilities:

- Declare activation of the EOP
- Authorize the establishment of the Incident Command Center and identifies the location
- Set the schedule for and conducts periodic briefings and staff meetings with Command and General Staff
- Determine objectives for dealing with the incident
- Authorize the implementation of the IAP
- Help with data or technical assistance needed to support the effort
- Ensure appropriate section chiefs provide plans and reports
- Approve necessary purchases and requests exceeding an established amount
- As necessary, approve the acquisition and release of incident resources
- Approve transfer of command and transition plans
- Reports to the Senior Official Oversight Group, CRPT or other authorities about the status of the incident response
- Approves IAPs

- As necessary, approvals for purchases, acquisition and release of resources and transfer of command and transition plans

### **D.2.3 Public Information Officer**

#### Summary

The Public Information Officer plays an important role in providing accurate and timely information and projecting the image of incident response before the media, public, governmental officials and employees. The Public Information Officer strives to maintain the company's credibility and reputation. Incident responsibilities include the execution of key decisions and deliverables through advance work preparation, the identification of appropriate communication channels during the event and a robust after-action review to identify areas of plan enhancement.

#### Responsibilities

The Public Information Officer works directly with the Incident Commander at the Incident Command Center.

#### The Public Information Officer

- Plans, coordinates, and implements an effective public information program to support the objectives of the IAP through:
  - Media Relations
    - Write news releases with safety tips
    - Conduct and coordinate media interviews and respond to media inquiries
    - Act as primary Company spokesperson and identify subject matter experts most appropriate to speak on behalf of the Company
    - When necessary, hold press conferences with media and local officials
    - Maintain current talking points and FAQs

- Collaborate with legal on approval of all external facing material and mark collateral as appropriate should it be protected
- Monitor social media
- Customer and other external communications
  - Collaborate with Marketing Communication to ensure customer communication channels align with Company position at all stages of event
  - Web updates
  - Inform customer email communication
  - Social media monitoring
  - Power Alert Services (if applicable)
  - Text Notifications
  - Customer bill notifications
  - Advertising support (if applicable)
  - Liaison to Customer Service
- Employee communications and documentation
  - Provide real-time updates to employees via email and intranet
  - Direct photography and video needs when necessary
  - Graphics support
  - Assist in setup of storm hotline, if necessary
  - Collaborate with Human Resources to inform on employee assistance needs
  - Collaborate with Corporate Security to inform employees on any security related updates

- Point of Contact for EOCs, Regulatory Agencies and Elected Officials
  - Collaborate with points of contact to maintain listing of all EOC, Regulatory and Elected Officials Liaisons and their assignments
  - Collaborate with members of ICS to monitor incident operations and provide guidance and support to Liaisons as needed
  - Provides real-time information to Liaisons who act as the point of contact for Federal, State and local government representatives, keeping supporting officials aware of the incident status
  - Stays aware of all changes in emergency project operations, policies and plans in order to provide the most current and accurate information
  - Provides information to emergency project personnel, headquarters personnel, industry representatives, elected officials, regulatory agency personnel and others, as necessary
  - Provides training, guidance and talking points as needed, to government liaisons on proper procedures for dealing with the media and onsite customer interests which may impede the work of operations
  - Coordinates and assist emergency project personnel when it is necessary or desirable for them to be interviewed by the media
  - Collects and disseminates information regarding the status of CNP's system(s) to elected officials, regulatory agencies, and emergency management personnel.
- Community Outreach and Humanitarian Assistance Efforts
  - Assess the need for community support and Company's ability to assist, either directly or through the financial contributions to third-party agencies
  - Collaborate with CenterPoint Energy Foundation, and its Board as necessary, to identify available funds for community assistance if appropriate
  - Collaborate with Community Relations to identify opportunities for volunteer, food, basic necessity assistance, as appropriate

- After-Action Review
  - At the conclusion of the incident, and in coordination with the ICS and the CRPT, participate in a thorough after-action review to identify areas of plan enhancement
  - Complete necessary updates/training with impacted functions to ensure alignment on plan enhancements identified
  - Update any policies and procedures as a result of the conclusions obtained in the after-action review

#### **D.2.4 Safety Officer**

##### **Role**

The Safety Officer monitors incident operations and advises the Incident Commander on all matters relating to operational safety, including the health and safety of CNP EOP personnel.

##### **Responsibilities**

The Safety Officer works directly with the Incident Commander at the Incident Command Center.

The Safety Officer has the following responsibilities:

- Addresses all work safety issues and accidents or incidents for the Company and visiting utility and contract crews
- Interfaces between the Company and Safety personnel of visiting utility and contract crews
- Interfaces with state and federal safety entities as the need arises
- Coordinates safety orientations for all mutual assistance crews and all Contract crews before they are allowed to begin working on the CNP system
- Conducts daily safety briefings with internal and external Safety Representatives

- Conducts jobsite inspections of internal and external crews to ensure that safety rules are being followed and good work practices are being used

#### **D.2.5** Technology Operations Officer

##### Role

The Information Technology Officer provides the most reliable processing of storm-essential and storm-contingent systems to ensure the primary goal of the EOP is met as expeditiously as possible.

##### Responsibilities

The Information Technology Officer works directly with the Incident Commander at the Incident Command Center.

The Technology Operations Officer has the following responsibilities:

- Conduct pre-storm planning activities to identify critical and contingent systems that must be maintained during an incident
- Develop a structure to support the various systems and functions on a 24-hours basis
- Provide support for the following:
  - Customer Information System
  - Outage Management System, Advanced Distribution Management System and Graphical Switching
  - Enterprise Mobile Data
  - EAI
  - Batch scheduling and mainframe automation
  - Data security
  - Change management
  - Mainframe operations
  - Help desk services (including Desktop Support)

- LAN services
- UNIX services
- Telecommunications and networks
- Digital Design Studio engineering and tools
- Database management
- SAP applications, SAP Basis and databases
- Smart Grid
- Other systems

#### **D.2.6** Customer Information Officer

##### **Role**

The Customer Information Officer is the Incident Command's point of contact for members of the public to get information on estimated restoration times and other incident-related matters and to report incident-related information, such as downed power lines.

##### **Responsibilities**

The Customer Information Officer works directly with the Incident Commander at the Incident Command Center.

The Customer Information Officer has the following responsibilities:

- Establish and manage all aspects of the telephone call center operations
- Notify Information Systems about when to implement the "Storm Access" Security Profile to allow limited access to anyone called upon to answer customer calls
- If required, request additional resources to handle call volumes
- If needed, activate a third-party High Volume Call Answering System (HVCA) that can handle the maximum number of calls received
- Enter information from customers into the Customer Information System

#### **D.2.7 Regulatory Officer Role**

The Regulatory Officer provides guidance and discusses regulatory issues impacting the response.

##### Responsibilities

- Reviews regulatory requests and directives and support compliance
- Acts as a point of contact for Incident Command regarding regulatory matters
- Establishes appropriate regulatory staffing required to support the incident
- Attends Planning Meetings and is prepared to discuss regulatory issues impacting the response
- Assists with resolving regulatory issues as needed
- Coordinates with Public Information Officer and Regulatory, Government Liaison (Director, Government Policy) on communications with regulatory agencies, public officials, and others
- Provides other regulatory advice, counseling, and guidance as necessary

#### **D.2.8 Legal Officer Role**

The Legal Officer provides guidance and discusses legal issues impacting the response.

##### Responsibilities

- Review authorities and legal directives and ensures compliance
- Acts as a point of contact for Incident Command regarding legal matters
- Establishes appropriate legal staffing required to support the incident
- Attends Planning Meetings and is prepared to discuss legal issues impacting the response
- Reviews and documents Command's legal decisions and directives
- Review agreements and contracts and assists with resolving legal issues as needed
- Helps resolve labor issues

- Review various communications
- Reviews all plans and documentation to ensure compliance with legal mandates
- Works with Claims team to investigate and process third party general liability, auto, and other claims and incidents with potential to become claims or litigation
- Respond to litigation as needed
- Provides other legal advice, counseling, and guidance as necessary

### **D.3 General Staff Sections**

#### **D.3.1 Summary**

The General Staff represents and is responsible for the functional aspects of the Incident Command Structure. The Incident Commander activates the Command staff and the other four major functional areas (Sections):

- Operations
- Planning
- Logistics
- Finance

Staffing throughout the Incident Command structure has been pre-determined, reviewed, approved and updated throughout the year as needed, and is maintained through the ESR. However, The Incident Commander has the authority to make additions or reductions to the structure/staffing pending the needs of the response to the event.

#### **D.3.2 Operations Section**

The Operations Section identifies, assigns and supervises the resources needed to accomplish the incident objectives.

#### **D.3.2.1.1 Major Underground Summary**

Major Underground is responsible for assessing and restoring all 3-phase major underground facilities and reporting on their status. They may also assist with restoration of distribution residential underground (URD) facilities.

##### Staffing

- Director
- Operations managers, who are responsible for leading the restoration efforts
- Underground restoration personnel (at the Harrisburg Service Center)
- Overhead contract crews, as needed

##### Inputs

- Information on damaged Major Underground facilities (from SCADA)
- Customer reports through key accounts or customer service
- Information on which Underground Residential Distribution (URD) locating vans with operators and EZ haulers have been delivered to the Harrisburg service center (from Service Centers)
- Information on overhead restoration progress (from Distribution Operations)
- Priority restoration information (from Priority Calls Hot Desk or daily conference calls)
- Premise registry data to help prioritize response effort
- Trouble orders (from Mobile Data)

##### Tasks

- Inspect key account underground facilities for damage

- Assign and handle trouble orders for Major Underground facilities and residential URD facilities
- Establish the Underground Evaluation Center (at the Harrisburg service center)
- Make sure the Underground Evaluation Center is in contact with other evaluation centers

#### Outputs

- Daily progress reports (for the Incident Command Center)
- Reports concerning any environmental events (to the Environmental branch of Safety)

#### **D.3.2.1.2** Priority Calls Hot Desk

##### Summary

The responsibility of the Priority Calls Hot Desk is to receive, document, and track requests from SOC, government liaisons, and internal CNP sources. These requests cover:

- Life safety
- Mobility
- Security
- Environmental
- Other situations

These situations may require an urgent response and resolution, and a follow-up report to inform the Incident Commander and Section Chiefs.

##### Staffing

Priority Calls Support, depending on the number of shifts

#### Inputs

- Situation notifications from SOC
- Situation notifications from Government Liaisons
- Situation notification calls transferred from customer service and internal CNP sources
  
- Information from the Incident Commander and section chiefs on which priority restorations should be performed first (such as decisions to give a higher priority to building supply stores, gas stations, and grocery stores)
- Prioritized list of key account customer outages (from Key Accounts)

#### Tasks

- Receive new calls from SOC and internal resources, and log the call information into the SharePoint site
- Create a prioritized, daily report of requests
- Receive information on jobs that are completed in the field, and log information into the SharePoint site to close out jobs
- Monitor open jobs for updates and estimated on times
- Create trouble orders in CIS based on direction from Incident Commander

#### Outputs

- SharePoint information that users can use to check the status of all priority jobs. Users will be restricted to sort and view-only access
- Requests for damage estimates (to Primary Metering and Central Metering)
- Prioritized list of restorations requests submitted to Operations branch director
- Status updates to Operations Branch Director and others as needed
- Priority calls (to Service Centers)

**D.3.2.2** Transmission and Substation Branch

**D.3.2.2.1** Transmission Operations

Summary

Transmission is responsible for:

- Patrolling and identifying damage to Transmission facilities
- Repairing damaged facilities

Staffing

- Transmission Evaluation Center managers
- Helicopter Patrol (10)
- Transmission Restoration Center manager
- Transmission Restoration Center manager administrative assistant
- Engineering personnel
- Material personnel
- Transmission Restoration Center manager
- Outage Coordinator
- Crew Leaders
- Facilities Coordinator
- Ground Patrol
- Contractor Services
- Foreign Crew Coordinators
- Support personnel

#### Inputs

- Information on circuits that had an outage, either by lockout or instantaneous f
- operation (from RTO)
- Prioritization information for circuits (from RTO)
- Fault recording information (primary from TWS system or calculated faults)
- Which contract/mutual assistance resources will be coming available (from Resource Acquisition)

#### Tasks

- Compile and evaluating inspection patrol information
- Generate and modify projected restoration dates, based on available crews and materials
- Help with other parts of the restoration process once Transmission facilities have been repaired
- Repair PCS equipment

#### Outputs

- Daily status reports, including estimated dates for restoration (for the section chief, through the Transmission and Substation Evaluation Center)
- Information on additional crews that are needed or are ready for demobilization (for Resource Acquisition)
- Operational transmission facilities

#### D 3.2.2.2 RTO

##### Summary

CNP's Real Time Operations (RTO) is responsible for:

- Monitoring and controlling the switching of transmission lines, substation breakers and distribution breakers (through SCADA, switching orders, clearances, and work tags)
- Coordinating the efforts of various groups (primarily Transmission and Substation) in restoring the Bulk Electric System (BES)
- Providing updates on the status of BES

##### Staffing

RTO is staffed 24/7 during EOP, with:

- Branch manager (Real Time Operations Director)
- Manager of System Operations
- System Operations Supervisors
- System Controllers
- RTO Support Staff

##### Inputs

- Requests to have circuits energized/de-energized (from Distribution Control)
- Status of Control Systems' computer systems and communications (from Control Systems)
- Information on the status of the ERCOT system (from ERCOT)
- Weather information (from StormGeo)
- Damage assessments and restoration updates (Transmission, Substation, and Distribution Control)

- Priority call information (from Priority Calls Hot Desk and government liaisons)
- SCADA viability assessments (from Substation)
- Reports of customer statuses (from Transmission Accounts, through the Transmission and Substation Evaluation Centers)
- Lists of Customer Priorities (from Transmission Accounts, through the Transmission and Substation Evaluation Centers)
- Information from various other external sources

#### Tasks

- Communicate with the following groups as appropriate:
  - Customer Service
  - Corporate Communications
  - Regulatory
  - Substation Performance
  - Transmission Operations
  - Facilities O&M
  - Telecommunications
  - Distribution Control
  - Transmission Accounts
  - Key Accounts
  - Incident command staff
  - Control Systems
- Control all equipment in the BES (by either SCADA or by the issuing of switching orders), including the switching of distribution breakers

- Alert Substation Field Operations when they need to monitor substation equipment if monitoring equipment is not available
- Work with Transmission & Key Accounts and Resources to identify which load and generation facilities may need to be shut down.
- Under the threat of a hurricane or other event that causes a major loss of generation and/or load, evaluate the North Transfer Limits and status of Generation Resources inside CNP's footprint. This comes with the anticipation of exporting energy to the north. The goal of this effort is to prevent islanding or a Blackout condition by supporting the minimum load requirements of generation resources if major loads and/or tie lines are lost.
- Assist with prioritizing restoration
- Synchronize islands if island conditions exist
- Monitor and react to the status of the BES
- Answer Transmission Accounts' enquiries pertaining to the status of Industrial Customers' substations

#### Outputs

- Authorize requests for feeders to be energized (for Distribution Control)
- Switching orders, clearances, and work tags (for Substation and Transmission)
- Information on the status of the BES, including load (for Electric Market Operations - "EMO")
- Periodic communications about the position and intensity of the storm to CNP personnel, using email and text messaging systems
- Directions to Substation Field Operations personnel
- Inform Distribution Control on any events that are adversely affecting distribution operations, including operations and lockouts
- Update the Outage Reporting System with circuit information

### 3.2.2.3 Substation Operations

#### Summary

Substation is responsible for verifying and ensuring the operability of the bulk power grid (with RTO) through:

- Rapidly assessing damage to Substation facilities
- Making necessary repairs to Substation facilities so that those facilities are operating on at least a basic level
- Preparing Substation facilities for re-energization
- Manually operating Substations as directed by RTO

#### Staffing

- Engineering personnel
- Substation staff (initially at EC/DC, afterwards throughout the service territory):
  - Substation Operations director
  - Substation Operations managers
  - Substation crew leaders (with crews)
  - Outage Coordinators
  - Construction Coordinators
  - SCADA specialists
  - EVAL coordinators
  - EVAL outage monitor
  - EVAL data trackers
- Bargaining Unit field personnel across the CNP system to address core responsibilities
- Engineering personnel (for tasks such as relaying, and handling transformers)

- Non-electrical contractors (such as those who work on cranes or barges, or are specialty movers) for emergency restoration

#### Inputs

- Equipment and personnel required to perform aerial assessments (conducted in conjunction with Transmission)
- Priority restoration information (from Transmission and the Distribution Evaluation Center)
- Information on which breakers and switches Substation needs to operation manually (from RTO [or Distribution Control])
- Availability of Substation staff
- Status of storm, including information on when it is safe to fly and accessibility to facilities (from RTO)
- Information on accessibility to facilities (from law enforcement)
- Ability to communicate across the system
- Engineering support during the storm
- Work tags (from RTO)

#### Tasks

##### Pre-storm

- Prepare Substation facilities to weather the storm, including:
- Making sure the facilities have sufficient backup power
- Removing any debris
- Ensure that Substation has sufficient, operating tools and equipment to begin a successful restoration
- Make sure needed documents are secured
- Transport equipment as needed

- Test Grant substation flood gates and pumps
- Remove Tiki Island mobile substation and transport to the South Houston Complex
- Move standby generator and fuel tank to Morgan’s point
- Review synchronization and black plant startup procedures with employees
- Place Crosby and Bellaire “SVC” units into manual mode
- Change Cyber Key reset days to 14

#### Restoration

- Ensure the safety of the work environment
- Report locked out transmission and distribution circuits
- Manually operate breakers and switches as directed
- Perform detailed inspections of damaged Substation facilities where possible
- Conduct aerial assessments of Substation facilities
- Coordinate contractor services as required
- Ensure that work is performed safely
- Repair equipment
- Release resources to help with other areas of restoration work once Substation facilities have been repaired

#### Outputs

- Substation availability, operability, and damage assessments (for the Transmission, Distribution, and Substation Evaluation Centers, and RTO)
- SCADA viability assessments (for RTO, through Control Systems)
- Substation loading assessments (if SCADA is not available)
- Equipment and material requests (for Supply Chain)

- Various requests to Shops and Facilities
- Ad-hoc reports for command staff as requested
- Functional substation facilities

#### Vegetation Management Branch

##### Staffing

- Branch Director
- Vegetation Management Manager - The Manager is initially embedded in the Resource Acquisition group to support appropriate resource procurement. Once resources are acquired, the Manager will support the Branch Manager in operations restoration. When resources are demobilized, the Manager moves back to Resource Acquisition to aid in demobilization.
- System Foresters - System foresters have dual reporting responsibilities through both the Service Area Directors and the Vegetation Management Manager. They also will also facilitate resolution of VM issues for service area and staging site crews, SCCs, TCCs, customers, and resource constraints as identified.
- Transmission Foresters - Transmission Foresters will coordinate local tree crew service restoration in support of Transmission Operations. Upon completion of transmission system restoration they will act as ad hoc System Foresters in special need areas.
- Vegetation Management Spokesperson (Bellaire & surrounding high profile areas)
- Service Area Tree Crew Coordinators (SCC) (reporting through the Service Area Directors) - The SCCs are assigned to each service center to coordinate local tree crews in support of CNP line crews.
- Tree Crew Coordinators (TCC) - The TCCs are assigned to the staging sites to assist in administration and coordination of foreign tree crews. The TCCs and foreign tree crews will be matched with an FCC and line crews in support of operational objectives as defined by the Service Areas Operations (i.e. Staging Site) Manager. (Desired staffing – about 1 TCC / 7-10 foreign tree crews)

#### Inputs

- The number of stages sites that will be opened, and when they will be opened (Operations Section Chief)
- The number of resources that will be arriving on the system, and when they will be arriving (from Resource Acquisition)
- Contact information for Service Area Directors, Operations Managers, contractor management, FCCs, SCCs and TCCs
- ICS reporting structure
- Information on available specialized equipment (local and foreign) (from Resource Acquisition)
- Special Vegetation Management objectives (from Operations Section Chief)
- Special tree crew resource needs from HR to support the Employee Assistance branch (tree removals and minor roof repairs)
- Reports or updates from System Foresters

#### Tasks

- Identify total manpower resources for Vegetation Management, and the time frame for those resources.
- Support the allocation of Vegetation Management resources across staging sites, service centers and Employee Assistance Program.
- Handle mobilization and demobilization of internal and external Vegetation Management resources.
- Specialized global or tactical VM issues resolution as identified during the course of the event.

#### Outputs

- Requests for specialized equipment (to Resource Acquisition)

- Daily reports for conference calls (to Operations Section Chief)
- Communications concerning Vegetation Management's responses to special Vegetation Management (to Operations Section chief, Resource Acquisition, and other groups that are working on high-priority work that Vegetation Management work is involved with).
- Guidance and feedback to VM Branch Staffing to support foresters' activities.

### **D.3.2.3 Grid & Market Operations Branch**

#### **D.3.2.3.1 Analytics Summary**

Analytics is responsible for:

- Providing daily operations support of Situational Awareness (SAGD) for Operations, Telecommunications, IGSD devices and the Security Operations Center (SOC)
- Monitoring all aspects of SAGD and its' supporting systems to ensure timely delivery of
- information essential to support restoration efforts
- Ensuring availability of systems relying on Mobile Data and the ADMS once those systems are reactivated

#### Staffing

- Analytics Manager (Storm Rider at EC/DC)
- 3 Architects (Day One Responders at EC/DC), two to support Business Warehouse and one to support SAGD and Streams Real time interfaces
- Business Analysts (Day One Responders at CNP Tower if open)

#### Inputs

- ADMS is operating
- Mobile Data is operating
- DCE is operating
- MDM is operating
- As needed, support resources from Technology Operations including:
  - Database Administrators
  - Network Resources specializing in the telecommunications operation

#### Tasks

For Operations, Telecommunications, IGSD devices and the SOC:

- Maintain and monitor supporting computer systems (including Business Warehouse) and situational awareness graphical displays
- Availability to fail systems over to the new AOC when available

#### Outputs

- Effective and functioning systems and situational awareness graphical displays supporting the restoration efforts for Operations, Telecommunications, IGSD devices and the SOC
- Availability to fail systems over to the AOC

#### D.3.2.3.2 Distribution Control

##### Summary

Distribution Control is responsible for:

- Providing safe and reliable switching
- Overseeing daily operation of the Distribution grid
- Monitoring all radio communications between field operations and the control room
- Ensuring availability of the Mobile Data system when it is reactivated

##### Staffing

- Manager of Distribution Control (at EC/DC)

- Control room operation lead (at EC/DC), leading:
  - Regional supervisors (at EC/DC)
  - Floor controllers (at EC/DC, reporting to supervisors)
  - Distribution Controllers (engineers) (at EC/DC)
- ADMS operation lead, leading:
  - Distribution Control Support (technical analysts) (at EC/DC)
  - Mobile Data support (at Service Centers)
  -

#### Inputs

For control room operations:

- Switching requests (from FCCs, crew leaders, or RTO at Service Centers)
- Prioritization information from the Priority Calls Hot Desk

#### Tasks

- Execute switching orders as requested
- Maintain and monitor supporting computer systems, dedicated phone lines, and situational awareness graphical displays for DVAL
- Set up equipment required by the Priority Calls Hot Desk
- Communicate distribution operations information to RTO (for opening and closing breakers)
- Manage SOC requests, including:
  - Acting as liaison with SOC to take requests and provide status updates
  - Dispatching field operations personnel to the requested location

#### Outputs

- Safe and effective switching, including communication concerning actions taken in the field

D3.2.3.3 EMO Summary

EMO is responsible for:

- When any bank in the system cannot transfer funds electronically, communicating with banks and Retail Electric Providers (REPs) to make sure that everyone is clear on how TDSP invoices are going to be paid to CNP
- Notifying the Texas retail market about CNP's EOP plans, and how those market participants will be affected
- Rebuilding data (and synchronizing it with the Texas retail market) after an event as needed

Staffing

- Branch manager
- ERCOT contact manager
- ERCOT manager support staff
- AMS retail market staff
- Competitive retailer communications staff

Inputs

- Which Technology Operations (TO) systems are working, and which are not (along with estimates of when those systems will be restored) (from TO)
- How much load is on the system (RTO)
- Overlay map that details outages by GLN number, and their estimated duration (GIS)
- Forecast of the load that will be on the system the next day
- Notification of demobilization of EMO resources assigned to Distribution (Resource Unit)
- Notification of ad hoc requests including from state regulatory bodies (from government liaison)

- Information on status of BES, load (from RTO)
- Status of AMS data (from AMS)

#### Tasks

- Upon the designation of force majeure, work with AMS Systems personnel to change a configuration in the MDM thereby allowing readings for switches to be estimated by the MDM.
- Review TMH and CIS exceptions on an ongoing basis, and make corrections as needed
- Write notifications to send to Texas retail market (at least 3 times daily)
- Respond to requests from the retail market
- Validate the status of premises that need to be retired from the ERCOT system
- Enter configurations to stop late charges for REPs whose banks and/or systems are inoperable
- Ensure that the Texas market is as functional as possible without our input (i.e., certification of new REPs)
- Set up retail market conference calls
- Prepare presentations for ERCOT committees and sub-committees as part of the after-action review process
- Releasing EMO resources to the call center as appropriate

#### Outputs

- Report to PUCT of plans to restore market orders
- Notifications on how the Storm EOP is affecting market orders, system functionality, and customer outages (to Texas retail market)
- Signed certification record for REPs for ERCOT
- Ad hoc reports to regulatory bodies and REPs as requested

- Calls to retail market to provide status updates
- Presentations for ERCOT committees and sub-committees
- EMO resources for call center

#### D.3.2.4 Gas Liaison Branch Summary

The Gas Liaison is responsible for keeping the Electric side of the business informed as to the status of Gas operations restoration.

#### Staffing

Gas Liaisons (both at the Incident Command Center at Greenspoint)

#### Inputs

- Gas restoration information (such as outages, mutual assistance requests, and internal staff that are coming in from other regions) from daily conference calls
- Ad hoc requests for updates and reports
- Priority calls for gas restoration work
- Requests for additional resources (after the gas system has been secured)

#### Tasks

- Monitor the status of restoration efforts, including outages and staff augmentation
- Respond to requests for additional resources

#### Outputs

- Requests to gas field operations to check on the status of specific gas facility restoration work

- Communications back to requestors as to the status of specific gas facility restoration work
- Gas resources for helping on the Electric side of the business

### **D.3.3 Planning Section**

#### **D.3.3.1 Summary**

The Planning Section collects, evaluates and disseminates incident situation information and intelligence to the Incident Commander and incident management personnel. This Section then prepares status reports, displays situation information, maintains the status of resources assigned to the incident and prepares and documents the IAP, based on Operations Section input and guidance from the IC. This Section is also responsible for securing any necessary outside resources (e.g. line skills, tree trimming) that are necessary to support incident response.

#### **D.3.3.1 Situation Planning Branch Summary**

Situation Planning is responsible for gathering needed information to prepare the needed daily Incident Action Plans during an event.

##### Method of work

- Incident Action Plans are prepared a day in advance.
- Example: Situation Planners working on Thursday are preparing the Incident Action Plan for Friday.

##### Staffing

- Branch manager at the Incident Command Center in Greenspoint
- Situation Planners placed at different parts of the service territory as follows:
  - 4 at EC/DC (1 for Distribution Operations, 2 at Transmission Substation, and 1 at Dispatching)
  - 1 at Transmission Restoration center in South Houston
  - 1 at Major Underground in Harrisburg Service Center
  - 3 at the Incident Command Center in Greenspoint

#### Inputs

Information for the incident action plans, including:

- A variety of ICS forms
- Maps from GIS
- Weather reports from DCC

#### Tasks

Coordinate among the various groups (see Staffing section above) to gather the information needed to create the daily incident action plans

#### Outputs

- Daily incident action plans
- Prioritized request of Telecom's restoration needs (from Telecommunications Services)
- Output of the current Hurricane Ike model (from Status Documentation)
- Notification on changes that need to be made to meet current restoration goals (from Status Documentation)

#### D.3.3.2 Resource Acquisition Branch Summary

The Resource Acquisition Branch is responsible for:

- Compiling a listing of available resources and finalizing contracts for distribution line skill, tree skill, and transmission line skill that can help with storm restoration by June 1st each year
- Creating a roster of available resources including their capabilities and equipment
- Activating contractors and mutual assistance crews as required

#### Staffing

- Branch Director of Resource Acquisition
- Contractor Acquisition manager

- Mutual Assistance Acquisition manager
- Acquisition Data manager

During the course of an event, there is a significant level of effort in the beginning and end stages. Therefore, during the course of an event, some of these resources may be temporarily reassigned to other roles.

- Resource Acquisition Group staff
- Resource Acquisition Support staff
- Liaisons – Inspection, Transmission, and Tree resources

#### Inputs

- Receive human resource requirements from operations and support areas
- Contractor storm rosters, including skills and equipment inventory and contact information from contractors
- Initial staging site location and staffing requirements (from Operations)
- Signed contracts (from selected contractors)
- Timesheet information entered into ESR by Staging Site Support staff
- Contact information for check-in coordinators at each staging site (from Resource Unit)
- Instructions on the demobilization of resources (from Operations)
- Information on whether or not crews are being dispatched to another event (from foreign crew leadership)
- Requests for specialized equipment (from Vegetation Management)
- Communications concerning Vegetation Management’s responses to special Vegetation Management (from Vegetation Management)

#### Tasks

Pre-storm season

- Compile a listing of line and tree trimming contractors capable of supplying resources for storm restoration. The details on the contractors prior to activation will include:
  - Contractor name
  - Contact name for contractor
  - Union/non-union status
  - Address
  - Contact number and email address
  - Vendor number and contract number
  - Execute business agreements with selected contractors by June 1st of each year (Supply Chain). This will expedite emergency activations.

#### Pre-storm

- Upon activation of the Storm EOP to a Category I, Alert THREE, alert the contractors that they may be activated and validate availability of their resources and equipment.

Based upon the restoration plan authorized by the Operations Section Chief, some contractors will be authorized to begin movement to Houston prior to storm arrival. Other contractors may be flown in to integrate with Company crews, while some may be notified after additional assessment of system damage.

- Enter crew roster data into ESR

#### Restoration

- Verify that timesheet data is entered into ESR daily for contractor resources
- Enter crew roster data and estimated and actual arrival dates into ESR
- Prepare daily reports summarizing resources, and their statuses
- Direct all contract crews with vehicles to an assigned staging site.

These crews may later be re-directed to other staging sites if they are needed more elsewhere.

- Help to resolve exceptions (examples: crews show up at the wrong site, crews that do not show up, crews that are not cleared for participation in EOP)
- Prepare and continuously loading backup database for reporting

#### Demobilization

- Notify foreign crew leaders that they are being sent home
- Notify contractor contact that crews are being demobilized
- Issue and mail letters of thanks to demobilized crews
- Update ESR with demobilization dates for foreign crews
- Communicate with staging site management about the demobilization of crews

#### Post-storm

- Assist with the validation and payment of contractor invoices
- Lead effort to rank and review contract resources
- Assist with rate filing and related audits

#### Outputs

- Daily reports summarizing resources, and their statuses
- Updated ESR data for contract resources

#### **D.3.3.3** Resource Unit Branch Summary

The Resource Unit branch is responsible for:

- Tracking of all resources (internal and external)
- Onboarding/offboarding contract and mutual assistance resources. In order to achieve these objectives, this branch is divided into 2 groups:
  - Resource Management
  - Resource Reporting

#### Staffing

- Resource unit branch director (Greenspoint Incident Command Center)
- Resource management:
  - 1 resource management manager (Greenspoint Incident Command Center)
  - 4 check-in supervisors (initially at the Greenspoint Incident Command Center, then assigned on day 2 to their respective staging sites)
  - 56 check-in coordinators (at staging sites)
- Resource Reporting:
  - 1 resource reporting manager (EC/DC)
  - 11 resource database coordinators (EC/DC)

#### Inputs

##### Both groups:

- The number of contract/mutual assistance crews that are being assigned (Resource Acquisition)
- The schedule of the arrival of mutual assistance support (Resource Acquisition)
- Where the crews are being initially assigned (Resource Acquisition)
- Badges and decals (from Security)

#### Resource Management

- Badges for foreign and mutual assistance crews (from Security)
- CNP decals for foreign and mutual assistance crews and their vehicles

#### Resource reporting

- Check-in and check-out sheets from Resource Management group
- Receive requests for internal resources for EOP duty
- Receive resource re-assignment information

- Receive information on released resources from EOP duty
- Information in Employee Storm Roster
- Information on staff augmentation from operating areas Examples: GIS, Underground Locating

Tasks

Resource Management:

- Check-in:
  - o Validate roster of personnel and equipment, and make adjustments as required and authorized.
  - o Verify license plate information provided on the rosters or record the license plate and issuing state for all vehicles and trailers, if not provided on the roster (in support of the Tool Road procedures, see page 10, Section A.1.5.1)
  - o Attach CNP decals near the back license plate (such as on the bumper below license plate or on the tailgate above license plate) on each non-CNP vehicle
  - o Issue badges, fueling cards, and parking instructions
  - o If available, enable GPS tracking of authorized vehicles
  - o Make sure they go through the safety training and get handed off to the hotel coordination branch
  - o Ensure that the mutual assistance/contract crews understand the check-out process
  - o Re-route unexpected crews to appropriate site if required
- Check-out:
  - o Ensure laundry has been picked up
  - o Collect ID badges
  - o Provide any additional logistical support required for departure
  - o Log time departed in the EOP resource database (SharePoint)
  - o If needed, disable GPS tracking of vehicles

- Other duties as assigned, as long as they stay on the staging site
- Receive demobilization information from Operations and Resource Acquisition (at least 24-hours in advance of demobilization, when possible)

Resource Reporting:

- Update EOP resource database (SharePoint)
- Run daily reports and ad-hoc reports
- Aligning requests for internal resources with internal resource availability
- Receive demobilization information from Operations and Resource Acquisition (at least 24-hours in advance of demobilization, when that is possible)

Outputs

Resource Management:

- Check-in:
  - Resource updates to the Resource Acquisition group
  - Completed check-in list for each contract and mutual assistance group
  - Lists of license plate information and issuing state for all non-CNP vehicles and trailers to the Security Branch Check-out
  - Resource updates to the Resource Acquisition group
  - Completed check-out list for each contract and mutual assistance group

Resource Reporting:

- Based on information from Resource Management group, updates for the EOP database, with any roster changes, equipment adjustments, or check-in/check-out information.

- Standard daily EOP resource report to Operations
- Daily resource availability reports
- Ad-hoc resource reports
- Contact information for check-in coordinators at each staging site (for Resource Acquisition)

**D.3.3.4**            GIS Resources Branch

This GIS resources branch is responsible for:

- Providing analysis, reporting, maps and applications to aid in damage assessment, restoration and communication internally and externally
- Helping with damage assessment as needed

Staffing

- Branch director (at the Incident Command Center)
- Manager (at DVAL)
- GIS Support - core GIS staff at the CNP tower to ensure integrity of system infrastructure, map and map copy production, data analysis and special requests
- GIS Support - developers at CNP tower for advanced GIS work such as complex analyses and processing of orthoimagery
- GIS Support – reassigned to the field for damage assessment and other EOP roles/activities
- GIS Support - to be located at Services Centers for GIS analysis and/or other support activities (includes specific assignments at EC/DC and Harrisburg at a minimum).

Inputs

Outage and restoration data from OAS in the short term, and

- Outage data from ADMS in the near future, and restoration data from replacement system to be named (by substation area, circuit, and circuit sections)
- Requirements for ad-hoc mapping and reporting requests

#### Tasks

- Produce maps, reports and analyses
- Maintain the hardware and applications for GIS
- Ensure that Outage Tracker is populated with outage and restoration data, and provide comparison and analyses of said data
- Provide various routine as well as ad-hoc reports

#### Outputs

- Additional 11" x 17" facility maps upon request for use as patrol maps or storm restoration tracking maps
- The availability of all maps required for inspection and documentation of circuits assigned to each Service Area, for field patrol use. Maps shall be of sufficient size and detail to allow field patrols to follow un-fused feeder main (backbone) and fused laterals.
- Web-based Outage Tracker application specifically designed to capture and display outages and estimated restoration dates for internal and external consumption. This application will have total failover capabilities should the equipment fail or if power is lost to the CNP Tower.
- Updated GIS information based on as builts received from field crews (post event)
- Ad-hoc reports as requested
- Web service feeds to DOE

### **D.3.4**            Logistics Section

#### **D.3.4.1** Introduction

The Logistics Section is responsible for all service support requirements needed to facilitate effective and efficient incident management, including: meals, lodging, facilities, laundry and miscellaneous resource needs. The organization is made up of a combination of CNP employees and select contractors.

#### D.3.4.2 Logistics Resources Branch

The Logistics Resource Branch is comprised of three distinct groups, each with its own function. These groups are Hotel Coordination, Supply Chain and Staging Site Resources. Each is discussed in detail below.

#### 3.4.2 | 1. Hotel Coordination Summary

Hotel Coordination is responsible for:

- Providing mutual assistance support as CNP crews travel to and from disaster areas (for mutual assistance events outside CNP’s territory)
- Providing lodging assistance to CNP employees and retirees, incoming line crews and tree crews, and other support personnel as needed. (For disaster recovery within CNP’s territory)

#### Staffing

- Hotel Coordination manager
- Hotel coordinators, including:
  - 4 geographic leads
  - 1 employee lead
  - 1 contracts lead
  - 1 resource acquisition liaison
- Hotel coordinators (the number depends on the size of the event)

#### Inputs

- Information on mutual assistance and contractor crews (number, gender, supervision, support), when lodging is needed and expected duration, and where

they will initially be stationed (from Resource Acquisition or utility requesting assistance)

- Hotel availability assessment (external 3rd-party and local information), including:
  - If the hotel is operational
  - If the hotel has limited operations (due to a power outage or flooding, for example)
  - The number and types of rooms the hotel has available
- Approved lodging options in addition to hotel availability (from Incident Commander)
- Hotel Coordination staff requirements for each staging site (from Operations)
- Notifications when resources shift in the territory (from Resource Unit)
- Notifications regarding resource demobilization (from Operations)
- Contact information for foreign crew leadership (from Resource Acquisition)

#### Tasks

General Hotel Coordination activities:

- Verify that Hotel Coordination has received needed information from Resource Acquisition
- Disseminate information (mainly contracts and staging sites that are affected) from Resource Acquisition to hotel coordinators
- Acquire contracts with hotels
- Provide contracted rooms and hotel names to appropriate hotel geographic leads
- Match room inventory with incoming crews, and making pre-arrival assignments
- Communicate assignments to group hotel liaisons
- Ensure that keys are ready before crews arrive

- Validate that the rooms that hotels provide match what they contracted with us for
- Provide the hotels with appropriate contact information and the CNP check-in process
- Complete daily reconciliation and problem resolution with hotels
- Coordinate check out process with hotels
- Coordinate hotel payments with Finance (by credit card or invoice)
- Enter required information into ESR
- Accurately complete daily forms 1-5 and issue log
- Participate in conference calls as needed Staging site

#### Hotel Coordinators

- Verify that crews that need hotels have received their badges
- Check in crews for room inventory and finalize hotel assignment
- Complete roster form and have crew lead sign it (this becomes the crew's check in authorization at the hotel)
- Communicate with busing about needs for crew transportation and hotel assignments
- Determine bus driver lodging needs, and assign rooms for drivers
- Handle any lodging issues
- Relocate crews when needed
- Assist with crew check out process

#### Outputs

- Where crews will be housed (for Staging Site Logistics)

- Rosters for hotels
- Busing needs (to Staging Site Logistics)
- Management reporting as requested
- Contract documentation
- Completed forms and logs

#### Supply Chain Summary

Supply Chain has EOP responsibility to evaluate, plan, and execute the procurement, management, and delivery of restoration material to CNP and mutual assistance crews.

#### Staffing

Internal staffing:

- Manager
- Logistics leads
- Purchasing lead
- Material coordinator
- Materials management handlers
- Material handlers
- Purchasing storm team

Staff augmentation (depends on the size of the event):

Material handlers from:

- Employee storm roster
- Mutual assistance
- Contractors

- Trucking support

#### Inputs

- Official declaration of EOP (from Incident Commander)
- Current inventory levels from SAP
- Information on facility status from EOP briefing conference calls
- Information on incoming internal and external crews (from Resource Acquisition)
- When and where staging sites are opening (from Operations)
- Requests from Substation, Transmission, and Major Underground

#### Tasks

##### Pre-storm season:

- On an annual basis, evaluate and execute adjustments to the Central inventory in preparation for storm season.
- Prepare contracts for EOP services such as line skills, logistical needs, and vegetation management
- Update the Special Material Release with Engineering to ensure that the appropriate materials are included and updated
- Ensure that Staging Site Kits are complete, and re-stock them as needed

##### Pre-storm preparation:

- Pre-pack 5 Service Center Storm Kits and strategically pre-position them year round at selected Service Center locations.
- Pre-position approximately 7 Staging Site Kits for quick access prior to the hurricane season, and ship them to staging sites as directed.

- Once EOP has been declared, place the initial Special Material release at minus 6 hours to landfall.

Restoration:

- Manage logistics operations at the Service Centers, material depots, and staging sites with timely material replenishment.
- Work with Operations and Distribution Standards and Material for material substitution authorizations.
- Work with Environmental in support of hazardous material handling and disposition.
- Based on information from the following sources, Supply Chain will project the anticipated material needs for the remainder of the restoration:
  - Conference calls
  - Discussions with Operations management
  - Resource allocation
  - Historical data
  - This calculation happens on a daily basis.
  - Information from Staging Site Logistics leaders

Outputs

Materials and equipment

Staging Site Resources Summary

The Staging Site Resources group is responsible for:

- Coordinating the following:
  - Transportation

- Laundry
- Meals
- Ice
- Drinks
- Parking
- Trash
- Port-o-cans
- Washing stations
- Lighting
- Other non-operational items such as dust control, etc.
- Temporary housing if required
- Working with vendors who provide those services on site
- Working with Purchasing to identify and contract with vendors who provide those services off site

#### Staffing

- Manager
  - Responsible for management and oversight of the logistics network
  - Oversees Lead Coordinators
- Staging site lead logistics coordinators personnel: Responsible for directing the activities of the logistics coordinators at the site and working with the Hotel Coordinators to resolve any hotel issues
- Logistics coordinators: Responsible for the coordination of logistic activities at CNP facilities and staging sites

#### Inputs

- Authorization to begin setting up staging sites (from Operations)

- Number of staging sites to be set up (from Operations)
- Number of arriving crew (from Resource Acquisition)
- Estimated arrival times for crews (from Resource Acquisition)
- Which staging sites crews are assigned to (from Resource Unit)
- Where crews will be housed (from Hotel Coordination)
- Where crews are re-assigned to (from Resource Unit)
- When staging sites will begin to be demobilized, and how quickly they will be demobilized (from Situation Planning)
- Signage (from Security)
- Busing needs (from Hotel Coordination)

#### Tasks

- Handle all creature comforts, as defined above
- Support vendors providing services
- This group is not responsible for fleet, fuel, materials, security, hotel coordination, or operations- related tasks (such as assigning work or mobilizing crews).

#### Outputs

- Information on financial implications of staging site logistics (to the Finance Section)
- Documentation of additional services above initial scope (to the Finance Section)
- Documentation of services agreed to and rendered (to the Finance Section)

**D.3.4.3 Fleet and Shops Services Branch Introduction**  
Fleet and Shops Services is responsible for:

- Making sure that employees have the vehicles they need for emergency work
- Ensuring that those vehicles are properly maintained
- Fueling employee, contractor, and mutual assistance vehicles
- Coordinating the deployment, tracking, and return of light fleet rental vehicles
- Making all bargaining unit employees not directly involved with specific storm duties available to the Resource Unit for reassignment as needed for distribution system restoration

#### Fleet Services

##### Summary

Fleet Services is responsible for pre-planning activities and execution of EOP plans necessary to provide assistance to all CNP transportation and fueling-related activities.

Fleet Services will assist Mutual Assistance and Contract Crews with the following:

- The identification and contact of area Fleet Service providers to support mutual assistance crews and contractors with vehicle and equipment maintenance/repair needs
- Establishing communications links
- Arranging for unique fuel and assistance in coordinating maintenance requirements
- Locating local supplies of repair parts and tire repair for foreign vehicles

CNP is **not** responsible for the actual repair work on contractor or mutual assistance vehicles. CNP simply helps with communication links between contractors/mutual assistance and fleet services providers.

##### Staffing

- Manager of Fleet and Shops Services

- The number of fleet resources will vary based on the severity of the storm. The remainder will be allocated to EOP roles.

#### Inputs

- Requests for vehicles from service centers
- List of staging sites that are open, and their fueling capacities
- Requests for repairs

#### Tasks

- Coordinate all CNP vehicle maintenance
- Provide fuel for all CNP, contractor, and mutual assistance vehicles  
Crews will be placed on 16-hour shifts at maintenance and fueling garages as necessary to support restoration efforts.
- Find and assign underutilized vehicles that are needed in the field
- Perform repairs on CNP vehicles as needed

#### Outputs

Operational and adequate fleet

#### Fleet Support Summary

Fleet Support is responsible for providing back-office support for both Fleet and Shops Services for restoration efforts, as it relates to procurement and accounting for fuel purchases and work order activities.

#### Staffing

- Manager of Fleet and Shops Services
- Lead
- Fleet support personnel

Inputs

- Information on Staging Site fueling activities
- Information on fuel capacities from fuel providers (Sun Coast)

Tasks

- Reconciling fuel usage and expenses
- Replenishing fueling supplies

Outputs

- Adequate fuel supply
- Reconciliation of fuel and expenses (to Finance Section)

Shop Services

Summary

Shop Services is responsible for:

- Providing preplanned assistance in services and personnel to repair or replace CNP tools involved in restoration efforts.
- Repairing and providing replacement parts for damaged sectionalizing equipment needed to restore the transmission, substation, and distribution systems
- Performing custom repairs/fabrication of parts for substation equipment
- Assisting with field response and repairs to IGSDs as needed

Staffing

- Manager of Fleet and Shops Services
- The number of Shops resources will vary based on the severity of the storm. The remainder will be allocated to EOP roles.

Inputs

- Requests for custom fabrication work and repairs to the distribution infrastructure (from the field)
- Requests for field force tool repairs (from the field)
- Requests for grounds

Tasks

- Fill the orders for custom fabrication work and repairs
- Issue protective grounds
- Build additional grounds if required

Outputs

- Working equipment
- Fulfillment of requests for repair work
- Adequate supply of grounds

**D.3.4.4** Facilities Branch Summary

Facilities is responsible for:

- Preparing facilities in advance of an event
- Coordinating the repair of damages at CNP-owned facilities
- Ensuring that CNP-owned facilities have adequate facility supplies and services

Staffing

- Manager
- Site EOP Facilities Coordinators (one per staging site)

- Facilities Support personnel (contractors), responsible for assisting the Facilities Coordinators as needed

Inputs

Requests for repairs or services

Tasks

Repair facilities as needed

Outputs

- Operational facilities
- Status reports as requested

**D.3.4.5** Security Branch Summary

Corporate Security is responsible for:

- Maintaining a safe and secure work environment for all personnel and vehicles involved in EOP recovery.
- Securing assets during EOP Coordination and deployment of contract guards and off-duty police officers
- Acting as a liaison with law enforcement or other governmental agencies
- Coordinating police escorts of crews and materials
- Prompt handling of all incidents of a security nature
- Traffic control for AM and PM crew truck movements at staging sites
- Coordination of toll road procedures with Harris County Toll Road Authority (HCTRA)
- On-going maintenance, monitoring, and responses to electronic security systems

### Staffing

In the field:

- Security Coordinator Lead
- Senior Security Coordinators
- Security Coordinators

At the tower:

- Manager
- Security Technical Coordinator Lead
- Security Billing Contractor Coordinators
- Security Technical Coordinators

### Inputs

Security Coordinators (Lead and Seniors):

- Which staging sites will be opened (from Operations section chief)
- Traffic control needs at staging sites (from Staging Site manager)
- Which restricted roads CNP needs access to (from Operations)
- Any security incidents that occur (from Staging Site manager or Operations)
- Which crews and materials will need police escorts (from Operations and Supply Chain)
- Which assets will need protection (from Operations and Staging Site manager)

Security Billing Coordinators:

State and plate numbers of foreign and mutual assistance crews (from Resource Unit)

#### Tasks

##### Security Coordinators:

- Coordinating with local authorities to ensure CNP personnel access to storm damaged areas
- Coordinating and deploying contract guards and off-duty police officers
- Acting as a liaison with law enforcement or other governmental agencies
- Coordinating police escorts of crews and materials
- Handling promptly all incidents of a security nature
- Coordinating traffic control for morning and evening crew truck movements at staging sites

##### Security Technical Coordinators

- Coordinating toll road procedures with Harris County Toll Road Authority
- Maintaining, monitoring, and responding to information from electronic security systems

##### Security Billing Contractor Coordinators

- Keeping time for contract security resources
- Ensuring that CNP processes payments for security contract resources in a timely manner

#### Outputs

- Information on which foreign and mutual assistance vehicles will need access to toll roads (to HCTRA)
- Payments to contract security personnel

**D.3.4.6** Staging Site Management Summary

Staging site management is responsible for setting up and managing bases of operations for major restoration efforts involving mutual assistance and contract crews.

Staffing

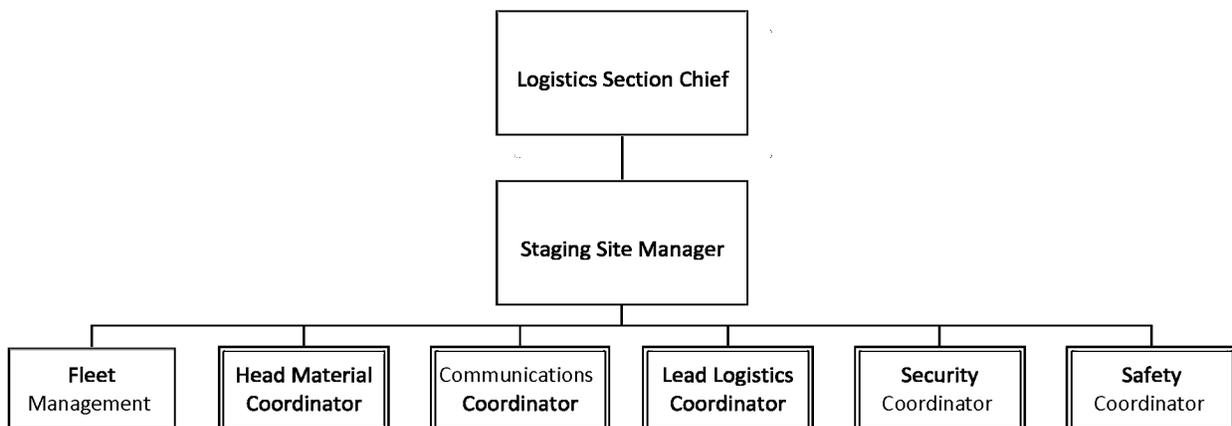
- One senior level manager per primary and secondary staging site, to set up and administer the site

The secondary site managers will assist the primary site managers as needed

- Support personnel in order to provide Distribution Operations and their crews with basic services
- Security personnel: Responsible for:
  - Establishing a safe and secure area for the coming and going of all personnel and vehicles
  - Providing those crews with appropriate identification
  - Directing traffic, including hotel buses
  - Arranging for convenient parking of crew trucks
- Fleet personnel: Responsible for:
  - Locating the fuel skids in a safe and convenient location
  - Having all crew trucks fueled and ready for duty each day
  - Repairing and maintaining of internal fleet vehicles
  - Arranging for rentals if necessary
  - Putting external crews in touch with repair vendors
- Materials personnel: Responsible for:
  - Obtaining and stocking basic materials and supplies needed by the restoration crews
  - Providing tools

- Providing occasional hot shot delivery services to crews in the field
- Communications personnel: Responsible for establishing the communication network at the staging site, including telephone, internet service, and technical support.
- Staging Site Logistics personnel: Responsible for:
  - Providing sit down breakfast and dinner for all foreign crews and staging site support personnel
  - Providing carry out lunches
  - Taking care of crew laundry service and staging site cleanup services
  - Coordinating the service of portable restroom services

The following is the organizational structure of each site\*:



**Note:** This is the structure for the Logistics branch only. Sites will also have Operations assigned to it and other support functions, such as Resource Check-in Coordinators.

**Inputs**

- Notice from Distribution Operations Branch Director about which sites need to be activated (the sizes of the staging sites that are activated determines the list of resource requirements)
- Kick-off pallets from the Special Material Release (from Supply Chain)

- Number and estimated arrival time of incoming crews (from Resource Acquisition group)

#### Tasks

- Help with initial clearing of debris at staging sites
- Assist with coordination of staff that primarily are responsible for security, logistics, materials management, communications, fleet services, staging site resources, or facilities
- Set up flow patterns for traffic, including signage
- Establish parking
- Ensure the safety of the staging site
- Resolve issues that arise over the course of the restoration effort

#### Outputs

- Safe, functional staging site

### **D.3.5** Finance Section

#### **D.3.5.1 Summary**

The Finance Section is a critical part of ICS in complex incidents involving significant funding. The Section Chief tracks and reports to Incident Command the accrued cost as the incident progresses and may also be asked to provide forecasts to ensure operations are not negatively impacted. Some of the functions that fall within the scope of this Section are conducting overall cost analysis for the incident and maintaining typical operations such as accounts payable, and revenue billing. The Finance Section is responsible for:

- Minimizing financial risk and loss for CNP
- Tracking costs related to the event

- Reimbursing applicable parties per their existing agreements with CNP
- Helping to put together damage estimates for smaller events

Within the Finance Section, four primary Branches fulfill functional requirements:

- Reporting: provides cost analysis and forecasts to Incident Command
- Financial Services: continues typical operating functions such as accounts payable, remittance processing and revenue billing
- Insurance: administers all claims other than auto, general liability and excess liability
- Treasury: manages cash funding requirements

Although most groups in the Finance Section operate as normal, their activities are related to the Storm EOP. A brief summary of responsibilities are listed below.

#### **D.3.5.2 Reporting Unit Summary**

The Reporting Unit provides cost analysis and forecasts to Incident Command.

#### Staffing

- Reporting Unit branch director
- Liaisons

#### Inputs

Restoration:

Ad hoc reporting requests

Post-restoration:

- Requests for reporting

- Assumptions related to the regulatory recovery of storm costs (from Regulatory Reporting)

#### Tasks

##### Pre-storm:

- Send out information on how internal employees track time during a Storm EOP
- Setting up the cost collectors for an anticipated storm event

##### Restoration:

- Put together an estimate of what the storm will cost
- Coordinate with other Finance groups to gather the information needed for internal and external reporting, including:
  - Analysis of the impacts to revenues, operating expenses and capital
  - Timing and amount of regulatory recovery of storm costs
- Respond to requests for reports

##### Post-restoration:

- Coordinate with other Finance groups to gather the information needed for reports
- Respond to requests for reports
- In the event is serious enough that the Company service area is declared a federal disaster area, coordinate with the Tax department and Insurance to determine the amount of tax deduction

#### Outputs

##### Restoration:

- Estimate the amount that the storm will cost and the amount of regulatory recovery (to Investor Relations and Regulatory Reporting areas)
- Information on how to track costs

Post-restoration:

Financial reporting as required to support regulatory efforts (to Regulatory Reporting branch director)

#### **D.3.5.3** Financial Services Summary

Accounts Payable ensures timely payment for goods and services rendered during restoration. Remittance Processing ensures the timely processing of checks. Payroll and Administration ensures timely payment to staff. Electric Revenue Billing determines the correct billing information to send to REPs on behalf of customers and calculates lost revenues

Financial Services does not have an official Storm EOP status. They will continue their normal activities during a Storm EOP. However, these activities are related to Storm EOP.

#### **D.3.5.4** Insurance Risk Management Unit Summary

The Insurance Risk Management Unit is responsible for administering all claims other than auto, general liability, and excess liability.

#### Staffing

This group does not have an official Storm EOP status. They will continue their normal activities during a Storm EOP. However, these activities are related to a Storm EOP.

The staff includes 3 Corporate Insurance Coordinators and 1 administrative assistant.

The other Insurance staff are loaned to other branches during a Storm EOP, except the administrative assistant. The administrative assistant reports workers compensation claims through the One Call procedure.

#### Inputs

- Insurance claims information from daily status conference calls
- Injury information from Disability Management
- Workers compensation claim payments (from an outside vendor)

#### Tasks

- Notify property insurance brokers and adjusters if damage exceeds deductible
- Assist Environmental, Safety, Legal and Human Resources' representatives with submission of company incident reporting forms to meet insurance policy discovery and reporting time deadlines/restrictions.
- Gather preliminary facts and create reports for adjusters based on damage inspections of locations.
- Coordinate arrangements for adjusters to be at the damaged sites.
- Provide estimate of the property loss
- Assist affected business units, gather documentation to support an insurance claim.
- Manage claims through settlement.
- Process workers compensation claim payments on a weekly basis

#### Outputs

- Reports for executives as needed
- Deposit proceeds as directed by affected business unit
- Payments for workers compensation claims

- Information on lost time workers compensation claim payments (for Payroll salary continuation)

#### **D.3.5.5 Treasury Summary**

Shareholder Services: Serves as transfer agent, registrar and dividend paying agent for CNP common stock and administers CNP's Investor's Choice Plan. Long-term Finance: Long-Term Finance evaluates and implements financings, ensures that compliance reporting and other requirements in financing agreements are satisfied and administers trust relationships.

This branch does not have an official EOP status. They will continue their normal activities during EOP. However, these activities are related to EOP.

#### **Tasks**

Coordinate with the Director Operations for cash funding requirements prior to the storm. Per the CNP General Expense and Reimbursement policy, cash advances during an emergency other than EOP must be approved by the Business Unit President or functional area leader. Cash advances normally not available may be made available during an EOP situation when the card holder has established the cash feature of his or her OnePay card.

## Section E: Annexes

Per 25.53, the following annexes are included in this section:

- Annex A – Weather Emergency Annex
- Annex B – Load Shed Annex
- Annex C – Pandemic and Epidemic Annex
- Annex D – Wildfire Annex
- Annex E – Hurricane Annex
- Annex F – Cyber Security Annex
- Annex G – Physical Security Incident Annex
- Annex H – Mobile Generation/Long Lead Time Facilities Annex

**Annex A**  
**Weather Emergency Annex**

## Hot Weather Emergency

### PURPOSE

The purpose of the hot weather emergency annex is to provide a guide on preparing for and responding to extreme heat measures that could impact the CenterPoint Energy Houston Electric (CEHE) footprint.

### SCOPE

There are two distinct responses that could cause an elevated response from CEHE during an extreme heat situation.

- Load Shed as directed by ERCOT
- Widespread outages due to heat related transformer outages (also known as a Transformer Tsunami)

### RESPONSE – Load Shed

- CEHE’s Real Time Operations (RTO) utilizes and maintains a response plan for Load Shed that is directed and coordinated by ERCOT. The RTO Team will utilize the Emergency Operation Plan (EOP) as necessary to support this response.
- For additional information regarding the load shed plan, please reference (Annex B)

### RESPONSE – Equipment Failure

- Distribution Operations maintains a Storm Response Organization to respond to localized weather events. It is the responsibility of the Incident Commander (IC) on duty to monitor the situation and determine if the Response Plan within Distribution Operations should be activated.
- Upon activation, the Incident Command structure will be based on the roles identified in the Storm Response Plan. The IC and support team will make determinations on staffing, resources and materials as necessary.
- In the event of a significant shortfall of materials, staffing, or other issues the IC has the discretion to activate the EOP at Level 1 to provide additional support and garner additional awareness from leadership.
- For additional information, please reference the CEHE Storm Response Plan.

## Cold Weather Emergency

### Proactive Weatherization

- CEHE designs its transmission circuits to conform with the latest edition of the NESC, which is the industry standard for ice and wind design for coastal and inland areas. The Company's practice for designing all new transmission lines is to utilize Grade B loading requirements. Grade B applies the highest geographically applicable NESC values for wind and ice loading as well as the highest safety overload factors. CEHE also incorporates anti-cascade design features in its transmission lines.
- CEHE designs its substations to conform with the latest version of the NESC wind maps. The Company's practice for new substations and equipment is to utilize 2 wind zones: 140-mph (Coastal) and 120-mph (Non-Coastal), which meets or exceeds the NESC wind load based on the substation's location.
- CEHE's equipment specifications and acceptance testing standards include the use of ANSI/IEEE standards, which specify temperature ranges for service conditions covering a wide temperature range. The temperature ranges vary based on type of equipment from -4°F or -22°F to 104°F or 131°F. CEHE equipment specifications specify -22°F for all major substation equipment.
- CEHE installs heaters in substation transformer and breaker control cabinets.
- CEHE's substation control cubicles are climate controlled.
- CEHE utilizes antifreeze for cooling its station service backup generation equipment, and the equipment is oriented in a manner that avoids water and ice buildup on components which could inhibit operation.
- CEHE utilizes station service voltage transformers (SSVTs) in new substation installations, which have been retrofitted to key transmission substations where the station service feed is provided by local distribution providers.
- CEHE installs weep holes in substation buses to avoid water and ice buildup.

### Transmission Routine Maintenance

- CEHE has a comprehensive transmission line inspection and rehabilitation program based on a 5-year cycle to ensure that the integrity of existing transmission structures and wires is maintained. Twenty percent of the transmission system is ground inspected and maintained each year. Any line component identified that will likely cause a failure or a circuit outage within a critically short period of time is promptly addressed.

### Substation Routine Maintenance

- CEHE performs periodic station checks on applicable equipment to verify pressures and levels for Sulfur Hexafluoride (SF<sub>6</sub>), oil, nitrogen levels, transformer and breaker cabinet heaters, alarms, and supporting circuitry. Station checks are scheduled

**EMERGENCY OPERATIONS PLAN (EOP)**

---

monthly for 345kV and select 138kV substations. Station checks for the remaining substations are scheduled every 2 months.

- CEHE performs additional substation equipment and protection system maintenance according to manufacturer recommendations or in accordance with NERC maintenance interval requirements, generally whichever is more frequent.

Distribution Routine Maintenance

- CEHE has a comprehensive distribution wood pole inspection and rehabilitation program based on a 10-year cycle to ensure that the integrity of existing wood pole structures is maintained. Ten percent of the transmission system is ground inspected and maintained each year. Any line component identified that will likely cause a failure or a circuit outage within a critically short period of time is promptly addressed.

Anti-galloping

- Additionally, beginning in 2015 and continuing into 2022, CEHE has completed system hardening projects to retrofit portions of 69 kV and 138 kV transmission circuits with anti-galloping devices to avoid damage from icing conditions.

As referenced previously, the Company utilizes three emergency activation levels, designed to ensure sufficient resources are available to effectively respond to any type of event impacting CEHE's service territory. The alert levels may be activated, based on need, during a variety of event types. Please see Section A: Overview for additional details regarding the Company's response to emergency events.

**Annex B  
Load Shed Annex**

**Load Shed Annex**

**Procedure for controlled shedding of load**

Pursuant to the ERCOT Protocols, the Company coordinates with ERCOT during an Energy Emergency Alert (EEA) event. Real-Time Operations Dispatchers coordinate electric grid activities with ERCOT System Operators using ERCOT Protocols and Operating Guides as well as in-house procedures. CNP is required to implement ERCOT-directives to maintain grid reliability.

In accordance with NERC Standard TOP-001-5 R1, without direction from ERCOT, the Company has the flexibility to curtail load by a variety of means, which include implementing the following measures, as time permits:

1. Curtailing all non-essential load within Company facilities;
2. Reducing distribution circuit voltage to achieve load reduction; and
3. Appealing through the media that all customers voluntarily reduce load.

After implementing the above measures, if circumstances require that load be reduced further, the Company will initiate its manual load shedding programs. This is accomplished by shedding distribution circuits as necessary to maintain system frequency, while rotating the outages of distribution circuits. Circuits are divided into four categories called “blocks”. The blocks consider the following: Emergency Load Reduction Schedule (ELRS), NERC standards, and ERCOT Protocols and Operating Guides. In the event that the manual load shedding program does not correct the emergency conditions, automatic under-frequency programs will be activated at the following specific frequency levels: 59.3 Hz, 58.9 Hz and 58.5 Hz. Load assigned to the block for each frequency will in turn be curtailed.

**Priorities for restoring shed load to service**

Load manually shed as a result of an ERCOT declared EEA load shed event will be rotated and restored based on the order of the distribution feeders for each block as defined in the ELRS.

Hazardous conditions, such as downed power lines, are the highest priority. Because the objective is to restore service to as many customers as possible, restoration of transmission circuits, substations, and distribution feeder mains are begun simultaneously. The distribution restoration proceeds in the following order:

1. primary feeder lines;
2. primary fused laterals;
3. transformers;
4. secondaries; and

**EMERGENCY OPERATIONS PLAN (EOP)**

---

5. service drops.

Inspection of and repairs to the feeder circuits are prioritized, so that service to large blocks of customers can be restored as soon as possible. Crews are directed that they must sweep the circuit (i.e. repair ALL damage related to that circuit: circuit, fuses, transformers and service drops) before moving on to the next circuit. After this, the restoration effort is guided by information provided by the Company’s Outage Management System (OMS). The information printed on each trouble order includes the name of the device determined to be out of service as well as the number of customers affected. After a device is determined to be out of service, the Company stops printing further orders unless a hazardous condition is reported. Trouble orders from OMS are dispatched to the crews in the affected area in the following order:

1. line-fuse vicinities;
2. transformer vicinities; and
3. single order lights out.

The crews then schedule repairs on the basis of the critical nature of the customers and the location and number of customers affected. This system allows for an orderly and prompt response in restoration of the Company’s delivery system.

**Procedure for maintaining an accurate registry of critical load customers**

Critical loads are defined by the PUC as “loads for which electric service is considered crucial for the protection or maintenance of public safety; including but not limited to hospitals, police stations, fire stations, critical water and wastewater facilities and customers with special in-house life-sustaining equipment.”

The Company maintains a registry of critical load customers, which includes two lists: a list of critical load public safety customers, critical load industrial customers, and critical natural gas facilities and a list of chronic condition residential customers and critical care residential customers. The list of critical load public safety customers, critical load industrial customers, and critical natural gas facilities is managed by the Company’s Distribution Accounts group, and the list for chronic condition residential customers and critical care residential customers is managed by the Company’s Revenue Protection. The registry of critical load customers is an electronic database located in a secured area within the Company’s corporate information technology architecture. The registry is updated as necessary but, at a minimum, annually.

The registry of critical load is updated as customers are approved through the application process. Approved Critical natural gas facilities are tracked for awareness during load shed and restoration planning. To ensure that the critical load registry is accurate, the Company’s

**EMERGENCY OPERATIONS PLAN (EOP)**

---

personnel interact with various local government and area representatives to review and validate the information.

The critical load registry is used to develop circuit prioritization. When a critical load customer is initially added to the registry, the Company circuit serving that critical load is included in that critical load customer's record. Within the critical load registry, reports can be extracted by circuit, and this information is then utilized in an annual circuit prioritization process. In addition, both the Company's Outage Management System and the Geographic Information System depict critical load accounts. The Company assists critical load customers by restoring power after an unplanned outage in a systematic way that takes critical loads into account.

Critical Load, Critical Care Residential and Chronic Condition Residential customers are notified when they are approved to be in the Registry of Critical Load Customers. Critical Care Residential and Chronic Condition Residential customers receive notification by mail reminding them to reapply for inclusion in the Registry of Critical Load Customers. Since a load shed event is an emergency order from ERCOT based on a shortfall of electricity being generated, electric utilities, including CEHE, do not have the information to be able to notify individual customers if they may lose power, when they may lose power or how long the load shed event may last. However, we will work to keep our customers informed about the situation through local media outlets, social media, and direct communications.

Customer Service conducts formal training on aspects of serving Critical Load Customers for all Customer Service Representatives. Operations and Engineering personnel are trained to refer customers inquiring about acquiring Critical Load, Critical Care Residential, or Chronic Condition Residential customer status to their Retail Electric Provider and the electric portion of the CNP website.

As referenced previously, the Company utilizes three emergency activation levels, designed to ensure sufficient resources are available to effectively respond to any type of event impacting CEHE's service territory. The alert levels may be activated, based on need, during a variety of event types. Please see Section A: Overview for additional details regarding the Company's response to emergency events.

**Annex C**  
**Pandemic and Epidemic Annex**

## Pandemic and Epidemic Annex

### Introduction

CNP, like many other businesses and governmental entities, has developed over the years a variety of business continuity plan in response to uncontrollable events and natural disasters. One area of increasing concern has been the possible need to conduct operations over a number of weeks or months with a substantially reduced workforce and without the ability to call or rely on outside contractor assistance. This more recent requirement has been based on the realization that a world-wide infectious disease or a pandemic could strike unexpectedly.

CNP, drawing from a wide variety of authoritative governmental and scientific sources, as well as its own experience in responding to natural disasters affecting its service area, has developed detailed plans in preparation of a possible pandemic. The response activities can apply to other similar catastrophes that might cause large scale workforce absenteeism.

### Objectives

CNP's interest is in preparedness, not panic. It is recognized that a knowledgeable, confident and healthy workforce will represent a key factor in the success of our response plan activities. CNP has three main objectives for the Pandemic Preparedness Plan:

1. Educate employees on how to be personally prepared for a potential infectious epidemic. Employees should understand their roles and responsibilities in support of the company's response activities and continue to have the opportunity to work in a safe and healthy environment.
2. Respond in an appropriate manner to any such threat and attempt to limit the spread of infection, thereby protecting our workforce as much as possible. The plan will identify critical corporate and infrastructure energy delivery functions and devise methodologies for continuing such tasks without undue interruption.
3. Maintain essential services to the community and protect the enterprise and safety of our customers through coordinated efforts with various governmental authorities represented in our area and business footprint.

**EMERGENCY OPERATIONS PLAN (EOP)**

---

**Key elements**

Since we live and work in a highly mobile, global economy, an outbreak of a pandemic infectious disease may provide little lead time before operations are affected. CNP will continue to encourage education of its employees, customers and other business partners as to how they can prepare for such an epidemic.

**Employees:**

A high priority will be to protect our workforce from the threat of illness by:

- Emphasizing a clean and healthy working environment,
- Coordinating our activities with federal, state and local public health authorities to assist in providing vaccinations and other medications to the extent that they are available, and
- Stressing the need for the sick or those potentially exposed/impacted to remain away from the workplace.

An important weapon against the spread of infectious disease is the isolation of personnel where practical and the use of temporary “physical distancing”. Families should stockpile necessary provisions to be self-sufficient within their homes. However, during a pandemic event some sheltering in place may be required for a lengthy period of time, perhaps weeks, since travel and daily shopping may be limited. In addition, schools and day care will likely be closed during community outbreaks, placing an additional need for food, water and other essentials within the home. While ensuring that families are reasonably secure and protected, CNP employees will also need to focus on supporting the business services upon which our communities heavily rely.

**Managers:**

Each manager and supervisor should develop and maintain business process alternatives and business continuance plans with the expectation that a significant portion of their staff may be unavailable or away from usual work locations. In order for this to be an effective and sustainable plan during an actual infectious outbreak, it will be essential to retain the active participation of all available employees and contract personnel regardless of their normal job duties or work locations.

**Crises Response Plan Team (CRPT) Notification**

1. The Corporate Response Plan is the Company’s strategic resource on how to respond to various types of incidents and crises. The CRP is designed to ensure that resources and other support are provided to the business following an incident.

**EMERGENCY OPERATIONS PLAN (EOP)**

2. If an incident shows potential for escalation, it is recommended you notify the CRPT immediately.
3. To report incidents and contact CRPT during an incident, please utilize the Corporate Response Telephone and Mailbox.
4. The CRPT consists of the following personnel:

<b>Function</b>	<b>CRP Description</b>
Finance	Finance Officer
Legal	Legal Officer
CCR	Corporate Communications Officer
Safety	Safety Officer
Gas Operations	Gas Operations Officer
Electric Operations	Electric Operations Officer
IT	IT Officer
HR	HR Officer
Regulatory	Regulatory Officer
ERM	Head of ERM
Security	Head of Corporate Security
Customer	Customer Officer
ERM Analyst	ERM Analyst
Emergency Operations	EOP Coordinator

**Critical company functions**

Unlike the disasters contemplated by some of the company’s other business continuity plan, a pandemic does not significantly damage or destroy company facilities or directly affect service to customers. Well into the outbreak, it is expected that our electric utility facilities and gas utility facilities will be operating normally. Should such a disaster affect our service territories, it is not about the equipment itself, but rather the skilled workers that operate that equipment and the multitude of support personnel that constitute CNP.

Further, it will not only be important to maintain service to critical institutions such as hospitals, fire and police stations and government health organizations, but to our customers in general who may have increased needs of critical infrastructure entities. CNP’s Pandemic Preparedness Plan Team, in conjunction with others within our organization, is charged with maintaining a current list of important company functions, and ensuring that detailed response plans are in place to continue operations with a reduced workforce. The following work type levels are utilized by this plan to describe those important business, service and support activities.

**EMERGENCY OPERATIONS PLAN (EOP)**

---

**Level 1** – Business activities that must continue uninterrupted, even in the face of significant workforce absenteeism, in order to maintain appropriate service delivery levels, public safety and corporate financial integrity. Work activities that fall into this critical category may have to be modified so that any absenteeism experienced will not:

- cause disruptions to service according to current emergency plan restoration priorities or
- impact functions that maintain public or private safety.

**Level 2** – Business activities that could be delayed for as much as a week without serious business or service consequences. This delay should not:

- jeopardize the supply chain and inventory levels,
- seriously impact company infrastructure, including
  - voice, data and information systems
  - inter-company billings
  - transportation systems
  - payroll processing
- place the company in a serious adverse position relative to contracts, laws or regulations or
- materially impact the financial stability and/or cash flow of the company.

**Level 3** – Non-critical business functions that could be delayed indefinitely and rescheduled based on available workforce. Personnel associated with activities in this category could be redeployed as needed to perform Level 1 or Level 2 type work.

**Strategies**

The strategies outlined below are generally based on a pandemic threat like those monitored by the World Health Organization (WHO). WHO uses phased alerts to inform world health authorities and governments of the changing status of influenza pandemic threats as well as other health-related public threats.

**Interpandemic period**

**Phase 1:** No new virus subtypes have been detected in humans. A virus subtype that has caused human infection may be present in animals. If present in animals, the risk of human infection or disease is considered to be low.

**Phase 2:** No new virus subtypes have been detected in humans. However, a circulating animal virus subtype poses a substantial risk of human disease.

**Pandemic alert period**

**Phase 3:** Human infection(s) with a new subtype, but no human-to-human spread, or at most

**EMERGENCY OPERATIONS PLAN (EOP)**

---

rare instances of spread to a close contact. Table B within the Appendix details the actions CNP will take at this phase of a Pandemic event.

Phase 4: Small cluster(s) with limited human-to-human transmission but spread is highly localized, suggesting that the virus is not well adapted to humans.

Phase 5: Larger cluster(s) but human-to-human spread still localized, suggesting that the virus is becoming increasingly better adapted to humans but may not yet be fully transmissible (substantial pandemic risk).

**Pandemic Period**

Phase 6: Pandemic: New virus is spreading rapidly within human populations around a significant portion of the globe causing serious health concerns. It should be noted that a pandemic may affect countries, as well as populations within a county, to varying degrees during any of these alert phases as the infectious disease spreads.

**Recovery Period**

Once the pandemic wave has passed, CNP will begin recovery of its workforce and develop schedules for completing work that may have been temporarily delayed. The possibility for additional infectious waves must also be considered; therefore, recovery activities should be prioritized as to importance.

Generally, an important activity during the Interpandemic period is the review of key areas, functions and personnel that are vital to a sustained delivery infrastructure and corporate financial integrity. During Pandemic Alert period, CNP will be focused on employee education, departmental contingency planning, workplace health and safety, and response activity practice. Beginning with Pandemic period, CNP may need to limit employee business travel and discourage other nonessential outside travel. The timing of these and other response activities will be based on information from various authoritative sources such as the Centers for Disease Control (CDC), as well as management’s assessment of the nature of specific pandemic threats.

**EMERGENCY OPERATIONS PLAN (EOP)**

---

**Communication**

Accurate, timely and objective communication with all CNP stakeholders has been identified as a key element to the effectiveness on the Preparedness Plan.

Coordination with employees at all levels of the organization, as well as contractors, suppliers, customers, regulatory agencies, news media and the public may prove critical to the level of success we have as a company and community leaders in quickly responding to a pandemic should it occur. Described below is an outline of some of the communication strategies that will be employed in our preparedness efforts.

**Communication plan**

- Maintain effective communications with all stakeholders
- Coordinate activities with federal, state and local authorities
- Sustain a knowledgeable and confident workforce
- Respond appropriately as threats materialize to protect and reassure our employees

**Employees**

CNP’s employees are our most valuable assets and will continue to be given careful attention in preparation for a potential pandemic. The company will endeavor to maintain a healthy and safe work environment, as well as emphasize the vital role and responsibility of the employee in CNP’s response activities should a highly infectious disease affect our service territory. This requires an understanding of the issues by all involved, communication of our Preparedness Plan, discussion with the employees about their roles and responsibilities and rehearsing response activities as appropriate for each work group to sustain confidence in the effectiveness of the plans.

Therefore, several types of employee communication will be used as appropriate to the audience and situation.

**Individual preparation**

- Brief email messages about the issues and their national and local importance.
- Listings of useful web sites for self-exploration and education.
- Web access to CNP’s Pandemic Preparedness Plan
- Executive updates at employee meetings and/or through electronic messages to provide current information and respond to questions.
- Emails and posters encouraging seasonal flu vaccination and vaccination to address new viruses for all family members, personal hygiene and social etiquette.

**EMERGENCY OPERATIONS PLAN (EOP)**

---

- Education and preparation storyboards for computer-based employee education.
- Special reports and voice mail broadcast messages as necessary

Departmental Preparation

- Presentation planning material for staff and safety meetings.
- Custom communication for first responder personnel as needed.
- Instructional material for telecommuting and teleconferencing from home.
- Website and Pandemic Hotline with current information and work instructions.

**Other stakeholders**

CNP will continue to coordinate its pandemic preparedness plans with its outside stakeholders, including suppliers, contractors, federal, state and local governments and emergency management offices, and regulatory agencies, to clarify roles and responsibilities, verify current contact information and assess and revise response strategies and activities as appropriate.

**Training:**

The Pandemic Preparedness Plan Team will meet annually to discuss necessary updates to the plan. A corporate communication will be sent to CNP managers annually to educate on the purpose of the plan and to encourage their employees to prepare for such a threat.

Educational resources will be available and accessible to all employees on the CNP Today Pandemic page.

**Educational resources**

CNP’s Pandemic Preparedness Plan is based on a foundation of employee knowledge and understanding of the issues, as well as their dedication and support in executing response activities both at home and work. In that regard, employees should occasionally check for and familiarize themselves with current information on CNP’s intranet website.

The following additional websites also provide excellent background information on pandemics, personal and family preparation and current news articles:

- Centers for Disease Control  
<http://www.cdc.gov/>
- World Health Organization  
<http://www.who.int/topics/influenza/en/>

**EMERGENCY OPERATIONS PLAN (EOP)**

---

- University of Minnesota’s Center for Infectious Disease  
<http://www.cidrap.umn.edu/cidrap/content/influenza/panflu/index.html>
- American Red Cross  
[www.redcross.org/news/ds/panflu](http://www.redcross.org/news/ds/panflu)

**Conclusion**

CNP will routinely review and update this preparedness plan so that response activity strategies can remain current and effective. The success of the company’s response activities, if and when they are needed, will not only be dependent on full employee participation in the review and understanding of these plans, but their practice as well.

**Annex D  
Wildfire Annex**

### Wildfire Mitigation Efforts

The Company performs periodic maintenance including clearing trees away from the conductors and equipment on approximately 1,600 circuits. This proactive maintenance takes place on a cyclical basis. For 35kV voltage and some selected 12kV circuits, maintenance is performed about every three years while the remaining 12kV circuits are maintained on a five-year basis. Unplanned tree clearing maintenance may be performed at other times based on locations identified by area operations personnel or as reported by customers.

A proactive hazard tree inspection program is performed along the main feeder portions of circuits in areas with tree species that traditionally experience higher mortality rates. Other circuit feeders may be included during times of drought or infestations.

Periodic transmission circuit and Right-of-Way (ROW) tree clearing maintenance is performed on a five-year cycle basis with the facilities inspections performed the quarter following the vegetation work. CEHE performs an annual inspection of the whole transmission system to identify hazardous trees or other vegetation issues that need immediate attention. Additional inspections may be performed in selected areas as warranted by conditions or situations conducive to increased tree mortality or risk exposure.

Additionally, when advance notice of a hazardous fire conditions are issued by the local Fire Marshal that could involve transmission ROWs and facilities, mowers are dispatched to reduce brush within the ROWs along with herbicide contractors to apply fire retardants to the bases of the Company's towers and structures to mitigate or reduce potential fire damage.

As referenced previously, the Company utilizes three emergency activation levels, designed to ensure sufficient resources are available to effectively respond to any type of event impacting CEHE's service territory. The alert levels may be activated, based on need, during a variety of event types. Please see Section A: Overview for additional details regarding the Company's response to emergency events.

**Annex E  
Hurricane Annex**

## HURRICANE ANNEX

### A. Introduction

This annex provides a framework for the activation of the EOP for both a system-wide and partial system hurricane response. Hurricane events that may cause disruption to the area's electric service are varied and unpredictable as to severity and portion of the system affected.

In order to activate the plan, clear communication must be provided to all personnel involved in the planning, response and recovery phases supporting the restoration of electric service.

Electric Operations leadership, or authorized designees, shall have the following responsibilities:

- Activating the EOP when a system-wide storm emergency situation exists or a threat is imminent
- Directing all operations once the EOP is activated
- Keeping the President and Chief Executive Officer of CNP informed of system conditions, activities, and progress towards restoration of electric power under the EOP

### B. Pre-Storm Preparation

#### Hurricane Drill

To promote familiarity with the EOP, a general hurricane drill exercise is outlined below. When possible, this exercise coincides with the State Hurricane exercises to provide increased realism. Mock hurricane advisories are communicated similar to those given by the local National Weather Service (NWS) during an actual storm. These notifications are designed to test tracking and activation procedures. These advisories are given regularly during the exercise. Minor disruption of some regular employee activities is anticipated but there are no line crews engaged.

The primary objectives are:

- Testing the communications involved with activation of the Emergency Operations Plan;
- Testing employee information systems:
  - Corporate email
  - Corporate employee hotline
- Evaluating pre-season preparations;
- Verifying knowledge of specific EOP duty assignments;

- Activating the Incident Command Center in the Greenspoint Annex ;
- Activating the Distribution, Transmission and Substation, and the Energy Control Evaluation Centers;
- Utilizing recommendations from previous exercises and events to test and practice Storm EOP procedures;
- Evaluating implementation of Incident Command processes and procedures;
- Simulating media and regulatory reports; and
- Simulating damage assessments and restoration schedules between evaluation centers, and posting them in a test version of Outage Tracker.

If the annual Company functional exercise coincides with the State of Texas hurricane exercise and the City of Houston and/or the Harris County Office of Homeland Security and Emergency Management have activated their Emergency Operations Centers, then the Company will also test communication techniques with those entities.

#### **EOP Storm Roster**

The Employee Storm Roster (ESR) is a web-based application that has been developed in house in SAP to help:

- Manage Storm EOP assignments for Company personnel
- Manage and track mutual assistance and contract personnel
- Manage lodging facilities required during a storm event

A process is in place to manage the assignment of personnel as employees are hired, transferred or leave the Company. Employees are encouraged to log into ESR at any time to update and review their EOP-related information as needed. Employees can access ESR by clicking on the “Employee Storm Roster” button on the Company’s internal website.

#### **Hurricane Vacation Policy**

During Hurricane Season (June 1st through November 30th), when an EOP event is declared, no vacation requests will be approved for Operations staff in CEHE and Houston Gas who serve in Storm Rider and First Responder roles, including critical support functions. Furthermore, vacations already scheduled during the restoration period may be cancelled by management, and no new vacation requests will be authorized.

If a non-operations employee has a planned vacation, but an EOP event is declared prior to the start of that vacation, the employee is expected to talk to his or her EOP leader and direct supervisor. The EOP leader and the employee's direct supervisor have the discretion to allow the employee to take the vacation as planned or deny the time off based on the criticality of his or her EOP role.

If an employee is already on vacation and out of town at the time the Company declares a storm EOP event, the employee is not expected to immediately return to fill his/her EOP role. Upon returning from vacation the employee is expected to immediately report for EOP duty in the designated role. If the vacationing employee is in town, he or she is expected to return to work immediately to fulfill his or her EOP assignment, and any unused vacation may be rescheduled after the Company returns to normal operations.

If the employee is denied the time away from work and suffers financial loss directly associated with the vacation, such as airline tickets, hotel/condo rental, tour or cruise expenses, he or she shall submit a request for reimbursement to the Company's designated Human Resource Manager, within 10 days after being relieved of EOP duties. The request will be reviewed by management and a decision made within 30 days after the final day of the EOP event.

### **Employee Responsibilities**

If the Company activates the EOP because of a threat to the continuation of electric service to our customers, employees may be called upon to change job assignments prior to and/or during service restoration. There will be a plan for employees to be released for final storm preparation prior to a Storm EOP event and lodging planned for "First Responders" with established criteria will be communicated by local management.

Business continuity during an EOP is critical. All employees, whether in their normal job or an EOP assignment, are essential to successful service restoration. The Company values the role each employee plays in serving the needs of our community. Employees are expected to:

- Understand their roles and responsibilities.
- Understand that the primary reporting relationship during the EOP is to the assigned EOP Leader. Daily assignments during EOP will be determined by the EOP Leader and employees may be asked to take on different assignments as needs change during the service restoration process.

- Participate in the annual EOP Drill, training, and other planning activities as required.
- Make the necessary personal pre-storm preparations to be ready and available to perform the EOP assignment.
- Establish storm plans with their families in advance to ensure employees are prepared to report as directed and to fully execute their assignments during EOP.
- Maintain a hard copy of important phone numbers, including EOP contacts, immediate supervisor, CNP Storm Mailbox (which provides general information during EOP) and the HR Hotline (which provides employee assistance).
- Be aware that employees in “Day 1” assignments will not be allowed to leave the greater Houston area once EOP is declared (72 hours or less until storm landfall).
- Make their management aware of any special needs that may impact their ability to report to duty for EOP assignments, in advance of EOP activation.
- Understand that employees are ultimately responsible for their own personal safety and that of their families and take appropriate actions to ensure a safe and timely execution of their roles and responsibilities in the EOP.
- Maintain current contact information in Employee Service Roster (ESR) and ensure their EOP Leader and immediate supervisor have the most current information.
- Notify immediate supervisor and EOP Leader throughout the year and during EOP assignment, if necessary, of any change in personal needs or responsibilities that may affect their ability to fulfill their EOP assignment. Examples could include: change in residence, phone numbers, or fitness for duty.
- Establish and maintain contact with immediate supervisor and EOP Leader in the event of EOP activation and throughout the active period.
- Recognize EOP assignments will require working extended hours with shifts ranging from 10 to 16 hours per day, seven days a week. Some assignments require long periods of exposure to all weather conditions, walking several miles a day, standing for hours, or taking vehicles off road.



- Recognize that failure to report to duty as scheduled or failure to fully execute the EOP assignment may subject employees to disciplinary action, up to and including termination of employment.

**C. INITIAL STORM ACTIVATION**

**Basis of activation**

The Company determines when it activates the EOP and response activities based on StormGeo data on the anticipated intensity of the event. The StormGeo program issues trigger reports every six hours leading up to the event. These reports help determine the appropriate course of action. The Company uses the following phases to guide the actions to be taken but the Incident Commander has the authority to deviate from these guidelines:

<b>Trigger parameter</b>	<b>Phase</b>
Response Plan Activator (RPA) is positive *	1
The Worst Case Scenario (WCS) for 39 mph winds reaching this location is < 120 hours and the probability of 58 mph Wind Impacting (PWI) this location is > 8%	2
The WCS for 39 mph winds reaching this location is < 96 hours and the PWI of 58 mph at this location is > 15%	3
The WCS for 39 mph winds reaching this location is < 72 hours and the PWI of 58 mph at this location is > 20%	4
The WCS for 39 mph winds reaching this location is < 66 hours and the PWI of 58 mph at this location is > 25%	5
The WCS for 39 mph winds reaching this location is < 60 hours and the PWI of 58 mph at this location is > 25%	6
The WCS for 39 mph winds reaching this location is < 54 hours and the PWI of 58 mph at this location is > 25%	7
The WCS for 39 mph winds reaching this location is < 48 hours and the PWI of 58 mph at this location is > 30%	8
The FTA for 39 mph winds reaching this location is < 36 hours and the PWI of 58 mph at this location is > 50%	9

### **Activation Alerts**

The Company has a three level alert system for weather and system conditions which are used in operations and are not exclusive to a hurricane, storm, weather related or other event. These three EOP levels are designed to ensure sufficient resources are available to effectively respond to any type of event impacting CEHE's service territory. The Company is beginning to implement three activation levels in 2021.

The following is a summary of the alert levels that may be activated, based on the needs, during a specific type of event:

#### **EOP Level 1:**

- Short duration or low impact event affecting the entire CEHE service territory
- Severe impacts to only a specific area of the CEHE service territory
- Additional support roles may be needed

#### **EOP Level 2:**

- Medium duration and impact event
- Severe impacts to multiple areas of the CEHE service territory
- Additional support roles needed

#### **EOP Level 3:**

- High duration and impact event
- Severe impacts to all or nearly all areas of the CEHE service territory
- All support roles needed unless otherwise notified
- Individual department emergency plans and/or business continuity plans initiated as needed, and Corporate Response Plan activated as appropriate

Regardless of the EOP level declared, employees must be prepared to respond. Employees should connect with their supervisor and know their EOP role if any level of EOP is declared. If necessary and called upon, management is encouraged to release their employees from their normal responsibilities to assist in the EOP response. Since emergency events can change quickly, employees should be prepared to escalate response if necessary. Employees who have an electric storm assignment that requires participation in both response activities, and any drills will be contacted by their EOP storm response leader and provided with EOP instructions on where to report. For those who do not currently have a role, the EOP team will make assignments after determining where assistance is most needed.

### **Evacuation and Re-Entry Procedures**

In the event of a storm, the Galveston and Baytown Service Centers evacuate in conjunction with activation of the evacuation plans of Harris and Galveston Counties. The Galveston Service Center evacuates to the South Houston Service Center, and the Baytown Service Center evacuates to the Humble Service Center. All CNP personnel that live in evacuation zones and that also have Day 1 or Day 2 EOP Storm assignments will be offered lodging by the Company, so that they can be readily available for duty immediately after a storm. The Company has worked with local emergency officials and the State of Texas Phased Re-entry Plan to obtain written permissions and to facilitate/expedite the movement of restoration resources into evacuated areas for the purpose of restoring power.

### **Toll Road Procedures**

A key route utilized to access portions of the Company's service area is the Harris County Toll Road system. The following procedures have been put in place to address usage:

The Security Branch Director will contact the Harris County Toll Road Authority (HCTRA) to obtain approval from Harris County Commissioners Court for a specific start and end time that restoration vehicles can utilize the toll roads "toll" free. Providing license plate information is imperative to this process.

In the event of a storm:

1. Fleet will send a list of the license plate information for any rental vehicles to Corporate Security as soon as possible.
2. Fleet will send a list of the license plate information for Houston-area fleet vehicles and trailers.
3. Service Area Managers will provide a list of the license plate information for any EOP responders needing access to the toll roads and submit it to the Security Branch.
4. Check-in Support at the staging sites will gather CNP personnel license plate information and submit it to Corporate Security.
5. During check-in of mutual assistance crews at staging sites:
6. Check-in Support will verify any license plate information provided on the rosters and attach CNP decals near the back license plate (such as on the bumper below license plate or on the tailgate above license plate) on each non-CNP vehicle.
7. If license plate information is not provided, Check-in Support will record license plate numbers and the state issued for mutual assistance vehicles and trailers.
8. Site administrators will send these lists to the Security Branch via fax or email.
9. The Security branch will send the license plate information to HCTRA for entry into their system to automate the "No Fine" process.

10. Any violation notices issued during the time frame approved by Commissioner's Court should be sent to Corporate Security via fax or email within five days of the invoice date stated on the notice. Corporate Security will then send the notice to HCTRA for dismissal.

Factors CNP Uses to Determine EOP Phases

Factor	Description
Hurricane Risk Indicator (HRI) goes positive for the report location.	<p>A negative HRI for a location denotes no hurricane threat has been identified through the coming week.</p> <p>When StormGeo identifies a location as "Positive" for a hurricane risk, in addition to putting that notice atop the TropicsWatch web page, they will also notify CNP's EOP Coordinator by phone and by email.</p>
Worst Case Scenario (WCS) for 39 mph winds reaching the report location	<p>StormGeo's Worst Case Scenario (WCS) parameter lets CNP know the approximate earliest arrival times of 25, 39, 58, 74, and 100 mph winds at defined report locations if an active storm were to quickly travel straight to that location. CNP's WCS activation parameter will be based on the 39 mph wind.</p> <p>Assumptions:</p> <ul style="list-style-type: none"> <li>The storm movement is directly toward our location</li> <li>Assumes a forward speed equal to the maximum forecasted forward speed over the time period prior to the storm's ETA at our location</li> <li>Intensity is set to the projected maximum sustained winds possible during the time period from the current position until it reaches our location</li> <li>Wind field size is set to the maximum projected in any one quadrant of the storm prior to reaching our location</li> </ul>
The Probability of 58 mph Wind Impacting (PWI) the report location.	<p>StormGeo's "Probability of Wind Impact" displays the probability of a location receiving a certain threshold of wind. Wind probabilities will be calculated for wind speeds of 25 mph, 39 mph, 58 mph, 74 mph and 100 mph. CNP's PWI activation parameter will be based on the 58 mph wind.</p>
The Forecasted Time of Arrival (FTA) of 39 mph winds reaching the report location	<p>As the certainty of impact to the Company's service area becomes definite, the forecast changes from Worst Case Scenario to Forecasted Time of Arrival (FTA). Again, EOP activation parameter will be based on the 39 mph wind.</p>



Factor	Description
Sustained Winds fall below 39 mph	As the storm begins to move out of the Company's service areas, StormGeo will forecast when wind speeds for each report location are scheduled to fall below 39mph.

**Activation Phase Descriptions**

The following table describes fourteen phase points for which CNP has designated specific storm preparation activity. This table describes the parameters required to determine when each of these phase points has been or will be achieved. These phases are based on When StormGeo identifies a location as "Positive" for a hurricane risk. A notification of this risk will be made by adding a notice atop the TropicsWatch web page and communicating with CNP's EOP Coordinator by phone and by email.

Phase	Description
1 - Hurricane risk indicator is positive	<p><b>Notification to executives</b></p> <p>The EOP Coordination Team communicates potential storm threat to executives. Keep executives clearly informed of developing storm conditions and obtain concurrence to begin employee communications.</p>
2 - The worst case scenario for 39 mph winds reaching this location is < 120 hours and the probability of 58 mph winds impacting this location is > 8%	<p><b>Communication to employees</b></p> <p>The Public/Employee Information Officer (P/EIO) sends out company-wide communications to employees to tell them to prepare home and family for a storm, know their EOP assignment, etc. The P/EIO also keeps employees clearly informed of developing storm conditions.</p> <p><b>Functional managers verify and report EOP readiness</b></p> <p>Make an early ID of shortfalls and take corrective actions as necessary (roster, supplies, personnel, facilities, ice machines, telecommunications, generators, etc.).</p> <p><b>Branch directors leaders initiate communication with EOP-assigned employees</b></p> <p>Keep EOP assigned employees clearly informed of developing storm conditions and notify them to begin preparations for manning their EOP assignments. Confirm information for EOP team members.</p>



Phase	Description
<p>3 - The worst case scenario for 39 mph winds reaching this location is &lt; 96 hours and the probability of 58 mph winds impacting this location is &gt; 15%</p>	<p><b>RTO implements storm updates using email and text messaging systems</b></p> <p>RTO commences tracking of storm and periodically communicates position of storm to CNP personnel using the email and text messaging systems. The purpose of this action is to keep CNP personnel updated as to direction/intensity of storm.</p>
<p>4 - The worst case scenario for 39 mph winds reaching this location is &lt; 72 hours and the probability of 58 mph winds impacting this location is &gt; 20%</p>	<p><b>Incident Commander declares EOP activation</b></p> <p>The Incident Commander makes recommendations for this action based on latest updates from StormGeo.</p> <p><b>The Resource Acquisition group contacts Regional Mutual Assistance Groups (RMAG’s) as needed to set up mutual assistance conference calls.</b></p> <p>CNP is a member of the S.E.E., the Midwest, and the Texas RMAG’s. Contact these groups as needed to initiate Mutual Assistance Conference Calls. Following is their contact information:</p> <p>S.E.E. – Contact any S.E.E. staff member at 404-233-1188 and let them know you wish to hold a conference call for storm response. Refer to the S.E.E. Mutual Assistance Procedures and Guidelines, Section 9.3, for additional information.</p> <p>Midwest – CNP may contact EON-US (Shenita Gazaway 502-627-3925 or David Guy 502-627-4104) to request that a Midwest conference call be set up.</p> <p>Texas – CNP may refer to the Texas Mutual Assistance Conference Call Guidelines. CNP may send an e-mail to each member on the roster announcing a conference call, and provide a 1-800 conference call number with password.</p> <p><b>Logistics section makes lodging arrangements</b></p> <p>This action is taken in preparation to accommodate CNP personnel that are storm riders and first responders that must evacuate according to the Harris County Office of Emergency Management. These activities continue as more zip codes are evacuated. The Lead Hotel Coordinator should book hotel space based as CNP head count determined.</p> <p><b>P/EIO implements communications plan/activate storm hotline</b></p>

Phase	Description
	<p><b>Finance submits a request for cash to Treasury</b></p> <p><b>Logistics section secures food beginning 48 hours after the landfall</b>                      Operations section secures enough food to feed personnel at all EOP operating sites until the caterers have had a chance to arrive and set up.</p> <p><b>Operations evacuates service centers in storm surge areas</b>                      Operations will conduct Galveston and Baytown Service Center evacuations in conjunction with evacuation plans for Harris and Galveston counties. Baytown Service Center will evacuate to Humble Service Center. Galveston Service Center will evacuate to South Houston Service Center.</p> <p><b>Logistics tops off CNP fuel tanks and secure additional fuel and fuel tanks</b>                      Logistics coordinates fuel deliveries to top off underground fuel storage tanks and facility backup generator fuel tanks.                      They also secure temporary fuel tanks and fuel products for service centers, offsite parking and staging sites.</p> <p><b>Telecom executes cell relay/DCE extensions to maximum days</b></p> <p><b>Grid &amp; Market Operations sends communications to Texas market regarding possibility of interruptions regarding meter data</b></p> <p><b>Operations assesses the operability of production IG devices</b></p> <p><b>Telecom considers securing satellite telephone rentals</b>                      Telecom Services will evaluate need of rental satellite telephones for the staging site supervisors.</p> <p><b>Telecom considers securing portable voice radio rentals</b>                      Telecom Services will evaluate need of rental of portable voice radios to supplement CNP’s normal inventory.</p>
<p>5 - The worst case scenario for 39 mph winds reaching this location is &lt; 66 hours and the probability of 58 mph winds impacting this location is &gt; 25%</p>	<p><b>Incident commander conducts conference call</b>                      Potential topics to cover:</p> <ul style="list-style-type: none"> <li>• actual or expected storm category</li> <li>• storm condition</li> <li>• trouble level of the event</li> </ul>

Phase	Description
	<ul style="list-style-type: none"> <li>• type of event</li> <li>• damage projection</li> <li>• time of impact</li> <li>• duration of event</li> <li>• EOP timeline status</li> <li>• plan for recovery</li> <li>• level of preparedness</li> <li>• communications</li> </ul> <p><b>Logistics alerts material and logistics suppliers</b>                      The Logistics sections provide these suppliers with advance notice to begin making their preparations to supply CNP with storm restoration materials. They alert suppliers of the coming need for tents, trash, cars, food, laundry, etc. They also alert materials suppliers for poles, transformers, wire, insulators, hardware etc.</p> <p><b>Logistics begins relocation of storm stock</b>                      The Logistics section delivers the remaining EOP material and bedding to service centers in advance of evacuations.</p> <p><b>Logistics analyzes EOP inventory levels</b>                      In preparation for the Special Material Release presentation to the section chiefs, the Logistics section will prepare to make preliminary recommendation for purchase quantities based on current inventory levels and storm strength projections. Logistics will continually monitor and evaluate material requirement needs for the Special Material Release as the storm approaches in preparation for the final Special Material Release recommendation at 6 hours prior to landfall.</p> <p><b>Logistics alerts staging site owners</b>                      Staging site supervisors make preliminary contact with the staging site owners to notify them of our possible intent to activate our contracts with them.</p> <p><b>Resource Acquisition participates in the RMAG Conference Call</b>                      The Resource Acquisition group participates in a conference call for each RMAG that calls were set up with. The purpose of these calls is to determine the number of first wave line and tree trimming</p>

Phase	Description
	resources that are available from these RMAG’s. Mutual Assistance utilities can provide line crews, damage assessors, material handlers, and staging site management teams, along with various other personnel.
6 - The worst case scenario for 39 mph winds reaching this location is < 60 hours and the probability of 58 mph winds impacting this location is > 25%	<p><b>Conduct operations conference call</b>  Branch directors, SADs, and service center operations conduct conference call to determine preparation progress.</p> <p><b>Section chiefs assess Special Material Release</b>  Purchasing presents results of assessment to section chiefs and recommends Special Material Release quantities, values, and timing.</p> <p><b>Section chiefs assess preparation</b>  Section chiefs update command staff in a face-to-face meeting. The main objective is to provide an update on preparation progress.</p>
7 - The worst case scenario for 39 mph winds reaching this location is < 54 hours and the probability of 58 mph winds impacting this location is > 25%	<p><b>Activate the Incident Command Center</b>  CNP will:</p> <ul style="list-style-type: none"> <li>• Ensure all systems and equipment at the Incident Command Center are functioning properly</li> <li>• Obtain supplies as needed; set up rooms as planned</li> <li>• Set up computers, telephones, Satellite TV access</li> <li>• Test communications</li> <li>• Ensure that the Incident Command Center phone number rings at that location.</li> </ul> <p><b>The Public/Employee Information Officer issues employee communication regarding employee evacuation of storm surge area.</b></p> <p><b>Resource Acquisition group participates in RMAG Conference Call #2</b>  The purpose of this call is to further refine the available resource numbers.</p> <p><b>Test radio communications at Evaluation Centers</b>  Telecom visits each evaluation center and tests its radio for operational performance.</p>
8 - The worst case scenario for 39 mph winds reaching this location is < 48 hours and	<b>Logistics updates logistics and material suppliers</b>

Phase	Description
<p>the probability of 58 mph winds impacting this location is &gt; 30%</p>	<p>The Logistics section provides these suppliers with updated information to assist them in their preparations to supply CNP storm requirements.</p> <p><b>Logistics updates staging site owners</b>                      Staging site supervisors make update calls to staging site owners. They verify the availability of facilities previously agreed upon.</p> <p><b>Resource Unit pre-positions local tree and line contractors</b>                      The Resource Unit allocates all local contractor resources to the service centers in accordance with the plan, to enable contractors to provide immediate response for priority service work.</p> <p><b>Fleet Services branch secures rental vehicles</b>                      The Fleet Services group within the Fleet Services branch secures rental vehicles to meet EOP storm needs. Based on severity of storm, Fleet will contact potential users of rental vehicles to determine pre- and post-storm needs, and make arrangements to obtain needed vehicles.</p>
<p>9 - The forecasted time of arrival for 39mph winds for this location is &lt; 36 hours and the probability of 58 mph wind impacting this location is &gt; 50%</p>	<p><b>Conduct operations conference call</b>                      Distribution Operations branch managers, SADs, and service center operations conduct a conference call to determine progress of preparation.</p> <p><b>Logistics section activates logistics (suppliers, caterers, etc.)</b>                      At the direction of Operations, the Logistics section engages logistics suppliers to execute CNP EOP logistics plan.</p> <p><b>Logistics prepares for employee refueling (if necessary)</b>                      The Fleet Services group within the Logistics section sets up employees for access to the automated fueling system. Distribute instructions and recording forms in case of fuel system by-pass and temporary fuel tanks.</p> <p><b>The PEIO/management communicates with employees regarding EOP show up time</b></p> <p><b>Logistics activates staging sites as required at the direction of Operations</b>                      Logistics begins activating staging sites. They continue to update staging site owners if we will use or not use their facility.</p>

Phase	Description
	<p><b>Section chiefs assess Special Material Release</b></p> <p>Purchasing presents updated recommendations for the Special Material Release based on evolving storm and material availability data.</p>
<p>10 - The forecasted time of arrival for 39 mph winds for this location is &lt; 30 hours and the probability of 58 mph winds impacting this location is &gt; 60%</p>	<p>Incident Commander and Section chiefs conduct conference call</p> <p>Potential topics to cover:</p> <ul style="list-style-type: none"> <li>• actual or expected storm category</li> <li>• storm condition</li> <li>• trouble level of the event</li> <li>• type of event</li> <li>• damage projection</li> <li>• time of impact</li> <li>• duration of event</li> <li>• EOP timeline status</li> <li>• plan for recovery</li> <li>• progress of preparedness</li> <li>• communications</li> </ul> <p>Operations sends select crews and staff home</p> <p>The Operations section releases crews to prepare their homes for storm. They rotate crews, sending half the first 4 hours and the second half the next 4 hours.</p>
<p>11 - The forecasted time of arrival of 39 mph winds for this location is &lt; 24 hours and the probability of 58 mph winds impacting this location is &gt; 60%</p>	<p><b>Operations restricts Galveston and/or Baytown access</b></p> <p>Once Harris and Galveston Counties have been evacuated and restrictions put in place by government entities, CNP service area management representing the service areas in the perspective counties identifies and follows the process for re-entering restricted areas.</p> <p><b>Resource Acquisition participates in the RMAG Resource Division Conference Call</b></p>

Phase	Description
	<p>The call will be necessary if more than one utility is impacted by the Storm event. The impacted utilities will divide the available resources based on the expected outage counts and amount of damage.</p> <p>Resource Acquisition initiates efforts to secure additional resources outside of S.E.E., Texas and Midwest RMAGs</p> <p>This effort should be initiated if additional resources are still required after exhausting the available resources of the three RMAG’s we are members of. The Resource Acquisition group arranges additional conference calls with RMAG’s that are more distant from our area but could still provide resources if necessary.</p>
<p>12 - The forecasted time of arrival of 39 mph winds for this location is &lt; 18 hours</p>	<p><b>Operations suspends normal operations</b></p> <p>The Operations section notifies day crews to start when safe, then begin work the next day, working from 5 am to 9 pm.</p> <p><b>Operations puts night crews and critical operations personnel in place</b></p> <p>Operations rolls trouble shooters and third-shift employees, with a support employee, to the night shift (5 pm to 9 am) to ride out the storm and continue to work that shift throughout the restoration.</p> <p><b>Incident Commanders conducts leadership conference call</b></p> <p>Potential topics to cover:</p> <ul style="list-style-type: none"> <li>• actual or expected storm category</li> <li>• storm condition</li> <li>• trouble level of the event</li> <li>• type of event</li> <li>• damage projection</li> <li>• time of impact</li> <li>• duration of event</li> <li>• EOP timeline status</li> <li>• plan for recovery</li> <li>• progress of preparedness</li> <li>• communications</li> </ul>

Phase	Description
<p>13 - The forecasted time of arrival of 39 mph winds for this location is &lt; 6 hours</p>	<p><b>Section chiefs assess Special Material Release and approve placement of order</b>                      The Supply Chain group presents final recommendations for the Special Material Release based on evolving storm and material availability data.</p> <p><b>Supply Chain notifies vendors of Special Material Release</b>                      The Supply Chain group places the Special Material Release approved by section chiefs.</p>
<p>14 - Sustained winds fall below 39 mph</p>	<p><b>Operations branch directors conduct operations conference call</b>                      The Operations branch directors, SAD’s, and service center operations conduct conference call to determine impact to their facility, equipment and ability to operate. They also report any initial damage assessment.</p> <p>Activate helicopters</p> <p>The Operations section chief communicates with Transmission, Substations, and Distribution regarding the need for helicopters and the number needed by each group. Establish landing sites, number of passengers flying, and estimated duration (number of days/hours). Activated when wind is on our shore.</p> <p><b>Resource Acquisition participates in RMAG Conference Call #3</b>                      Resource Acquisition updates the Resource Request from previous conference calls. They also determine assigned resources, and request additional resources outside of S.E.E. if needed.</p> <p><b>Update the employee storm hotline</b>                      Public/Employee Information Officer updates information and instructions on the employee storm hotline.</p> <p>Resource Acquisition continues to maintain contact with responding resources and keep them updated as they travel to our territory.</p> <p><b>Logistics sets up staging sites</b>                      The Staging Site Managers within Logistics report on the progress of staging site setup to the Logistics Section Chief. The Logistics Section Chief will provide updates to Operations as needed.</p> <p><b>Security director activates security and traffic control</b></p>



Phase	Description
	<p>The director of Security, in the Logistics sections, works with local authorities to provide access for CNP personnel conducting restoration activities to storm-damaged areas.</p> <p>The director also provides security and traffic control for service centers and staging sites.</p> <p>Incident Commander and Section chiefs conduct conference call</p> <p>This is the first scheduled Incident Commander/Section chief update after landfall. The call may cover updated versions of the topics mentioned previously.</p> <p><b>Logistics</b></p> <p>Based on the latest resource count, the Hotel Coordinator will begin contacting hotels and reserving rooms for incoming mutual assistance and contract crews. These activities will continue throughout the duration of the incident.</p>

**D. Command Centers**

Upon activation of the EOP, the Company establishes evaluation centers. Assigned personnel at these evaluation centers act as data collection points for a variety of information such as specific system statuses, conditions, and restoration schedules. They also help CNP track progress for the following tasks:

- Coordination of logistical support and the assignment of manpower to support restoration priorities.
- Communication with outside utilities for assistance, arrival and departure schedules, and other coordination as needed.
- Information collected by these evaluation centers is relayed, compiled and displayed at the Incident Command Center.

**Incident Command Center**

The Incident Commander (IC) is responsible for establishing and operating the Incident Command Center located at the Greenspoint Annex – Room 1550. If necessary, a backup evaluation center will be stood up at the Bellaire Service Center Auditorium. Personnel will be assigned as necessary to make contacts with outside utilities using mutual assistance processes and the applicable agreements, posting

information as provided by other evaluation centers, and supporting other resource needs. Staffing requirements for the Incident Command Center will be based on a 24-hour operational period and will be staffed in 12 or 16-hour shifts as the Incident Commander deems appropriate based on the needs of the response efforts.

Access to the Incident Command Center is limited to assigned duty employees, command staff, and appropriate Company officers.

### **Activation of the Incident Command Center**

At the discretion of the Incident Commander, storm riders must report to the Incident Command Center when specified by the IC. Advanced authorization may be appropriate when fully staffing the center if, in the judgment of leadership, it is necessary to avoid later unsafe road conditions and other possible hazards such as dangerous wind speeds.

### **Operation of the Incident Command Center**

Initial activation of the Incident Command Center will be for the purpose of assessing the status of preparation by departments. The Incident Commander is responsible for scheduling and communicating the requirement for periodic conference calls to assess the status of preparation by the various departments. As the event approaches and crosses CNP’s service area, personnel at the Incident Command Center will collect data on system conditions and customer outages initially from EC/DC. In order to ensure a continuing, accurate and consistent flow of information into the Incident Command Center, communications will be established only through the following points for reports issued by the Incident Command Center:

- Real Time Operations (RTO) at Addicks Operations Center (AOC)
- The Distribution Evaluation (DVAL) Center at Greenspoint Service Center
- The Underground Evaluation Center at Harrisburg Service Center
- The Transmission and Substation Evaluation Center at EC/DC

### **Distribution Evaluation Center**

The Director of Distribution Operations will be responsible for establishing a Distribution Evaluation Center in the Greenspoint Service Center, 2nd Floor. The Operations Branch Director will staff and assign personnel as appropriate to the Distribution Evaluation Center to ensure:

- Accurate and comprehensive assessment and evaluation of system conditions
- Initiation of corrective measures
- Effective organization of restoration activities
- Efficient prioritization of all resources

- Written summaries regarding available information will be prepared and provided to the Incident Commander, command staff and section chiefs in accordance with the ICS Planning Process

To facilitate tracking system status and restoration progress, information will be maintained on a master system map in the Distribution Evaluation Center room. Personnel to maintain this map will be provided according to the staffing list. Contingent on availability of the supporting systems, Situational Awareness will be used to track restoration progress and prioritization of restoration.

Official reports shall be available by approximately 9:00 am daily. This schedule allows for releasing the most accurate information. The status of restoration assessment and progress shall be communicated to the Incident Command Center via the scheduled periodic conference calls. Staffing requirements will be based on 16-hour shifts with adjustments as deemed necessary by the Incident Commander. Access to the evaluation centers shall be limited to assigned duty employees, interface personnel, and appropriate Company officers.

#### **Activation of the Distribution Evaluation Center**

The Distribution Evaluation Center shall be activated to assess and direct restoration activities and will be accomplished in coordination with the Incident Command.

Upon activation of the Incident Command, a report of readiness to the Incident Command Center will be required. The decision to staff the evaluation center prior to storm impact should be made based on projected accessibility after the event passes. In most cases, assessment of damage cannot begin until:143

- Daylight hours have arrived
- Flooding has receded
- Field personnel or helicopters can be safely sent into the impacted area

#### **Operation of the Distribution Evaluation Center**

The Distribution Evaluation Center is responsible for providing accurate and consistent information on a timely basis concerning the extent of damage to the distribution facilities, the plans to restore service, and the progress being made in executing that plan in their respective service centers and staging sites. CNP will need to use re-dedicated manpower or crews from

neighboring utilities or contractors. In order to achieve timely restoration, Resource Acquisition reports that information to Incident Command as soon as the information is available

### **Underground Evaluation Center**

The Major Underground Manager will be responsible for establishing an evaluation center at the Harrisburg Service Center. The Major Underground Manager will staff and assign personnel as appropriate to the Harrisburg Service Center in order to assure accurate and comprehensive assessment and evaluation of system conditions, initiation of corrective measures, effective organization of restoration activities, and efficient prioritization of all resources. The Major Underground Evaluation Center reports up through the Distribution Operations Branch Director.

### **Transmission and Substation Evaluation Centers**

The Transmission / Substation Branch Director, or their designee, will be responsible for establishing the Transmission and Substation Evaluation Centers at EC/DC. Personnel will be assigned as necessary to ensure:

- Accurate and comprehensive assessment and evaluation of system conditions
- Initiation of corrective measures
- Effective organization of restoration activities
- Efficient prioritization of all resources

Status of restoration assessment and progress shall be communicated to Incident Command per the update schedule determine by the Incident Commander. Staffing requirements will be based on 16-hour shifts as deemed appropriate by the Incident Commander and with adjustments as conditions warrant. Access to these evaluation centers shall be limited to assigned duty employees, interface personnel, and appropriate Company officers and staff.

### **Activation of the Transmission and Substation Evaluation Centers.**

Activation of the Incident Command will require a report of readiness from each evaluation center to the Incident Command Center, though staffing may not be necessary. The decision to staff the evaluation centers will be made based on accessibility both before and after the event passes. Preemptive steps may be taken to avoid or minimize system damage. In most cases, assessment of damage cannot begin until daylight hours and field personnel or helicopters can

be safely sent into the impacted area. Once the evaluation centers are fully staffed, a report will be made to Incident Command.

**Operation of the Transmission and Substation Evaluation Centers**

The Transmission and Substation Evaluation Centers are responsible for providing accurate and consistent information to the other evaluation centers on a timely basis. The Transmission and Substation Evaluation Centers will provide this information as the event develops and passes through the area, and will concern:

- Transmission network conditions
- The extent of damage to Transmission and Substation facilities
- The projected restoration of service plan
- The progress being made in executing that plan
- The need for and the ability to use re-dedicated manpower or crews from neighboring utilities to achieve timely restoration

**Logistics Command Center**

The Managers of Supply Chain, Procurement and Logistics are responsible for establishing the Distribution Material Evaluation Center at South Houston Materials Management, Building A. The Distribution Material Evaluation Center may relocate, as appropriate, to another CNP office facility. This location will be selected based on storm damage proximity and available office space. Alternate locations include the Cypress, Sugarland, and Spring Branch Service Centers. Personnel will be assigned as necessary to ensure that distribution material issues are resolved quickly and support the overall restoration effort. Details as to staffing, activation, operation, and communications are contained in the departmental plan for Logistics.

**Annex F  
Cyber Security Annex**

## **CYBER SECURITY ANNEX**

### **1. INTRODUCTION**

Cyber incidents are not unlike operational incidents. When a user or operation identifies or believes a cyber incident is occurring or has occurred, their first responsibility is to initiate actions, procedures, and/or practices to stabilize any impact to business or operational systems which may jeopardize employee or public safety, or may result in material consequences to employee or customer information, or will result in interruption of business continuity. It is incumbent upon the user to initiate the procedures outlined in the Cyber Incident Response Plan (“CIRP”) immediately upon the initial incident detection.

Cyber Security programs at CNP are enforced through Information Technology (“IT”) Security policies and procedures that identify:

- Authorized and unauthorized actions within CNP on technology systems.
- Assigned organizational responsibilities.
- Acceptable levels of risk.

When CNP’s IT Security policies and procedures are violated, a cyber incident may have occurred. To detect, respond, and manage violations, incident response policies and procedures should be in place to minimize risk as well as facilitate recovery from a violation.

#### **1.1. Purpose**

The purpose of CNP’s CIRP is to provide a structured, systematic incident response process for all company information technology systems, including third party services and/or systems to: identify, escalate, and respond to Information Security incidents. The CIRP is intended to:

- Assist CNP and third-party personnel to quickly and efficiently recover from different levels of Information Security Incidents (as defined in Section 1.4).
- Define the business, Information Technology, and/or control systems incident process and step-by-step guidelines creating a consistent, repeatable incident response process.
- Mitigate and/or minimize the loss or theft of information or disruption of critical infrastructure.
- Provide consistent documentation of activities related to actions taken during incidents.
- Synthesize knowledge and experience into preventative security measures.
- Reduce overall exposure for CNP.
- Decrease the total time to reach incident resolution by initiating an effective and efficient response to Information Security Incidents.

- Provide for business understanding and participation in the Information Technology Incidents response and incident management processes in order to establish a more effective strategy and response to future Information Security Incidents.

#### 1.2. Scope

The standards and guidelines contained in this document define CNP's CIRP that applies to:

- The fundamental information actions and tasks needed for Information Technology personnel to provide incident response services to CNP's control system and/or related I.T. systems.
- All CNP business groups, divisions and subsidiaries and their employees, contractors, vendors and business partners.
- All computer systems, computing devices, control systems, and networks connected to the CNP network.
- Incident notifications that are automated (i.e. – system notification) or manual (i.e. – employee notification, external party notification).

#### 1.3. Issuing Authority

I.T. Director Corp Cyber Security, Corporate I.T. Cyber Security

#### 1.4. Use of this Document

This document is designed to provide both the procedures and the essential tools (such as quick reference guides and checklists) for managing an Information Security Incident.

#### 1.5. Maintaining this Document

This document will be subject to both planned reviews and continuous improvement activities. The document will be reviewed annually and approved by the Issuing Authority (Section 1.3). The CIRP will be reviewed during the follow-up meeting to every Information Security Incident initiation. Suggested improvements to the plan or to this document will be documented, sent to the Issuing Authority for approval and communicated to the individuals who have responsibilities within the process.

#### 1.6. Training

It is essential training on the CIRP be performed regularly. All the key groups and roles described in the CIRP need both initial detailed training and periodic (at least annual) review training. Developing the training materials and conducting the training will be the responsibility of the Corporate I.T. Security Risk & Compliance group.

### 1.7. Process Improvement

In order to remain relevant and useful, this incident response plan needs to be continually improved. This is accomplished by enhancing the process documents with input from the lessons-learned sessions, conformance with industry standards and compliance with regulatory requirements. While this is a continuous process, it should occur at least annually.

## 2. SECURITY INCIDENT RESPONSE CAPABILITIES

### 2.1. Need for a Cyber Incident Response Plan

Cyber incident response is an organized approach to address and manage activities during and after an Information Security Incident. The goal of the CIRP is to handle the situation in an organized and effective manner, limit damage to the organization and reduce recovery time and cost. This CIRP provides guidelines on what constitutes an Information Security Incident and a process that must be followed when an Information Security Incident occurs.

### 2.2. Incident Preparation

To quickly respond to Information Security Incidents that could adversely affect the CNP environment, this CIRP should be followed to reduce the damage and minimize risk to the organization. The CIRT members should represent Subject Matter Experts (“SME”) needed to help resolve the issue. Employees should be trained on how to respond to any suspicious activity.

### 2.3. Cyber Incident Response Team (“CIRT”)

The CIRT is activated by the Director Corp Cyber Security or his/her designee.

The CIRT role is to provide a quick, organized and effective response to Information Security Incidents.

The CIRT’s mission is to minimize serious loss of information, information assets and customer confidence by providing an immediate, effective and informed response to any event involving CNP’s information systems, networks or control systems.

The CIRT is authorized to take appropriate steps necessary to mitigate and resolve a security incident. The team is responsible for investigating suspected intrusion attempts and loss of company information and assets in a timely manner. Additionally, the CIRT is responsible for reporting findings to management and to the appropriate authorities, as necessary.

Upon notification of an Information Security Incident requiring response, CIRT members must reprioritize their daily responsibilities to respond to the Information Security Incident and must have the appropriate level of authority to make decisions regarding risk and security measures.

#### **2.4. Roles and Responsibilities**

To efficiently and effectively respond to an Information Security Incident, the groups responsible for investigating, containing, remediating and returning the systems back to normal are outlined below with their roles and responsibilities during an Information Security Incident.

For each incident a contact list with assigned parties will be maintained.

#### **2.5. Unavailability of Personnel**

Unavailability of critical personnel can arise at any time, because Paid Time Off (“PTO”), illness, accidents and unforeseen events are inevitable. To avoid a single point of failure, backup arrangements for personnel should be made in advance. Members of the CIRT should not be allowed to have the same day off. The lack of critical personnel may arise during the time just before and after business hours. During that time most of the critical team members may be commuting to or from home. They may be reachable but may have a difficult time performing specific actions. This can be avoided by having team members “stagger” their business hours.

For these reasons, each Business Unit must prepare and maintain a list of primary and secondary contacts and provide the list to the Director of Corp Cyber Security on a monthly basis.

#### **2.6 Inner Organization Communications**

In the event of a Priority Level 3 (Severity Level 2) Escalation or the Suspected Breach of Confidential Information, Initiate Contact with the following groups.

##### **2.6.1 Legal Department/Data Privacy Office**

Legal/the Data Privacy Office shall be notified immediately upon first indication of an Information Security Incident as well as when there is a material likelihood that confidential information has been affected by the Information Security Incident. If necessary, the Data Privacy Office will activate the Privacy Incident Response Plan. Consulting with legal counsel allows for guidance, direction, and ensures attorney-client privilege is appropriately attached

##### **2.6.2 Corporate Response Plan Team**

First Notify the Corporate Response Plan Team at Escalation to Priority Level 3 (Severity Level 2) in order to activate the Corporate Response Plan at the proper stage.

**2.6.3 Technology Systems Control Center (TSCC)**

First Notify TSCC at Escalation to Priority Level 3 (Severity Level 2) in order to activate the TSCC Incident Coordinator.

**2.6.4 Corporate Communications**

First Notify Corporate Communications at Escalation to Priority Level 3 (Severity Level 2)

**2.6.5 Physical Security Team**

First Notify Physical Security Team at Escalation to Priority Level 3 (Severity Level 2)

**3. INCIDENT RESPONSE PROCEDURE**

There are defined actions for the operational aspects of cyber incident response. Considerations should be given to specific incident-handling procedures and described in detail. The internal procedures are intended to facilitate the appropriate assessment of an Information Security Incident and provide required resources for incident response based on the priority rating of the incident.

The CenterPoint Energy Incident Response Framework is composed of the five (5) steps to handle Information Security Incidents in a consistent manner: Detect, Notify, Analyze, Recover, and Follow-Up.

**4. COMMUNICATION**

Timely, relevant and authentic communication during an incident is critical to the resolution of the incident. The procedure outlined below is based on the Corporate Response Plan and must be observed for the duration of the CIRP. For further explanation, please reference the Corporate Response Plan.

**5. INCIDENT RESPONSE PLAN TESTING**

This CIRP should be tested periodically to ensure employees involved are aware of CNP environment. The I.T. Corporate Technology Security Director is responsible for planning and initiating the testing.

As referenced previously, the Company utilizes three emergency activation levels, designed to ensure sufficient resources are available to effectively respond to any type of event impacting CEHE's service territory. The alert levels may be activated, based on need, during a variety of

**CENTERPOINT ENERGY HOUSTON ELECTRIC  
EMERGENCY OPERATIONS PLAN (EOP)**

---



event types. Please see Section A: Overview for additional details regarding the Company's response to emergency events.

**Annex G**  
**Physical Security Incident Annex**



## CENTERPOINT ENERGY HOUSTON ELECTRIC

### EMERGENCY OPERATIONS PLAN (EOP)

---

#### Physical Security Incident Annex

##### Scope

This annex addresses company facilities and assets including; office buildings, service centers, vehicles, equipment, materials, and supplies, as well as company employees and contractors on company property or while performing work on behalf of CNP.

For CNP facilities or assets subject to federal security requirements such as North American Electric Reliability Corporation (NERC), Transportation Security Administration (TSA) Pipeline Security Guidelines, Department of Homeland Security (DHS) 6 CFR 27 Chemical Facility Anti-Terrorism Standards (CFATS) or 49 CFR 193 LNG, the applicable federal rules / requirements are primary, and the CNP security guidelines and requirements are supplementary.

This document is considered supplementary and secondary to the CNP Physical Security Policy.

#### Section 1: Security Program Structure

##### 100 Use of This Document

- A. This document will be issued electronically and made available on the Corporate Security page of CNP Today Intranet for access by employees and contractors.
- B. Mandatory items are indicated by the words “shall”, “will”, or “must”. Recommended items or practices are indicated by the word “should”.

##### 101 Security Information Governance Council (SIGC) Responsibilities

The Security Governance Council (SIGC) is responsible for helping to develop and maintain security policies, coordinate compliance with the policies, and assist individual business units and functional groups with mitigating potential security risks.

##### 102 Physical Security Policy

Corporate Security has published a Physical Security Policy which is a controlling and overarching policy above this manual. This manual is secondary and supplementary to the Physical Security Policy available in the Policies section of CNP Today.



## CENTERPOINT ENERGY HOUSTON ELECTRIC

### EMERGENCY OPERATIONS PLAN (EOP)

---

#### 103 Security Operations Center (SOC)

The Security Operations Center (SOC) is a 24/7 operation center, which provides dispatch and security support to all CNP properties, employees, contractors, and other stakeholders. As the primary point of contact for security issues and incidents that occur at CNP properties, SOC Operators play a key role in both operational security and facility safety. Using various technical security systems and monitoring software, the SOC is responsible for the detection, triage, and alerting of routine and critical security incidents. The SOC assists with the escalation and incident management of critical security incidents.

#### 104 Security Incident Reporting

The immediate reporting of security incidents to the Corporate Security Department is required and is very important to help ensure a prompt Company response and the implementation of effective mitigation solutions.

##### WHAT TO REPORT

- Crimes - thefts, threats, assaults, etc.
- Security related incidents - fires, cut fences, trespassers, card reader doors propped open, improper security procedures being followed, etc.
- Suspicious and unusual incidents - persons photographing Company facilities, unknown packages left unattended, aircraft low fly-overs of critical facilities, unusual calls to obtain Company information, etc.

##### COST OF LOSS

Business units should report an estimated cost of loss when the incident is originally reported. The actual cost of loss will be reported after all costs of loss and repair have been completed and calculated.

Cost of loss is defined as the total cost to replace the loss of an asset. As an example, cost of loss for the theft of equipment would include the replacement cost, plus the estimated cost of labor involved in obtaining the replacement equipment. In the event of a copper theft the cost of loss would be the cost of replacement material, employee



## CENTERPOINT ENERGY HOUSTON ELECTRIC

### **EMERGENCY OPERATIONS PLAN (EOP)**

---

labor, and any contractor costs. Cost of loss can be a determining factor in deciding the appropriate security mitigation actions.

#### HOW TO REPORT

**In case of a fire or life-threatening emergency, immediately call 911, and then notify your supervisor and Corporate Security.**

#### CORPORATE SECURITY RESPONSE TO INCIDENTS

Corporate Security will notify local law enforcement agencies for response to all suspected or actual criminal incidents. As appropriate, Corporate Security will notify state or federal security or law enforcement agencies (FBI, DHS, State Police, etc.)

## **Section 2: Protection of People and Assets**

### 201 Suspicious Persons and Activities

- A. All employees should be aware of their work surroundings and report any and all suspicious persons or activities the employee may observe.
- B. Suspicious persons or activities could include:
  - 1. Unknown persons or vehicles in the work area.
  - 2. Transients.
  - 3. An employee in an area they do not belong.
  - 4. Persons loitering near company property or work areas.
- C. Indicators of suspicious surveillance of the company:
  - 1. Demeanor of the individuals (Do they avoid eye contact?)
  - 2. Do they appear interested in something that is not there or that would not normally hold long periods of interest?
  - 3. Do they appear to be taking measurements with their feet/stride, vehicle (driving a pattern), or using a range finder?



## CENTERPOINT ENERGY HOUSTON ELECTRIC

### EMERGENCY OPERATIONS PLAN (EOP)

4. Attempts to gain sensitive information about security measures or personnel, entry points, peak days, and hours of operation, and access controls such as alarms or locks.
  5. Observations of security procedures or staffing positions.
  6. Discreet or unusually suspicious use of cameras or video recorders, sketching or note taking, particularly of or about sensitive areas or restricted access points.
  7. Unusual or suspicious interest in speaking with building maintenance personnel.
  8. Observations of or questions about facility security measures, to include barriers, restricted areas, cameras, and intrusion detection systems.
  9. Observations or questions about facility air conditioning, heating, or ventilation systems.
  10. Attempted or unauthorized access to rooftops or other potentially sensitive areas.
- D. What may constitute suspicious activity to one person may not be suspicious to another person. A good gauge for distinguishing suspicious persons or activities is if your intuition or instinct tells you something is wrong, it probably is wrong. By recognizing and reporting suspicious activity we may prevent a loss or crime from occurring and help to better ensure the safety of employees and company assets.
1. Should you observe suspicious persons or activities report it immediately to:
    - Your supervisor.
    - Corporate Security.
  2. Call 911 immediately if a crime is occurring or the situation appears dangerous or threatening.

#### 202 Sabotage

Sabotage is the deliberate destruction of property, equipment, controls, or communication with the intent of causing:

- Interruptions to critical operations
- System Failure
- Disruption of the bulk electric system or gas distribution system

*Events caused by theft and vandalism are not considered sabotage.*



## CENTERPOINT ENERGY HOUSTON ELECTRIC

### EMERGENCY OPERATIONS PLAN (EOP)

---

- A. The key to protecting CNP facilities from sabotage is to be conscious of activities in or around our facilities. Early detection and recognition of potential and actual sabotage events are critical. Sabotage may be the work of terrorists, hostile individuals, or disgruntled employees. Sabotage events can be cyber, physical, and/or operational and may include events like:
- Terrorist threats or attacks.
  - Discovery of explosives.
  - Extensive damage to our electrical, gas distribution, gathering, and distribution facilities and equipment.
  - Suspicious packages in/around our facilities and equipment.
  - Apparent forced entry.
  - Intelligence gathering attempts; unauthorized people requesting information about items such as operations, software, and telecommunications, etc.
  - Unauthorized physical surveillance, including photography.
  - Other suspicious events.
- B. Employees who observe an act, event, unusual conduct, unusual inquiry, any questionable or suspicious activity involving company physical and/or cyber facilities, assets, or personnel should consider such activity a potential threat.
- C. Employees should be avoid “confirmation bias” to explain their observations – in other words, developing a “good reason” why something may have occurred. Some examples are, “That person is just really curious so is asking lots of questions” OR “There’s damage to this equipment but it was probably just kids messing around.”
- D. It is the responsibility of all company employees to report suspicious activities by notifying their supervisor and the Corporate Security Department as soon as possible. If an immediate risk of damage, injury, or sabotage is present, employees should call 911 immediately.

#### 203 Trespassers

- A. Trespassers are not permitted on company property.
- B. If trespassers are found upon company property, take the following actions.



## CENTERPOINT ENERGY HOUSTON ELECTRIC

### **EMERGENCY OPERATIONS PLAN (EOP)**

---

1. If your facility has a security officer, notify the security officer immediately so the person(s) can be removed.
2. If no security officer is at your facility, then notify your supervisor or building management.
3. If you feel safe to do so, advise the loiterer or trespasser that you represent the company property and that they need to leave immediately. If the person fails to leave, call the police.
4. When the police arrive they will ask you if you want to trespass the person. You will have to tell the police officer that the person is not welcome, is trespassing and that you want them to leave. If the person persists and refuses to leave after being given this notice then they will be subject to arrest by the police for trespassing.

### **Section 3: Physical Security Support to EOP for Non-Security Related Activations**

#### 301 Staging Site Security

Corporate Security coordinates staffing assignments for security guards and off-duty law enforcement to secure crew staging sites. Corporate Security also oversees the work of security coordinators assigned to staging sites.

#### 302 Crew Security

Corporate Security coordinates the assignment of off duty law enforcement and/or security guards, as requested by business unit leadership.

As referenced previously, the Company utilizes three emergency activation levels, designed to ensure sufficient resources are available to effectively respond to any type of event impacting CEHE's service territory. The alert levels may be activated, based on need, during a variety of event types. Please see Section A: Overview for additional details regarding the Company's response to emergency events.



**CENTERPOINT ENERGY HOUSTON ELECTRIC**

**EMERGENCY OPERATIONS PLAN (EOP)**

---

**Annex H**

**Mobile Generation/Long Lead Time Facilities Annex**



## CENTERPOINT ENERGY HOUSTON ELECTRIC

### EMERGENCY OPERATIONS PLAN (EOP)

---

#### Temporary Mobile Generation

As a result of amendments to PURA in the 2021 Texas Legislative session, TDUs may lease and operate facilities for temporary emergency electric energy to aid in restoration for distribution level customers during “a widespread power outage” (defined as an event that results in a loss of electric power that (A) affects a significant number of distribution customers of a transmission and distribution utility and (B) has lasted or is expected to last for at least eight hours, and is a risk to public safety) in which load shed has been ordered or the TDU’s distribution facilities are not being fully served by the bulk power system under normal operations.<sup>1</sup>

In accordance with applicable statutes,<sup>2</sup> CEHE has entered into a lease agreement with a mobile generation provider to secure emergency back-up generation capacity, with the lease agreement ending on June 30, 2029. This lease agreement also extended the lease term for certain temporary mobile generation units that CEHE had previously leased under a short-term lease agreement. CEHE has leased up to approximately 500 MW of temporary mobile generation units, with actual output depending on ambient and other operating conditions. CEHE has the following temporary mobile generation units to deploy, if necessary:

- Up to fifteen (15) mobile gas turbine generator sets capable of providing approximately 30 MW or more of power each depending on ambient and other operating conditions.
- Up to five (5) mobile gas turbine generator sets capable of providing approximately 5 MW or more of power each depending on ambient and other operating conditions.
- Appropriate support resources within prescribed times to transport and operate the equipment.
- CEHE expects to be able to operate the equipment until either the deactivation of the EOP or until affected customers are eligible to receive service (i.e. the statutory requirements are no longer met). Depending upon storm severity, this could range from 1-6+ weeks.

---

<sup>1</sup> Public Utility Regulatory Act, Tex. Util. Code §§ 39.918 (“PURA”)

<sup>2</sup> *Id.*



## CENTERPOINT ENERGY HOUSTON ELECTRIC

### **EMERGENCY OPERATIONS PLAN (EOP)**

---

Finally, based on system needs, and in coordination with appropriate government officials and regulators, CEHE will determine the potential location(s) where the back-up mobile generation facilities will be best utilized, to the extent possible based on actual conditions of a particular event. These determinations will be based on good utility practice, system conditions, and the circumstances and customer needs during each individual EOP event.<sup>3</sup> Some back-up mobile generation facilities listed above have been pre-positioned at certain locations in CEHE's service area. Under the long-term lease agreement, the mobile generation provider must provide transportation and assembly services if mobile generation facilities need to be relocated. CEHE will coordinate with the mobile generation provider in the event that the pre-positioned mobile generation facilities need to be relocated to other locations in CEHE's service area during an EOP event as operating conditions, road conditions, and other safety considerations permit.

CEHE's operation of back-up mobile generation facilities during an EOP event is not a guarantee against fluctuations, irregularities, or interruptions in delivery service. CEHE's operation of back-up mobile generation facilities is subject to the provisions in CEHE's PUCT-approved tariff, including, but not limited to, provisions related to quality of delivery service, emergencies and necessary interruptions, limitation of warranties, and limits on liability.

As referenced previously, the Company utilizes three emergency activation levels, designed to ensure sufficient resources are available to effectively respond to any type of event impacting CEHE's service territory. The alert levels may be activated, based on need, during a variety of event types. Please see Section A: Overview for additional details regarding the Company's response to emergency events.

---

<sup>3</sup> PURA §§ 39.918 (g)



## CENTERPOINT ENERGY HOUSTON ELECTRIC

### EMERGENCY OPERATIONS PLAN (EOP)

---

#### Long Lead Time Facilities

The Texas legislature amended the Public Utility Regulatory Act, adding § 39.918 Utility Facilities for Power Restoration After Widespread Power Outage. As a part of this statutory revision subsection (b)(2) addressed the need for transmission and distribution utilities (“TDUs”) to have long-lead time facilities.

The statute authorizes TDUs to take proactive measures to ensure they have the facilities necessary to aid in restoring service to customers following a widespread power outage, which is defined in the statute as an event that results in a loss of electric power that affects a significant number of TDU distribution customers and has lasted or is expected to last for at least eight hours and is a risk to public safety. Subsection (b)(2) specifically permits a TDU to “procure, own, and operate...transmission and distribution facilities that have a lead time of at least six months and would aid in restoring power to the utility’s distribution customers following a widespread power outage.” The statute further excludes from long-lead time facilities electric energy storage equipment or facilities under Chapter 35 of the Utilities Code. Subsection (h) states the “commission shall permit” a TDU that “procures, owns and operates facilities under Subsection (b)(2) to recover the reasonable and necessary costs of procuring, owning, and operating the facilities, using the rate of return” from the TDU’s last base rate proceeding. Based on the statute, long-lead time facilities are those that take at least six months to acquire and would be used to restore power after a widespread outage.

The Company interpreted Sec. 39.918(a) to apply to any widespread power outages resulting from several natural or man-made causes, including, but not limited to: tornados, hurricanes, microbursts, flooding, extreme heat/cold, fire events, or an intentional attack on the electric grid e.g., terrorist events, cyber-attacks. Given this statutory language, the Company undertook an evaluation to identify the facilities that are critical to restoring electric service following widespread power outages with a lead time of at least six months.

As a result of this regulation, the Company has added a specific long lead time facility (LLTF) designation for qualifying material items. Materials items are reviewed monthly to validate the long lead time and widespread power outage criteria are met. When both criteria are met, the material item is determined to be a qualifying LLTF material item and are designated as such.



**PROJECT NO. 53385**

<b>PROJECT TO SUBMIT</b>	<b>§</b>	<b>BEFORE THE</b>
<b>EMERGENCY OPERATIONS PLANS</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>AND RELATED DOCUMENTS</b>	<b>§</b>	<b>OF TEXAS</b>
<b>UNDER 16 TAC § 25.53</b>		

**CENTERPOINT ENERGY HOUSTON ELECTRIC**

~~APRIL 18~~ MARCH 15, 2023

Version 1.10

## TABLE OF CONTENTS

<b>Section</b>	<b>Page</b>
Overview	3
Communications Plan	
Introduction	8
Pre-Event Procedures	10
Duties During Event	12
Post Event Duties - Return to Normal Operations	15
ICS Implementation	
Introduction	17
Incident Action Planning Process	18
Organization	
Introduction	38
Command Staff Section	40
General Staff Section	50
Annexes	
Annex A – Weather Emergency Annex	104
Annex B – Load Shed Annex	108
Annex C – Pandemic and Epidemic Annex	112
Annex D – Wildfire Annex	121
Annex E – Hurricane Annex	123
Annex F – Cyber Security Annex	146
Annex G – Physical Security Incident Annex	153
Annex H – Mobile Generation/ <u>Long Lead Time Facilities</u> Annex	160

## Purpose and Scope

The purpose of this manual is to show how CenterPoint Energy Houston Electric, LLC (CEHE and/or the Company) prepares for, responds to, and recovers from events that require the activation of the Emergency Operations Plan.

## Section A: Overview

### A.1 Comprehensive Summary

#### A.1.2 Introduction

CEHE provides an essential public service that vitally affects the health, safety, comfort, and general well-being of the people living in the area served by the Company. The goal of the Company's Emergency Operations Plan (EOP) is to prepare for, mitigate against, respond to and recover from impacts from a potential hazard and safely restore service to our customers as safely, quickly, and efficiently as possible.

This EOP is written to support response plans to multiple different events including (but not limited to):

- Hurricane
- Winter Storm
- Severe Thunderstorm
- Pandemic
- Wildfire
- ERCOT Load Shed Event
- Heat/Cold Emergency

#### A.1.3 Goal

Consistent with the Public Utility Commission of Texas (PUCT) regulatory rules, industry practice, and state and local governments' interests, the primary goal of this EOP is the safe and orderly repair and restoration of the Company's electric service facilities after a weather-

related or other emergency event, so that public health and safety are protected, and service is restored to all customers in the minimum amount of time through the proper, safe and efficient use of all resources. The Company's goal is to safely restore the greatest number of customers in the least amount of time.

Experience has shown that the following factors are critical to successfully achieving this goal: extensive planning, training and exercises, adherence to established processes, and execution that can be scaled quickly to respond to and recover from the emergency situation. This plan provides a basic framework describing who does what and when and is flexible depending on the needs dictated by the emergency.

#### **A.1.4 Safety Practices within EOP**

All departments and organizations have standard operating and safety procedures that are well-practiced and adopted for their unique operating area and services. The EOP and Incident Command System (ICS) principles are intended to enhance, not replace, existing procedures. Each area involved in a response should integrate its standard operating and safety procedures as needed into their ICS roles as appropriate. It is important to review how conditions change during specific emergencies—fire, flood, hurricane, earthquake, tornado, hot/cold weather, etc.—and expand traditional safety procedures for any situation if needed.

Every response includes a Safety Officer who is tasked with developing the safety plan specific to the emergency and providing briefing and training to appropriate personnel. In a multi-jurisdictional or multi-discipline response, several organizations may have to contribute their safety procedures to the overall safety plan and agree to resolve any inconsistencies. Having a common safety environment for all responders will contribute to a safe and efficient response and make safety monitoring / observations consistent throughout the response area. In the absence of a formal "site safety plan" for the emergency response, departments should maintain their existing safety procedures as applicable to their response activities. If unknown hazards are encountered, or hazards are present for which safety procedures have not been developed, personnel should stop activities until adequate safety measures can be established.

#### **A.1.5 Key Components of CNP's Plan**

Key components of the EOP for the Company are the following:

- Disaster response guidelines
- Overview and use of the Incident Command System (ICS)
- Communication and notification plan for employees, customers, community leaders, emergency operation centers and regulators
- A centralized incident command center with an organization for command and control of emergency response teams
- Systems necessary to support outage management procedures and customer communications

**A.1.6 Authorities and References: The Public Utility Commission of Texas Substantive Rules – Chapter 25**

The PUCT adopted new P.U.C. Subst. R. §25.53 on February 25, 2022, which requires that each utility file an emergency operations plan (EOP) and executive summary under this section by ~~April 18, 2022~~ March 15<sup>th</sup> of each calendar year. A complete, unredacted copy of this plan is available at the Company’s main office for inspection by the PUCT or its staff. The rule is provided at the link below.

<https://www.puc.texas.gov/agency/ruleslaws/subrules/electric/25.53/25.53.pdf>

**A.1.7 Approval and Implementation**

The Company’s emergency operations plan and accompanying annexes are maintained and revised as needed by multiple departments within the organization. The combined document is ultimately reviewed and approved by the Senior Vice President Houston Electric and Senior Vice President and Deputy General Counsel.

**Revision Control Summary**

Date of Change	Version Number
April 18 2022	1.0
<u>March 15, 2023</u>	<u>1.1</u>

EOP Version 1.10, was approved by the entity on ~~April 18, 2022~~ March 15, 2023, and supersedes any previous EOP document.

#### A.1.8 Activation of Plan

##### Introduction

This plan provides a framework for the activation of the EOP. Events that may cause disruption to the area's electric service are varied and unpredictable as to severity and portion of the system affected.

In order to activate the plan, clear communication must be provided to all personnel involved in the planning, response and recovery phases supporting the restoration of electric service.

Electric Operations leadership, or authorized designees, shall have the following responsibilities:

- Activating the EOP when a system-wide storm emergency situation exists or a threat is imminent
- Directing all operations once the EOP is activated
- Keeping the President and Chief Executive Officer of CNP informed of system conditions, activities, and progress towards restoration of electric power under the EOP

##### Activation Alerts

The Company has a three-level alert system for weather and system conditions which are used in operations and are not exclusive to a hurricane, storm, weather related or other event. These three EOP levels are designed to ensure sufficient resources are available to effectively respond to any type of event impacting CEHE's service territory. The Company has implemented a tiered approach to Emergency Operations and utilizes three levels of the Emergency Operations Plan. The following is a summary of the alert levels that may be activated, based on the needs, during a specific type of event:

##### **EOP Level 1:**

- Short duration or low impact event affecting the entire CEHE service territory
- Severe impacts to only a specific area of the CEHE service territory
- Additional support roles may be needed

##### **EOP Level 2:**

- Medium duration and impact event

- Severe impacts to multiple areas of the CEHE service territory
- Additional support roles needed

**EOP Level 3:**

- High duration and impact event
- Severe impacts to all or nearly all areas of the CEHE service territory
- All support roles needed unless otherwise notified
- Individual department emergency plans and/or business continuity plans initiated as needed

**Regardless of the EOP level declared, employees must be prepared to respond.** Employees should connect with their supervisor and know their EOP role if any level of EOP is declared. If necessary and called upon, management is encouraged to release their employees from their normal responsibilities to assist in the EOP response. Since emergency events can change quickly, employees should be prepared to escalate response if necessary.

Employees who have an electric storm assignment that requires participation in any drills will be contacted by their EOP storm response leader and provided with instructions on where to report. For those who do not currently have a role, the EOP team will make assignments after determining where assistance is most needed.

Hazard specific response plans in the Annex of this Emergency Operations Plan identify specific activations triggers, authorities, and levels of activation depending on the specific response.

## Section B: Communications Plan

### A. INTRODUCTION

A critical component of the Company's response to any emergency is the communication of timely and accurate information to employees, customers, government officials, and other stakeholders. The primary objectives of the EOP Communications Plan are:

- 1) Collect information about the event and the progress being made to return the situation to normal conditions; and
- 2) Communicate this information in a timely and accurate manner to employees, management, the general public, governmental officials, and other key stakeholders through traditional and social media.

The EOP Communications Plan is designed to achieve the Company's communications objectives and may be implemented at the discretion of the Public Information Officer. The EOP Communications Plan consists of, but is not limited to, the following functions:

- Public Information Officer
  - Maintain the Company's credibility and reputation
  - Execution of key decisions and deliverables
  - Identification of appropriate communication channels during the event
  - After-action review to identify areas of plan enhancement
- Media Relations (Public Communications Manager)
  - Write news releases with safety tips
  - Hold news conferences, as necessary
  - Monitor news coverage
- Customer Communications (Director, Marketing)
  - Web Communications (Digital Channel Manager)
    - Web updates
    - Advertising support
    - Power Alert Service
    - Email communications

- Outbound customer phone calls
- Social Media (Marketing Creative and Brand Manager)
  - Monitor social media and public sentiment
  - Provide social media updates
  - Receive field reports from Crew Spokesperson Leads for neighborhood-level updates
  - Direct photography and video
  - Enable and manage employee ambassadors
- Customer Sentiment, Analytics and Reporting (Market Research Manager)
  - Conduct and analyze Voice of the Customer surveys for Contact Center, Social Media, and Web
  - Collect data from channels and prepare executive reports
  - Conduct post-event surveys as needed
- Employee Communications and Documentation (Employee Communications Manager)
  - Newsletters, intranet, digital signs
  - Setup and update Employee storm hotline, if necessary
- Customer Service (Customer Service Liaison Manager)
  - Liaison to Customer Service and Regulatory, including government liaisons
  - Respond to customer service requests on social media (Customer Experience Resolution Team (CERT) and OCS as needed)
- Crew Spokespersons (Crew Spokespersons Branch Director)
  - Liaison with the general public while crews perform restoration activities
  - Provide field reports to Web/Social Media Channel Branch
- Regulatory, Government Liaison (Director, Government Policy)
  - Communicate with county, state, regulatory and City of Houston officials

Although a team under the Public Information Officer will be organized and charged with performing specialized tasks during the emergency, everyone may be called upon to assume extra duties and responsibilities, including Minnesota and Indiana communications staff, as part of the overall team effort. Marketing will work in conjunction with Corporate Communications.

The Company maintains a 24-hour Call Center for customer service, so customer service personnel are available in the event of an emergency. To supplement these personnel during an emergency, the Manager of the Call Center may implement call-out procedures. At that time, additional personnel report to the call center. If necessary, other Company personnel designated for telephone duty will be notified to report to their temporary work assignment. The Company, during major storms, may activate a third-party High-Volume Call Answering system (HVCA) that can handle the maximum number of calls received. The HVCA system allows customers to report outages and generate an outage report to the Company's crews. The Manager of the Call Center works to adequately staff telephones until the emergency situation has ended.

## **B. PRE-EVENT PROCEDURES**

The Company strives to provide prompt notification about potential or actual events to the public through regular news releases and media advisories on current emergency status and restoration activities. This information is distributed to the media through multiple communication channels and posted on the Internet site of CenterPoint Energy, Inc. (CNP). The Public Information Officer arranges news conferences, media interviews, and access to restoration activities for news footage as needed. Collaboration with internal Marketing is also maintained for consistency in messaging to all stakeholders.

The Company maintains liaisons with various first responders and emergency management organizations, as well as third-party assistance agencies and public officials throughout the service area and communicates regularly with these groups regarding the status of electrical emergencies. Additionally, the Company provides required notifications to the PUC, ERCOT, the Department of Energy, the North American Electric Reliability Corporation (NERC), and the Texas Reliability entity, as appropriate.

In the event of an emergency, the communications team would operate at the Incident Command Center or at a designated location. The communications team will operate 24-hours-a-day, or as required until normal schedules can be resumed.

1. The communications team will set up a base of operations for communications personnel during the emergency. The following items will be set up and tested:
  - Phones

- Laptop computers with all needed software, applications and network access
  - Printers
  - TVs
  - Access to system outage maps and situational awareness displays via a large-screen monitor (dashboard)
  - CNP Now, the Company's employee communications digital app
2. Public Information Office personnel will be advised to:
    - Pack a bag of personal necessities
    - Bring personal cameras (i.e., smart phone) and chargers
    - Test individual remote access from outside the office to work computers
    - Minnesota and Indiana communications staff are on standby to back up the Houston staff, as necessary
  3. An extended work schedule of up to 16-hour shifts (or longer, if needed) may also be determined at this time; designated team members will be asked to make necessary arrangements to report for duty.
  4. The team will be responsible for communicating to CNP employees about the activation of the Company's Crisis Communications Plan, Storm Hotline activation and when/where to report to duty.
  5. Under the guidance of the Public Information Officer, the team also will have the responsibility for communicating to our external customers and the media before an event.
    - In the event of a crisis, contact with the local news media will be established as soon as deemed necessary
    - Pre-written media advisories will be distributed
    - Information on how to track outages and restoration information on demand (e.g., Outage Tracker Web application, Twitter feeds or other methods as may be used) will be distributed to news media outlets, emergency management organizations and other stakeholders and posted on our intranet and Internet sites to show number and locations of outages on our system, if necessary, along with information, including videos, on the restoration and prioritization process, FAQs, safety tips, etc.
    - Pre-storm advertising to alert the public about the length of potential outages,

safety tips and how to prepare

- CenterPointEnergy.com dark site (Web page to be used in the event main site is unavailable) will be updated and verified ready for use

### **C. DUTIES DURING EVENT**

1. Notification and Call-out - If the Crisis Communications Plan is implemented, decisions will be made including where and when to report for emergency duty, the nature of the emergency and other pertinent information.
2. Public Communications Manager will be responsible for public information distribution. The team will produce media advisories, news releases and/or other information for public distribution as required to communicate about CNP's event. The Public Information Officer or a designated person will approve the information.
  - Information will be collected from Distribution Evaluation (DVAL) and Central Evaluation (CVAL). In a natural gas emergency, information will be collected from the Gas Dispatching
  - The typical information to be collected at least twice a day or as needed includes the following:
    - Assessment of system conditions
    - Assessment of safety incidents
    - Number of customers without service and locations
    - Number of restoration crews and their work locations
    - Progress of restoration
    - Estimates of when service will be restored
    - Number of contract crews/mutual assistance and their work locations
    - Hazardous or potentially hazardous conditions
    - Crew spokesperson updates
    - Other updates as appropriate
3. News conferences may be held, as necessary, at various locations depending on the event and road conditions.
4. Calls, Social Media inquiries, Monitor Media and Control Rumors  
The team will be responsible for receiving, logging, referring and answering, as

appropriate, emails received through CNP’s media relations email address, media.relations@centerpointenergy.com. Social media will be monitored, captured and responded to as appropriate according to the company’s social response decision tree process, with a focus on responding to inquiries relevant to the greatest number of people. Customers submitting service requests via social media may be engaged by the Customer Experience Resolution Team (CERT) supported as needed by a scalable team of trained Online Customer Service staff and/or others as appropriate. The team will also be responsible for addressing rumors and misinformation as appropriate .

5. Under the Social Media Channel Manager, the social media team will be responsible for managing and monitoring the company’s social media channels.

Under the direction of the Social Media Channel Manager, before a storm and beginning Day 1 following a storm the team will perform the following:

- Monitor social media
- Determine hashtags to maximize social media audience reach
- Set up automated monitoring reports for stakeholders as needed

Initial content will provide existing general information and templates for system-wide specific information such as:

- Safety messaging – natural gas and electric – for before, during and after the storm
- Process expectations: how we restore power, what and how often we will communicate
- Resources: supplies to have on hand, where to get help, videos (how we restore power, FAQs, generator tips, etc.)
- System-wide outage counts updated on the same schedule as media advisories/news releases/other public communications
- System-wide estimated times of restoration (ETR) by category of storm until more specific ETRs are available
- “One-to-many” responses to inquiries with system-level information until more granular information is available
- Answers to questions from the field and rumor control

As damage assessment takes place, custom content that leverages the strengths of

social media will be added to initial pre-written content:

- CNP-produced news from content created for public officials, employees, mutual assistance crews
- Video coverage of news conferences (e.g., Emergency Operations Center or CNP), messages from executives, etc.
- Videos of crews in action, photos of damage submitted by CNP spokespeople, contract photographer(s) and damage assessors as well as drone videos and photos
- Enhanced outage map with ETR by large sub-areas of system and sub-system-level outage information/ restoration estimates in alignment with outage map
- “One-to-many” responses to inquiries with sub-area ETRs
- Information from crew spokesperson lead reports

Following the transition from damage assessment to creation of work packets and localized restoration, Crew Spokesperson Leaders (CSLs) – at least one per Service Center – will collect and document trends/issues/customer questions as well as field activities from crew leads as reported by crew spokespersons. CSLs participate in Service Area Director calls with ICC and emergency management personnel, commiserate throughout the day with service center operations and dispatching, and report to their designated social media team member or external communications writer throughout the day as information is available and at the end of each day in a scheduled phone report. These reports form the basis of neighborhood/service center-level messages to be shared with customers via social media as well as crew spokespeople and other stakeholders. Progress Reports include information such as the following for the service center area:

- Number and location of crews working in the area
- List of key/critical public facilities energized today
- Circuit/substation restoration progress (range of % complete) and Estimated Completion Date
- Potentially hazardous conditions
- Trends, issues, customer questions

For each service center, a Twitter hashtag is established to direct customers to more granular outage and restoration information to be provided by neighborhood-level data sources, with service center updates also posted on Facebook. Maps and zip code charts

will familiarize customers with the service center for their area. This information will be vetted by Safety and Legal as needed before posting online.

Under the direction of the Social Media Channel Manager, designated employee ambassadors will share approved Company content with their social networks, including closed networks such as Nextdoor.com and closed Facebook groups.

6. Employee Communications Manager responsibilities will include creating channels to be used to communicate to employees and will be updated at least twice a day or as needed:
  - Email
  - Intranet
  - Broadcast voice messages
  - Electric Employee storm line
  - Natural Gas Employee EOP Line, as appropriate
  - CNP Now
  - Special print and electronic news bulletins, as appropriate
  - Digital signs

#### **D. POST-EVENT DUTIES – RETURN TO NORMAL OPERATIONS**

When the Incident Commander determines that an emergency has ended, and the Public Information Officer (or designated person) will announce a return to normal operations. The team will notify Company departments, government offices and other appropriate stakeholders that communications with the Company can now be conducted through normal channels.

1. Critique Crisis Communication Plan Efforts. As soon as possible after the event, the team will analyze the effectiveness of their efforts and recommend improvements in the process.
2. Maintain Historical Record of Event. In conjunction with the Legal Department, the team will develop a historical record of the emergency. This record will include an event chronology, media advisories and news releases, media coverage, internal communications coverage and a summary report describing the event and CNP's response.

At the conclusion of the incident, and in coordination with Emergency Operations, the Incident Command team, and the Corporate Response Plan Team (when applicable), the Communications team participates in a thorough after-action review to identify areas of plan enhancement. Any necessary updates to the communication plan, policies and procedures are completed, along with necessary training to impacted functions for alignment on plan enhancements.

## Section C: ICS Implementation

The purpose of this section is to describe the operational organization utilized to respond to an EOP event and outline the various roles and responsibilities related to the EOP response. This section provides information on:

- The Incident Command System (ICS) and its utilization by the Company during an EOP event
- The ICS Planning Process as implemented by the Company

### C.1 Introduction to ICS at CNP

#### Introduction

This section provides an overview of the ICS and describes the manner in which departmental staff utilizes ICS to plan for, respond to, and recover from an EOP event.

#### History

ICS, a component of the National Incident Management System (NIMS), is a fundamental element of incident management which provides standardization through the use of common terminology and a scalable organizational structure. The ICS process and structure establishes clear roles and responsibilities and provides a process for aligning and documenting activities and information across organizations and departments. The Incident Command System (ICS) is a widely applicable management system designed to enable effective and efficient incident management by integrating a combination of facilities, equipment, personnel, procedures, and communications operating within a common organizational structure. ICS is normally structured to facilitate activities in five major functional areas: command, operations, planning, logistics, finance and administration. At each level of the ICS organization, individuals with primary responsibility positions have distinct titles which provide a common standard for all users.

ICS is based on 14 proven management characteristics, each of which contributes to the strength and efficiency of the overall system:

1. Common Terminology

2. Modular Organization
3. Management by Objectives
4. Incident Action Planning
5. Manageable Spans of Control
6. Incident Facilities and Locations
7. Comprehensive Resource Management
8. Integrated Communications
9. Establishment and Transfer of Command
10. Unity of Command and Span of Control
11. Unified Command
12. Dispatch/Deployment
13. Accountability
14. Information and Intelligence Management

## **C.2 Incident Action Planning (IAP) Process**

### **C.2.1 Summary**

In keeping with the NIMS ICS recommended practices, the Company will develop an Incident Action Plan (IAP) to help manage the response. Incident action planning ensures that the Company has a common operating picture when responding to an EOP event. The purpose of developing an IAP is to:

- Help achieve management by objectives
- Synchronize operations at the incident level
- Create an officially approved and documented plan for the next operational period
- Document a common set of objectives for response and recovery
- Ensure incident operations support the objectives

### **C.2.2** Introduction to Incident Action Planning at CNP

Incident action planning provides a standardized decision-making approach. The Incident Management Team (IMT) will be established for each event and can utilize incident action planning to collect, analyze, and disseminate information in order to create and maintain a common operating picture during the response to an emergency, such as a severe storm event. Incident action planning aligns objectives, resources, and schedules by establishing a single set of objectives and setting a regular frequency (operational period) for planning, communicating, and completing work. In addition, incident action planning provides a process to track objectives, tasks, and resources. The primary planning tool developed during each operational planning cycle is the IAP. An IAP:

- Establishes direction and priorities for operations in the form of overall objectives
- Establishes operational objectives for each IMT function and tracks the progress. I don't recall hearing about IMT before and am not sure how it' fits with the incident comment team, etc.
- Provides for accountability and reduces redundancy
- Provides valuable documentation for After-Action Reports

An IAP is comprised of a series of standard ICS forms that convey the incident status, objectives, work assignments, safety guidelines, and required resources. These forms should be utilized by the IMT, whenever possible. An IAP is produced by the Incident Command Center (ICC) for each operational period. It is approved by the Incident Commander prior to implementation. In general, an IAP will include the following elements:

- Cover page
- Incident objectives and priorities (ICS 202)
- Management structure (ICS 207)
- Kinds and numbers of response resources assigned (ICS 204)
- Medical plan (ICS 206)
- Safety guidelines (ICS 208)

- Daily meeting schedule (ICS 230)
- Tactics summary (ICS 234)
- Other information as required

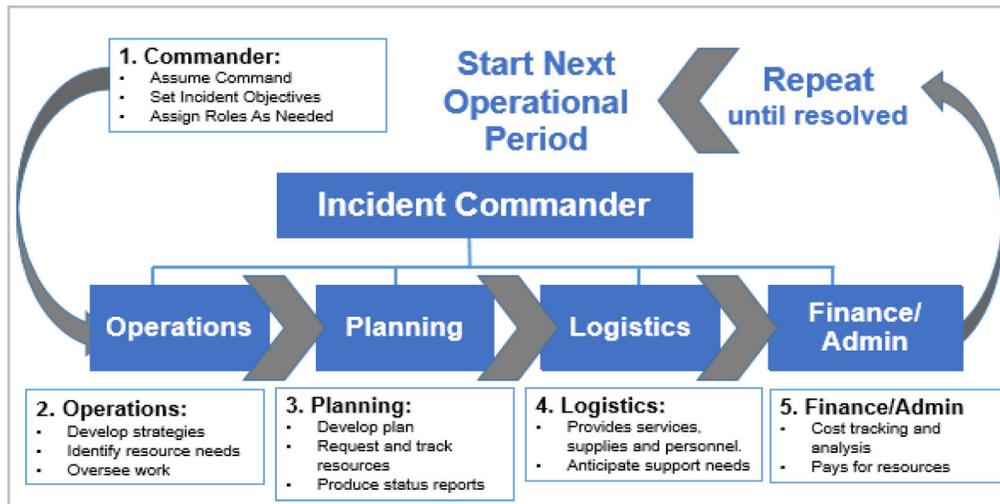
Incident action planning will occur for all events that require the activation of the EOP. However, depending on the event and level of activation, the use of all of the forms listed above is not required. It is the discretion of the Incident Management Team to decide which forms are applicable to the event. Activation of the EOP may also result in the activation of the ICC at the Greenspoint Annex Building, CNP Tower (13<sup>th</sup> Floor) or any other location the Incident Commander determines would best serve the response.

### **C.2.3** Correlation to ICS

As described earlier in this Manual, the Company has adopted the Incident Command System (ICS). ICS, a component of the National Incident Management System (NIMS), is a fundamental element of incident management which provides standardization through the use of common terminology and a scalable organizational structure. The ICS process and structure establishes clear roles and responsibilities and provides a process for aligning and documenting activities and information across organizations and departments.

The Company utilizes ICS to manage large-scale incidents. An IAP is developed within the ICS structure to plan CNP's response operations.

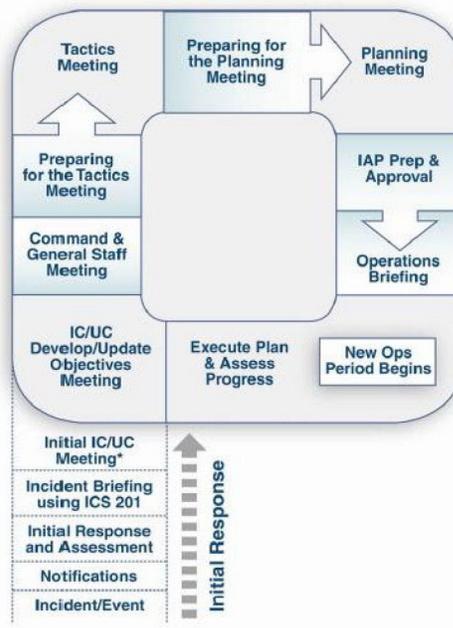
The basic process for Incident Action Planning by ICS role is summarized as follows. Specific requirements and responsibilities will vary by incident.



**C.2.4 Operational Planning Cycle/ Planning “P”**

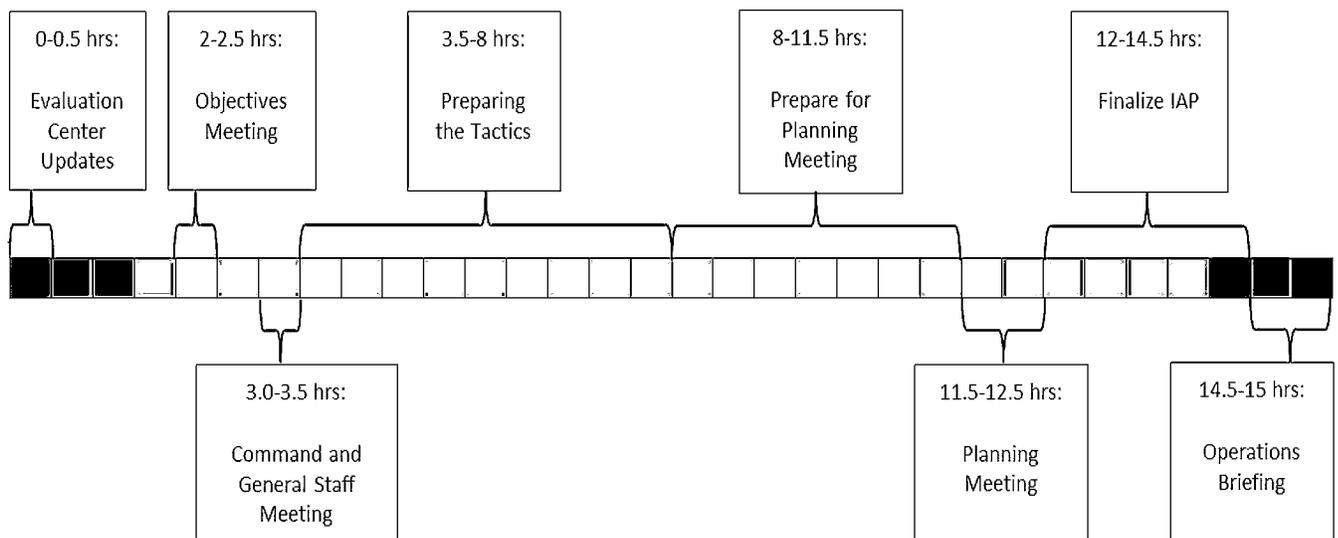
An IAP is developed for each operational period. Incident Action Planning is guided by the Planning “P” (see below).

**Operational Period Planning Cycle- “The Planning P”**



The Planning “P” is a guide to the process and steps involved in planning for an incident. The leg of the “P” describes the initial response period. Once the incident begins, the steps are Notifications, Initial Response and Assessment, Incident Briefing, and Initial Incident Command/Unified Command Meeting. The top of the leg of the “P” is the beginning of the first operational planning period cycle. The circular sequence outlines the planning meetings and steps that are completed in each operational period in order to develop an IAP. The steps in the circular portion of the Planning P are completed for each operational period until the IMT is demobilized.

The graphic below presents a timeline of the recurring planning meetings and steps and provides a guide as to when these steps should occur during a given 16-hour operational period:



**C.2.5 Initial Response and Assessment**

Initial Response and Assessment occurs immediately after a disaster or other event is identified and appropriate notifications are made. This initial response could include damage assessments made by the Company post hurricane landfall, outage evaluations post thunderstorm, or system status post cyber-attack. During the initial response to any incident, regardless of incident classification level, the status, incident objectives, and resources needed to effectively and efficiently respond to the incident may be communicated verbally.

Minimally, the following information should be communicated during the initial response period (before the IMT is fully activated and mobilized):

- Individual leading incident response
- Information regarding the threat (storm course, dates, times, and locations)
- Status of the impacts
- Current incident objectives
- Resources needed to meet incident objectives

#### **C.2.6 Evaluation Center Updates**

This step provides Operations Branch Directors an opportunity to receive an update on any progress achieved since the end of the previous operational period. It is also where the Branch Director will formally communicate the objectives for the operating period. These objectives were defined and communicated during the previous operational period. If this is the first operational period, this is the opportunity to define initial response objectives. The information collected in these updates will vary by branch, but should include:

- Services or repairs required at Company facilities;
- Initial damage observed;
- Resource status (personnel reporting, fleet, etc.);
- Outages; and
- Current day's actions (1st operational period) or objectives/tactics (2nd operational period)

A staff member from the Planning Section shall complete the Incident Briefing Form (ICS 201) based on the information provided during the evaluation center updates. The ICS 201 form serves as a permanent record of the situation status as of the start of the operational period.

### **C.2.7 Incident Brief**

This step provides a briefing of the event to the incoming Incident Commander and Command and General Staff early in the current operational period. For CNP, the incident briefing will take the form of a conference call where all evaluation centers submit a verbal situation report to the Incident Commander and the IMT. Safety concerns, initial impact assessments, and actions taken will be conveyed. The Command and General Staff will attend and the Incident Commander, Planning Section Chief or Emergency Operations will facilitate the discussion. Participants include:

- Incident Commander;
- Command Staff;
- General Staff;
- Section Chiefs (Operations, Logistics, Planning, and Finance);
- Applicable Operations Branch Directors (i.e. Distribution Operations, Transmission/Substation, Vegetation Management, Grid and Market Operations, Technology Operations); and
- Major Underground Manager (if applicable for the response).
- Other functional and support leaders as appropriate

A staff member from the Planning Section shall complete the Incident Briefing Form (ICS 201) based on the information provided during the incident briefing conference call.

#### **C.2.7.1 Meeting Details**

In preparation for the Incident Brief, a quiet space shall be reserved, and any maps or other materials needed to assist with situational awareness (e.g. damage assessment information) shall be made available to meeting participants.

**CENTERPOINT ENERGY HOUSTON ELECTRIC  
EMERGENCY OPERATIONS PLAN (EOP)**



<b>When:</b>	Before Objectives Meeting
<b>Attendees:</b>	Incident Commander Command and General Staff Branch Directors
<b>Facilitator:</b>	Planning Section Chief
<b>Tasks:</b>	<p><u>Incident Commander</u></p> <ul style="list-style-type: none"> <li>• Provides direction/guidance/clarification</li> <li>• Provides leadership presence and motivation</li> </ul> <p><u>Operations Section Chief and Branch Directors</u></p> <ul style="list-style-type: none"> <li>• Provide an update on current operations</li> </ul> <p><u>Technology Operations Officer</u></p> <ul style="list-style-type: none"> <li>• Provide an update on current operations</li> </ul> <p><u>Planning Section Chief</u></p> <ul style="list-style-type: none"> <li>• Facilitates the meeting</li> <li>• Resolves questions</li> <li>• Records action items as required</li> <li>• Updates on resource status</li> </ul> <p><u>Logistics Section Chief</u></p> <ul style="list-style-type: none"> <li>• Briefs transportation, communication, and supply issues</li> </ul> <p><u>Safety Officer</u></p> <ul style="list-style-type: none"> <li>• Provides a safety briefing</li> <li>• Other functional and support reports as appropriate</li> </ul>
<b>Outcomes:</b>	<ul style="list-style-type: none"> <li>• ICS 201 – Incident Brief</li> </ul>

### **C.2.8 Objectives Meeting**

The purpose of the Objectives Meeting is to establish incident objectives for the next operational period. Incident objectives shall be specific, measurable, action-oriented, realistic, and time-sensitive (SMART). Incident objectives are established based on the following priorities:

- Safety (workforce, public, etc.).
- Incident stabilization and/or restoration of operations and services
- Property preservation

In addition to establishing incident objectives during the Objectives Meeting, the Incident Commander may also set response priorities, identify any limitations and constraints, and develop guidelines for the IMT to follow. Products (ICS forms and other documentation) resulting from the Objectives Meeting will be presented at the Command and General Staff meeting. For recurring meetings (Objective Meetings in subsequent operational periods), products from the previous Objectives Meeting will be reviewed and updated as needed.

The initial Objectives Meeting shall be held as soon as reasonably possible after the IMT (including the ICC and evaluation centers) are able to convene and/or at the direction of the Incident Commander. The Objectives Meeting and the Command and General Staff Meeting may be combined if practical. The duration of the Objectives Meeting should not exceed 30 minutes.

#### **C.2.8.1 Meeting Details**

In preparation for the Objectives Meeting, a quiet space shall be reserved and any maps or other materials needed to assist with situational awareness (e.g. damage assessment information) shall be made available to meeting participants.

<b>When:</b>	<b>Before Command Staff Meeting</b>
<b>Attendees:</b>	<b>Incident Commander</b>  <b>Command Officers and General Staff Section Chiefs</b> <b>Situation Planning Branch Director</b>
<b>Facilitator:</b>	<b>Incident Commander or Planning Section Chief</b>
<b>Tasks:</b>	<p><b><u>Incident Commander</u></b></p> <ul style="list-style-type: none"> <li>• <b>Develop incident objectives and command emphasis (ICS 202)</b></li> <li>• <b>Develop tasks for Command and General Staff in response to open items (ICS 233)</b></li> </ul> <p><b><u>Planning Section Chief</u></b></p> <ul style="list-style-type: none"> <li>• <b>Facilitate and document meeting</b></li> <li>• <b>Propose draft objectives to Command</b></li> </ul>
<b>Outcomes:</b>	<ul style="list-style-type: none"> <li>• <b>ICS 202 - Incident Objectives</b></li> <li>• <b>Updated ICS 233 – Incident Open Action Tracker</b></li> </ul>

### **C.2.9 Command and General Staff Meeting**

The Command and General Staff Meeting is an opportunity for the Incident Commander to meet with the Command and General Staff and Branch Directors to present their decisions and management direction. The Command and General Staff Meeting clarifies and helps to ensure understanding among the leadership on the decisions, objectives, and priorities determined by the Incident Commander. In addition to the information provided by the Incident Commander, the Operations Section Chief, Planning Section Chief, and Situation Planning Branch Director may also provide situation updates.

The Command and General Staff Meeting shall be held immediately following the Objectives Meeting. The duration of the Command and General Staff Meeting should not exceed 30 minutes.

**CENTERPOINT ENERGY HOUSTON ELECTRIC**  
**EMERGENCY OPERATIONS PLAN (EOP)**



**C.2.9.1 Meeting Details**

In preparation for the Command and General Staff Meeting, the facilitator shall review the meeting agenda, current IAP (ICS 201 or IAP from previous operational period), status information, and the upcoming operational period’s objectives.

<b>When:</b>	<b>Following the Objectives Meeting and prior to Preparing the Tactics</b>
<b>Attendees:</b>	<b>Incident Commander Command and General Staff  Branch Directors</b>
<b>Facilitator:</b>	<b>Planning Section Chief</b>
<b>Tasks:</b>	<p><b><u>Incident Commander</u></b></p> <ul style="list-style-type: none"> <li>• Review status of open actions, work assignments (tasks) from previous meeting (ICS 233).</li> <li>• Present objectives for the upcoming operational period.</li> </ul> <p><b><u>Operations Section Chief</u></b></p> <ul style="list-style-type: none"> <li>• Provide update on current operations.</li> </ul> <p><b><u>Planning Section Chief</u></b></p> <ul style="list-style-type: none"> <li>• Facilitate meeting.</li> <li>• Facilitate discussion on proposed objectives.</li> </ul> <p><b><u>Situation Planning Branch Director</u></b></p> <ul style="list-style-type: none"> <li>• Remind staff to begin preparing tactics.</li> </ul> <p><b><u>Status Documentation Branch Director</u></b></p> <ul style="list-style-type: none"> <li>• Document meeting and distribute meeting materials.</li> <li>• Other function and support reports as appropriate</li> </ul>
<b>Outcomes:</b>	<ul style="list-style-type: none"> <li>• Updated ICS 202 - Incident Objectives, if necessary</li> <li>• Updated ICS 233 - Incident Open Action Tracker, if necessary</li> </ul>

**C.2.10** Preparing the Tactics

This is a period of time where strategies and tactics are developed for later discussion and review at the Planning Meeting. In particular, the Operations Branch Directors and Planning Liaisons will review incident objectives (ICS 202) to determine responsibilities of the Operations Branch Directors and consider Command priorities. The Operations Branch Directors will then work with his/her Section Chiefs and Coordinating Staff to develop strategies and tactics to meet the incident objectives. Additionally, the Safety Officer will evaluate and plan for potential safety hazards.

**C.2.10.1** Details

The Operation Branch Directors, with support from their Planning Liaisons and Coordinating Staff, must determine the strategies and tactics required to accomplish the Incident Commander’s objectives. The ICS 234 Tactics Worksheet will be used to work through and document this process. Also, the Planning Liaisons shall ensure that the material, information, and resources that will be presented at the Planning Meeting are organized and accurate. The time allocated for the preparation of tactics will vary depending on the incident and stage of the response. For example, a large-scale Hurricane, Storm or Ice response with 16-hour IMT work shifts, longer time periods maybe allocated for this activity. Other events should adjust this planning time accordingly.

<b>When:</b>	<b>Following the Command and General Staff Meeting and prior to the preparing for the Planning Meeting</b>
<b>Participants:</b>	<b>Operation Branch Directors Planning Liaison  Logistics Liaison Safety Officer  Technical Specialists, as needed</b>
<b>Facilitator:</b>	<b>Planning Liaison</b>

**CENTERPOINT ENERGY HOUSTON ELECTRIC**  
**EMERGENCY OPERATIONS PLAN (EOP)**



<p><b>Tasks:</b></p>	<p><u>Operations Branch Directors and supporting staff</u></p> <ul style="list-style-type: none"> <li>• Develop draft strategies and tactics for incident objectives (ICS 234)</li> </ul> <p><u>Planning Liaisons</u></p> <ul style="list-style-type: none"> <li>• Synthesize information to prepare for the Planning Meeting</li> <li>• Provide information regarding resource status to the Operations Branch Directors</li> </ul> <p><u>Logistics Liaisons</u></p> <ul style="list-style-type: none"> <li>• Provide information regarding the status of available materials and supplies to the Operations Branch Directors</li> </ul>
<p><b>Outcomes:</b></p>	<ul style="list-style-type: none"> <li>• ICS 234 - Tactics Worksheet</li> </ul>
<p><b>Reports due from:</b></p>	<ul style="list-style-type: none"> <li>• Major Underground</li> <li>• Incident Command</li> <li>• Transmission/Substation</li> <li>• Technology Operations</li> <li>• Distribution</li> <li>• Additional Areas as required</li> </ul>

**C.2.11 Prepare for Planning Meeting**

This is a period of time whereby the Command and General Staffs prepare for the upcoming Planning Meeting. As such, all draft strategies and tactics developed to accomplish the incident objectives for the next operational period will need to be completed.

**C.2.11.1 Preparation Details**

Prior to the Planning Meeting, the Command and General Staff will need to work together to prepare for the Planning Meeting. The Planning Section Chief shall facilitate/support the preparations for the Planning Meeting. The Planning Section Chief also ensures the material, information, and resources used or discussed in the Planning Meeting are completed and ready for presentation during the meeting. Concurrently, the Operations Section Chief will prepare a final draft of the ICS 234, based on input from the Preparing the Tactics, operations updates, and coordination with the Planning Section, as needed.

For the beginning of a large-scale response with 16-hour IMT shifts, 3.5 hours is allocated for this activity. Adjust this time accordingly for other responses with shorter operational periods.

<b>When:</b>	<b>Following the Preparing the Tactics and prior to the Planning Meeting</b>
<b>Participants:</b>	<b>Command Staff General Staff  Technical Specialists, as needed</b>
<b>Facilitator:</b>	<b>Planning Section Chief</b>

<p><b>Tasks:</b></p>	<p><b>PREPARATION FOR PLANNING MEETING</b></p> <p><u><b>Incident Commander</b></u></p> <ul style="list-style-type: none"> <li>• Prepare further guidance/clarification</li> <li>• As needed, meet informally with appropriate staff members</li> </ul> <p><u><b>Operations Section Chief</b></u></p> <ul style="list-style-type: none"> <li>• Prepare operations update</li> <li>• Prepare final draft of the Tactics Worksheet (ICS 234)</li> <li>• Coordinate with other staff as needed.</li> </ul> <p><u><b>Situation Planning Branch Director</b></u></p> <ul style="list-style-type: none"> <li>• Prepare final draft of the Incident Objectives (ICS 202)</li> <li>• Prepare final draft of the Incident Organization Chart (ICS 207)</li> <li>• Prepare final draft of the Daily Meeting Schedule (ICS 230)</li> <li>• Assist with final draft of the Tactics Worksheet (ICS 234)</li> </ul> <p><u><b>Logistics Section Chief</b></u></p> <ul style="list-style-type: none"> <li>• Consider support requirements to support IAP</li> <li>• Verify support requirements</li> </ul> <p><u><b>Resource Acquisition / Resource Unit Branch Directors</b></u></p> <ul style="list-style-type: none"> <li>• Prepare final draft of Resource Summary (ICS 204)</li> </ul> <p><u><b>Safety Officer</b></u></p> <ul style="list-style-type: none"> <li>• Prepare final draft of the Medical Plan (ICS 206)</li> </ul>
	<ul style="list-style-type: none"> <li>• Prepare final draft of the Safety Plan (ICS 208)</li> </ul>
<p><b>Outcomes:</b></p>	<ul style="list-style-type: none"> <li>• Final drafts of:             <ul style="list-style-type: none"> <li>○ ICS 202 – Incident Objectives</li> <li>○ ICS 204 – Resource Summary</li> <li>○ ICS 206 – Medical Plan</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ ICS 207 – Incident Organization Chart</li> <li>○ ICS 208 – Safety Plan</li> <li>○ ICS 230 – Daily Meeting Schedule</li> <li>○ ICS 234 – Tactics Worksheet</li> </ul>
--	---

**C.2.12 Planning Meeting**

The Planning Meeting is the culmination of all meetings that have taken place prior to this meeting. The Planning Meeting provides the opportunity for the Incident Commander, Command Staff, and General Staff to review and validate the proposed tactical plan to achieve the Incident Commander’s direction, priorities, and objectives.

The Operations Section Chief will present the tactical plan that was developed to meet the Incident Commander’s objectives, including proposed resources, and support requirements. In turn, attendees will review and provide feedback on the proposed plan.

The Planning Meeting provides the opportunity for Command and General Staff to discuss and resolve any issues and concerns prior to assembling the IAP. After the review is complete and updates are made, the attendees commit to support the plan. The final IAP is compiled following the Planning Meeting.

The duration of the Planning Meeting should not exceed 1 hour.

**C.2.12.1 Meeting Details**

When:	Following the Preparing of Tactics and preparations for the Planning Meeting
Attendees:	Incident Commander Command Staff General Staff  Situation Planning Branch Director Resource Acquisition Branch Director

**CENTERPOINT ENERGY HOUSTON ELECTRIC  
EMERGENCY OPERATIONS PLAN (EOP)**



	Status Documentation Branch Director Technical Specialists, as needed
Facilitator:	Planning Section Chief
Tasks:	<p><u>Incident Commander</u></p> <ul style="list-style-type: none"> <li>• Ensure all direction, priorities, and objectives have been met</li> <li>• Provide further direction and resolve differences as needed</li> <li>• Give approval of proposed IAP</li> </ul> <p><u>Operations Section Chief</u></p> <ul style="list-style-type: none"> <li>• Present an operations update</li> </ul>
	<ul style="list-style-type: none"> <li>• Present plan of action</li> </ul> <p><u>Planning Section Chief</u></p> <ul style="list-style-type: none"> <li>• Facilitate meeting</li> <li>• Facilitate discussion on the proposed plan</li> <li>• Record action items</li> </ul> <p><u>Resource Acquisition / Resource Unit Branch Director</u></p> <ul style="list-style-type: none"> <li>• Present resource status</li> </ul> <p><u>Status Documentation Branch Director</u></p> <ul style="list-style-type: none"> <li>• Document meeting</li> </ul>
Outcomes:	<ul style="list-style-type: none"> <li>• Final Incident Action Plan: <ul style="list-style-type: none"> <li>○ ICS 202 – Incident Objectives</li> <li>○ ICS 204 – Resource Summary</li> <li>○ ICS 206 – Medical Plan</li> <li>○ ICS 207 – Incident Organization Chart</li> <li>○ ICS 208 – Safety Plan</li> <li>○ ICS 230 – Daily Meeting Schedule</li> <li>○ ICS 234 – Tactics Worksheet</li> </ul> </li> </ul>

**C.2.13 IAP Preparation and Approval**

Following the Planning Meeting, IMT members must complete the assigned tasks/products that are required for inclusion in the IAP. IMT members must meet the deadlines set by the Planning Section Chief so that the Planning Section has requisite time to assemble the IAP components.

**C.2.13.1 IAP Preparation and Approval Process Information**

When:	Immediately following the Planning Meeting
Facilitator:	Planning Section Chief
Tasks:	<p><u>Incident Commander</u></p> <ul style="list-style-type: none"> <li>• Reviews, approves, and signs IAP</li> </ul> <p><u>Operations Section Chief</u></p> <ul style="list-style-type: none"> <li>• Provides required information for inclusion in the IAP</li> <li>• Works with the Planning Section to ensure the organizational chart and ICS 204s are complete</li> </ul> <p><u>Planning Section Chief</u></p> <ul style="list-style-type: none"> <li>• Reviews IAP for completeness</li> <li>• Provides completed IAP to Incident Commander for review/approval</li> </ul> <p><u>Status Documentation Branch Director</u></p> <ul style="list-style-type: none"> <li>• Facilitates gathering of required documents and assembles IAP</li> <li>• Distributes IAP to the appropriate parties and files the original</li> </ul> <p><u>Logistics Section Chief</u></p> <ul style="list-style-type: none"> <li>• Reviews Logistics Section products for completeness</li> <li>• Provides logistics information for the IAP</li> <li>• Verifies resources ordered status</li> </ul> <p><u>Finance/Admin Section Chief</u></p> <ul style="list-style-type: none"> <li>• Verifies financial and administrative requirements for the IAP</li> </ul>

**CENTERPOINT ENERGY HOUSTON ELECTRIC**  
**EMERGENCY OPERATIONS PLAN (EOP)**



IAP Components	Form	Final Responsibility to Complete
	Cover Page	Planning Section Chief
	ICS 202: Incident Objectives	Planning Section Chief
	ICS 204: Field Assignment List	Resource Unit Branch Director, in coordination with the Resource Acquisition Branch Director
	ICS 206: Medical Plan	Safety Officer
	ICS 207: Incident Organization Chart	Situation Planning Branch Director
	ICS 208: Safety Message	Safety Officer
	ICS 230: Daily Meeting Schedule	Situation Planning Branch Director
	ICS 234: Tactics Worksheet	Operations Section Chief, in coordination with Planning Section

**C.2.14 Operations Briefing**

The Operations Briefing is conducted at the end of each operational period. At the Operations Briefing, the IAP is presented to supervisors of tactical resources. During the Operations Briefing, the Operations Section Chief briefs the organization and provides clarification regarding any of the tactical assignments. Command and General Staff provide information regarding other key information as necessary. The Operations Briefing shall be 30 minutes or less in duration.

**C.2.14.1 Meeting Details**

When:	At the start of the next operational period.
Attendees:	Incident Commander Command and General Staff Branch Directors

**CENTERPOINT ENERGY HOUSTON ELECTRIC**  
**EMERGENCY OPERATIONS PLAN (EOP)**



Facilitator:	Planning Section Chief
Tasks:	<p><u>Incident Commander</u></p> <ul style="list-style-type: none"> <li>• Provides guidance/clarification</li> </ul>
	<ul style="list-style-type: none"> <li>• Provides leadership presence and motivational remarks</li> </ul> <p><u>Safety Officer</u></p> <ul style="list-style-type: none"> <li>• Provides a safety briefing</li> </ul> <p><u>Operations Section Chief and Branch Directors</u></p> <ul style="list-style-type: none"> <li>• Provide an update on current operations</li> <li>• Provide Operational Briefing for next operational period</li> </ul> <p><u>Planning Section Chief</u></p> <ul style="list-style-type: none"> <li>• Set-up briefing area</li> <li>• Facilitates Command and General Staff and attendees briefing responsibilities</li> <li>• Resolves questions</li> <li>• Explains support plans as needed</li> </ul> <p><u>Logistics Section Chief</u></p> <ul style="list-style-type: none"> <li>• Briefs transportation, communication, and supply issues</li> </ul> <p><u>Finance/Admin Section Chief</u></p> <ul style="list-style-type: none"> <li>• Briefs administrative issues and provides financial report</li> </ul>
Outcomes:	The IMT, especially Operations Section Branch Directors, have a clear understanding of the IAP and the incident objectives for the next operational period.

## Section D: Organization

### D.1 Introduction

The Command, Coordination, and Integrated Communications component of NIMS describes the systems, principles, and structures that provide a standard, national framework for emergency management. Regardless of the size, complexity, or scope of the emergency, effective command, and coordination—using flexible and standard processes and systems—helps safely and efficiently manage the emergency. To ensure that entities with a functional role in emergency management can seamlessly integrate, NIMS encourages common principles, such as terminology, management by objectives, a modular organization, and others to enhance the effectiveness of command, coordination, and communications.

#### Modular Organization

ICS and Emergency Operations Center (EOC) organizational structures develop in a modular fashion based on an emergency's size, complexity, and hazard environment. Responsibility for establishing and expanding ICS organizations and EOC teams ultimately rests with the IC (or Unified Command (UC)). As emergency complexity or duration increases, organizations expand as the IC / UC, and subordinate supervisors delegate additional functional responsibilities.

The ICS consists of a standard management hierarchical chain of command that expands, and contracts based on the size and needs of emergencies. Through this scalable organization, everyone fulfilling each role has a clear route, if not means, of communications up and down the chain of command and pre-established responsibilities. To maximize resources only positions that are required at the time should be established.

The purpose of this section is to describe the various sections of the ICS organization that could be utilized to respond to an EOP event. This section also outlines the various roles and responsibilities related to the EOP response. This section provides information on:

- Tasks assigned to the five functional areas (Command, Operations, Planning, Logistics and Finance).
- The interrelationship between those functional areas.

ICS Overview

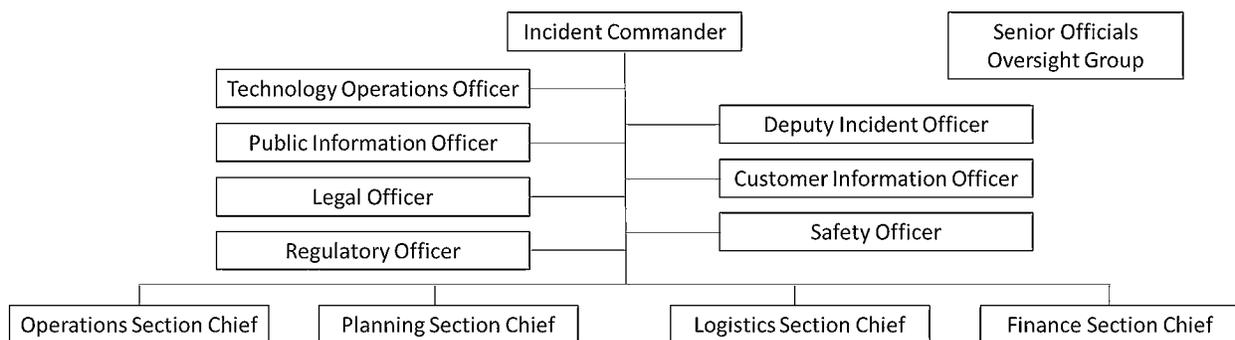
ICS is modular by design and it expands and contracts to fit the incident needs while helping to manage Span of Control (number of resources reporting to any single supervisor). The review of each ICS tool should be deliberate and thoughtful, understanding that ICS is based on a standardized incident management system that has proven to be successful across many disciplines and used across multiple disaster types. Minor modifications are made to fit the mission and resources of the CNP emergency response along with the nature and type of the disaster. Substantial deviation from accepted ICS principles may result in a system that is not recognized by other response partners and could potentially have an adverse impact on the coordination that is necessary during large scale disasters.

Unified Command (UC) UC is an authority structure in which the role of the IC is shared by two or more individuals, each already having authority in a different responding departments. UC is especially helpful for managing events involving multiple departments or business units where the responding organizations and/or areas share responsibility and management for the emergency (Multi-agency Coordination or MAC). If a UC is erected, ICs representing departments or areas that share responsibility for the emergency can manage the emergency response from a single, co-located Incident Command Post.

CNP utilizes the ICS as the baseline for all EOP Response Events. Unified Command may be established at the discretion of the Incident Commander and with the authority of the Senior Oversight Committee/Corporate Response Team (CRPT).

CNP staff members responding to an EOP event are designated as Command Staff or General Staff following the ICS recommended guidelines. The Company’s recommended EOP organization of Command Staff and General Staff is below.

CenterPoint Energy Houston Electric EOP ICS Main Structure:



**D.1.1 Senior Officials Oversight Group**

The Senior Officials Oversight Group or Corporate Response Planning Team, depending on the incident, delegates authority to the Incident Commander. In doing so, they assign the responsibility for all aspects of the restoration effort to the designated Incident Commander. The Senior Official Oversight Group/CRPT has an on-going responsibility to provide policy direction, financial support and strategic direction over the course of the response. They also continuously monitor the situation as an on-going risk assessment to ensure the safety/stability of the company.

**D.1.2 Command Staff**

Command Staff positions are established to assign responsibility for key activities not specifically identified in the General Staff functional elements. Note that although the Senior Officials Oversight Group is documented on the above ICS Organization Chart, they are not actually a part of Command.

Command Staff positions, a high-level description of their responsibilities and a reference of where to find more detailed information is provided in the table below:

Position	General Responsibilities	Reference
Incident Commander	Provides overall leadership for the incident response, delegates authority to others, establishes incident objectives and directs staff to develop the Incident Action Plan (IAP)	<u>Section D.2.2</u>
Public Information Officer	Interfaces with the public, media, and employees to provide incident-related information. Interfaces with local, state and federal agencies to provide incident-related information and coordinate response efforts	<u>Section D.2.3</u>
Safety Officer	Monitors all safety and environmental procedures	<u>Section D.2.4</u>
Technology Operations Officer	Ensures that systems that are essential for projecting and dealing with a storm’s impact are operating in a reliable manner	<u>Section D.2.5</u>

**CENTERPOINT ENERGY HOUSTON ELECTRIC**  
**EMERGENCY OPERATIONS PLAN (EOP)**



Customer Information Officer	Interfaces directly with customers to gather information and provide incident-related information	<a href="#">Section D.2.6</a>
Regulatory Officer	Provides guidance and discusses regulatory issues impacting the response	<a href="#">Section D.2.7</a>
Legal Officer	Provides guidance and discusses legal issues impacting the response	<a href="#">Section D.2.8</a>

**D.1.3 General Staff**

General Staff positions are established to assign responsibility for the major functional elements of ICS, including planning, operations, logistics and finance.

General Staff positions, a high-level description of their responsibilities and a reference of where to find more detailed information is provided in the table below:

Position	Responsibilities	Reference
Operations Section Chief	Implements the strategy and tactics and actively pursues the objectives laid out in the Incident Action Plan	<a href="#">Section D.3.2</a>
Planning Section Chief	Ensures the incident response is run in a cohesive and proactive manner	<a href="#">Section D.3.3</a>
Logistics Section Chief	Provides facilities, services and material in support of the incident	<a href="#">Section D.3.4</a>
Finance Section Chief	Coordinates the finance operations for the incident response	<a href="#">Section D.3.5</a>

**D.2 Command Staff Section**

**D.2.1 Summary**

The Incident Commander provides overall leadership for the incident response. A Deputy Incident Commander may be assigned as necessary.

The command staff functions are directed by the Incident Commander and are usually responsible for the customer and public information, liaison, safety, legal and technology services aspects of the response. Emergency Operations may also be included in the Command Staff to provide support to response operations. Command staff report directly to the Incident Commander. Command Staff may assign Assistants as necessary.

### **D.2.2 Incident Commander**

#### **Summary**

Solely responsible for the emergency effort, including establishing incident objectives and ensuring activities are directed towards accomplishing those objectives. Fulfills role of organizational manager and manages the organization, not the incident.

#### **Responsibilities**

The Incident Commander has the following responsibilities:

- Declare activation of the EOP
- Authorize the establishment of the Incident Command Center and identifies the location
- Set the schedule for and conducts periodic briefings and staff meetings with Command and General Staff
- Determine objectives for dealing with the incident
- Authorize the implementation of the IAP
- Help with data or technical assistance needed to support the effort
- Ensure appropriate section chiefs provide plans and reports
- Approve necessary purchases and requests exceeding an established amount
- As necessary, approve the acquisition and release of incident resources
- Approve transfer of command and transition plans
- Reports to the Senior Official Oversight Group, CRPT or other authorities about the status of the incident response
- Approves IAPs

- As necessary, approvals for purchases, acquisition and release of resources and transfer of command and transition plans

### **D.2.3 Public Information Officer**

#### Summary

The Public Information Officer plays an important role in providing accurate and timely information and projecting the image of incident response before the media, public, governmental officials and employees. The Public Information Officer strives to maintain the company's credibility and reputation. Incident responsibilities include the execution of key decisions and deliverables through advance work preparation, the identification of appropriate communication channels during the event and a robust after-action review to identify areas of plan enhancement.

#### Responsibilities

The Public Information Officer works directly with the Incident Commander at the Incident Command Center.

#### The Public Information Officer

- Plans, coordinates, and implements an effective public information program to support the objectives of the IAP through:
  - Media Relations
    - Write news releases with safety tips
    - Conduct and coordinate media interviews and respond to media inquiries
    - Act as primary Company spokesperson and identify subject matter experts most appropriate to speak on behalf of the Company
    - When necessary, hold press conferences with media and local officials
    - Maintain current talking points and FAQs

- Collaborate with legal on approval of all external facing material and mark collateral as appropriate should it be protected
- Monitor social media
- Customer and other external communications
  - Collaborate with Marketing Communication to ensure customer communication channels align with Company position at all stages of event
  - Web updates
  - Inform customer email communication
  - Social media monitoring
  - Power Alert Services (if applicable)
  - Text Notifications
  - Customer bill notifications
  - Advertising support (if applicable)
  - Liaison to Customer Service
- Employee communications and documentation
  - Provide real-time updates to employees via email and intranet
  - Direct photography and video needs when necessary
  - Graphics support
  - Assist in setup of storm hotline, if necessary
  - Collaborate with Human Resources to inform on employee assistance needs
  - Collaborate with Corporate Security to inform employees on any security related updates

- Point of Contact for EOCs, Regulatory Agencies and Elected Officials
  - Collaborate with points of contact to maintain listing of all EOC, Regulatory and Elected Officials Liaisons and their assignments
  - Collaborate with members of ICS to monitor incident operations and provide guidance and support to Liaisons as needed
  - Provides real-time information to Liaisons who act as the point of contact for Federal, State and local government representatives, keeping supporting officials aware of the incident status
  - Stays aware of all changes in emergency project operations, policies and plans in order to provide the most current and accurate information
  - Provides information to emergency project personnel, headquarters personnel, industry representatives, elected officials, regulatory agency personnel and others, as necessary
  - Provides training, guidance and talking points as needed, to government liaisons on proper procedures for dealing with the media and onsite customer interests which may impede the work of operations
  - Coordinates and assist emergency project personnel when it is necessary or desirable for them to be interviewed by the media
  - Collects and disseminates information regarding the status of CNP's system(s) to elected officials, regulatory agencies, and emergency management personnel.
- Community Outreach and Humanitarian Assistance Efforts
  - Assess the need for community support and Company's ability to assist, either directly or through the financial contributions to third-party agencies
  - Collaborate with CenterPoint Energy Foundation, and its Board as necessary, to identify available funds for community assistance if appropriate
  - Collaborate with Community Relations to identify opportunities for volunteer, food, basic necessity assistance, as appropriate

- After-Action Review
  - At the conclusion of the incident, and in coordination with the ICS and the CRPT, participate in a thorough after-action review to identify areas of plan enhancement
  - Complete necessary updates/training with impacted functions to ensure alignment on plan enhancements identified
  - Update any policies and procedures as a result of the conclusions obtained in the after-action review

#### **D.2.4 Safety Officer**

##### **Role**

The Safety Officer monitors incident operations and advises the Incident Commander on all matters relating to operational safety, including the health and safety of CNP EOP personnel.

##### **Responsibilities**

The Safety Officer works directly with the Incident Commander at the Incident Command Center.

The Safety Officer has the following responsibilities:

- Addresses all work safety issues and accidents or incidents for the Company and visiting utility and contract crews
- Interfaces between the Company and Safety personnel of visiting utility and contract crews
- Interfaces with state and federal safety entities as the need arises
- Coordinates safety orientations for all mutual assistance crews and all Contract crews before they are allowed to begin working on the CNP system
- Conducts daily safety briefings with internal and external Safety Representatives

- Conducts jobsite inspections of internal and external crews to ensure that safety rules are being followed and good work practices are being used

#### **D.2.5 Technology Operations Officer**

##### **Role**

The Information Technology Officer provides the most reliable processing of storm-essential and storm-contingent systems to ensure the primary goal of the EOP is met as expeditiously as possible.

##### **Responsibilities**

The Information Technology Officer works directly with the Incident Commander at the Incident Command Center.

The Technology Operations Officer has the following responsibilities:

- Conduct pre-storm planning activities to identify critical and contingent systems that must be maintained during an incident
- Develop a structure to support the various systems and functions on a 24-hours basis
- Provide support for the following:
  - Customer Information System
  - Outage Management System, Advanced Distribution Management System and Graphical Switching
  - Enterprise Mobile Data
  - EAI
  - Batch scheduling and mainframe automation
  - Data security
  - Change management
  - Mainframe operations
  - Help desk services (including Desktop Support)

- LAN services
- UNIX services
- Telecommunications and networks
- Digital Design Studio engineering and tools
- Database management
- SAP applications, SAP Basis and databases
- Smart Grid
- Other systems

#### **D.2.6** Customer Information Officer

##### **Role**

The Customer Information Officer is the Incident Command’s point of contact for members of the public to get information on estimated restoration times and other incident-related matters and to report incident-related information, such as downed power lines.

##### **Responsibilities**

The Customer Information Officer works directly with the Incident Commander at the Incident Command Center.

The Customer Information Officer has the following responsibilities:

- Establish and manage all aspects of the telephone call center operations
- Notify Information Systems about when to implement the “Storm Access” Security Profile to allow limited access to anyone called upon to answer customer calls
- If required, request additional resources to handle call volumes
- If needed, activate a third-party High Volume Call Answering System (HVCA) that can handle the maximum number of calls received
- Enter information from customers into the Customer Information System

#### **D.2.7 Regulatory Officer Role**

The Regulatory Officer provides guidance and discusses regulatory issues impacting the response.

##### Responsibilities

- Reviews regulatory requests and directives and support compliance
- Acts as a point of contact for Incident Command regarding regulatory matters
- Establishes appropriate regulatory staffing required to support the incident
- Attends Planning Meetings and is prepared to discuss regulatory issues impacting the response
- Assists with resolving regulatory issues as needed
- Coordinates with Public Information Officer and Regulatory, Government Liaison (Director, Government Policy) on communications with regulatory agencies, public officials, and others
- Provides other regulatory advice, counseling, and guidance as necessary

#### **D.2.8 Legal Officer Role**

The Legal Officer provides guidance and discusses legal issues impacting the response.

##### Responsibilities

- Review authorities and legal directives and ensures compliance
- Acts as a point of contact for Incident Command regarding legal matters
- Establishes appropriate legal staffing required to support the incident
- Attends Planning Meetings and is prepared to discuss legal issues impacting the response
- Reviews and documents Command's legal decisions and directives
- Review agreements and contracts and assists with resolving legal issues as needed
- Helps resolve labor issues

- Review various communications
- Reviews all plans and documentation to ensure compliance with legal mandates
- Works with Claims team to investigate and process third party general liability, auto, and other claims and incidents with potential to become claims or litigation
- Respond to litigation as needed
- Provides other legal advice, counseling, and guidance as necessary

### **D.3 General Staff Sections**

#### **D.3.1 Summary**

The General Staff represents and is responsible for the functional aspects of the Incident Command Structure. The Incident Commander activates the Command staff and the other four major functional areas (Sections):

- Operations
- Planning
- Logistics
- Finance

Staffing throughout the Incident Command structure has been pre-determined, reviewed, approved and updated throughout the year as needed, and is maintained through the ESR. However, The Incident Commander has the authority to make additions or reductions to the structure/staffing pending the needs of the response to the event.

#### **D.3.2 Operations Section**

The Operations Section identifies, assigns and supervises the resources needed to accomplish the incident objectives.

#### **D.3.2.1.1 Major Underground Summary**

Major Underground is responsible for assessing and restoring all 3-phase major underground facilities and reporting on their status. They may also assist with restoration of distribution residential underground (URD) facilities.

##### Staffing

- Director
- Operations managers, who are responsible for leading the restoration efforts
- Underground restoration personnel (at the Harrisburg Service Center)
- Overhead contract crews, as needed

##### Inputs

- Information on damaged Major Underground facilities (from SCADA)
- Customer reports through key accounts or customer service
- Information on which Underground Residential Distribution (URD) locating vans with operators and EZ haulers have been delivered to the Harrisburg service center (from Service Centers)
- Information on overhead restoration progress (from Distribution Operations)
- Priority restoration information (from Priority Calls Hot Desk or daily conference calls)
- Premise registry data to help prioritize response effort
- Trouble orders (from Mobile Data)

##### Tasks

- Inspect key account underground facilities for damage

- Assign and handle trouble orders for Major Underground facilities and residential URD facilities
- Establish the Underground Evaluation Center (at the Harrisburg service center)
- Make sure the Underground Evaluation Center is in contact with other evaluation centers

#### Outputs

- Daily progress reports (for the Incident Command Center)
- Reports concerning any environmental events (to the Environmental branch of Safety)

#### **D.3.2.1.2** Priority Calls Hot Desk

##### Summary

The responsibility of the Priority Calls Hot Desk is to receive, document, and track requests from SOC, government liaisons, and internal CNP sources. These requests cover:

- Life safety
- Mobility
- Security
- Environmental
- Other situations

These situations may require an urgent response and resolution, and a follow-up report to inform the Incident Commander and Section Chiefs.

##### Staffing

Priority Calls Support, depending on the number of shifts

#### Inputs

- Situation notifications from SOC
- Situation notifications from Government Liaisons
- Situation notification calls transferred from customer service and internal CNP sources
- Information from the Incident Commander and section chiefs on which priority restorations should be performed first (such as decisions to give a higher priority to building supply stores, gas stations, and grocery stores)
- Prioritized list of key account customer outages (from Key Accounts)

#### Tasks

- Receive new calls from SOC and internal resources, and log the call information into the SharePoint site
- Create a prioritized, daily report of requests
- Receive information on jobs that are completed in the field, and log information into the SharePoint site to close out jobs
- Monitor open jobs for updates and estimated on times
- Create trouble orders in CIS based on direction from Incident Commander

#### Outputs

- SharePoint information that users can use to check the status of all priority jobs. Users will be restricted to sort and view-only access
- Requests for damage estimates (to Primary Metering and Central Metering)
- Prioritized list of restorations requests submitted to Operations branch director
- Status updates to Operations Branch Director and others as needed
- Priority calls (to Service Centers)

**D.3.2.2** Transmission and Substation Branch

**D.3.2.2.1** Transmission Operations

Summary

Transmission is responsible for:

- Patrolling and identifying damage to Transmission facilities
- Repairing damaged facilities

Staffing

- Transmission Evaluation Center managers
- Helicopter Patrol (10)
- Transmission Restoration Center manager
- Transmission Restoration Center manager administrative assistant
- Engineering personnel
- Material personnel
- Transmission Restoration Center manager
- Outage Coordinator
- Crew Leaders
- Facilities Coordinator
- Ground Patrol
- Contractor Services
- Foreign Crew Coordinators
- Support personnel

#### Inputs

- Information on circuits that had an outage, either by lockout or instantaneous f
- operation (from RTO)
- Prioritization information for circuits (from RTO)
- Fault recording information (primary from TWS system or calculated faults)
- Which contract/mutual assistance resources will be coming available (from Resource Acquisition)

#### Tasks

- Compile and evaluating inspection patrol information
- Generate and modify projected restoration dates, based on available crews and materials
- Help with other parts of the restoration process once Transmission facilities have been repaired
- Repair PCS equipment

#### Outputs

- Daily status reports, including estimated dates for restoration (for the section chief, through the Transmission and Substation Evaluation Center)
- Information on additional crews that are needed or are ready for demobilization (for Resource Acquisition)
- Operational transmission facilities

#### D 3.2.2.2 RTO

##### Summary

CNP's Real Time Operations (RTO) is responsible for:

- Monitoring and controlling the switching of transmission lines, substation breakers and distribution breakers (through SCADA, switching orders, clearances, and work tags)
- Coordinating the efforts of various groups (primarily Transmission and Substation) in restoring the Bulk Electric System (BES)
- Providing updates on the status of BES

##### Staffing

RTO is staffed 24/7 during EOP, with:

- Branch manager (Real Time Operations Director)
- Manager of System Operations
- System Operations Supervisors
- System Controllers
- RTO Support Staff

##### Inputs

- Requests to have circuits energized/de-energized (from Distribution Control)
- Status of Control Systems' computer systems and communications (from Control Systems)
- Information on the status of the ERCOT system (from ERCOT)
- Weather information (from StormGeo)
- Damage assessments and restoration updates (Transmission, Substation, and Distribution Control)

- Priority call information (from Priority Calls Hot Desk and government liaisons)
- SCADA viability assessments (from Substation)
- Reports of customer statuses (from Transmission Accounts, through the Transmission and Substation Evaluation Centers)
- Lists of Customer Priorities (from Transmission Accounts, through the Transmission and Substation Evaluation Centers)
- Information from various other external sources

#### Tasks

- Communicate with the following groups as appropriate:
  - Customer Service
  - Corporate Communications
  - Regulatory
  - Substation Performance
  - Transmission Operations
  - Facilities O&M
  - Telecommunications
  - Distribution Control
  - Transmission Accounts
  - Key Accounts
  - Incident command staff
  - Control Systems
- Control all equipment in the BES (by either SCADA or by the issuing of switching orders), including the switching of distribution breakers

- Alert Substation Field Operations when they need to monitor substation equipment if monitoring equipment is not available
- Work with Transmission & Key Accounts and Resources to identify which load and generation facilities may need to be shut down.
- Under the threat of a hurricane or other event that causes a major loss of generation and/or load, evaluate the North Transfer Limits and status of Generation Resources inside CNP's footprint. This comes with the anticipation of exporting energy to the north. The goal of this effort is to prevent islanding or a Blackout condition by supporting the minimum load requirements of generation resources if major loads and/or tie lines are lost.
- Assist with prioritizing restoration
- Synchronize islands if island conditions exist
- Monitor and react to the status of the BES
- Answer Transmission Accounts' enquiries pertaining to the status of Industrial Customers' substations

#### Outputs

- Authorize requests for feeders to be energized (for Distribution Control)
- Switching orders, clearances, and work tags (for Substation and Transmission)
- Information on the status of the BES, including load (for Electric Market Operations - "EMO")
- Periodic communications about the position and intensity of the storm to CNP personnel, using email and text messaging systems
- Directions to Substation Field Operations personnel
- Inform Distribution Control on any events that are adversely affecting distribution operations, including operations and lockouts
- Update the Outage Reporting System with circuit information

### 3.2.2.3 Substation Operations

#### Summary

Substation is responsible for verifying and ensuring the operability of the bulk power grid (with RTO) through:

- Rapidly assessing damage to Substation facilities
- Making necessary repairs to Substation facilities so that those facilities are operating on at least a basic level
- Preparing Substation facilities for re-energization
- Manually operating Substations as directed by RTO

#### Staffing

- Engineering personnel
- Substation staff (initially at EC/DC, afterwards throughout the service territory):
  - Substation Operations director
  - Substation Operations managers
  - Substation crew leaders (with crews)
  - Outage Coordinators
  - Construction Coordinators
  - SCADA specialists
  - EVAL coordinators
  - EVAL outage monitor
  - EVAL data trackers
- Bargaining Unit field personnel across the CNP system to address core responsibilities
- Engineering personnel (for tasks such as relaying, and handling transformers)

- Non-electrical contractors (such as those who work on cranes or barges, or are specialty movers) for emergency restoration

#### Inputs

- Equipment and personnel required to perform aerial assessments (conducted in conjunction with Transmission)
- Priority restoration information (from Transmission and the Distribution Evaluation Center)
- Information on which breakers and switches Substation needs to operation manually (from RTO [or Distribution Control])
- Availability of Substation staff
- Status of storm, including information on when it is safe to fly and accessibility to facilities (from RTO)
- Information on accessibility to facilities (from law enforcement)
- Ability to communicate across the system
- Engineering support during the storm
- Work tags (from RTO)

#### Tasks

##### Pre-storm

- Prepare Substation facilities to weather the storm, including:
- Making sure the facilities have sufficient backup power
- Removing any debris
- Ensure that Substation has sufficient, operating tools and equipment to begin a successful restoration
- Make sure needed documents are secured
- Transport equipment as needed

- Test Grant substation flood gates and pumps
- Remove Tiki Island mobile substation and transport to the South Houston Complex
- Move standby generator and fuel tank to Morgan’s point
- Review synchronization and black plant startup procedures with employees
- Place Crosby and Bellaire “SVC” units into manual mode
- Change Cyber Key reset days to 14

#### Restoration

- Ensure the safety of the work environment
- Report locked out transmission and distribution circuits
- Manually operate breakers and switches as directed
- Perform detailed inspections of damaged Substation facilities where possible
- Conduct aerial assessments of Substation facilities
- Coordinate contractor services as required
- Ensure that work is performed safely
- Repair equipment
- Release resources to help with other areas of restoration work once Substation facilities have been repaired

#### Outputs

- Substation availability, operability, and damage assessments (for the Transmission, Distribution, and Substation Evaluation Centers, and RTO)
- SCADA viability assessments (for RTO, through Control Systems)
- Substation loading assessments (if SCADA is not available)
- Equipment and material requests (for Supply Chain)

- Various requests to Shops and Facilities
- Ad-hoc reports for command staff as requested
- Functional substation facilities

#### Vegetation Management Branch

##### Staffing

- Branch Director
- Vegetation Management Manager - The Manager is initially embedded in the Resource Acquisition group to support appropriate resource procurement. Once resources are acquired, the Manager will support the Branch Manager in operations restoration. When resources are demobilized, the Manager moves back to Resource Acquisition to aid in demobilization.
- System Foresters - System foresters have dual reporting responsibilities through both the Service Area Directors and the Vegetation Management Manager. They also will also facilitate resolution of VM issues for service area and staging site crews, SCCs, TCCs, customers, and resource constraints as identified.
- Transmission Foresters - Transmission Foresters will coordinate local tree crew service restoration in support of Transmission Operations. Upon completion of transmission system restoration they will act as ad hoc System Foresters in special need areas.
- Vegetation Management Spokesperson (Bellaire & surrounding high profile areas)
- Service Area Tree Crew Coordinators (SCC) (reporting through the Service Area Directors) - The SCCs are assigned to each service center to coordinate local tree crews in support of CNP line crews.
- Tree Crew Coordinators (TCC) - The TCCs are assigned to the staging sites to assist in administration and coordination of foreign tree crews. The TCCs and foreign tree crews will be matched with an FCC and line crews in support of operational objectives as defined by the Service Areas Operations (i.e. Staging Site) Manager. (Desired staffing – about 1 TCC / 7-10 foreign tree crews)

#### Inputs

- The number of stages sites that will be opened, and when they will be opened (Operations Section Chief)
- The number of resources that will be arriving on the system, and when they will be arriving (from Resource Acquisition)
- Contact information for Service Area Directors, Operations Managers, contractor management, FCCs, SCCs and TCCs
- ICS reporting structure
- Information on available specialized equipment (local and foreign) (from Resource Acquisition)
- Special Vegetation Management objectives (from Operations Section Chief)
- Special tree crew resource needs from HR to support the Employee Assistance branch (tree removals and minor roof repairs)
- Reports or updates from System Foresters

#### Tasks

- Identify total manpower resources for Vegetation Management, and the time frame for those resources.
- Support the allocation of Vegetation Management resources across staging sites, service centers and Employee Assistance Program.
- Handle mobilization and demobilization of internal and external Vegetation Management resources.
- Specialized global or tactical VM issues resolution as identified during the course of the event.

#### Outputs

- Requests for specialized equipment (to Resource Acquisition)

- Daily reports for conference calls (to Operations Section Chief)
- Communications concerning Vegetation Management’s responses to special Vegetation Management (to Operations Section chief, Resource Acquisition, and other groups that are working on high-priority work that Vegetation Management work is involved with).
- Guidance and feedback to VM Branch Staffing to support foresters’ activities.

#### **D.3.2.3 Grid & Market Operations Branch**

##### **D.3.2.3.1 Analytics Summary**

Analytics is responsible for:

- Providing daily operations support of Situational Awareness (SAGD) for Operations, Telecommunications, IGSD devices and the Security Operations Center (SOC)
- Monitoring all aspects of SAGD and its’ supporting systems to ensure timely delivery of
- information essential to support restoration efforts
- Ensuring availability of systems relying on Mobile Data and the ADMS once those systems are reactivated

##### Staffing

- Analytics Manager (Storm Rider at EC/DC)
- 3 Architects (Day One Responders at EC/DC), two to support Business Warehouse and one to support SAGD and Streams Real time interfaces
- Business Analysts (Day One Responders at CNP Tower if open)

#### Inputs

- ADMS is operating
- Mobile Data is operating
- DCE is operating
- MDM is operating
- As needed, support resources from Technology Operations including:
  - Database Administrators
  - Network Resources specializing in the telecommunications operation

#### Tasks

For Operations, Telecommunications, IGSD devices and the SOC:

- Maintain and monitor supporting computer systems (including Business Warehouse) and situational awareness graphical displays
- Availability to fail systems over to the new AOC when available

#### Outputs

- Effective and functioning systems and situational awareness graphical displays supporting the restoration efforts for Operations, Telecommunications, IGSD devices and the SOC
- Availability to fail systems over to the AOC

#### D.3.2.3.2 Distribution Control

##### Summary

Distribution Control is responsible for:

- Providing safe and reliable switching
- Overseeing daily operation of the Distribution grid
- Monitoring all radio communications between field operations and the control room
- Ensuring availability of the Mobile Data system when it is reactivated

#### Staffing

- Manager of Distribution Control (at EC/DC)

- Control room operation lead (at EC/DC), leading:
  - Regional supervisors (at EC/DC)
  - Floor controllers (at EC/DC, reporting to supervisors)
  - Distribution Controllers (engineers) (at EC/DC)
- ADMS operation lead, leading:
  - Distribution Control Support (technical analysts) (at EC/DC)
  - Mobile Data support (at Service Centers)
  -

#### Inputs

For control room operations:

- Switching requests (from FCCs, crew leaders, or RTO at Service Centers)
- Prioritization information from the Priority Calls Hot Desk

#### Tasks

- Execute switching orders as requested
- Maintain and monitor supporting computer systems, dedicated phone lines, and situational awareness graphical displays for DVAL
- Set up equipment required by the Priority Calls Hot Desk
- Communicate distribution operations information to RTO (for opening and closing breakers)
- Manage SOC requests, including:
  - Acting as liaison with SOC to take requests and provide status updates
  - Dispatching field operations personnel to the requested location

#### Outputs

- Safe and effective switching, including communication concerning actions taken in the field

D3.2.3.3 EMO Summary

EMO is responsible for:

- When any bank in the system cannot transfer funds electronically, communicating with banks and Retail Electric Providers (REPs) to make sure that everyone is clear on how TDSP invoices are going to be paid to CNP
- Notifying the Texas retail market about CNP's EOP plans, and how those market participants will be affected
- Rebuilding data (and synchronizing it with the Texas retail market) after an event as needed

Staffing

- Branch manager
- ERCOT contact manager
- ERCOT manager support staff
- AMS retail market staff
- Competitive retailer communications staff

Inputs

- Which Technology Operations (TO) systems are working, and which are not (along with estimates of when those systems will be restored) (from TO)
- How much load is on the system (RTO)
- Overlay map that details outages by GLN number, and their estimated duration (GIS)
- Forecast of the load that will be on the system the next day
- Notification of demobilization of EMO resources assigned to Distribution (Resource Unit)
- Notification of ad hoc requests including from state regulatory bodies (from government liaison)

- Information on status of BES, load (from RTO)
- Status of AMS data (from AMS)

#### Tasks

- Upon the designation of force majeure, work with AMS Systems personnel to change a configuration in the MDM thereby allowing readings for switches to be estimated by the MDM.
- Review TMH and CIS exceptions on an ongoing basis, and make corrections as needed
- Write notifications to send to Texas retail market (at least 3 times daily)
- Respond to requests from the retail market
- Validate the status of premises that need to be retired from the ERCOT system
- Enter configurations to stop late charges for REPs whose banks and/or systems are inoperable
- Ensure that the Texas market is as functional as possible without our input (i.e., certification of new REPs)
- Set up retail market conference calls
- Prepare presentations for ERCOT committees and sub-committees as part of the after-action review process
- Releasing EMO resources to the call center as appropriate

#### Outputs

- Report to PUCT of plans to restore market orders
- Notifications on how the Storm EOP is affecting market orders, system functionality, and customer outages (to Texas retail market)
- Signed certification record for REPs for ERCOT
- Ad hoc reports to regulatory bodies and REPs as requested

- Calls to retail market to provide status updates
- Presentations for ERCOT committees and sub-committees
- EMO resources for call center

#### D.3.2.4 Gas Liaison Branch Summary

The Gas Liaison is responsible for keeping the Electric side of the business informed as to the status of Gas operations restoration.

#### Staffing

Gas Liaisons (both at the Incident Command Center at Greenspoint)

#### Inputs

- Gas restoration information (such as outages, mutual assistance requests, and internal staff that are coming in from other regions) from daily conference calls
- Ad hoc requests for updates and reports
- Priority calls for gas restoration work
- Requests for additional resources (after the gas system has been secured)

#### Tasks

- Monitor the status of restoration efforts, including outages and staff augmentation
- Respond to requests for additional resources

#### Outputs

- Requests to gas field operations to check on the status of specific gas facility restoration work

- Communications back to requestors as to the status of specific gas facility restoration work
- Gas resources for helping on the Electric side of the business

### **D.3.3 Planning Section**

#### **D.3.3.1 Summary**

The Planning Section collects, evaluates and disseminates incident situation information and intelligence to the Incident Commander and incident management personnel. This Section then prepares status reports, displays situation information, maintains the status of resources assigned to the incident and prepares and documents the IAP, based on Operations Section input and guidance from the IC. This Section is also responsible for securing any necessary outside resources (e.g. line skills, tree trimming) that are necessary to support incident response.

#### **D.3.3.1 Situation Planning Branch Summary**

Situation Planning is responsible for gathering needed information to prepare the needed daily Incident Action Plans during an event.

##### Method of work

- Incident Action Plans are prepared a day in advance.
- Example: Situation Planners working on Thursday are preparing the Incident Action Plan for Friday.

##### Staffing

- Branch manager at the Incident Command Center in Greenspoint
- Situation Planners placed at different parts of the service territory as follows:
  - 4 at EC/DC (1 for Distribution Operations, 2 at Transmission Substation, and 1 at Dispatching)
  - 1 at Transmission Restoration center in South Houston
  - 1 at Major Underground in Harrisburg Service Center
  - 3 at the Incident Command Center in Greenspoint

#### Inputs

Information for the incident action plans, including:

- A variety of ICS forms
- Maps from GIS
- Weather reports from DCC

#### Tasks

Coordinate among the various groups (see Staffing section above) to gather the information needed to create the daily incident action plans

#### Outputs

- Daily incident action plans
- Prioritized request of Telecom’s restoration needs (from Telecommunications Services)
- Output of the current Hurricane Ike model (from Status Documentation)
- Notification on changes that need to be made to meet current restoration goals (from Status Documentation)

#### D.3.3.2 Resource Acquisition Branch Summary

The Resource Acquisition Branch is responsible for:

- Compiling a listing of available resources and finalizing contracts for distribution line skill, tree skill, and transmission line skill that can help with storm restoration by June 1st each year
- Creating a roster of available resources including their capabilities and equipment
- Activating contractors and mutual assistance crews as required

#### Staffing

- Branch Director of Resource Acquisition
- Contractor Acquisition manager

- Mutual Assistance Acquisition manager
- Acquisition Data manager

During the course of an event, there is a significant level of effort in the beginning and end stages. Therefore, during the course of an event, some of these resources may be temporarily reassigned to other roles.

- Resource Acquisition Group staff
- Resource Acquisition Support staff
- Liaisons – Inspection, Transmission, and Tree resources

#### Inputs

- Receive human resource requirements from operations and support areas
- Contractor storm rosters, including skills and equipment inventory and contact information from contractors
- Initial staging site location and staffing requirements (from Operations)
- Signed contracts (from selected contractors)
- Timesheet information entered into ESR by Staging Site Support staff
- Contact information for check-in coordinators at each staging site (from Resource Unit)
- Instructions on the demobilization of resources (from Operations)
- Information on whether or not crews are being dispatched to another event (from foreign crew leadership)
- Requests for specialized equipment (from Vegetation Management)
- Communications concerning Vegetation Management’s responses to special Vegetation Management (from Vegetation Management)

#### Tasks

Pre-storm season

- Compile a listing of line and tree trimming contractors capable of supplying resources for storm restoration. The details on the contractors prior to activation will include:
  - Contractor name
  - Contact name for contractor
  - Union/non-union status
  - Address
  - Contact number and email address
  - Vendor number and contract number
  - Execute business agreements with selected contractors by June 1st of each year (Supply Chain). This will expedite emergency activations.

#### Pre-storm

- Upon activation of the Storm EOP to a Category I, Alert THREE, alert the contractors that they may be activated and validate availability of their resources and equipment.

Based upon the restoration plan authorized by the Operations Section Chief, some contractors will be authorized to begin movement to Houston prior to storm arrival. Other contractors may be flown in to integrate with Company crews, while some may be notified after additional assessment of system damage.

- Enter crew roster data into ESR

#### Restoration

- Verify that timesheet data is entered into ESR daily for contractor resources
- Enter crew roster data and estimated and actual arrival dates into ESR
- Prepare daily reports summarizing resources, and their statuses
- Direct all contract crews with vehicles to an assigned staging site.

These crews may later be re-directed to other staging sites if they are needed more elsewhere.

- Help to resolve exceptions (examples: crews show up at the wrong site, crews that do not show up, crews that are not cleared for participation in EOP)
- Prepare and continuously loading backup database for reporting

#### Demobilization

- Notify foreign crew leaders that they are being sent home
- Notify contractor contact that crews are being demobilized
- Issue and mail letters of thanks to demobilized crews
- Update ESR with demobilization dates for foreign crews
- Communicate with staging site management about the demobilization of crews

#### Post-storm

- Assist with the validation and payment of contractor invoices
- Lead effort to rank and review contract resources
- Assist with rate filing and related audits

#### Outputs

- Daily reports summarizing resources, and their statuses
- Updated ESR data for contract resources

#### **D.3.3.3** Resource Unit Branch Summary

The Resource Unit branch is responsible for:

- Tracking of all resources (internal and external)
- Onboarding/offboarding contract and mutual assistance resources. In order to achieve these objectives, this branch is divided into 2 groups:
  - Resource Management
  - Resource Reporting

#### Staffing

- Resource unit branch director (Greenspoint Incident Command Center)
- Resource management:
  - 1 resource management manager (Greenspoint Incident Command Center)
  - 4 check-in supervisors (initially at the Greenspoint Incident Command Center, then assigned on day 2 to their respective staging sites)
  - 56 check-in coordinators (at staging sites)
- Resource Reporting:
  - 1 resource reporting manager (EC/DC)
  - 11 resource database coordinators (EC/DC)

#### Inputs

##### Both groups:

- The number of contract/mutual assistance crews that are being assigned (Resource Acquisition)
- The schedule of the arrival of mutual assistance support (Resource Acquisition)
- Where the crews are being initially assigned (Resource Acquisition)
- Badges and decals (from Security)

#### Resource Management

- Badges for foreign and mutual assistance crews (from Security)
- CNP decals for foreign and mutual assistance crews and their vehicles

#### Resource reporting

- Check-in and check-out sheets from Resource Management group
- Receive requests for internal resources for EOP duty
- Receive resource re-assignment information

- Receive information on released resources from EOP duty
- Information in Employee Storm Roster
- Information on staff augmentation from operating areas Examples: GIS, Underground Locating

Tasks

Resource Management:

- Check-in:
  - o Validate roster of personnel and equipment, and make adjustments as required and authorized.
  - o Verify license plate information provided on the rosters or record the license plate and issuing state for all vehicles and trailers, if not provided on the roster (in support of the Tool Road procedures, see page 10, Section A.1.5.1)
  - o Attach CNP decals near the back license plate (such as on the bumper below license plate or on the tailgate above license plate) on each non-CNP vehicle
  - o Issue badges, fueling cards, and parking instructions
  - o If available, enable GPS tracking of authorized vehicles
  - o Make sure they go through the safety training and get handed off to the hotel coordination branch
  - o Ensure that the mutual assistance/contract crews understand the check-out process
  - o Re-route unexpected crews to appropriate site if required
- Check-out:
  - o Ensure laundry has been picked up
  - o Collect ID badges
  - o Provide any additional logistical support required for departure
  - o Log time departed in the EOP resource database (SharePoint)
  - o If needed, disable GPS tracking of vehicles

- Other duties as assigned, as long as they stay on the staging site
- Receive demobilization information from Operations and Resource Acquisition (at least 24-hours in advance of demobilization, when possible)

Resource Reporting:

- Update EOP resource database (SharePoint)
- Run daily reports and ad-hoc reports
- Aligning requests for internal resources with internal resource availability
- Receive demobilization information from Operations and Resource Acquisition (at least 24-hours in advance of demobilization, when that is possible)

Outputs

Resource Management:

- Check-in:
  - Resource updates to the Resource Acquisition group
  - Completed check-in list for each contract and mutual assistance group
  - Lists of license plate information and issuing state for all non-CNP vehicles and trailers to the Security Branch Check-out
  - Resource updates to the Resource Acquisition group
  - Completed check-out list for each contract and mutual assistance group

Resource Reporting:

- Based on information from Resource Management group, updates for the EOP database, with any roster changes, equipment adjustments, or check-in/check-out information.

- Standard daily EOP resource report to Operations
- Daily resource availability reports
- Ad-hoc resource reports
- Contact information for check-in coordinators at each staging site (for Resource Acquisition)

**D.3.3.4**            GIS Resources Branch

This GIS resources branch is responsible for:

- Providing analysis, reporting, maps and applications to aid in damage assessment, restoration and communication internally and externally
- Helping with damage assessment as needed

Staffing

- Branch director (at the Incident Command Center)
- Manager (at DVAL)
- GIS Support - core GIS staff at the CNP tower to ensure integrity of system infrastructure, map and map copy production, data analysis and special requests
- GIS Support - developers at CNP tower for advanced GIS work such as complex analyses and processing of orthoimagery
- GIS Support – reassigned to the field for damage assessment and other EOP roles/activities
- GIS Support - to be located at Services Centers for GIS analysis and/or other support activities (includes specific assignments at EC/DC and Harrisburg at a minimum).

Inputs

Outage and restoration data from OAS in the short term, and

- Outage data from ADMS in the near future, and restoration data from replacement system to be named (by substation area, circuit, and circuit sections)
- Requirements for ad-hoc mapping and reporting requests

#### Tasks

- Produce maps, reports and analyses
- Maintain the hardware and applications for GIS
- Ensure that Outage Tracker is populated with outage and restoration data, and provide comparison and analyses of said data
- Provide various routine as well as ad-hoc reports

#### Outputs

- Additional 11" x 17" facility maps upon request for use as patrol maps or storm restoration tracking maps
- The availability of all maps required for inspection and documentation of circuits assigned to each Service Area, for field patrol use. Maps shall be of sufficient size and detail to allow field patrols to follow un-fused feeder main (backbone) and fused laterals.
- Web-based Outage Tracker application specifically designed to capture and display outages and estimated restoration dates for internal and external consumption. This application will have total failover capabilities should the equipment fail or if power is lost to the CNP Tower.
- Updated GIS information based on as builts received from field crews (post event)
- Ad-hoc reports as requested
- Web service feeds to DOE

### **D.3.4** Logistics Section

#### **D.3.4.1** Introduction

The Logistics Section is responsible for all service support requirements needed to facilitate effective and efficient incident management, including: meals, lodging, facilities, laundry and miscellaneous resource needs. The organization is made up of a combination of CNP employees and select contractors.

#### D.3.4.2 Logistics Resources Branch

The Logistics Resource Branch is comprised of three distinct groups, each with its own function. These groups are Hotel Coordination, Supply Chain and Staging Site Resources. Each is discussed in detail below.

#### 3.4.2 | 1. Hotel Coordination Summary

Hotel Coordination is responsible for:

- Providing mutual assistance support as CNP crews travel to and from disaster areas (for mutual assistance events outside CNP’s territory)
- Providing lodging assistance to CNP employees and retirees, incoming line crews and tree crews, and other support personnel as needed. (For disaster recovery within CNP’s territory)

#### Staffing

- Hotel Coordination manager
- Hotel coordinators, including:
  - 4 geographic leads
  - 1 employee lead
  - 1 contracts lead
  - 1 resource acquisition liaison
- Hotel coordinators (the number depends on the size of the event)

#### Inputs

- Information on mutual assistance and contractor crews (number, gender, supervision, support), when lodging is needed and expected duration, and where

they will initially be stationed (from Resource Acquisition or utility requesting assistance)

- Hotel availability assessment (external 3rd-party and local information), including:
  - If the hotel is operational
  - If the hotel has limited operations (due to a power outage or flooding, for example)
  - The number and types of rooms the hotel has available
- Approved lodging options in addition to hotel availability (from Incident Commander)
- Hotel Coordination staff requirements for each staging site (from Operations)
- Notifications when resources shift in the territory (from Resource Unit)
- Notifications regarding resource demobilization (from Operations)
- Contact information for foreign crew leadership (from Resource Acquisition)

#### Tasks

General Hotel Coordination activities:

- Verify that Hotel Coordination has received needed information from Resource Acquisition
- Disseminate information (mainly contracts and staging sites that are affected) from Resource Acquisition to hotel coordinators
- Acquire contracts with hotels
- Provide contracted rooms and hotel names to appropriate hotel geographic leads
- Match room inventory with incoming crews, and making pre-arrival assignments
- Communicate assignments to group hotel liaisons
- Ensure that keys are ready before crews arrive

- Validate that the rooms that hotels provide match what they contracted with us for
- Provide the hotels with appropriate contact information and the CNP check-in process
- Complete daily reconciliation and problem resolution with hotels
- Coordinate check out process with hotels
- Coordinate hotel payments with Finance (by credit card or invoice)
- Enter required information into ESR
- Accurately complete daily forms 1-5 and issue log
- Participate in conference calls as needed Staging site

#### Hotel Coordinators

- Verify that crews that need hotels have received their badges
- Check in crews for room inventory and finalize hotel assignment
- Complete roster form and have crew lead sign it (this becomes the crew's check in authorization at the hotel)
- Communicate with busing about needs for crew transportation and hotel assignments
- Determine bus driver lodging needs, and assign rooms for drivers
- Handle any lodging issues
- Relocate crews when needed
- Assist with crew check out process

#### Outputs

- Where crews will be housed (for Staging Site Logistics)

- Rosters for hotels
- Busing needs (to Staging Site Logistics)
- Management reporting as requested
- Contract documentation
- Completed forms and logs

#### Supply Chain Summary

Supply Chain has EOP responsibility to evaluate, plan, and execute the procurement, management, and delivery of restoration material to CNP and mutual assistance crews.

#### Staffing

Internal staffing:

- Manager
- Logistics leads
- Purchasing lead
- Material coordinator
- Materials management handlers
- Material handlers
- Purchasing storm team

Staff augmentation (depends on the size of the event):

Material handlers from:

- Employee storm roster
- Mutual assistance
- Contractors

- Trucking support

#### Inputs

- Official declaration of EOP (from Incident Commander)
- Current inventory levels from SAP
- Information on facility status from EOP briefing conference calls
- Information on incoming internal and external crews (from Resource Acquisition)
- When and where staging sites are opening (from Operations)
- Requests from Substation, Transmission, and Major Underground

#### Tasks

##### Pre-storm season:

- On an annual basis, evaluate and execute adjustments to the Central inventory in preparation for storm season.
- Prepare contracts for EOP services such as line skills, logistical needs, and vegetation management
- Update the Special Material Release with Engineering to ensure that the appropriate materials are included and updated
- Ensure that Staging Site Kits are complete, and re-stock them as needed

##### Pre-storm preparation:

- Pre-pack 5 Service Center Storm Kits and strategically pre-position them year round at selected Service Center locations.
- Pre-position approximately 7 Staging Site Kits for quick access prior to the hurricane season, and ship them to staging sites as directed.

- Once EOP has been declared, place the initial Special Material release at minus 6 hours to landfall.

Restoration:

- Manage logistics operations at the Service Centers, material depots, and staging sites with timely material replenishment.
- Work with Operations and Distribution Standards and Material for material substitution authorizations.
- Work with Environmental in support of hazardous material handling and disposition.
- Based on information from the following sources, Supply Chain will project the anticipated material needs for the remainder of the restoration:
  - Conference calls
  - Discussions with Operations management
  - Resource allocation
  - Historical data
  - This calculation happens on a daily basis.
  - Information from Staging Site Logistics leaders

Outputs

Materials and equipment

Staging Site Resources Summary

The Staging Site Resources group is responsible for:

- Coordinating the following:
  - Transportation

- Laundry
- Meals
- Ice
- Drinks
- Parking
- Trash
- Port-o-cans
- Washing stations
- Lighting
- Other non-operational items such as dust control, etc.
- Temporary housing if required
- Working with vendors who provide those services on site
- Working with Purchasing to identify and contract with vendors who provide those services off site

#### Staffing

- Manager
  - Responsible for management and oversight of the logistics network
  - Oversees Lead Coordinators
- Staging site lead logistics coordinators personnel: Responsible for directing the activities of the logistics coordinators at the site and working with the Hotel Coordinators to resolve any hotel issues
- Logistics coordinators: Responsible for the coordination of logistic activities at CNP facilities and staging sites

#### Inputs

- Authorization to begin setting up staging sites (from Operations)

- Number of staging sites to be set up (from Operations)
- Number of arriving crew (from Resource Acquisition)
- Estimated arrival times for crews (from Resource Acquisition)
- Which staging sites crews are assigned to (from Resource Unit)
- Where crews will be housed (from Hotel Coordination)
- Where crews are re-assigned to (from Resource Unit)
- When staging sites will begin to be demobilized, and how quickly they will be demobilized (from Situation Planning)
- Signage (from Security)
- Busing needs (from Hotel Coordination)

#### Tasks

- Handle all creature comforts, as defined above
- Support vendors providing services
- This group is not responsible for fleet, fuel, materials, security, hotel coordination, or operations- related tasks (such as assigning work or mobilizing crews).

#### Outputs

- Information on financial implications of staging site logistics (to the Finance Section)
- Documentation of additional services above initial scope (to the Finance Section)
- Documentation of services agreed to and rendered (to the Finance Section)

**D.3.4.3 Fleet and Shops Services Branch Introduction**  
Fleet and Shops Services is responsible for:

- Making sure that employees have the vehicles they need for emergency work
- Ensuring that those vehicles are properly maintained
- Fueling employee, contractor, and mutual assistance vehicles
- Coordinating the deployment, tracking, and return of light fleet rental vehicles
- Making all bargaining unit employees not directly involved with specific storm duties available to the Resource Unit for reassignment as needed for distribution system restoration

#### Fleet Services

##### Summary

Fleet Services is responsible for pre-planning activities and execution of EOP plans necessary to provide assistance to all CNP transportation and fueling-related activities.

Fleet Services will assist Mutual Assistance and Contract Crews with the following:

- The identification and contact of area Fleet Service providers to support mutual assistance crews and contractors with vehicle and equipment maintenance/repair needs
- Establishing communications links
- Arranging for unique fuel and assistance in coordinating maintenance requirements
- Locating local supplies of repair parts and tire repair for foreign vehicles

CNP is **not** responsible for the actual repair work on contractor or mutual assistance vehicles. CNP simply helps with communication links between contractors/mutual assistance and fleet services providers.

##### Staffing

- Manager of Fleet and Shops Services

- The number of fleet resources will vary based on the severity of the storm. The remainder will be allocated to EOP roles.

#### Inputs

- Requests for vehicles from service centers
- List of staging sites that are open, and their fueling capacities
- Requests for repairs

#### Tasks

- Coordinate all CNP vehicle maintenance
- Provide fuel for all CNP, contractor, and mutual assistance vehicles  
Crews will be placed on 16-hour shifts at maintenance and fueling garages as necessary to support restoration efforts.
- Find and assign underutilized vehicles that are needed in the field
- Perform repairs on CNP vehicles as needed

#### Outputs

Operational and adequate fleet

#### Fleet Support Summary

Fleet Support is responsible for providing back-office support for both Fleet and Shops Services for restoration efforts, as it relates to procurement and accounting for fuel purchases and work order activities.

#### Staffing

- Manager of Fleet and Shops Services
- Lead
- Fleet support personnel

Inputs

- Information on Staging Site fueling activities
- Information on fuel capacities from fuel providers (Sun Coast)

Tasks

- Reconciling fuel usage and expenses
- Replenishing fueling supplies

Outputs

- Adequate fuel supply
- Reconciliation of fuel and expenses (to Finance Section)

Shop Services

Summary

Shop Services is responsible for:

- Providing preplanned assistance in services and personnel to repair or replace CNP tools involved in restoration efforts.
- Repairing and providing replacement parts for damaged sectionalizing equipment needed to restore the transmission, substation, and distribution systems
- Performing custom repairs/fabrication of parts for substation equipment
- Assisting with field response and repairs to IGSDs as needed

Staffing

- Manager of Fleet and Shops Services
- The number of Shops resources will vary based on the severity of the storm. The remainder will be allocated to EOP roles.

Inputs

- Requests for custom fabrication work and repairs to the distribution infrastructure (from the field)
- Requests for field force tool repairs (from the field)
- Requests for grounds

Tasks

- Fill the orders for custom fabrication work and repairs
- Issue protective grounds
- Build additional grounds if required

Outputs

- Working equipment
- Fulfillment of requests for repair work
- Adequate supply of grounds

**D.3.4.4** Facilities Branch Summary

Facilities is responsible for:

- Preparing facilities in advance of an event
- Coordinating the repair of damages at CNP-owned facilities
- Ensuring that CNP-owned facilities have adequate facility supplies and services

Staffing

- Manager
- Site EOP Facilities Coordinators (one per staging site)

- Facilities Support personnel (contractors), responsible for assisting the Facilities Coordinators as needed

Inputs

Requests for repairs or services

Tasks

Repair facilities as needed

Outputs

- Operational facilities
- Status reports as requested

**D.3.4.5** Security Branch Summary

Corporate Security is responsible for:

- Maintaining a safe and secure work environment for all personnel and vehicles involved in EOP recovery.
- Securing assets during EOP Coordination and deployment of contract guards and off-duty police officers
- Acting as a liaison with law enforcement or other governmental agencies
- Coordinating police escorts of crews and materials
- Prompt handling of all incidents of a security nature
- Traffic control for AM and PM crew truck movements at staging sites
- Coordination of toll road procedures with Harris County Toll Road Authority (HCTRA)
- On-going maintenance, monitoring, and responses to electronic security systems

### Staffing

In the field:

- Security Coordinator Lead
- Senior Security Coordinators
- Security Coordinators

At the tower:

- Manager
- Security Technical Coordinator Lead
- Security Billing Contractor Coordinators
- Security Technical Coordinators

### Inputs

Security Coordinators (Lead and Seniors):

- Which staging sites will be opened (from Operations section chief)
- Traffic control needs at staging sites (from Staging Site manager)
- Which restricted roads CNP needs access to (from Operations)
- Any security incidents that occur (from Staging Site manager or Operations)
- Which crews and materials will need police escorts (from Operations and Supply Chain)
- Which assets will need protection (from Operations and Staging Site manager)

Security Billing Coordinators:

State and plate numbers of foreign and mutual assistance crews (from Resource Unit)

#### Tasks

##### Security Coordinators:

- Coordinating with local authorities to ensure CNP personnel access to storm damaged areas
- Coordinating and deploying contract guards and off-duty police officers
- Acting as a liaison with law enforcement or other governmental agencies
- Coordinating police escorts of crews and materials
- Handling promptly all incidents of a security nature
- Coordinating traffic control for morning and evening crew truck movements at staging sites

##### Security Technical Coordinators

- Coordinating toll road procedures with Harris County Toll Road Authority
- Maintaining, monitoring, and responding to information from electronic security systems

##### Security Billing Contractor Coordinators

- Keeping time for contract security resources
- Ensuring that CNP processes payments for security contract resources in a timely manner

#### Outputs

- Information on which foreign and mutual assistance vehicles will need access to toll roads (to HCTRA)
- Payments to contract security personnel

**D.3.4.6** Staging Site Management Summary

Staging site management is responsible for setting up and managing bases of operations for major restoration efforts involving mutual assistance and contract crews.

Staffing

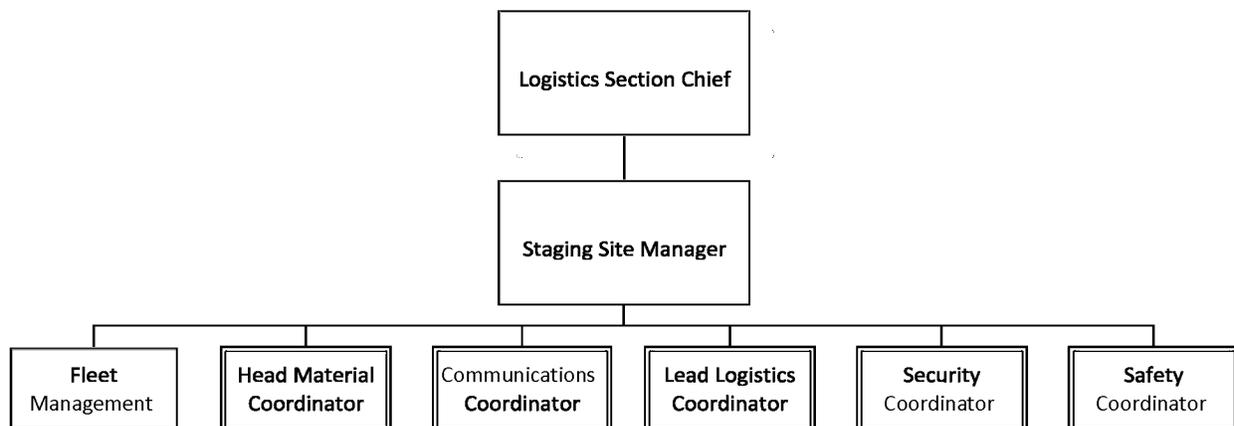
- One senior level manager per primary and secondary staging site, to set up and administer the site

The secondary site managers will assist the primary site managers as needed

- Support personnel in order to provide Distribution Operations and their crews with basic services
- Security personnel: Responsible for:
  - Establishing a safe and secure area for the coming and going of all personnel and vehicles
  - Providing those crews with appropriate identification
  - Directing traffic, including hotel buses
  - Arranging for convenient parking of crew trucks
- Fleet personnel: Responsible for:
  - Locating the fuel skids in a safe and convenient location
  - Having all crew trucks fueled and ready for duty each day
  - Repairing and maintaining of internal fleet vehicles
  - Arranging for rentals if necessary
  - Putting external crews in touch with repair vendors
- Materials personnel: Responsible for:
  - Obtaining and stocking basic materials and supplies needed by the restoration crews
  - Providing tools

- Providing occasional hot shot delivery services to crews in the field
- Communications personnel: Responsible for establishing the communication network at the staging site, including telephone, internet service, and technical support.
- Staging Site Logistics personnel: Responsible for:
  - Providing sit down breakfast and dinner for all foreign crews and staging site support personnel
  - Providing carry out lunches
  - Taking care of crew laundry service and staging site cleanup services
  - Coordinating the service of portable restroom services

The following is the organizational structure of each site\*:



**Note:** This is the structure for the Logistics branch only. Sites will also have Operations assigned to it and other support functions, such as Resource Check-in Coordinators.

**Inputs**

- Notice from Distribution Operations Branch Director about which sites need to be activated (the sizes of the staging sites that are activated determines the list of resource requirements)
- Kick-off pallets from the Special Material Release (from Supply Chain)

- Number and estimated arrival time of incoming crews (from Resource Acquisition group)

#### Tasks

- Help with initial clearing of debris at staging sites
- Assist with coordination of staff that primarily are responsible for security, logistics, materials management, communications, fleet services, staging site resources, or facilities
- Set up flow patterns for traffic, including signage
- Establish parking
- Ensure the safety of the staging site
- Resolve issues that arise over the course of the restoration effort

#### Outputs

- Safe, functional staging site

### **D.3.5 Finance Section**

#### **D.3.5.1 Summary**

The Finance Section is a critical part of ICS in complex incidents involving significant funding. The Section Chief tracks and reports to Incident Command the accrued cost as the incident progresses and may also be asked to provide forecasts to ensure operations are not negatively impacted. Some of the functions that fall within the scope of this Section are conducting overall cost analysis for the incident and maintaining typical operations such as accounts payable, and revenue billing. The Finance Section is responsible for:

- Minimizing financial risk and loss for CNP
- Tracking costs related to the event

- Reimbursing applicable parties per their existing agreements with CNP
- Helping to put together damage estimates for smaller events

Within the Finance Section, four primary Branches fulfill functional requirements:

- Reporting: provides cost analysis and forecasts to Incident Command
- Financial Services: continues typical operating functions such as accounts payable, remittance processing and revenue billing
- Insurance: administers all claims other than auto, general liability and excess liability
- Treasury: manages cash funding requirements

Although most groups in the Finance Section operate as normal, their activities are related to the Storm EOP. A brief summary of responsibilities are listed below.

#### **D.3.5.2 Reporting Unit Summary**

The Reporting Unit provides cost analysis and forecasts to Incident Command.

#### Staffing

- Reporting Unit branch director
- Liaisons

#### Inputs

Restoration:

Ad hoc reporting requests

Post-restoration:

- Requests for reporting

- Assumptions related to the regulatory recovery of storm costs (from Regulatory Reporting)

#### Tasks

##### Pre-storm:

- Send out information on how internal employees track time during a Storm EOP
- Setting up the cost collectors for an anticipated storm event

##### Restoration:

- Put together an estimate of what the storm will cost
- Coordinate with other Finance groups to gather the information needed for internal and external reporting, including:
  - Analysis of the impacts to revenues, operating expenses and capital
  - Timing and amount of regulatory recovery of storm costs
- Respond to requests for reports

##### Post-restoration:

- Coordinate with other Finance groups to gather the information needed for reports
- Respond to requests for reports
- In the event is serious enough that the Company service area is declared a federal disaster area, coordinate with the Tax department and Insurance to determine the amount of tax deduction

#### Outputs

##### Restoration:

- Estimate the amount that the storm will cost and the amount of regulatory recovery (to Investor Relations and Regulatory Reporting areas)
- Information on how to track costs

Post-restoration:

Financial reporting as required to support regulatory efforts (to Regulatory Reporting branch director)

#### **D.3.5.3** Financial Services Summary

Accounts Payable ensures timely payment for goods and services rendered during restoration. Remittance Processing ensures the timely processing of checks. Payroll and Administration ensures timely payment to staff. Electric Revenue Billing determines the correct billing information to send to REPs on behalf of customers and calculates lost revenues

Financial Services does not have an official Storm EOP status. They will continue their normal activities during a Storm EOP. However, these activities are related to Storm EOP.

#### **D.3.5.4** Insurance Risk Management Unit Summary

The Insurance Risk Management Unit is responsible for administering all claims other than auto, general liability, and excess liability.

#### Staffing

This group does not have an official Storm EOP status. They will continue their normal activities during a Storm EOP. However, these activities are related to a Storm EOP.

The staff includes 3 Corporate Insurance Coordinators and 1 administrative assistant.

The other Insurance staff are loaned to other branches during a Storm EOP, except the administrative assistant. The administrative assistant reports workers compensation claims through the One Call procedure.

#### Inputs

- Insurance claims information from daily status conference calls
- Injury information from Disability Management
- Workers compensation claim payments (from an outside vendor)

#### Tasks

- Notify property insurance brokers and adjusters if damage exceeds deductible
- Assist Environmental, Safety, Legal and Human Resources' representatives with submission of company incident reporting forms to meet insurance policy discovery and reporting time deadlines/restrictions.
- Gather preliminary facts and create reports for adjusters based on damage inspections of locations.
- Coordinate arrangements for adjusters to be at the damaged sites.
- Provide estimate of the property loss
- Assist affected business units, gather documentation to support an insurance claim.
- Manage claims through settlement.
- Process workers compensation claim payments on a weekly basis

#### Outputs

- Reports for executives as needed
- Deposit proceeds as directed by affected business unit
- Payments for workers compensation claims

- Information on lost time workers compensation claim payments (for Payroll salary continuation)

#### **D.3.5.5 Treasury Summary**

Shareholder Services: Serves as transfer agent, registrar and dividend paying agent for CNP common stock and administers CNP's Investor's Choice Plan. Long-term Finance: Long- Term Finance evaluates and implements financings, ensures that compliance reporting and other requirements in financing agreements are satisfied and administers trust relationships.

This branch does not have an official EOP status. They will continue their normal activities during EOP. However, these activities are related to EOP.

#### **Tasks**

Coordinate with the Director Operations for cash funding requirements prior to the storm. Per the CNP General Expense and Reimbursement policy, cash advances during an emergency other than EOP must be approved by the Business Unit President or functional area leader. Cash advances normally not available may be made available during an EOP situation when the card holder has established the cash feature of his or her OnePay card.

## Section E: Annexes

Per 25.53, the following annexes are included in this section:

- Annex A – Weather Emergency Annex
- Annex B – Load Shed Annex
- Annex C – Pandemic and Epidemic Annex
- Annex D – Wildfire Annex
- Annex E – Hurricane Annex
- Annex F – Cyber Security Annex
- Annex G – Physical Security Incident Annex
- Annex H – Mobile Generation/Long Lead Time Facilities Annex

**Annex A  
Weather Emergency Annex**

## Hot Weather Emergency

### PURPOSE

The purpose of the hot weather emergency annex is to provide a guide on preparing for and responding to extreme heat measures that could impact the CenterPoint Energy Houston Electric (CEHE) footprint.

### SCOPE

There are two distinct responses that could cause an elevated response from CEHE during an extreme heat situation.

- Load Shed as directed by ERCOT
- Widespread outages due to heat related transformer outages (also known as a Transformer Tsunami)

### RESPONSE – Load Shed

- CEHE’s Real Time Operations (RTO) utilizes and maintains a response plan for Load Shed that is directed and coordinated by ERCOT. The RTO Team will utilize the Emergency Operation Plan (EOP) as necessary to support this response.
- For additional information regarding the load shed plan, please reference (Annex B)

### RESPONSE – Equipment Failure

- Distribution Operations maintains a Storm Response Organization to respond to localized weather events. It is the responsibility of the Incident Commander (IC) on duty to monitor the situation and determine if the Response Plan within Distribution Operations should be activated.
- Upon activation, the Incident Command structure will be based on the roles identified in the Storm Response Plan. The IC and support team will make determinations on staffing, resources and materials as necessary.
- In the event of a significant shortfall of materials, staffing, or other issues the IC has the discretion to activate the EOP at Level 1 to provide additional support and garner additional awareness from leadership.
- For additional information, please reference the CEHE Storm Response Plan.

## Cold Weather Emergency

### Proactive Weatherization

- CEHE designs its transmission circuits to conform with the latest edition of the NESC, which is the industry standard for ice and wind design for coastal and inland areas. The Company's practice for designing all new transmission lines is to utilize Grade B loading requirements. Grade B applies the highest geographically applicable NESC values for wind and ice loading as well as the highest safety overload factors. CEHE also incorporates anti-cascade design features in its transmission lines.
- CEHE designs its substations to conform with the latest version of the NESC wind maps. The Company's practice for new substations and equipment is to utilize 2 wind zones: 140-mph (Coastal) and 120-mph (Non-Coastal), which meets or exceeds the NESC wind load based on the substation's location.
- CEHE's equipment specifications and acceptance testing standards include the use of ANSI/IEEE standards, which specify temperature ranges for service conditions covering a wide temperature range. The temperature ranges vary based on type of equipment from -4°F or -22°F to 104°F or 131°F. CEHE equipment specifications specify -22°F for all major substation equipment.
- CEHE installs heaters in substation transformer and breaker control cabinets.
- CEHE's substation control cubicles are climate controlled.
- CEHE utilizes antifreeze for cooling its station service backup generation equipment, and the equipment is oriented in a manner that avoids water and ice buildup on components which could inhibit operation.
- CEHE utilizes station service voltage transformers (SSVTs) in new substation installations, which have been retrofitted to key transmission substations where the station service feed is provided by local distribution providers.
- CEHE installs weep holes in substation buses to avoid water and ice buildup.

### Transmission Routine Maintenance

- CEHE has a comprehensive transmission line inspection and rehabilitation program based on a 5-year cycle to ensure that the integrity of existing transmission structures and wires is maintained. Twenty percent of the transmission system is ground inspected and maintained each year. Any line component identified that will likely cause a failure or a circuit outage within a critically short period of time is promptly addressed.

### Substation Routine Maintenance

- CEHE performs periodic station checks on applicable equipment to verify pressures and levels for Sulfur Hexafluoride (SF<sub>6</sub>), oil, nitrogen levels, transformer and breaker cabinet heaters, alarms, and supporting circuitry. Station checks are scheduled

**EMERGENCY OPERATIONS PLAN (EOP)**

---

monthly for 345kV and select 138kV substations. Station checks for the remaining substations are scheduled every 2 months.

- CEHE performs additional substation equipment and protection system maintenance according to manufacturer recommendations or in accordance with NERC maintenance interval requirements, generally whichever is more frequent.

Distribution Routine Maintenance

- CEHE has a comprehensive distribution wood pole inspection and rehabilitation program based on a 10-year cycle to ensure that the integrity of existing wood pole structures is maintained. Ten percent of the transmission system is ground inspected and maintained each year. Any line component identified that will likely cause a failure or a circuit outage within a critically short period of time is promptly addressed.

Anti-galloping

- Additionally, beginning in 2015 and continuing into 2022, CEHE has completed system hardening projects to retrofit portions of 69 kV and 138 kV transmission circuits with anti-galloping devices to avoid damage from icing conditions.

As referenced previously, the Company utilizes three emergency activation levels, designed to ensure sufficient resources are available to effectively respond to any type of event impacting CEHE’s service territory. The alert levels may be activated, based on need, during a variety of event types. Please see Section A: Overview for additional details regarding the Company’s response to emergency events.

**Annex B  
Load Shed Annex**

### **Load Shed Annex**

#### **Procedure for controlled shedding of load**

Pursuant to the ERCOT Protocols, the Company coordinates with ERCOT during an Energy Emergency Alert (EEA) event. Real-Time Operations Dispatchers coordinate electric grid activities with ERCOT System Operators using ERCOT Protocols and Operating Guides as well as in-house procedures. CNP is required to implement ERCOT-directives to maintain grid reliability.

In accordance with NERC Standard TOP-001-5 R1, without direction from ERCOT, the Company has the flexibility to curtail load by a variety of means, which include implementing the following measures, as time permits:

1. Curtailing all non-essential load within Company facilities;
2. Reducing distribution circuit voltage to achieve load reduction; and
3. Appealing through the media that all customers voluntarily reduce load.

After implementing the above measures, if circumstances require that load be reduced further, the Company will initiate its manual load shedding programs. This is accomplished by shedding distribution circuits as necessary to maintain system frequency, while rotating the outages of distribution circuits. Circuits are divided into four categories called “blocks”. The blocks consider the following: Emergency Load Reduction Schedule (ELRS), NERC standards, and ERCOT Protocols and Operating Guides. In the event that the manual load shedding program does not correct the emergency conditions, automatic under-frequency programs will be activated at the following specific frequency levels: 59.3 Hz, 58.9 Hz and 58.5 Hz. Load assigned to the block for each frequency will in turn be curtailed.

#### **Priorities for restoring shed load to service**

Load manually shed as a result of an ERCOT declared EEA load shed event will be rotated and restored based on the order of the distribution feeders for each block as defined in the ELRS.

Hazardous conditions, such as downed power lines, are the highest priority. Because the objective is to restore service to as many customers as possible, restoration of transmission circuits, substations, and distribution feeder mains are begun simultaneously. The distribution restoration proceeds in the following order:

1. primary feeder lines;
2. primary fused laterals;
3. transformers;
4. secondaries; and

**EMERGENCY OPERATIONS PLAN (EOP)**

---

5. service drops.

Inspection of and repairs to the feeder circuits are prioritized, so that service to large blocks of customers can be restored as soon as possible. Crews are directed that they must sweep the circuit (i.e. repair ALL damage related to that circuit: circuit, fuses, transformers and service drops) before moving on to the next circuit. After this, the restoration effort is guided by information provided by the Company's Outage Management System (OMS). The information printed on each trouble order includes the name of the device determined to be out of service as well as the number of customers affected. After a device is determined to be out of service, the Company stops printing further orders unless a hazardous condition is reported. Trouble orders from OMS are dispatched to the crews in the affected area in the following order:

1. line-fuse vicinities;
2. transformer vicinities; and
3. single order lights out.

The crews then schedule repairs on the basis of the critical nature of the customers and the location and number of customers affected. This system allows for an orderly and prompt response in restoration of the Company's delivery system.

**Procedure for maintaining an accurate registry of critical load customers**

Critical loads are defined by the PUC as "loads for which electric service is considered crucial for the protection or maintenance of public safety; including but not limited to hospitals, police stations, fire stations, critical water and wastewater facilities and customers with special in-house life-sustaining equipment."

The Company maintains a registry of critical load customers, which includes two lists: a list of critical load public safety customers, critical load industrial customers, and critical natural gas facilities and a list of chronic condition residential customers and critical care residential customers. The list of critical load public safety customers, critical load industrial customers, and critical natural gas facilities is managed by the Company's Distribution Accounts group, and the list for chronic condition residential customers and critical care residential customers is managed by the Company's Revenue Protection. The registry of critical load customers is an electronic database located in a secured area within the Company's corporate information technology architecture. The registry is updated as necessary but, at a minimum, annually.

The registry of critical load is updated as customers are approved through the application process. Approved Critical natural gas facilities are tracked for awareness during load shed and restoration planning. To ensure that the critical load registry is accurate, the Company's

**EMERGENCY OPERATIONS PLAN (EOP)**

---

personnel interact with various local government and area representatives to review and validate the information.

The critical load registry is used to develop circuit prioritization. When a critical load customer is initially added to the registry, the Company circuit serving that critical load is included in that critical load customer’s record. Within the critical load registry, reports can be extracted by circuit, and this information is then utilized in an annual circuit prioritization process. In addition, both the Company’s Outage Management System and the Geographic Information System depict critical load accounts. The Company assists critical load customers by restoring power after an unplanned outage in a systematic way that takes critical loads into account.

Critical Load, Critical Care Residential and Chronic Condition Residential customers are notified when they are approved to be in the Registry of Critical Load Customers. Critical Care Residential and Chronic Condition Residential customers receive notification by mail reminding them to reapply for inclusion in the Registry of Critical Load Customers. Since a load shed event is an emergency order from ERCOT based on a shortfall of electricity being generated, electric utilities, including CEHE, do not have the information to be able to notify individual customers if they may lose power, when they may lose power or how long the load shed event may last. However, we will work to keep our customers informed about the situation through local media outlets, social media, and direct communications.

Customer Service conducts formal training on aspects of serving Critical Load Customers for all Customer Service Representatives. Operations and Engineering personnel are trained to refer customers inquiring about acquiring Critical Load, Critical Care Residential, or Chronic Condition Residential customer status to their Retail Electric Provider and the electric portion of the CNP website.

As referenced previously, the Company utilizes three emergency activation levels, designed to ensure sufficient resources are available to effectively respond to any type of event impacting CEHE’s service territory. The alert levels may be activated, based on need, during a variety of event types. Please see Section A: Overview for additional details regarding the Company’s response to emergency events.

**Annex C  
Pandemic and Epidemic Annex**

## Pandemic and Epidemic Annex

### Introduction

CNP, like many other businesses and governmental entities, has developed over the years a variety of business continuity plan in response to uncontrollable events and natural disasters. One area of increasing concern has been the possible need to conduct operations over a number of weeks or months with a substantially reduced workforce and without the ability to call or rely on outside contractor assistance. This more recent requirement has been based on the realization that a world-wide infectious disease or a pandemic could strike unexpectedly.

CNP, drawing from a wide variety of authoritative governmental and scientific sources, as well as its own experience in responding to natural disasters affecting its service area, has developed detailed plans in preparation of a possible pandemic. The response activities can apply to other similar catastrophes that might cause large scale workforce absenteeism.

### Objectives

CNP's interest is in preparedness, not panic. It is recognized that a knowledgeable, confident and healthy workforce will represent a key factor in the success of our response plan activities. CNP has three main objectives for the Pandemic Preparedness Plan:

1. Educate employees on how to be personally prepared for a potential infectious epidemic. Employees should understand their roles and responsibilities in support of the company's response activities and continue to have the opportunity to work in a safe and healthy environment.
2. Respond in an appropriate manner to any such threat and attempt to limit the spread of infection, thereby protecting our workforce as much as possible. The plan will identify critical corporate and infrastructure energy delivery functions and devise methodologies for continuing such tasks without undue interruption.
3. Maintain essential services to the community and protect the enterprise and safety of our customers through coordinated efforts with various governmental authorities represented in our area and business footprint.

**EMERGENCY OPERATIONS PLAN (EOP)**

---

**Key elements**

Since we live and work in a highly mobile, global economy, an outbreak of a pandemic infectious disease may provide little lead time before operations are affected. CNP will continue to encourage education of its employees, customers and other business partners as to how they can prepare for such an epidemic.

**Employees:**

A high priority will be to protect our workforce from the threat of illness by:

- Emphasizing a clean and healthy working environment,
- Coordinating our activities with federal, state and local public health authorities to assist in providing vaccinations and other medications to the extent that they are available, and
- Stressing the need for the sick or those potentially exposed/impacted to remain away from the workplace.

An important weapon against the spread of infectious disease is the isolation of personnel where practical and the use of temporary “physical distancing”. Families should stockpile necessary provisions to be self-sufficient within their homes. However, during a pandemic event some sheltering in place may be required for a lengthy period of time, perhaps weeks, since travel and daily shopping may be limited. In addition, schools and day care will likely be closed during community outbreaks, placing an additional need for food, water and other essentials within the home. While ensuring that families are reasonably secure and protected, CNP employees will also need to focus on supporting the business services upon which our communities heavily rely.

**Managers:**

Each manager and supervisor should develop and maintain business process alternatives and business continuance plans with the expectation that a significant portion of their staff may be unavailable or away from usual work locations. In order for this to be an effective and sustainable plan during an actual infectious outbreak, it will be essential to retain the active participation of all available employees and contract personnel regardless of their normal job duties or work locations.

**Crises Response Plan Team (CRPT) Notification**

1. The Corporate Response Plan is the Company’s strategic resource on how to respond to various types of incidents and crises. The CRP is designed to ensure that resources and other support are provided to the business following an incident.

**EMERGENCY OPERATIONS PLAN (EOP)**

2. If an incident shows potential for escalation, it is recommended you notify the CRPT immediately.
3. To report incidents and contact CRPT during an incident, please utilize the Corporate Response Telephone and Mailbox.
4. The CRPT consists of the following personnel:

<b>Function</b>	<b>CRP Description</b>
Finance	Finance Officer
Legal	Legal Officer
CCR	Corporate Communications Officer
Safety	Safety Officer
Gas Operations	Gas Operations Officer
Electric Operations	Electric Operations Officer
IT	IT Officer
HR	HR Officer
Regulatory	Regulatory Officer
ERM	Head of ERM
Security	Head of Corporate Security
Customer	Customer Officer
ERM Analyst	ERM Analyst
Emergency Operations	EOP Coordinator

**Critical company functions**

Unlike the disasters contemplated by some of the company’s other business continuity plan, a pandemic does not significantly damage or destroy company facilities or directly affect service to customers. Well into the outbreak, it is expected that our electric utility facilities and gas utility facilities will be operating normally. Should such a disaster affect our service territories, it is not about the equipment itself, but rather the skilled workers that operate that equipment and the multitude of support personnel that constitute CNP.

Further, it will not only be important to maintain service to critical institutions such as hospitals, fire and police stations and government health organizations, but to our customers in general who may have increased needs of critical infrastructure entities. CNP’s Pandemic Preparedness Plan Team, in conjunction with others within our organization, is charged with maintaining a current list of important company functions, and ensuring that detailed response plans are in place to continue operations with a reduced workforce. The following work type levels are utilized by this plan to describe those important business, service and support activities.

**EMERGENCY OPERATIONS PLAN (EOP)**

---

**Level 1** – Business activities that must continue uninterrupted, even in the face of significant workforce absenteeism, in order to maintain appropriate service delivery levels, public safety and corporate financial integrity. Work activities that fall into this critical category may have to be modified so that any absenteeism experienced will not:

- cause disruptions to service according to current emergency plan restoration priorities or
- impact functions that maintain public or private safety.

**Level 2** – Business activities that could be delayed for as much as a week without serious business or service consequences. This delay should not:

- jeopardize the supply chain and inventory levels,
- seriously impact company infrastructure, including
  - voice, data and information systems
  - inter-company billings
  - transportation systems
  - payroll processing
- place the company in a serious adverse position relative to contracts, laws or regulations or
- materially impact the financial stability and/or cash flow of the company.

**Level 3** – Non-critical business functions that could be delayed indefinitely and rescheduled based on available workforce. Personnel associated with activities in this category could be redeployed as needed to perform Level 1 or Level 2 type work.

**Strategies**

The strategies outlined below are generally based on a pandemic threat like those monitored by the World Health Organization (WHO). WHO uses phased alerts to inform world health authorities and governments of the changing status of influenza pandemic threats as well as other health-related public threats.

**Interpandemic period**

**Phase 1:** No new virus subtypes have been detected in humans. A virus subtype that has caused human infection may be present in animals. If present in animals, the risk of human infection or disease is considered to be low.

**Phase 2:** No new virus subtypes have been detected in humans. However, a circulating animal virus subtype poses a substantial risk of human disease.

**Pandemic alert period**

**Phase 3:** Human infection(s) with a new subtype, but no human-to-human spread, or at most

**EMERGENCY OPERATIONS PLAN (EOP)**

---

rare instances of spread to a close contact. Table B within the Appendix details the actions CNP will take at this phase of a Pandemic event.

Phase 4: Small cluster(s) with limited human-to-human transmission but spread is highly localized, suggesting that the virus is not well adapted to humans.

Phase 5: Larger cluster(s) but human-to-human spread still localized, suggesting that the virus is becoming increasingly better adapted to humans but may not yet be fully transmissible (substantial pandemic risk).

**Pandemic Period**

Phase 6: Pandemic: New virus is spreading rapidly within human populations around a significant portion of the globe causing serious health concerns. It should be noted that a pandemic may affect countries, as well as populations within a county, to varying degrees during any of these alert phases as the infectious disease spreads.

**Recovery Period**

Once the pandemic wave has passed, CNP will begin recovery of its workforce and develop schedules for completing work that may have been temporarily delayed. The possibility for additional infectious waves must also be considered; therefore, recovery activities should be prioritized as to importance.

Generally, an important activity during the Interpandemic period is the review of key areas, functions and personnel that are vital to a sustained delivery infrastructure and corporate financial integrity. During Pandemic Alert period, CNP will be focused on employee education, departmental contingency planning, workplace health and safety, and response activity practice. Beginning with Pandemic period, CNP may need to limit employee business travel and discourage other nonessential outside travel. The timing of these and other response activities will be based on information from various authoritative sources such as the Centers for Disease Control (CDC), as well as management’s assessment of the nature of specific pandemic threats.

**Communication**

Accurate, timely and objective communication with all CNP stakeholders has been identified as a key element to the effectiveness on the Preparedness Plan.

Coordination with employees at all levels of the organization, as well as contractors, suppliers, customers, regulatory agencies, news media and the public may prove critical to the level of success we have as a company and community leaders in quickly responding to a pandemic should it occur. Described below is an outline of some of the communication strategies that will be employed in our preparedness efforts.

**Communication plan**

- Maintain effective communications with all stakeholders
- Coordinate activities with federal, state and local authorities
- Sustain a knowledgeable and confident workforce
- Respond appropriately as threats materialize to protect and reassure our employees

**Employees**

CNP's employees are our most valuable assets and will continue to be given careful attention in preparation for a potential pandemic. The company will endeavor to maintain a healthy and safe work environment, as well as emphasize the vital role and responsibility of the employee in CNP's response activities should a highly infectious disease affect our service territory. This requires an understanding of the issues by all involved, communication of our Preparedness Plan, discussion with the employees about their roles and responsibilities and rehearsing response activities as appropriate for each work group to sustain confidence in the effectiveness of the plans.

Therefore, several types of employee communication will be used as appropriate to the audience and situation.

**Individual preparation**

- Brief email messages about the issues and their national and local importance.
- Listings of useful web sites for self-exploration and education.
- Web access to CNP's Pandemic Preparedness Plan
- Executive updates at employee meetings and/or through electronic messages to provide current information and respond to questions.
- Emails and posters encouraging seasonal flu vaccination and vaccination to address new viruses for all family members, personal hygiene and social etiquette.

**EMERGENCY OPERATIONS PLAN (EOP)**

---

- Education and preparation storyboards for computer-based employee education.
- Special reports and voice mail broadcast messages as necessary

Departmental Preparation

- Presentation planning material for staff and safety meetings.
- Custom communication for first responder personnel as needed.
- Instructional material for telecommuting and teleconferencing from home.
- Website and Pandemic Hotline with current information and work instructions.

**Other stakeholders**

CNP will continue to coordinate its pandemic preparedness plans with its outside stakeholders, including suppliers, contractors, federal, state and local governments and emergency management offices, and regulatory agencies, to clarify roles and responsibilities, verify current contact information and assess and revise response strategies and activities as appropriate.

**Training:**

The Pandemic Preparedness Plan Team will meet annually to discuss necessary updates to the plan. A corporate communication will be sent to CNP managers annually to educate on the purpose of the plan and to encourage their employees to prepare for such a threat.

Educational resources will be available and accessible to all employees on the CNP Today Pandemic page.

**Educational resources**

CNP’s Pandemic Preparedness Plan is based on a foundation of employee knowledge and understanding of the issues, as well as their dedication and support in executing response activities both at home and work. In that regard, employees should occasionally check for and familiarize themselves with current information on CNP’s intranet website.

The following additional websites also provide excellent background information on pandemics, personal and family preparation and current news articles:

- Centers for Disease Control  
<http://www.cdc.gov/>
- World Health Organization  
<http://www.who.int/topics/influenza/en/>

**EMERGENCY OPERATIONS PLAN (EOP)**

---

- University of Minnesota's Center for Infectious Disease  
<http://www.cidrap.umn.edu/cidrap/content/influenza/panflu/index.html>
- American Red Cross  
[www.redcross.org/news/ds/panflu](http://www.redcross.org/news/ds/panflu)

**Conclusion**

CNP will routinely review and update this preparedness plan so that response activity strategies can remain current and effective. The success of the company's response activities, if and when they are needed, will not only be dependent on full employee participation in the review and understanding of these plans, but their practice as well.

**Annex D  
Wildfire Annex**

### Wildfire Mitigation Efforts

The Company performs periodic maintenance including clearing trees away from the conductors and equipment on approximately 1,600 circuits. This proactive maintenance takes place on a cyclical basis. For 35kV voltage and some selected 12kV circuits, maintenance is performed about every three years while the remaining 12kV circuits are maintained on a five-year basis. Unplanned tree clearing maintenance may be performed at other times based on locations identified by area operations personnel or as reported by customers.

A proactive hazard tree inspection program is performed along the main feeder portions of circuits in areas with tree species that traditionally experience higher mortality rates. Other circuit feeders may be included during times of drought or infestations.

Periodic transmission circuit and Right-of-Way (ROW) tree clearing maintenance is performed on a five-year cycle basis with the facilities inspections performed the quarter following the vegetation work. CEHE performs an annual inspection of the whole transmission system to identify hazardous trees or other vegetation issues that need immediate attention. Additional inspections may be performed in selected areas as warranted by conditions or situations conducive to increased tree mortality or risk exposure.

Additionally, when advance notice of a hazardous fire conditions are issued by the local Fire Marshal that could involve transmission ROWs and facilities, mowers are dispatched to reduce brush within the ROWs along with herbicide contractors to apply fire retardants to the bases of the Company's towers and structures to mitigate or reduce potential fire damage.

As referenced previously, the Company utilizes three emergency activation levels, designed to ensure sufficient resources are available to effectively respond to any type of event impacting CEHE's service territory. The alert levels may be activated, based on need, during a variety of event types. Please see Section A: Overview for additional details regarding the Company's response to emergency events.

**Annex E  
Hurricane Annex**

## HURRICANE ANNEX

### A. Introduction

This annex provides a framework for the activation of the EOP for both a system-wide and partial system hurricane response. Hurricane events that may cause disruption to the area's electric service are varied and unpredictable as to severity and portion of the system affected.

In order to activate the plan, clear communication must be provided to all personnel involved in the planning, response and recovery phases supporting the restoration of electric service.

Electric Operations leadership, or authorized designees, shall have the following responsibilities:

- Activating the EOP when a system-wide storm emergency situation exists or a threat is imminent
- Directing all operations once the EOP is activated
- Keeping the President and Chief Executive Officer of CNP informed of system conditions, activities, and progress towards restoration of electric power under the EOP

### B. Pre-Storm Preparation

#### Hurricane Drill

To promote familiarity with the EOP, a general hurricane drill exercise is outlined below. When possible, this exercise coincides with the State Hurricane exercises to provide increased realism. Mock hurricane advisories are communicated similar to those given by the local National Weather Service (NWS) during an actual storm. These notifications are designed to test tracking and activation procedures. These advisories are given regularly during the exercise. Minor disruption of some regular employee activities is anticipated but there are no line crews engaged.

The primary objectives are:

- Testing the communications involved with activation of the Emergency Operations Plan;
- Testing employee information systems:
  - Corporate email
  - Corporate employee hotline
- Evaluating pre-season preparations;
- Verifying knowledge of specific EOP duty assignments;

- Activating the Incident Command Center in the Greenspoint Annex ;
- Activating the Distribution, Transmission and Substation, and the Energy Control Evaluation Centers;
- Utilizing recommendations from previous exercises and events to test and practice Storm EOP procedures;
- Evaluating implementation of Incident Command processes and procedures;
- Simulating media and regulatory reports; and
- Simulating damage assessments and restoration schedules between evaluation centers, and posting them in a test version of Outage Tracker.

If the annual Company functional exercise coincides with the State of Texas hurricane exercise and the City of Houston and/or the Harris County Office of Homeland Security and Emergency Management have activated their Emergency Operations Centers, then the Company will also test communication techniques with those entities.

#### **EOP Storm Roster**

The Employee Storm Roster (ESR) is a web-based application that has been developed in house in SAP to help:

- Manage Storm EOP assignments for Company personnel
- Manage and track mutual assistance and contract personnel
- Manage lodging facilities required during a storm event

A process is in place to manage the assignment of personnel as employees are hired, transferred or leave the Company. Employees are encouraged to log into ESR at any time to update and review their EOP-related information as needed. Employees can access ESR by clicking on the “Employee Storm Roster” button on the Company’s internal website.

#### **Hurricane Vacation Policy**

During Hurricane Season (June 1st through November 30th), when an EOP event is declared, no vacation requests will be approved for Operations staff in CEHE and Houston Gas who serve in Storm Rider and First Responder roles, including critical support functions. Furthermore, vacations already scheduled during the restoration period may be cancelled by management, and no new vacation requests will be authorized.

If a non-operations employee has a planned vacation, but an EOP event is declared prior to the start of that vacation, the employee is expected to talk to his or her EOP leader and direct supervisor. The EOP leader and the employee's direct supervisor have the discretion to allow the employee to take the vacation as planned or deny the time off based on the criticality of his or her EOP role.

If an employee is already on vacation and out of town at the time the Company declares a storm EOP event, the employee is not expected to immediately return to fill his/her EOP role. Upon returning from vacation the employee is expected to immediately report for EOP duty in the designated role. If the vacationing employee is in town, he or she is expected to return to work immediately to fulfill his or her EOP assignment, and any unused vacation may be rescheduled after the Company returns to normal operations.

If the employee is denied the time away from work and suffers financial loss directly associated with the vacation, such as airline tickets, hotel/condo rental, tour or cruise expenses, he or she shall submit a request for reimbursement to the Company's designated Human Resource Manager, within 10 days after being relieved of EOP duties. The request will be reviewed by management and a decision made within 30 days after the final day of the EOP event.

### **Employee Responsibilities**

If the Company activates the EOP because of a threat to the continuation of electric service to our customers, employees may be called upon to change job assignments prior to and/or during service restoration. There will be a plan for employees to be released for final storm preparation prior to a Storm EOP event and lodging planned for "First Responders" with established criteria will be communicated by local management.

Business continuity during an EOP is critical. All employees, whether in their normal job or an EOP assignment, are essential to successful service restoration. The Company values the role each employee plays in serving the needs of our community. Employees are expected to:

- Understand their roles and responsibilities.
- Understand that the primary reporting relationship during the EOP is to the assigned EOP Leader. Daily assignments during EOP will be determined by the EOP Leader and employees may be asked to take on different assignments as needs change during the service restoration process.

- Participate in the annual EOP Drill, training, and other planning activities as required.
- Make the necessary personal pre-storm preparations to be ready and available to perform the EOP assignment.
- Establish storm plans with their families in advance to ensure employees are prepared to report as directed and to fully execute their assignments during EOP.
- Maintain a hard copy of important phone numbers, including EOP contacts, immediate supervisor, CNP Storm Mailbox (which provides general information during EOP) and the HR Hotline (which provides employee assistance).
- Be aware that employees in “Day 1” assignments will not be allowed to leave the greater Houston area once EOP is declared (72 hours or less until storm landfall).
- Make their management aware of any special needs that may impact their ability to report to duty for EOP assignments, in advance of EOP activation.
- Understand that employees are ultimately responsible for their own personal safety and that of their families and take appropriate actions to ensure a safe and timely execution of their roles and responsibilities in the EOP.
- Maintain current contact information in Employee Service Roster (ESR) and ensure their EOP Leader and immediate supervisor have the most current information.
- Notify immediate supervisor and EOP Leader throughout the year and during EOP assignment, if necessary, of any change in personal needs or responsibilities that may affect their ability to fulfill their EOP assignment. Examples could include: change in residence, phone numbers, or fitness for duty.
- Establish and maintain contact with immediate supervisor and EOP Leader in the event of EOP activation and throughout the active period.
- Recognize EOP assignments will require working extended hours with shifts ranging from 10 to 16 hours per day, seven days a week. Some assignments require long periods of exposure to all weather conditions, walking several miles a day, standing for hours, or taking vehicles off road.



- Recognize that failure to report to duty as scheduled or failure to fully execute the EOP assignment may subject employees to disciplinary action, up to and including termination of employment.

**C. INITIAL STORM ACTIVATION**

**Basis of activation**

The Company determines when it activates the EOP and response activities based on StormGeo data on the anticipated intensity of the event. The StormGeo program issues trigger reports every six hours leading up to the event. These reports help determine the appropriate course of action. The Company uses the following phases to guide the actions to be taken but the Incident Commander has the authority to deviate from these guidelines:

<b>Trigger parameter</b>	<b>Phase</b>
Response Plan Activator (RPA) is positive *	1
The Worst Case Scenario (WCS) for 39 mph winds reaching this location is < 120 hours and the probability of 58 mph Wind Impacting (PWI) this location is > 8%	2
The WCS for 39 mph winds reaching this location is < 96 hours and the PWI of 58 mph at this location is > 15%	3
The WCS for 39 mph winds reaching this location is < 72 hours and the PWI of 58 mph at this location is > 20%	4
The WCS for 39 mph winds reaching this location is < 66 hours and the PWI of 58 mph at this location is > 25%	5
The WCS for 39 mph winds reaching this location is < 60 hours and the PWI of 58 mph at this location is > 25%	6
The WCS for 39 mph winds reaching this location is < 54 hours and the PWI of 58 mph at this location is > 25%	7
The WCS for 39 mph winds reaching this location is < 48 hours and the PWI of 58 mph at this location is > 30%	8
The FTA for 39 mph winds reaching this location is < 36 hours and the PWI of 58 mph at this location is > 50%	9

### **Activation Alerts**

The Company has a three level alert system for weather and system conditions which are used in operations and are not exclusive to a hurricane, storm, weather related or other event. These three EOP levels are designed to ensure sufficient resources are available to effectively respond to any type of event impacting CEHE's service territory. The Company is beginning to implement three activation levels in 2021.

The following is a summary of the alert levels that may be activated, based on the needs, during a specific type of event:

#### **EOP Level 1:**

- Short duration or low impact event affecting the entire CEHE service territory
- Severe impacts to only a specific area of the CEHE service territory
- Additional support roles may be needed

#### **EOP Level 2:**

- Medium duration and impact event
- Severe impacts to multiple areas of the CEHE service territory
- Additional support roles needed

#### **EOP Level 3:**

- High duration and impact event
- Severe impacts to all or nearly all areas of the CEHE service territory
- All support roles needed unless otherwise notified
- Individual department emergency plans and/or business continuity plans initiated as needed, and Corporate Response Plan activated as appropriate

Regardless of the EOP level declared, employees must be prepared to respond. Employees should connect with their supervisor and know their EOP role if any level of EOP is declared. If necessary and called upon, management is encouraged to release their employees from their normal responsibilities to assist in the EOP response. Since emergency events can change quickly, employees should be prepared to escalate response if necessary. Employees who have an electric storm assignment that requires participation in both response activities, and any drills will be contacted by their EOP storm response leader and provided with EOP instructions on where to report. For those who do not currently have a role, the EOP team will make assignments after determining where assistance is most needed.

### **Evacuation and Re-Entry Procedures**

In the event of a storm, the Galveston and Baytown Service Centers evacuate in conjunction with activation of the evacuation plans of Harris and Galveston Counties. The Galveston Service Center evacuates to the South Houston Service Center, and the Baytown Service Center evacuates to the Humble Service Center. All CNP personnel that live in evacuation zones and that also have Day 1 or Day 2 EOP Storm assignments will be offered lodging by the Company, so that they can be readily available for duty immediately after a storm. The Company has worked with local emergency officials and the State of Texas Phased Re-entry Plan to obtain written permissions and to facilitate/expedite the movement of restoration resources into evacuated areas for the purpose of restoring power.

### **Toll Road Procedures**

A key route utilized to access portions of the Company's service area is the Harris County Toll Road system. The following procedures have been put in place to address usage:

The Security Branch Director will contact the Harris County Toll Road Authority (HCTRA) to obtain approval from Harris County Commissioners Court for a specific start and end time that restoration vehicles can utilize the toll roads "toll" free. Providing license plate information is imperative to this process.

In the event of a storm:

1. Fleet will send a list of the license plate information for any rental vehicles to Corporate Security as soon as possible.
2. Fleet will send a list of the license plate information for Houston-area fleet vehicles and trailers.
3. Service Area Managers will provide a list of the license plate information for any EOP responders needing access to the toll roads and submit it to the Security Branch.
4. Check-in Support at the staging sites will gather CNP personnel license plate information and submit it to Corporate Security.
5. During check-in of mutual assistance crews at staging sites:
6. Check-in Support will verify any license plate information provided on the rosters and attach CNP decals near the back license plate (such as on the bumper below license plate or on the tailgate above license plate) on each non-CNP vehicle.
7. If license plate information is not provided, Check-in Support will record license plate numbers and the state issued for mutual assistance vehicles and trailers.
8. Site administrators will send these lists to the Security Branch via fax or email.
9. The Security branch will send the license plate information to HCTRA for entry into their system to automate the "No Fine" process.

10. Any violation notices issued during the time frame approved by Commissioner's Court should be sent to Corporate Security via fax or email within five days of the invoice date stated on the notice. Corporate Security will then send the notice to HCTRA for dismissal.

Factors CNP Uses to Determine EOP Phases

Factor	Description
Hurricane Risk Indicator (HRI) goes positive for the report location.	<p>A negative HRI for a location denotes no hurricane threat has been identified through the coming week.</p> <p>When StormGeo identifies a location as "Positive" for a hurricane risk, in addition to putting that notice atop the TropicsWatch web page, they will also notify CNP's EOP Coordinator by phone and by email.</p>
Worst Case Scenario (WCS) for 39 mph winds reaching the report location	<p>StormGeo's Worst Case Scenario (WCS) parameter lets CNP know the approximate earliest arrival times of 25, 39, 58, 74, and 100 mph winds at defined report locations if an active storm were to quickly travel straight to that location. CNP's WCS activation parameter will be based on the 39 mph wind.</p> <p>Assumptions:</p> <ul style="list-style-type: none"> <li>The storm movement is directly toward our location</li> <li>Assumes a forward speed equal to the maximum forecasted forward speed over the time period prior to the storm's ETA at our location</li> <li>Intensity is set to the projected maximum sustained winds possible during the time period from the current position until it reaches our location</li> <li>Wind field size is set to the maximum projected in any one quadrant of the storm prior to reaching our location</li> </ul>
The Probability of 58 mph Wind Impacting (PWI) the report location.	<p>StormGeo's "Probability of Wind Impact" displays the probability of a location receiving a certain threshold of wind. Wind probabilities will be calculated for wind speeds of 25 mph, 39 mph, 58 mph, 74 mph and 100 mph. CNP's PWI activation parameter will be based on the 58 mph wind.</p>
The Forecasted Time of Arrival (FTA) of 39 mph winds reaching the report location	<p>As the certainty of impact to the Company's service area becomes definite, the forecast changes from Worst Case Scenario to Forecasted Time of Arrival (FTA). Again, EOP activation parameter will be based on the 39 mph wind.</p>



Factor	Description
Sustained Winds fall below 39 mph	As the storm begins to move out of the Company’s service areas, StormGeo will forecast when wind speeds for each report location are scheduled to fall below 39mph.

**Activation Phase Descriptions**

The following table describes fourteen phase points for which CNP has designated specific storm preparation activity. This table describes the parameters required to determine when each of these phase points has been or will be achieved. These phases are based on When StormGeo identifies a location as "Positive" for a hurricane risk. A notification of this risk will be made by adding a notice atop the TropicsWatch web page and communicating with CNP’s EOP Coordinator by phone and by email.

Phase	Description
1 - Hurricane risk indicator is positive	<p><b>Notification to executives</b></p> <p>The EOP Coordination Team communicates potential storm threat to executives. Keep executives clearly informed of developing storm conditions and obtain concurrence to begin employee communications.</p>
2 - The worst case scenario for 39 mph winds reaching this location is < 120 hours and the probability of 58 mph winds impacting this location is > 8%	<p><b>Communication to employees</b></p> <p>The Public/Employee Information Officer (P/EIO) sends out company-wide communications to employees to tell them to prepare home and family for a storm, know their EOP assignment, etc. The P/EIO also keeps employees clearly informed of developing storm conditions.</p> <p><b>Functional managers verify and report EOP readiness</b></p> <p>Make an early ID of shortfalls and take corrective actions as necessary (roster, supplies, personnel, facilities, ice machines, telecommunications, generators, etc.).</p> <p><b>Branch directors leaders initiate communication with EOP-assigned employees</b></p> <p>Keep EOP assigned employees clearly informed of developing storm conditions and notify them to begin preparations for manning their EOP assignments. Confirm information for EOP team members.</p>



Phase	Description
<p>3 - The worst case scenario for 39 mph winds reaching this location is &lt; 96 hours and the probability of 58 mph winds impacting this location is &gt; 15%</p>	<p><b>RTO implements storm updates using email and text messaging systems</b>                      RTO commences tracking of storm and periodically communicates position of storm to CNP personnel using the email and text messaging systems. The purpose of this action is to keep CNP personnel updated as to direction/intensity of storm.</p>
<p>4 - The worst case scenario for 39 mph winds reaching this location is &lt; 72 hours and the probability of 58 mph winds impacting this location is &gt; 20%</p>	<p><b>Incident Commander declares EOP activation</b>                      The Incident Commander makes recommendations for this action based on latest updates from StormGeo.</p> <p><b>The Resource Acquisition group contacts Regional Mutual Assistance Groups (RMAG's) as needed to set up mutual assistance conference calls.</b>                      CNP is a member of the S.E.E., the Midwest, and the Texas RMAG's. Contact these groups as needed to initiate Mutual Assistance Conference Calls. Following is their contact information:                      S.E.E. – Contact any S.E.E. staff member at 404-233-1188 and let them know you wish to hold a conference call for storm response. Refer to the S.E.E. Mutual Assistance Procedures and Guidelines, Section 9.3, for additional information.                      Midwest – CNP may contact EON-US (Shenita Gazaway 502-627-3925 or David Guy 502-627-4104) to request that a Midwest conference call be set up.                      Texas – CNP may refer to the Texas Mutual Assistance Conference Call Guidelines. CNP may send an e-mail to each member on the roster announcing a conference call, and provide a 1-800 conference call number with password.</p> <p><b>Logistics section makes lodging arrangements</b>                      This action is taken in preparation to accommodate CNP personnel that are storm riders and first responders that must evacuate according to the Harris County Office of Emergency Management. These activities continue as more zip codes are evacuated. The Lead Hotel Coordinator should book hotel space based as CNP head count determined.</p> <p><b>P/EIO implements communications plan/activate storm hotline</b></p>

Phase	Description
	<p><b>Finance submits a request for cash to Treasury</b></p> <p><b>Logistics section secures food beginning 48 hours after the landfall</b>                      Operations section secures enough food to feed personnel at all EOP operating sites until the caterers have had a chance to arrive and set up.</p> <p><b>Operations evacuates service centers in storm surge areas</b>                      Operations will conduct Galveston and Baytown Service Center evacuations in conjunction with evacuation plans for Harris and Galveston counties. Baytown Service Center will evacuate to Humble Service Center. Galveston Service Center will evacuate to South Houston Service Center.</p> <p><b>Logistics tops off CNP fuel tanks and secure additional fuel and fuel tanks</b>                      Logistics coordinates fuel deliveries to top off underground fuel storage tanks and facility backup generator fuel tanks.                      They also secure temporary fuel tanks and fuel products for service centers, offsite parking and staging sites.</p> <p><b>Telecom executes cell relay/DCE extensions to maximum days</b></p> <p><b>Grid &amp; Market Operations sends communications to Texas market regarding possibility of interruptions regarding meter data</b></p> <p><b>Operations assesses the operability of production IG devices</b></p> <p><b>Telecom considers securing satellite telephone rentals</b>                      Telecom Services will evaluate need of rental satellite telephones for the staging site supervisors.</p> <p><b>Telecom considers securing portable voice radio rentals</b>                      Telecom Services will evaluate need of rental of portable voice radios to supplement CNP’s normal inventory.</p>
<p>5 - The worst case scenario for 39 mph winds reaching this location is &lt; 66 hours and the probability of 58 mph winds impacting this location is &gt; 25%</p>	<p><b>Incident commander conducts conference call</b>                      Potential topics to cover:</p> <ul style="list-style-type: none"> <li>• actual or expected storm category</li> <li>• storm condition</li> <li>• trouble level of the event</li> </ul>

Phase	Description
	<ul style="list-style-type: none"> <li>• type of event</li> <li>• damage projection</li> <li>• time of impact</li> <li>• duration of event</li> <li>• EOP timeline status</li> <li>• plan for recovery</li> <li>• level of preparedness</li> <li>• communications</li> </ul> <p><b>Logistics alerts material and logistics suppliers</b>                      The Logistics sections provide these suppliers with advance notice to begin making their preparations to supply CNP with storm restoration materials. They alert suppliers of the coming need for tents, trash, cars, food, laundry, etc. They also alert materials suppliers for poles, transformers, wire, insulators, hardware etc.</p> <p><b>Logistics begins relocation of storm stock</b>                      The Logistics section delivers the remaining EOP material and bedding to service centers in advance of evacuations.</p> <p><b>Logistics analyzes EOP inventory levels</b>                      In preparation for the Special Material Release presentation to the section chiefs, the Logistics section will prepare to make preliminary recommendation for purchase quantities based on current inventory levels and storm strength projections. Logistics will continually monitor and evaluate material requirement needs for the Special Material Release as the storm approaches in preparation for the final Special Material Release recommendation at 6 hours prior to landfall.</p> <p><b>Logistics alerts staging site owners</b>                      Staging site supervisors make preliminary contact with the staging site owners to notify them of our possible intent to activate our contracts with them.</p> <p><b>Resource Acquisition participates in the RMAG Conference Call</b>                      The Resource Acquisition group participates in a conference call for each RMAG that calls were set up with. The purpose of these calls is to determine the number of first wave line and tree trimming</p>

Phase	Description
	resources that are available from these RMAG’s. Mutual Assistance utilities can provide line crews, damage assessors, material handlers, and staging site management teams, along with various other personnel.
6 - The worst case scenario for 39 mph winds reaching this location is < 60 hours and the probability of 58 mph winds impacting this location is > 25%	<p><b>Conduct operations conference call</b>  Branch directors, SADs, and service center operations conduct conference call to determine preparation progress.</p> <p><b>Section chiefs assess Special Material Release</b>  Purchasing presents results of assessment to section chiefs and recommends Special Material Release quantities, values, and timing.</p> <p><b>Section chiefs assess preparation</b>  Section chiefs update command staff in a face-to-face meeting. The main objective is to provide an update on preparation progress.</p>
7 - The worst case scenario for 39 mph winds reaching this location is < 54 hours and the probability of 58 mph winds impacting this location is > 25%	<p><b>Activate the Incident Command Center</b>  CNP will:</p> <ul style="list-style-type: none"> <li>• Ensure all systems and equipment at the Incident Command Center are functioning properly</li> <li>• Obtain supplies as needed; set up rooms as planned</li> <li>• Set up computers, telephones, Satellite TV access</li> <li>• Test communications</li> <li>• Ensure that the Incident Command Center phone number rings at that location.</li> </ul> <p><b>The Public/Employee Information Officer issues employee communication regarding employee evacuation of storm surge area.</b></p> <p><b>Resource Acquisition group participates in RMAG Conference Call #2</b>  The purpose of this call is to further refine the available resource numbers.</p> <p><b>Test radio communications at Evaluation Centers</b>  Telecom visits each evaluation center and tests its radio for operational performance.</p>
8 - The worst case scenario for 39 mph winds reaching this location is < 48 hours and	<b>Logistics updates logistics and material suppliers</b>

Phase	Description
<p>the probability of 58 mph winds impacting this location is &gt; 30%</p>	<p>The Logistics section provides these suppliers with updated information to assist them in their preparations to supply CNP storm requirements.</p> <p><b>Logistics updates staging site owners</b>                      Staging site supervisors make update calls to staging site owners. They verify the availability of facilities previously agreed upon.</p> <p><b>Resource Unit pre-positions local tree and line contractors</b>                      The Resource Unit allocates all local contractor resources to the service centers in accordance with the plan, to enable contractors to provide immediate response for priority service work.</p> <p><b>Fleet Services branch secures rental vehicles</b>                      The Fleet Services group within the Fleet Services branch secures rental vehicles to meet EOP storm needs. Based on severity of storm, Fleet will contact potential users of rental vehicles to determine pre- and post-storm needs, and make arrangements to obtain needed vehicles.</p>
<p>9 - The forecasted time of arrival for 39mph winds for this location is &lt; 36 hours and the probability of 58 mph wind impacting this location is &gt; 50%</p>	<p><b>Conduct operations conference call</b>                      Distribution Operations branch managers, SADs, and service center operations conduct a conference call to determine progress of preparation.</p> <p><b>Logistics section activates logistics (suppliers, caterers, etc.)</b>                      At the direction of Operations, the Logistics section engages logistics suppliers to execute CNP EOP logistics plan.</p> <p><b>Logistics prepares for employee refueling (if necessary)</b>                      The Fleet Services group within the Logistics section sets up employees for access to the automated fueling system. Distribute instructions and recording forms in case of fuel system by-pass and temporary fuel tanks.</p> <p><b>The PEIO/management communicates with employees regarding EOP show up time</b></p> <p><b>Logistics activates staging sites as required at the direction of Operations</b>                      Logistics begins activating staging sites. They continue to update staging site owners if we will use or not use their facility.</p>

Phase	Description
	<p><b>Section chiefs assess Special Material Release</b></p> <p>Purchasing presents updated recommendations for the Special Material Release based on evolving storm and material availability data.</p>
<p>10 - The forecasted time of arrival for 39 mph winds for this location is &lt; 30 hours and the probability of 58 mph winds impacting this location is &gt; 60%</p>	<p>Incident Commander and Section chiefs conduct conference call</p> <p>Potential topics to cover:</p> <ul style="list-style-type: none"> <li>• actual or expected storm category</li> <li>• storm condition</li> <li>• trouble level of the event</li> <li>• type of event</li> <li>• damage projection</li> <li>• time of impact</li> <li>• duration of event</li> <li>• EOP timeline status</li> <li>• plan for recovery</li> <li>• progress of preparedness</li> <li>• communications</li> </ul> <p>Operations sends select crews and staff home</p> <p>The Operations section releases crews to prepare their homes for storm. They rotate crews, sending half the first 4 hours and the second half the next 4 hours.</p>
<p>11 - The forecasted time of arrival of 39 mph winds for this location is &lt; 24 hours and the probability of 58 mph winds impacting this location is &gt; 60%</p>	<p><b>Operations restricts Galveston and/or Baytown access</b></p> <p>Once Harris and Galveston Counties have been evacuated and restrictions put in place by government entities, CNP service area management representing the service areas in the perspective counties identifies and follows the process for re-entering restricted areas.</p> <p><b>Resource Acquisition participates in the RMAG Resource Division Conference Call</b></p>



Phase	Description
	<p>The call will be necessary if more than one utility is impacted by the Storm event. The impacted utilities will divide the available resources based on the expected outage counts and amount of damage.</p> <p>Resource Acquisition initiates efforts to secure additional resources outside of S.E.E., Texas and Midwest RMAGs</p> <p>This effort should be initiated if additional resources are still required after exhausting the available resources of the three RMAG’s we are members of. The Resource Acquisition group arranges additional conference calls with RMAG’s that are more distant from our area but could still provide resources if necessary.</p>
<p>12 - The forecasted time of arrival of 39 mph winds for this location is &lt; 18 hours</p>	<p><b>Operations suspends normal operations</b></p> <p>The Operations section notifies day crews to start when safe, then begin work the next day, working from 5 am to 9 pm.</p> <p><b>Operations puts night crews and critical operations personnel in place</b></p> <p>Operations rolls trouble shooters and third-shift employees, with a support employee, to the night shift (5 pm to 9 am) to ride out the storm and continue to work that shift throughout the restoration.</p> <p><b>Incident Commanders conducts leadership conference call</b></p> <p>Potential topics to cover:</p> <ul style="list-style-type: none"> <li>• actual or expected storm category</li> <li>• storm condition</li> <li>• trouble level of the event</li> <li>• type of event</li> <li>• damage projection</li> <li>• time of impact</li> <li>• duration of event</li> <li>• EOP timeline status</li> <li>• plan for recovery</li> <li>• progress of preparedness</li> <li>• communications</li> </ul>

Phase	Description
<p>13 - The forecasted time of arrival of 39 mph winds for this location is &lt; 6 hours</p>	<p><b>Section chiefs assess Special Material Release and approve placement of order</b>                      The Supply Chain group presents final recommendations for the Special Material Release based on evolving storm and material availability data.</p> <p><b>Supply Chain notifies vendors of Special Material Release</b>                      The Supply Chain group places the Special Material Release approved by section chiefs.</p>
<p>14 - Sustained winds fall below 39 mph</p>	<p><b>Operations branch directors conduct operations conference call</b>                      The Operations branch directors, SAD’s, and service center operations conduct conference call to determine impact to their facility, equipment and ability to operate. They also report any initial damage assessment.</p> <p>Activate helicopters</p> <p>The Operations section chief communicates with Transmission, Substations, and Distribution regarding the need for helicopters and the number needed by each group. Establish landing sites, number of passengers flying, and estimated duration (number of days/hours). Activated when wind is on our shore.</p> <p><b>Resource Acquisition participates in RMAG Conference Call #3</b>                      Resource Acquisition updates the Resource Request from previous conference calls. They also determine assigned resources, and request additional resources outside of S.E.E. if needed.</p> <p><b>Update the employee storm hotline</b>                      Public/Employee Information Officer updates information and instructions on the employee storm hotline.</p> <p>Resource Acquisition continues to maintain contact with responding resources and keep them updated as they travel to our territory.</p> <p><b>Logistics sets up staging sites</b>                      The Staging Site Managers within Logistics report on the progress of staging site setup to the Logistics Section Chief. The Logistics Section Chief will provide updates to Operations as needed.</p> <p><b>Security director activates security and traffic control</b></p>

Phase	Description
	<p>The director of Security, in the Logistics sections, works with local authorities to provide access for CNP personnel conducting restoration activities to storm-damaged areas.</p> <p>The director also provides security and traffic control for service centers and staging sites.</p> <p>Incident Commander and Section chiefs conduct conference call</p> <p>This is the first scheduled Incident Commander/Section chief update after landfall. The call may cover updated versions of the topics mentioned previously.</p> <p><b>Logistics</b></p> <p>Based on the latest resource count, the Hotel Coordinator will begin contacting hotels and reserving rooms for incoming mutual assistance and contract crews. These activities will continue throughout the duration of the incident.</p>

**D. Command Centers**

Upon activation of the EOP, the Company establishes evaluation centers. Assigned personnel at these evaluation centers act as data collection points for a variety of information such as specific system statuses, conditions, and restoration schedules. They also help CNP track progress for the following tasks:

- Coordination of logistical support and the assignment of manpower to support restoration priorities.
- Communication with outside utilities for assistance, arrival and departure schedules, and other coordination as needed.
- Information collected by these evaluation centers is relayed, compiled and displayed at the Incident Command Center.

**Incident Command Center**

The Incident Commander (IC) is responsible for establishing and operating the Incident Command Center located at the Greenspoint Annex – Room 1550. If necessary, a backup evaluation center will be stood up at the Bellaire Service Center Auditorium. Personnel will be assigned as necessary to make contacts with outside utilities using mutual assistance processes and the applicable agreements, posting

information as provided by other evaluation centers, and supporting other resource needs. Staffing requirements for the Incident Command Center will be based on a 24-hour operational period and will be staffed in 12 or 16-hour shifts as the Incident Commander deems appropriate based on the needs of the response efforts.

Access to the Incident Command Center is limited to assigned duty employees, command staff, and appropriate Company officers.

### **Activation of the Incident Command Center**

At the discretion of the Incident Commander, storm riders must report to the Incident Command Center when specified by the IC. Advanced authorization may be appropriate when fully staffing the center if, in the judgment of leadership, it is necessary to avoid later unsafe road conditions and other possible hazards such as dangerous wind speeds.

### **Operation of the Incident Command Center**

Initial activation of the Incident Command Center will be for the purpose of assessing the status of preparation by departments. The Incident Commander is responsible for scheduling and communicating the requirement for periodic conference calls to assess the status of preparation by the various departments. As the event approaches and crosses CNP's service area, personnel at the Incident Command Center will collect data on system conditions and customer outages initially from EC/DC. In order to ensure a continuing, accurate and consistent flow of information into the Incident Command Center, communications will be established only through the following points for reports issued by the Incident Command Center:

- Real Time Operations (RTO) at Addicks Operations Center (AOC)
- The Distribution Evaluation (DVAL) Center at Greenspoint Service Center
- The Underground Evaluation Center at Harrisburg Service Center
- The Transmission and Substation Evaluation Center at EC/DC

### **Distribution Evaluation Center**

The Director of Distribution Operations will be responsible for establishing a Distribution Evaluation Center in the Greenspoint Service Center, 2nd Floor. The Operations Branch Director will staff and assign personnel as appropriate to the Distribution Evaluation Center to ensure:

- Accurate and comprehensive assessment and evaluation of system conditions
- Initiation of corrective measures
- Effective organization of restoration activities
- Efficient prioritization of all resources

- Written summaries regarding available information will be prepared and provided to the Incident Commander, command staff and section chiefs in accordance with the ICS Planning Process

To facilitate tracking system status and restoration progress, information will be maintained on a master system map in the Distribution Evaluation Center room. Personnel to maintain this map will be provided according to the staffing list. Contingent on availability of the supporting systems, Situational Awareness will be used to track restoration progress and prioritization of restoration.

Official reports shall be available by approximately 9:00 am daily. This schedule allows for releasing the most accurate information. The status of restoration assessment and progress shall be communicated to the Incident Command Center via the scheduled periodic conference calls. Staffing requirements will be based on 16-hour shifts with adjustments as deemed necessary by the Incident Commander. Access to the evaluation centers shall be limited to assigned duty employees, interface personnel, and appropriate Company officers.

#### **Activation of the Distribution Evaluation Center**

The Distribution Evaluation Center shall be activated to assess and direct restoration activities and will be accomplished in coordination with the Incident Command.

Upon activation of the Incident Command, a report of readiness to the Incident Command Center will be required. The decision to staff the evaluation center prior to storm impact should be made based on projected accessibility after the event passes. In most cases, assessment of damage cannot begin until:143

- Daylight hours have arrived
- Flooding has receded
- Field personnel or helicopters can be safely sent into the impacted area

#### **Operation of the Distribution Evaluation Center**

The Distribution Evaluation Center is responsible for providing accurate and consistent information on a timely basis concerning the extent of damage to the distribution facilities, the plans to restore service, and the progress being made in executing that plan in their respective service centers and staging sites. CNP will need to use re-dedicated manpower or crews from

neighboring utilities or contractors. In order to achieve timely restoration, Resource Acquisition reports that information to Incident Command as soon as the information is available

### **Underground Evaluation Center**

The Major Underground Manager will be responsible for establishing an evaluation center at the Harrisburg Service Center. The Major Underground Manager will staff and assign personnel as appropriate to the Harrisburg Service Center in order to assure accurate and comprehensive assessment and evaluation of system conditions, initiation of corrective measures, effective organization of restoration activities, and efficient prioritization of all resources. The Major Underground Evaluation Center reports up through the Distribution Operations Branch Director.

### **Transmission and Substation Evaluation Centers**

The Transmission / Substation Branch Director, or their designee, will be responsible for establishing the Transmission and Substation Evaluation Centers at EC/DC. Personnel will be assigned as necessary to ensure:

- Accurate and comprehensive assessment and evaluation of system conditions
- Initiation of corrective measures
- Effective organization of restoration activities
- Efficient prioritization of all resources

Status of restoration assessment and progress shall be communicated to Incident Command per the update schedule determine by the Incident Commander. Staffing requirements will be based on 16-hour shifts as deemed appropriate by the Incident Commander and with adjustments as conditions warrant. Access to these evaluation centers shall be limited to assigned duty employees, interface personnel, and appropriate Company officers and staff.

### **Activation of the Transmission and Substation Evaluation Centers.**

Activation of the Incident Command will require a report of readiness from each evaluation center to the Incident Command Center, though staffing may not be necessary. The decision to staff the evaluation centers will be made based on accessibility both before and after the event passes. Preemptive steps may be taken to avoid or minimize system damage. In most cases, assessment of damage cannot begin until daylight hours and field personnel or helicopters can

be safely sent into the impacted area. Once the evaluation centers are fully staffed, a report will be made to Incident Command.

#### **Operation of the Transmission and Substation Evaluation Centers**

The Transmission and Substation Evaluation Centers are responsible for providing accurate and consistent information to the other evaluation centers on a timely basis. The Transmission and Substation Evaluation Centers will provide this information as the event develops and passes through the area, and will concern:

- Transmission network conditions
- The extent of damage to Transmission and Substation facilities
- The projected restoration of service plan
- The progress being made in executing that plan
- The need for and the ability to use re-dedicated manpower or crews from neighboring utilities to achieve timely restoration

#### **Logistics Command Center**

The Managers of Supply Chain, Procurement and Logistics are responsible for establishing the Distribution Material Evaluation Center at South Houston Materials Management, Building A. The Distribution Material Evaluation Center may relocate, as appropriate, to another CNP office facility. This location will be selected based on storm damage proximity and available office space. Alternate locations include the Cypress, Sugarland, and Spring Branch Service Centers. Personnel will be assigned as necessary to ensure that distribution material issues are resolved quickly and support the overall restoration effort. Details as to staffing, activation, operation, and communications are contained in the departmental plan for Logistics.

**Annex F  
Cyber Security Annex**

## CYBER SECURITY ANNEX

### 1. INTRODUCTION

Cyber incidents are not unlike operational incidents. When a user or operation identifies or believes a cyber incident is occurring or has occurred, their first responsibility is to initiate actions, procedures, and/or practices to stabilize any impact to business or operational systems which may jeopardize employee or public safety, or may result in material consequences to employee or customer information, or will result in interruption of business continuity. It is incumbent upon the user to initiate the procedures outlined in the Cyber Incident Response Plan (“CIRP”) immediately upon the initial incident detection.

Cyber Security programs at CNP are enforced through Information Technology (“IT”) Security policies and procedures that identify:

- Authorized and unauthorized actions within CNP on technology systems.
- Assigned organizational responsibilities.
- Acceptable levels of risk.

When CNP’s IT Security policies and procedures are violated, a cyber incident may have occurred. To detect, respond, and manage violations, incident response policies and procedures should be in place to minimize risk as well as facilitate recovery from a violation.

#### 1.1. Purpose

The purpose of CNP’s CIRP is to provide a structured, systematic incident response process for all company information technology systems, including third party services and/or systems to: identify, escalate, and respond to Information Security incidents. The CIRP is intended to:

- Assist CNP and third-party personnel to quickly and efficiently recover from different levels of Information Security Incidents (as defined in Section 1.4).
- Define the business, Information Technology, and/or control systems incident process and step-by-step guidelines creating a consistent, repeatable incident response process.
- Mitigate and/or minimize the loss or theft of information or disruption of critical infrastructure.
- Provide consistent documentation of activities related to actions taken during incidents.
- Synthesize knowledge and experience into preventative security measures.
- Reduce overall exposure for CNP.
- Decrease the total time to reach incident resolution by initiating an effective and efficient response to Information Security Incidents.

- Provide for business understanding and participation in the Information Technology Incidents response and incident management processes in order to establish a more effective strategy and response to future Information Security Incidents.

#### 1.2. Scope

The standards and guidelines contained in this document define CNP's CIRP that applies to:

- The fundamental information actions and tasks needed for Information Technology personnel to provide incident response services to CNP's control system and/or related I.T. systems.
- All CNP business groups, divisions and subsidiaries and their employees, contractors, vendors and business partners.
- All computer systems, computing devices, control systems, and networks connected to the CNP network.
- Incident notifications that are automated (i.e. – system notification) or manual (i.e. – employee notification, external party notification).

#### 1.3. Issuing Authority

I.T. Director Corp Cyber Security, Corporate I.T. Cyber Security

#### 1.4. Use of this Document

This document is designed to provide both the procedures and the essential tools (such as quick reference guides and checklists) for managing an Information Security Incident.

#### 1.5. Maintaining this Document

This document will be subject to both planned reviews and continuous improvement activities. The document will be reviewed annually and approved by the Issuing Authority (Section 1.3). The CIRP will be reviewed during the follow-up meeting to every Information Security Incident initiation. Suggested improvements to the plan or to this document will be documented, sent to the Issuing Authority for approval and communicated to the individuals who have responsibilities within the process.

#### 1.6. Training

It is essential training on the CIRP be performed regularly. All the key groups and roles described in the CIRP need both initial detailed training and periodic (at least annual) review training. Developing the training materials and conducting the training will be the responsibility of the Corporate I.T. Security Risk & Compliance group.

**1.7. Process Improvement**

In order to remain relevant and useful, this incident response plan needs to be continually improved. This is accomplished by enhancing the process documents with input from the lessons-learned sessions, conformance with industry standards and compliance with regulatory requirements. While this is a continuous process, it should occur at least annually.

**2. SECURITY INCIDENT RESPONSE CAPABILITIES**

**2.1. Need for a Cyber Incident Response Plan**

Cyber incident response is an organized approach to address and manage activities during and after an Information Security Incident. The goal of the CIRP is to handle the situation in an organized and effective manner, limit damage to the organization and reduce recovery time and cost. This CIRP provides guidelines on what constitutes an Information Security Incident and a process that must be followed when an Information Security Incident occurs.

**2.2. Incident Preparation**

To quickly respond to Information Security Incidents that could adversely affect the CNP environment, this CIRP should be followed to reduce the damage and minimize risk to the organization. The CIRT members should represent Subject Matter Experts (“SME”) needed to help resolve the issue. Employees should be trained on how to respond to any suspicious activity.

**2.3. Cyber Incident Response Team (“CIRT”)**

The CIRT is activated by the Director Corp Cyber Security or his/her designee.

The CIRT role is to provide a quick, organized and effective response to Information Security Incidents.

The CIRT’s mission is to minimize serious loss of information, information assets and customer confidence by providing an immediate, effective and informed response to any event involving CNP’s information systems, networks or control systems.

The CIRT is authorized to take appropriate steps necessary to mitigate and resolve a security incident. The team is responsible for investigating suspected intrusion attempts and loss of company information and assets in a timely manner. Additionally, the CIRT is responsible for reporting findings to management and to the appropriate authorities, as necessary.

Upon notification of an Information Security Incident requiring response, CIRT members must reprioritize their daily responsibilities to respond to the Information Security Incident and must have the appropriate level of authority to make decisions regarding risk and security measures.

#### 2.4. Roles and Responsibilities

To efficiently and effectively respond to an Information Security Incident, the groups responsible for investigating, containing, remediating and returning the systems back to normal are outlined below with their roles and responsibilities during an Information Security Incident.

For each incident a contact list with assigned parties will be maintained.

#### 2.5. Unavailability of Personnel

Unavailability of critical personnel can arise at any time, because Paid Time Off (“PTO”), illness, accidents and unforeseen events are inevitable. To avoid a single point of failure, backup arrangements for personnel should be made in advance. Members of the CIRT should not be allowed to have the same day off. The lack of critical personnel may arise during the time just before and after business hours. During that time most of the critical team members may be commuting to or from home. They may be reachable but may have a difficult time performing specific actions. This can be avoided by having team members “stagger” their business hours.

For these reasons, each Business Unit must prepare and maintain a list of primary and secondary contacts and provide the list to the Director of Corp Cyber Security on a monthly basis.

#### 2.6 Inner Organization Communications

In the event of a Priority Level 3 (Severity Level 2) Escalation or the Suspected Breach of Confidential Information, Initiate Contact with the following groups.

##### **2.6.1 Legal Department/Data Privacy Office**

Legal/the Data Privacy Office shall be notified immediately upon first indication of an Information Security Incident as well as when there is a material likelihood that confidential information has been affected by the Information Security Incident. If necessary, the Data Privacy Office will activate the Privacy Incident Response Plan. Consulting with legal counsel allows for guidance, direction, and ensures attorney-client privilege is appropriately attached

##### **2.6.2 Corporate Response Plan Team**

First Notify the Corporate Response Plan Team at Escalation to Priority Level 3 (Severity Level 2) in order to activate the Corporate Response Plan at the proper stage.

**2.6.3 Technology Systems Control Center (TSCC)**

First Notify TSCC at Escalation to Priority Level 3 (Severity Level 2) in order to activate the TSCC Incident Coordinator.

**2.6.4 Corporate Communications**

First Notify Corporate Communications at Escalation to Priority Level 3 (Severity Level 2)

**2.6.5 Physical Security Team**

First Notify Physical Security Team at Escalation to Priority Level 3 (Severity Level 2)

**3. INCIDENT RESPONSE PROCEDURE**

There are defined actions for the operational aspects of cyber incident response. Considerations should be given to specific incident-handling procedures and described in detail. The internal procedures are intended to facilitate the appropriate assessment of an Information Security Incident and provide required resources for incident response based on the priority rating of the incident.

The CenterPoint Energy Incident Response Framework is composed of the five (5) steps to handle Information Security Incidents in a consistent manner: Detect, Notify, Analyze, Recover, and Follow-Up.

**4. COMMUNICATION**

Timely, relevant and authentic communication during an incident is critical to the resolution of the incident. The procedure outlined below is based on the Corporate Response Plan and must be observed for the duration of the CIRP. For further explanation, please reference the Corporate Response Plan.

**5. INCIDENT RESPONSE PLAN TESTING**

This CIRP should be tested periodically to ensure employees involved are aware of CNP environment. The I.T. Corporate Technology Security Director is responsible for planning and initiating the testing.

As referenced previously, the Company utilizes three emergency activation levels, designed to ensure sufficient resources are available to effectively respond to any type of event impacting CEHE's service territory. The alert levels may be activated, based on need, during a variety of

**CENTERPOINT ENERGY HOUSTON ELECTRIC  
EMERGENCY OPERATIONS PLAN (EOP)**

---



event types. Please see Section A: Overview for additional details regarding the Company's response to emergency events.

**Annex G**  
**Physical Security Incident Annex**



## CENTERPOINT ENERGY HOUSTON ELECTRIC

### EMERGENCY OPERATIONS PLAN (EOP)

---

#### Physical Security Incident Annex

##### Scope

This annex addresses company facilities and assets including; office buildings, service centers, vehicles, equipment, materials, and supplies, as well as company employees and contractors on company property or while performing work on behalf of CNP.

For CNP facilities or assets subject to federal security requirements such as North American Electric Reliability Corporation (NERC), Transportation Security Administration (TSA) Pipeline Security Guidelines, Department of Homeland Security (DHS) 6 CFR 27 Chemical Facility Anti-Terrorism Standards (CFATS) or 49 CFR 193 LNG, the applicable federal rules / requirements are primary, and the CNP security guidelines and requirements are supplementary.

This document is considered supplementary and secondary to the CNP Physical Security Policy.

#### Section 1: Security Program Structure

##### 100 Use of This Document

- A. This document will be issued electronically and made available on the Corporate Security page of CNP Today Intranet for access by employees and contractors.
- B. Mandatory items are indicated by the words “shall”, “will”, or “must”. Recommended items or practices are indicated by the word “should”.

##### 101 Security Information Governance Council (SIGC) Responsibilities

The Security Governance Council (SIGC) is responsible for helping to develop and maintain security policies, coordinate compliance with the policies, and assist individual business units and functional groups with mitigating potential security risks.

##### 102 Physical Security Policy

Corporate Security has published a Physical Security Policy which is a controlling and overarching policy above this manual. This manual is secondary and supplementary to the Physical Security Policy available in the Policies section of CNP Today.



## CENTERPOINT ENERGY HOUSTON ELECTRIC

### EMERGENCY OPERATIONS PLAN (EOP)

---

#### 103 Security Operations Center (SOC)

The Security Operations Center (SOC) is a 24/7 operation center, which provides dispatch and security support to all CNP properties, employees, contractors, and other stakeholders. As the primary point of contact for security issues and incidents that occur at CNP properties, SOC Operators play a key role in both operational security and facility safety. Using various technical security systems and monitoring software, the SOC is responsible for the detection, triage, and alerting of routine and critical security incidents. The SOC assists with the escalation and incident management of critical security incidents.

#### 104 Security Incident Reporting

The immediate reporting of security incidents to the Corporate Security Department is required and is very important to help ensure a prompt Company response and the implementation of effective mitigation solutions.

##### WHAT TO REPORT

- Crimes - thefts, threats, assaults, etc.
- Security related incidents - fires, cut fences, trespassers, card reader doors propped open, improper security procedures being followed, etc.
- Suspicious and unusual incidents - persons photographing Company facilities, unknown packages left unattended, aircraft low fly-overs of critical facilities, unusual calls to obtain Company information, etc.

##### COST OF LOSS

Business units should report an estimated cost of loss when the incident is originally reported. The actual cost of loss will be reported after all costs of loss and repair have been completed and calculated.

Cost of loss is defined as the total cost to replace the loss of an asset. As an example, cost of loss for the theft of equipment would include the replacement cost, plus the estimated cost of labor involved in obtaining the replacement equipment. In the event of a copper theft the cost of loss would be the cost of replacement material, employee



## CENTERPOINT ENERGY HOUSTON ELECTRIC

### **EMERGENCY OPERATIONS PLAN (EOP)**

---

labor, and any contractor costs. Cost of loss can be a determining factor in deciding the appropriate security mitigation actions.

#### HOW TO REPORT

**In case of a fire or life-threatening emergency, immediately call 911, and then notify your supervisor and Corporate Security.**

#### CORPORATE SECURITY RESPONSE TO INCIDENTS

Corporate Security will notify local law enforcement agencies for response to all suspected or actual criminal incidents. As appropriate, Corporate Security will notify state or federal security or law enforcement agencies (FBI, DHS, State Police, etc.)

## **Section 2: Protection of People and Assets**

### 201 Suspicious Persons and Activities

- A. All employees should be aware of their work surroundings and report any and all suspicious persons or activities the employee may observe.
- B. Suspicious persons or activities could include:
  - 1. Unknown persons or vehicles in the work area.
  - 2. Transients.
  - 3. An employee in an area they do not belong.
  - 4. Persons loitering near company property or work areas.
- C. Indicators of suspicious surveillance of the company:
  - 1. Demeanor of the individuals (Do they avoid eye contact?)
  - 2. Do they appear interested in something that is not there or that would not normally hold long periods of interest?
  - 3. Do they appear to be taking measurements with their feet/stride, vehicle (driving a pattern), or using a range finder?



## CENTERPOINT ENERGY HOUSTON ELECTRIC

### EMERGENCY OPERATIONS PLAN (EOP)

4. Attempts to gain sensitive information about security measures or personnel, entry points, peak days, and hours of operation, and access controls such as alarms or locks.
  5. Observations of security procedures or staffing positions.
  6. Discreet or unusually suspicious use of cameras or video recorders, sketching or note taking, particularly of or about sensitive areas or restricted access points.
  7. Unusual or suspicious interest in speaking with building maintenance personnel.
  8. Observations of or questions about facility security measures, to include barriers, restricted areas, cameras, and intrusion detection systems.
  9. Observations or questions about facility air conditioning, heating, or ventilation systems.
  10. Attempted or unauthorized access to rooftops or other potentially sensitive areas.
- D. What may constitute suspicious activity to one person may not be suspicious to another person. A good gauge for distinguishing suspicious persons or activities is if your intuition or instinct tells you something is wrong, it probably is wrong. By recognizing and reporting suspicious activity we may prevent a loss or crime from occurring and help to better ensure the safety of employees and company assets.
1. Should you observe suspicious persons or activities report it immediately to:
    - Your supervisor.
    - Corporate Security.
  2. Call 911 immediately if a crime is occurring or the situation appears dangerous or threatening.

#### 202 Sabotage

Sabotage is the deliberate destruction of property, equipment, controls, or communication with the intent of causing:

- Interruptions to critical operations
- System Failure
- Disruption of the bulk electric system or gas distribution system

*Events caused by theft and vandalism are not considered sabotage.*



## CENTERPOINT ENERGY HOUSTON ELECTRIC

### EMERGENCY OPERATIONS PLAN (EOP)

---

- A. The key to protecting CNP facilities from sabotage is to be conscious of activities in or around our facilities. Early detection and recognition of potential and actual sabotage events are critical. Sabotage may be the work of terrorists, hostile individuals, or disgruntled employees. Sabotage events can be cyber, physical, and/or operational and may include events like:
- Terrorist threats or attacks.
  - Discovery of explosives.
  - Extensive damage to our electrical, gas distribution, gathering, and distribution facilities and equipment.
  - Suspicious packages in/around our facilities and equipment.
  - Apparent forced entry.
  - Intelligence gathering attempts; unauthorized people requesting information about items such as operations, software, and telecommunications, etc.
  - Unauthorized physical surveillance, including photography.
  - Other suspicious events.
- B. Employees who observe an act, event, unusual conduct, unusual inquiry, any questionable or suspicious activity involving company physical and/or cyber facilities, assets, or personnel should consider such activity a potential threat.
- C. Employees should be avoid “confirmation bias” to explain their observations – in other words, developing a “good reason” why something may have occurred. Some examples are, “That person is just really curious so is asking lots of questions” OR “There’s damage to this equipment but it was probably just kids messing around.”
- D. It is the responsibility of all company employees to report suspicious activities by notifying their supervisor and the Corporate Security Department as soon as possible. If an immediate risk of damage, injury, or sabotage is present, employees should call 911 immediately.

#### 203 Trespassers

- A. Trespassers are not permitted on company property.
- B. If trespassers are found upon company property, take the following actions.



## CENTERPOINT ENERGY HOUSTON ELECTRIC

### **EMERGENCY OPERATIONS PLAN (EOP)**

---

1. If your facility has a security officer, notify the security officer immediately so the person(s) can be removed.
2. If no security officer is at your facility, then notify your supervisor or building management.
3. If you feel safe to do so, advise the loiterer or trespasser that you represent the company property and that they need to leave immediately. If the person fails to leave, call the police.
4. When the police arrive they will ask you if you want to trespass the person. You will have to tell the police officer that the person is not welcome, is trespassing and that you want them to leave. If the person persists and refuses to leave after being given this notice then they will be subject to arrest by the police for trespassing.

### **Section 3: Physical Security Support to EOP for Non-Security Related Activations**

#### 301 Staging Site Security

Corporate Security coordinates staffing assignments for security guards and off-duty law enforcement to secure crew staging sites. Corporate Security also oversees the work of security coordinators assigned to staging sites.

#### 302 Crew Security

Corporate Security coordinates the assignment of off duty law enforcement and/or security guards, as requested by business unit leadership.

As referenced previously, the Company utilizes three emergency activation levels, designed to ensure sufficient resources are available to effectively respond to any type of event impacting CEHE's service territory. The alert levels may be activated, based on need, during a variety of event types. Please see Section A: Overview for additional details regarding the Company's response to emergency events.



**CENTERPOINT ENERGY HOUSTON ELECTRIC**

**EMERGENCY OPERATIONS PLAN (EOP)**

---

**Annex H**

**Mobile Generation/Long Lead Time Facilities Annex**



## CENTERPOINT ENERGY HOUSTON ELECTRIC

### EMERGENCY OPERATIONS PLAN (EOP)

---

#### Temporary Mobile Generation Annex

As a result of amendments to PURA in the 2021 Texas Legislative session, TDUs may lease and operate facilities for temporary emergency electric energy to aid in restoration for distribution level customers during “a widespread power outage” (defined as an event that results in a loss of electric power that (A) affects a significant number of distribution customers of a transmission and distribution utility and (B) has lasted or is expected to last for at least eight hours, and is a risk to public safety) in which load shed has been ordered or the TDU’s distribution facilities are not being fully served by the bulk power system under normal operations.<sup>1</sup>

In accordance with applicable statutes,<sup>2</sup> CEHE has entered into a lease agreement with a mobile generation provider to secure emergency back-up generation capacity, with the lease agreement ending on June 30, 2029. This lease agreement also extended the lease term for certain temporary mobile generation units that CEHE had previously leased under a short-term lease agreement. CEHE has leased up to approximately 500 MW of temporary mobile generation units, with actual output depending on ambient and other operating conditions. CEHE has the following temporary mobile generation units to deploy, if necessary:

- Up to fifteen (15) mobile gas turbine generator sets capable of providing approximately 30 MW or more of power each depending on ambient and other operating conditions.
- Up to five (5) mobile gas turbine generator sets capable of providing approximately 5 MW or more of power each depending on ambient and other operating conditions.
- Appropriate support resources within prescribed times to transport and operate the equipment.
- CEHE expects to be able to operate the equipment until either the deactivation of the EOP or until affected customers are eligible to receive service (i.e. the statutory requirements are no longer met). Depending upon storm severity, this could range from 1-6+ weeks.

---

<sup>1</sup> Public Utility Regulatory Act, Tex. Util. Code §§ 39.918 (“PURA”)

<sup>2</sup> *Id.*



## CENTERPOINT ENERGY HOUSTON ELECTRIC

### **EMERGENCY OPERATIONS PLAN (EOP)**

---

Finally, based on system needs, and in coordination with appropriate government officials and regulators, CEHE will determine the potential location(s) where the back-up mobile generation facilities will be best utilized, to the extent possible based on actual conditions of a particular event. These determinations will be based on good utility practice, system conditions, and the circumstances and customer needs during each individual EOP event.<sup>3</sup> Some back-up mobile generation facilities listed above have been pre-positioned at certain locations in CEHE's service area. Under the long-term lease agreement, the mobile generation provider must provide transportation and assembly services if mobile generation facilities need to be relocated. CEHE will coordinate with the mobile generation provider in the event that the pre-positioned mobile generation facilities need to be relocated to other locations in CEHE's service area during an EOP event as operating conditions, road conditions, and other safety considerations permit.

CEHE's operation of back-up mobile generation facilities during an EOP event is not a guarantee against fluctuations, irregularities, or interruptions in delivery service. CEHE's operation of back-up mobile generation facilities is subject to the provisions in CEHE's PUCT-approved tariff, including, but not limited to, provisions related to quality of delivery service, emergencies and necessary interruptions, limitation of warranties, and limits on liability.

As referenced previously, the Company utilizes three emergency activation levels, designed to ensure sufficient resources are available to effectively respond to any type of event impacting CEHE's service territory. The alert levels may be activated, based on need, during a variety of event types. Please see Section A: Overview for additional details regarding the Company's response to emergency events.

---

<sup>3</sup> PURA §§ 39.918 (g)



## CENTERPOINT ENERGY HOUSTON ELECTRIC

### EMERGENCY OPERATIONS PLAN (EOP)

---

#### Long Lead Time Facilities

The Texas legislature amended the Public Utility Regulatory Act, adding § 39.918 Utility Facilities for Power Restoration After Widespread Power Outage. As a part of this statutory revision subsection (b)(2) addressed the need for transmission and distribution utilities (“TDUs”) to have long-lead time facilities.

The statute authorizes TDUs to take proactive measures to ensure they have the facilities necessary to aid in restoring service to customers following a widespread power outage, which is defined in the statute as an event that results in a loss of electric power that affects a significant number of TDU distribution customers and has lasted or is expected to last for at least eight hours and is a risk to public safety. Subsection (b)(2) specifically permits a TDU to “procure, own, and operate...transmission and distribution facilities that have a lead time of at least six months and would aid in restoring power to the utility’s distribution customers following a widespread power outage.” The statute further excludes from long-lead time facilities electric energy storage equipment or facilities under Chapter 35 of the Utilities Code. Subsection (h) states the “commission shall permit” a TDU that “procures, owns and operates facilities under Subsection (b)(2) to recover the reasonable and necessary costs of procuring, owning, and operating the facilities, using the rate of return” from the TDU’s last base rate proceeding. Based on the statute, long-lead time facilities are those that take at least six months to acquire and would be used to restore power after a widespread outage.

The Company interpreted Sec. 39.918(a) to apply to any widespread power outages resulting from several natural or man-made causes, including, but not limited to: tornados, hurricanes, microbursts, flooding, extreme heat/cold, fire events, or an intentional attack on the electric grid e.g., terrorist events, cyber-attacks. Given this statutory language, the Company undertook an evaluation to identify the facilities that are critical to restoring electric service following widespread power outages with a lead time of at least six months.

As a result of this regulation, the Company has added a specific long lead time facility (LLTF) designation for qualifying material items. Materials items are reviewed monthly to validate the long lead time and widespread power outage criteria are met. When both criteria are met, the material item is determined to be a qualifying LLTF material item and are designated as such.



# Monthly Newsletter: March 2023

## ANNOUNCEMENTS

We welcome the following entities who joined TexPool in February 2023:

### TexPool

Williamson County MUD 19C  
 Memorial Villages Water Authority  
 Town of Cross Roads  
 Baird ISD  
 Leonard ISD  
 Cypress Ranch WCID 1  
 Aubrey ISD  
 City of Hitchcock

### TexPool Prime

Robstown Utility System  
 Memorial Villages Water Authority  
 Brushy Creek MUD  
 Grand Prairie Metropolitan Utility and Reclamation District  
 Leonard ISD  
 City of Hitchcock  
 Wharton Economic Development Corporation

### Upcoming Events

April 16, 2023 - April 19, 2023  
**Government Finance Officers Association of Texas (GFOAT) Spring Conference**  
 Round Rock, TX

April 17, 2023 - April 20, 2023  
**Annual County Treasurers' Spring Education Seminar**  
 San Marcos, TX

### TexPool Advisory Board Members

Patrick Krishock	David Landeros
Belinda Weaver	Sharon Matthews
Deborah	David Garcia
Laudermilk	Dina Edgar
Valarie Van Vlack	

Overseen by the State of Texas Comptroller of Public Accounts Glenn Hegar  
 Operated under the supervision of the Texas Treasury Safekeeping Trust Company

## Economic and Market Commentary: Coming to terms

March 1, 2023

Acceptance is hard, and the financial markets have struggled with it this year. Investors turned relief about moderating inflation and a slowing pace of Federal Reserve rate hikes into the expectation that the conclusion of the tightening cycle is imminent. Stocks and bonds rallied further when the January Federal Open Market Committee meeting resulted in an even lower hike, with the Treasury yield curve indicating policymakers would cut rates in the fourth quarter.

We didn't buy this narrative. The markets crossed the fine line between expectations and wishful thinking. But investors checked that fantasy within the shortest month of the year. Indeed, change can come quickly after acceptance. In addition to a correction in equities and fixed-income, the yield curve shifted upward in February to reflect the likelihood the Fed will take the fed funds rate higher and hold it there at least into 2024. The change is corroborated by futures trading that places the terminal rate in the 5.25-5.5% range.

Recent inflation data supports this reality check. The rule of thumb is to pay attention to the core version of price measurements because they exclude short-term fluctuations of energy and food costs. But it's also better to focus on the month-over-month (m/m) changes rather

*(continued page 6)*

### Performance as of February 28, 2023

	TexPool	TexPool Prime
Current Invested Balance	\$33,619,870,647	\$12,906,040,470
Weighted Average Maturity**	15 Days	23 Days
Weighted Average Life**	63 Days	61 Days
Net Asset Value	0.99976	1.00003
Total Number of Participants	2,762	482
Management Fee on Invested Balance	0.0450%	0.0550%
Interest Distributed	\$115,913,793.32	\$46,410,186.96
Management Fee Collected	\$946,867.79	\$475,733.35
Standard & Poor's Current Rating	AAAm	AAAm
<b>Month Averages</b>		
Average Invested Balance	\$33,636,150,384	\$12,783,225,677
Average Monthly Rate*	4.50%	4.73%
Average Weighted Average Maturity**	15	26
Average Weighted Average Life**	66	64

\*This average monthly rate for TexPool Prime for each date may reflect a waiver of some portion or all of each of the management fees.

\*\*See page 2 for definitions.

Past performance is no guarantee of future results.



Participant Services  
 1001 Texas Ave. Suite 1150  
 Houston, TX 77002

PRSR STD  
 U.S. POSTAGE  
 PAID  
 AUSTIN, TX  
 PERMIT NO. 1264

ROBERT BUESINGER  
 CITY OF HILSHIRE VILLAGE  
 8301 WESTVIEW DR  
 HOUSTON TX 77055-6737



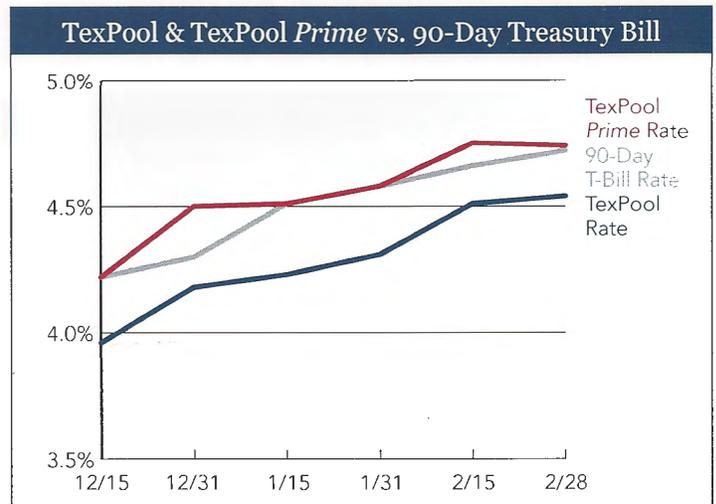
than year-over-year. The latter can be misleading, especially when the previous year's figures are substantially different—the so-called base-effect phenomenon.

Case in point, the annualized core Consumer Price Index slipped from 5.7% in December to 5.6% in January, but rose 0.4% m/m. While annualized core Personal Consumption Expenditures Index (PCE) rose from 4.6% in December to 4.7% in January, it climbed 0.6% m/m.

The takeaway here is that the descent from a peak is often faster than the rest of the downward journey. If you listened to Fed Chair Jerome Powell's comments in the press conference following the January FOMC meeting, you heard him reiterate that policymakers pay close attention to "core PCE services ex-housing." They consider it an excellent judge of price pressures because the housing market reacts much quicker to shifts in rates than the rest of the economy. The bad news is that it has accelerated lately, jumping 0.6% m/m in January. Inflation is proving sticky once again.

Another factor is the debt-ceiling debacle. We haven't changed our opinion that it will be resolved in some form, most likely with another kick of the provocation. But we think the supply of Treasury bills will dwindle as we get close to the X-date this summer, reversing the trend of the past few months, and that securities maturing near it will be cheap. But the big picture is that we expect yields of liquidity products to keep climbing.

At the end of February, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 4.60%, 4.81%, 5.14% and 5.08%, respectively; the



90-Day Treasury Bill is a short-term debt instrument backed by the national government. These are used to collect immediate cash to meet outstanding obligations.

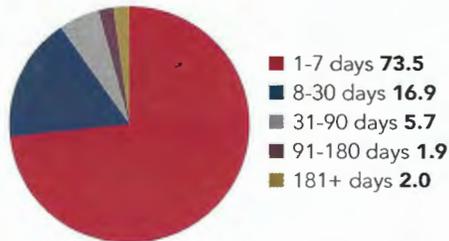
Any private investor can invest in a Treasury bill. The 90-Day Treasury Bill is a weighted average rate of the weekly auctions of 90-Day Treasury Bills.

Past performance is no guarantee of future results.

1-, 3-, 6- and 12-month Bloomberg Short-Term Bank Yield Index rates (BSBY) were 4.59%, 4.88%, 5.18% and 5.53%, respectively; and the 1-, 3-, 6- and 12-month London interbank offered rates were 4.67%, 4.98%, 5.29% and 5.69%, respectively.

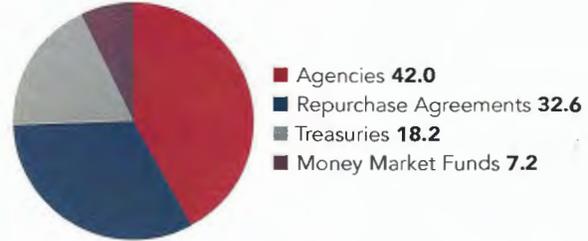
### Portfolio by Maturity (%)

As of February 28, 2023



### Portfolio by Type of Investment (%)

As of February 28, 2023



### Portfolio Asset Summary as of February 28, 2023

	Book Value	Market Value
Uninvested Balance	-\$581.10	-\$581.10
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	80,818,371.65	80,818,371.65
Interest and Management Fees Payable	-115,913,814.71	-115,913,814.71
Payable for Investments Purchased	-100,000,000.00	-100,000,000.00
Accrued Expenses & Taxes	-33,415.29	-33,415.29
Repurchase Agreements	11,004,321,000.00	11,004,321,000.00
Mutual Fund Investments	2,425,074,000.00	2,425,085,200.00
Government Securities	14,162,566,756.20	14,155,254,964.14
US Treasury Bills	5,094,292,314.06	5,093,780,723.10
US Treasury Notes	1,068,746,015.81	1,068,709,985.03
<b>Total</b>	<b>\$33,619,870,646.62</b>	<b>\$33,612,022,432.82</b>

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by Federated Investment Counseling and the assets are safe kept in a separate custodial account at State Street Bank in the name of TexPool. The only source of payment to the Participants is the assets of TexPool. There is no secondary source of payment for the pool such as insurance or State guarantee. Should you require a copy of the portfolio, please contact TexPool Participant Services.

### Participant Summary

	Number of Participants	Balance
School District	606	\$11,023,892,554.37
Higher Education	60	\$1,848,715,133.99
County	196	\$4,508,531,771.70
Healthcare	92	\$1,789,471,040.77
Utility District	909	\$4,654,149,103.11
City	489	\$8,301,179,029.20
Emergency Districts	100	\$402,433,414.68
Economic Development Districts	86	\$173,178,919.98
Other	224	\$918,935,109.47

#### \*\*Definition of Weighted Average Maturity and Weighted Average Life

WAM is the mean average of the periods of time remaining until the securities held in TexPool (a) are scheduled to be repaid, (b) would be repaid upon a demand by TexPool, or (c) are scheduled to have their interest rate readjusted to reflect current market rates. Securities with adjustable rates payable upon demand are treated as maturing on the earlier of the two dates set forth in (b) and (c) if their scheduled maturity is 397 days or less; and the later of the two dates set forth in (b) and (c) if their scheduled maturity is more than 397 days. The mean is weighted based on the percentage of the amortized cost of the portfolio invested in each period.

WAL is calculated in the same manner as WAM, but is based solely on the periods of time remaining until the securities held in TexPool (a) are scheduled to be repaid or (b) would be repaid upon a demand by TexPool, without reference to when interest rates of securities within TexPool are scheduled to be readjusted.

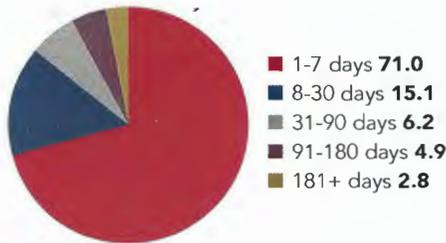


## Daily Summary

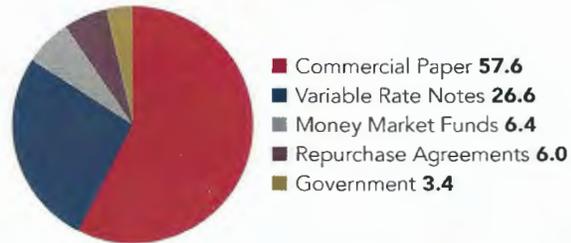
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
2/1	4.3080%	0.000118027	\$32,584,367,145.68	0.99976	15	73
2/2	4.3868%	0.000120185	\$32,587,026,668.30	0.99977	15	73
2/3	4.4897%	0.000123006	\$32,960,382,978.79	0.99977	16	72
2/4	4.4897%	0.000123006	\$32,960,382,978.79	0.99977	16	72
2/5	4.4897%	0.000123006	\$32,960,382,978.79	0.99977	16	72
2/6	4.4943%	0.000123131	\$33,055,612,522.49	0.99976	14	69
2/7	4.4934%	0.000123107	\$33,821,461,804.05	0.99976	14	68
2/8	4.4853%	0.000122884	\$33,898,924,839.31	0.99976	14	67
2/9	4.4860%	0.000122905	\$33,900,873,879.09	0.99977	15	67
2/10	4.4865%	0.000122917	\$33,967,469,326.86	0.99978	16	67
2/11	4.4865%	0.000122917	\$33,967,469,326.86	0.99978	16	67
2/12	4.4865%	0.000122917	\$33,967,469,326.86	0.99978	16	67
2/13	4.4965%	0.000123191	\$33,611,153,232.63	0.99976	14	66
2/14	4.5053%	0.000123434	\$33,271,324,131.37	0.99976	14	65
2/15	4.5064%	0.000123462	\$33,278,448,218.68	0.99976	14	64
2/16	4.5233%	0.000123925	\$33,849,028,842.61	0.99976	15	63
2/17	4.5232%	0.000123924	\$33,869,155,785.47	0.99977	16	63
2/18	4.5232%	0.000123924	\$33,869,155,785.47	0.99977	16	63
2/19	4.5232%	0.000123924	\$33,869,155,785.47	0.99977	16	63
2/20	4.5232%	0.000123924	\$33,869,155,785.47	0.99977	16	63
2/21	4.5187%	0.000123799	\$34,064,808,651.12	0.99977	14	62
2/22	4.5306%	0.000124125	\$33,958,837,612.69	0.99977	15	65
2/23	4.5343%	0.000124228	\$34,122,919,618.00	0.99978	16	65
2/24	4.5359%	0.000124270	\$34,015,239,229.57	0.99979	17	65
2/25	4.5359%	0.000124270	\$34,015,239,229.57	0.99979	17	65
2/26	4.5359%	0.000124270	\$34,015,239,229.57	0.99979	17	65
2/27	4.5362%	0.000124279	\$33,881,655,203.74	0.99977	15	64
2/28	4.5403%	0.000124393	\$33,619,870,646.62	0.99976	15	63
<b>Average:</b>	<b>4.4991%</b>	<b>0.000123263</b>	<b>\$33,636,150,384.43</b>	<b>0.99977</b>	<b>15</b>	<b>66</b>

## TEXPOOL Prime

### Portfolio by Maturity (%) As of February 28, 2023



### Portfolio by Type of Investment (%) As of February 28, 2023



### Portfolio Asset Summary as of February 28, 2023

	Book Value	Market Value
Uninvested Balance	\$1,417.65	\$1,417.65
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	18,338,616.55	18,338,616.55
Interest and Management Fees Payable	-46,410,489.27	-46,410,489.27
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-17,174.28	-17,174.28
Repurchase Agreements	781,688,000.00	781,688,000.00
Commercial Paper	7,443,481,003.36	7,441,332,691.02
Mutual Fund Investments	830,153,483.22	829,943,055.05
Government Securities	440,805,612.49	440,816,493.65
Variable Rate Notes	3,438,000,000.02	3,440,692,258.13
<b>Total</b>	<b>\$12,906,040,469.74</b>	<b>\$12,906,384,868.50</b>

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by Federated Investment Counseling and the assets are safe kept in a separate custodial account at State Street Bank in the name of TexPool Prime. The assets of TexPool Prime are the only source of payments to the Participants. There is no secondary source of payment for the pool such as insurance or State guarantee. Should you require a copy of the portfolio, please contact TexPool Participant Services

### Participant Summary

	Number of Participants	Balance
School District	136	\$4,989,565,573.29
Higher Education	19	\$694,141,053.61
County	50	\$1,111,269,317.75
Healthcare	20	\$459,383,756.09
Utility District	53	\$438,380,420.01
City	93	\$2,653,258,994.03
Emergency Districts	22	\$58,304,844.89
Economic Development Districts	18	\$29,773,716.64
Other	71	\$2,471,823,807.31



## TEXPOOL *Prime*

### Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool <i>Prime</i> Invested Balance	NAV	WAM Days	WAL Days
2/1	4.5933%	0.000125844	\$12,445,619,703.48	1.00005	24	61
2/2	4.6190%	0.000126549	\$12,651,352,653.97	1.00005	24	60
2/3	4.7203%	0.000129322	\$12,648,910,033.81	0.99991	28	66
2/4	4.7203%	0.000129322	\$12,648,910,033.81	0.99991	28	66
2/5	4.7203%	0.000129322	\$12,648,910,033.81	0.99991	28	66
2/6	4.7651%	0.000130552	\$12,704,820,904.38	1.00001	28	67
2/7	4.7522%	0.000130198	\$12,966,990,172.07	1.00003	28	65
2/8	4.7329%	0.000129668	\$13,153,455,435.65	1.00002	27	64
2/9	4.7381%	0.000129811	\$12,940,423,747.35	1.00003	28	66
2/10	4.7331%	0.000129674	\$12,960,807,452.69	0.99990	28	66
2/11	4.7331%	0.000129674	\$12,960,807,452.69	0.99990	28	66
2/12	4.7331%	0.000129674	\$12,960,807,452.69	0.99990	28	66
2/13	4.7337%	0.000129691	\$12,937,973,566.09	1.00004	26	64
2/14	4.7411%	0.000129893	\$12,831,263,993.63	1.00005	26	64
2/15	4.7469%	0.000130052	\$12,654,376,293.74	1.00005	27	65
2/16	4.7456%	0.000130016	\$12,759,095,148.94	1.00005	26	65
2/17	4.7455%	0.000130015	\$12,774,972,149.38	0.99985	27	64
2/18	4.7455%	0.000130015	\$12,774,972,149.38	0.99985	27	64
2/19	4.7455%	0.000130015	\$12,774,972,149.38	0.99985	27	64
2/20	4.7455%	0.000130015	\$12,774,972,149.38	0.99985	27	64
2/21	4.7453%	0.000130007	\$12,738,518,629.90	1.00004	24	64
2/22	4.7517%	0.000130183	\$12,683,426,077.24	1.00004	24	63
2/23	4.7529%	0.000130217	\$12,683,901,511.81	1.00003	24	63
2/24	4.7507%	0.000130155	\$12,732,987,655.24	0.99990	25	63
2/25	4.7507%	0.000130155	\$12,732,987,655.24	0.99990	25	63
2/26	4.7507%	0.000130155	\$12,732,987,655.24	0.99990	25	63
2/27	4.7581%	0.000130359	\$12,745,056,625.83	1.00003	24	62
2/28	4.7425%	0.000129932	\$12,906,040,469.74	1.00003	23	61
<b>Average:</b>	<b>4.7326%</b>	<b>0.000129660</b>	<b>\$12,783,225,677.02</b>	<b>0.99997</b>	<b>26</b>	<b>64</b>



# Regular Council Meeting 2/21/2023

## Minutes

Tuesday, February 21, 2023 at 6:30 PM  
8301 Westview Drive, Houston, Texas 77055

---

**1. CALL TO ORDER** Mayor Buesinger called to order the Regular Council Meeting at 6:31 P.M.

1.A. Mayor Pro Tem Maddock gave the **invocation**.

1.B. Pledge of Allegiance

1.C. **PRESENT**

Mayor Bob Buesinger  
Council Member Mike Gordy  
Council Member Justin Crawford\*  
Mayor Pro Tem Paul Maddock  
Council Member David Schwarz

**ABSENT**

Council Member Andy Carey

Also present were: City Attorney Thomas Ramsey, Olson & Olson, City Engineers Him and Vasquez, HDR Engineering, Spring Valley Police Chief Schulze and Captain Lane, City Secretary Stephens, and City Clerk Ray.

\*Present remotely.

**2. CITIZEN'S COMMENTS**

**Regina Giovannini, Glourie Drive**, said that she would like to know what can be discussed in regard to the employment termination of former Fire Chief Foster.

**Nancy Polis, Glourie Drive**, stated that she had three requests. First that the residents of Hilshire Village be informed if there is an active lawsuit against the City or its representatives, secondly is the City covered by insurance in the case of a lawsuit, and third whether indemnity is involved.

**3. REPORTS TO COUNCIL**

3.A. **Police Report:** Captain Lane said that there were 378 calls for service in the last month. Of those, he stated there were 267 business checks, 18 traffic violations, and one (1) alert from the Flock License Plate Reader camera on Glourie Drive for a stolen vehicle which ended as a civil matter. In addition, Captain Lane reported 73 public relations calls and two (2) solicitor calls.

Captain Lane reminded the Council about safety during spring break and to watch for children playing in the neighborhood during the day.

Chief Schulze stated that in response to the incident with Memphis PD, the department has reviewed protocols and is ensuring there is proper supervision on calls.

- 3.B. **Building Official Report:** Secretary Stephens said that there are no outstanding items to discuss and the Council did not have questions on the reports provided.
- 3.C. **Engineer's Report:** Engineer Vasquez said that there are a typical number of plans under review and no urgent issues with construction.

Engineer Vasquez stated that the **asphalt repair on Ridgeley Drive** at the north intersection with Archley Drive needs to be reviewed for materials and methods with the subcontractor, who is being identified. Council Member Gordy said that he witnessed the patch installation and saw an unlevel base with no stabilizing materials. Engineer Him said that this is the result of right-of-way work by either Verizon or CenterPoint.

Engineer Vasquez said that the **drainage easement at 1209 Pine Chase Drive** has been cleared of vegetation per the field meeting.

Engineer Vasquez stated that there was a meeting in January with the City of Houston regarding the **Pine Chase Grove water meters and vaults**. He said that the representatives from the City of Houston agreed to paint the lids of the vaults to cover the spray-painted numbers and install locks for the lids in the interest of safety. An audience member commented that the meters had recently been lowered and moved to the grassy area between the meters, therefore he felt they could be moved further out of sight. City Engineer Him said that City of Houston is trying to find the easement documentation, and added that there is a possibility it will need to be re-dedicated to the City of Houston. Engineer Vasquez said that there is a planned future meeting, date to be determined, where the citizens of the area will be able to meet with the City of Houston representatives.

Engineer Him said that the **Wirt Road Safety Project** interlocal agreement with Harris County was approved and that the City is still waiting on a response from the City of Houston. He said that there was a surveyor on site to begin the design plan preparations, but his equipment was stolen from his truck and the survey has been rescheduled. Engineer Him stated that the design will be presented to citizens for comment.

Engineer Him said that the **Hilshire Green Capital Improvement Project** estimates were provided last September, but current market conditions may increase the construction costs. Engineer Him also stated that the City's debt structure needs to be assessed for the timing of the loan. He said that the design cost for the project is estimated at \$158,000 and is eligible for American Rescue Plan grant funding. The council discussed proceeding with the design phase.

Engineer Him stated that the **lift station generator** exhaust cannot be re-routed as it would void the manufacturer's warranty. He said that there is a minimum of three (3) feet of open space required between the equipment and any fencing or barrier.

3.D. **Fire Commissioner's Report:** Mayor Buesinger said that the Fire Commission is having a meeting tomorrow regarding budget preparations, and completing the roof replacement pending the consultant, architect, and weather. He also said that a second bid was received for the annex roof repairs.

3.E. **Introduction of Interim Fire Chief Miller:** Mayor Buesinger introduced Interim Chief Miller, listing his achievements with the department thus far. He said that Interim Chief Miller joined the Village Fire Department in 1980, has obtained multiple certifications, and was promoted within to Deputy Fire Chief.

Interim Chief Miller said that in the Memorial Villages accountability is important. He stated that he has been in Emergency Management with the department since 2005. He stated that all staff are trained as officers for succession.

Interim Chief Miller said that during the freeze a captain suffered a knee injury and is out on leave. He stated that an ambulance out for preventative maintenance is now back in service, and another is receiving repairs under warranty. Interim Chief Miller stated that there are two (2) ambulances expected in late spring, or early summer. Interim Chief Miller stated that in Hilshire Village there were three (3) fire & EMS calls, of which the average response time was 5:47.

Interim Chief Miller said that the department ISO inspection was scheduled for March, but it was moved to next year allowing time to hire a consultant and maintain the department's Class 1 rating. He also said that hydrant testing has begun.

Interim Chief Miller said that Friday he attended a meeting with Memorial Hospital staff members to improve wall time, and on Monday he met with City Administrators to improve relationships and communications. Interim Chief Miller said that they are currently reviewing the 2022, 2023, and 2024 budgets.

Mayor Pro Tem Maddock asked about the staff morale. Interim Chief Miller said they are adaptable and love working for the fire department. Council Member Gordy said the Interim Chief's time is appreciated, and encouraged him to attend council meetings in the future.

**Nancy Friedman, Pine Chase Grove**, said this is the first council meeting since the former chief's dismissal and she expected a report on the dismissal. Mayor Buesinger referred to fire commission meeting records.

#### **4. DISCUSSION AND POSSIBLE ACTION**

4.A. **Discussion and Possible Action to vote for a Director for Texas 811**

**Motion made by Mayor Pro Tem Maddock, Seconded by Council Member Schwarz.**

After discussion, the council did not have a preference of candidates and therefore no action was taken.

**4.B. Discussion and Possible Approval of an Extension of the Manufacturer's Warranty for the Lift Station Generator and Contract for Preventative Maintenance**

**Motion made by Mayor Pro Tem Maddock, Seconded by Council Member Schwarz.**

Engineer Him suggested the 10-year warranty with quarterly routine maintenance, two-hour load bank test, and monthly transfer test. Mayor Pro Tem Maddock asked about the expected life span of this generator. Engineer Him said this is a water-cooled generator and the performance has improved for an expected 15-20 years of operation.

**Mayor Pro Tem Maddock amended the motion to execute a contract for the lift station generator per the City Engineer's recommendations.**

**Voting Yea: Council Member Gordy, Mayor Pro Tem Maddock, Council Member Schwarz**

**The motion carried 3-0.**

**4.C. Discussion and Possible Approval of a Preventative Maintenance Contract for the City Hall Generator**

**Motion made by Mayor Pro Tem Maddock, Seconded by Council Member Gordy.**

Engineer Him suggested semi-annual routine maintenance.

**Mayor Pro Tem Maddock amended the motion to execute a contract for the City Hall generator per the City Engineer's recommendations.**

**Voting Yea: Council Member Gordy, Mayor Pro Tem Maddock, Council Member Schwarz**

**The motion carried 3-0.**

**4.D. Discussion and Possible Action to Approve a Lift Station Generator Image Wrap**

**Motion made by Council Member Schwarz, Seconded by Council Member Gordy.**

The council discussed that the wrap was not necessarily to prevent theft or damage, but to blend the equipment with the surrounding area to draw less attention. The

generator and housing are much heavier than typical home generators. Pending verification that the wrap will not void the warranty, the council chose to proceed with a simple, natural design.

**Voting Yea: Council Member Gordy, Mayor Pro Tem Maddock, Council Member Schwarz**

**The motion carried 3-0.**

4.E. **Discussion and Possible Approval of Resolution 2023-242 for National Opioid Settlements: Teva, Allergan, CVS, Walgreens and Walmart**

**Motion made by Mayor Pro Tem Maddock, Seconded by Council Member Schwarz.**

Secretary Stephens said that this is another legal filing against additional companies involved in the opioid crisis. She stated that there is minimal paperwork and suggested proceeding.

**Voting Yea: Council Member Gordy, Mayor Pro Tem Maddock, Council Member Schwarz**

**The motion carried 3-0.**

4.F. **Discussion and Possible Action to Appoint the Mayor and Council Member to Interview Potential Utility Service Operators**

**Motion made by Council Member Gordy, Seconded by Mayor Pro Tem Maddock.**

Mayor Pro Tem Maddock asked if the Memorial Villages Water Authority or Spring Valley Public Works would participate in an interlocal agreement for utility operations.

Council Member Gordy and Council Member Schwarz volunteered to join Mayor Buesinger on a subcommittee.

**Voting Yea: Council Member Gordy, Mayor Pro Tem Maddock, Council Member Schwarz**

**The motion carried 3-0.**

**5. DISCUSSION**

5.A. **Discussion on Play Equipment in Front Yards**

Council Member Gordy read aloud from a letter sent by **Diane Rager, Mallie Court**, expressing the desire to maintain a family friendly neighborhood in regards to play

equipment.

Council Member Schwarz said that the owner of the batting cage should be addressed independently to potentially reach an agreement on the structure.

**Robert Byrne, Bridle Spur Lane**, proposed language on traffic obstructions to address basketball goals at the side of the road which encroach on the clearance of the roadway.

## **6. REPORTS TO COUNCIL**

- 6.A. **Mayor Buesinger's Report:** Mayor Buesinger said that he submitted an article to the Hilshire Village Civic Club with a summary of the City's accomplishments in 2022.
- 6.B. **City Secretary's Report:** Secretary Stephens said that the CenterPoint Street Light LED Upgrade is scheduled to be complete by August 2023.
- 6.C. **City Treasurer's Report:** Secretary Stephens said that the issuer fee in the amount of \$20,000 from the Odyssey Academy was received per the agreement with the Hilshire Village Cultural Education Finance Facilities Corporation.

## **7. CONSENT AGENDA**

**Motion made by Council Member Schwarz, Seconded by Mayor Pro Tem Maddock.**

- 7.A. Approve Disbursements
- 7.B. Approve Minutes from the January 17, 2023 Regular Council Meeting
- 7.C. Approve Check Registers

**Voting Yea: Council Member Gordy, Mayor Pro Tem Maddock, Council Member Schwarz**

**The motion carried 3-0.**

## **8. ADDITIONAL COUNCIL COMMENTS:** None

## **9. FUTURE AGENDA TOPICS**

### 9.A. **Discussion and Possible Direction for a Coordinator for the Hilshire Village Community Emergency Response Team (HV-CERT)**

Secretary Stephens said that City Hall is the designated Emergency Operations Center and that she would like to get more involved including training with FEMA and coordinating with the HV-CERT. There was a suggestion from the audience to contact John Cooper for coordination.

### 9.B. **Discussion and Possible Approval of Investment Policy**

Secretary Stephens said that this is an annual process, and nothing is anticipated to change from the current version.

**10. ANNOUNCEMENTS**

**11. ADJOURNMENT**

**Motion made by Mayor Pro Tem Maddock, Seconded by Council Member Schwarz.**

**Voting Yea: Council Member Gordy, Mayor Pro Tem Maddock, Council Member Schwarz**

**The motion carried 3-0.**

The meeting was adjourned at 8:17 P.M.

ATTEST:

---

Robert F. Buesinger, Mayor

---

Cassie Stephens, City Secretary

CITY OF HILSHIRE VILLAGE  
**Check Register**  
 For the Period From Feb 1, 2023 to Feb 28, 2023

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
METRO 2116	2/1/23	Batterson LLP	11120	3,533.00
Electronic 02-01-23	2/1/23	AT&T U-verse	11114	381.33
ACH 02-02-23	2/2/23	SAFEbuilt, LLC	11114	2,750.00
ACH 02-02-23 1	2/2/23	Sprg.Valley GenFund- Police/Court	11114	50,736.75
ACH 02-02-23 2	2/2/23	Village Fire Department	11114	21,724.62
ACH 02-02-23 3	2/2/23	Villages Mutual Insurance Coop	11114	3,808.25
ACH 02-06-23	2/6/23	Texas Municipal Retirement System	11114	2,187.79
8911	2/7/23	Sanchez Landscaping	11114	400.00
Electronic 02-08-23	2/8/23	ERCOT	11114	100.00
8912	2/14/23	A T & T	11114	148.94
8913	2/14/23	Victor O Schinnerer & Company, Inc.	11114	312.00
ACH 02-15-23	2/15/23	Blevins, Susan N.	11114	3,307.00
ACH 02-15-23 2	2/15/23	Ray, Lisa	11114	1,438.10
ACH 02-15-23 3	2/15/23	Stephens, Cassandra L.	11114	1,989.70
Electronic 02-15-23	2/15/23	Internal Revenue Service	11114	2,346.33
8914	2/21/23	Amegy Bank	11114	1,975.94
8915	2/21/23	HDR	11114	7,012.65
8916	2/21/23	OFFICE DEPOT	11114	308.18
8917	2/21/23	Olson & Olson, Attys at Law	11114	1,249.00
8918	2/21/23	Petty Cash	11114	145.38
8919	2/21/23	Robert Blevins	11114	900.00
8920	2/21/23	USIC	11114	343.59
8921	2/21/23	Justin Lane	11114	200.00
Electronic 02-22-23	2/22/23	State Comptroller	11114	52.00
8922	2/24/23	Hudson Energy Services LLC	11114	603.59
8923	2/24/23	West Houston Document Destruction	11114	61.00
ACH 02-28-23	2/28/23	Blevins, Susan N.	11114	3,307.00
ACH 02-28-23 2	2/28/23	Ray, Lisa	11114	1,077.41
ACH 02-28-23 3	2/28/23	Stephens, Cassandra L.	11114	1,989.70
Electronic 02-28-23	2/28/23	Internal Revenue Service	11114	2,286.60
8924	2/28/23	Centerpoint-Energy	11114	117.36
<b>Total</b>				<u><u>116,793.21</u></u>

## CITY OF HILSHIRE VILLAGE - UTILITY FUND

## Check Register

For the Period From Feb 1, 2023 to Feb 28, 2023

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
4276	2/1/23	Cityof Houston#7099-3004-0015	11012	15,800.70
4277	2/1/23	A T & T	11012	447.81
4278	2/1/23	Inframark, LLC	11012	1,660.23
4279	2/7/23	Hudson Energy Services LLC	11012	36.47
4280	2/7/23	Inframark, LLC	11012	1,802.27
4281	2/14/23	City of Houston, Public Wks	11012	8,466.01
4282	2/21/23	HDR	11012	452.72
4283	2/21/23	Texas Excavation Safety System, Inc	11012	7.60
4284	2/21/23	USIC Locating Services	11012	370.02
4285	2/21/23	Inframark, LLC	11012	5,270.50
4286	2/28/23	City of Hilshire Village	11012	15,632.41
Total				49,946.74

RESOLUTION 2023-243

A RESOLUTION OF THE CITY COUNCIL STATING THAT THE COUNCIL HAS REVIEWED THE CITY OF HILSHIRE VILLAGE'S INVESTMENT POLICY AND INVESTMENT STRATEGIES IN ACCORDANCE WITH CHAPTER 2256 OF THE TEXAS GOVERNMENT CODE.

WHEREAS, the City of Hilshire Village (the "Village") is a general law municipality and local government of the State of Texas; and

WHEREAS, the management and control of the Village is vested in its City Council (the "Council"); and

WHEREAS, the City Council has been presented with and has reviewed its Investment Policy and Investment Strategies as required by Chapter 2256 of the Texas Government Code (the "Public Funds Investment Act");

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HILSHIRE VILLAGE, TEXAS, that:

Section 1. That the recitals to these resolutions are hereby approved by the City Council and incorporated into this resolution.

Section 2. That the City Council has reviewed, and hereby authorizes and confirms the adoption and amendment of the Authority's Investment Policy, attached hereto as Exhibit "A", in which the amendments are shown by red-line.

PASSED AND ADOPTED this 21st day of March, 2023.

\_\_\_\_\_  
Robert F. Buesinger, Mayor

ATTEST:

\_\_\_\_\_  
Cassie Stephens, City Secretary





## CITY OF HILSHIRE VILLAGE POLICY INVESTMENTS AND STRATEGIES FOR PUBLIC FUNDS

Approved by Council on 3/21/2023

- I. **SCOPE:** The purpose of this investment policy is to set regulations and other policies concerning the investment of City of Hilshire Village public funds. See Texas Government Code Chapters 2256 and 2257.
- II. **OBJECTIVE:** The primary objectives, in priority order, of investment activities shall be:
  1. **Safety:** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.
    - A. **Credit Risk:** Credit risk is a loss due to the failure of the security issuer or backer. Credit risk shall be mitigated by:
      - Limiting investments to U.S. Government and U.S. Government Agency securities insured by FSCIC or FDIC.
      - The entire portfolio should be so diversified so that potential losses on individual securities will be minimized.
    - B. **Interest Rate Risk:** Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. Interest rate risk should be mitigated by:
      - The investment portfolio should be secured so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
      - Investments also should be primarily in shorter-term securities not to exceed two years in term.
  2. **Liquidity:** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist of securities with active markets.

## INVESTMENTS AND STRATEGIES FOR PUBLIC FUNDS

3. **Yield:** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on the investment is of least importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

Securities shall not be sold prior to maturity with the following exceptions:

- 1) a security swap would improve the yield, or target duration in the portfolio; or
- 2) liquidity needs of the portfolio require that the security be sold.

### III. INVESTMENT OFFICERS; STANDARDS OF CARE

1. **Prudence:** The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with City ordinances and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investments, considering the probable safety of their capital as well as probable income to be derived.

2. **Ethics and Conflicts of Interest:** Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions in which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City of Hilshire Village.
3. **Delegation of Authority:** Authority to manage the investment program is granted to the City Treasurer and any other person designated as an investment officer by City Council Resolution, who shall set and carry out established written procedures and internal controls for the operation of the investment program consistent with the investment policy. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire

## INVESTMENTS AND STRATEGIES FOR PUBLIC FUNDS

transfer agreements, collateral/depository agreements and banking service contracts. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established. The City Treasurer and other investment officers shall be responsible for all transactions undertaken and shall establish a system of controls to regulate and monitor the investments, and should report to the City Council and Mayor as requested.

4. **Training.** The investment officers of the City shall attend at least ten (10) hours training session relative to the investment officer's responsibilities within twelve months of taking office or assuming duties as an investment officer, and attend and receive not less than ten (10) hours of instruction in every two-year period that begins on the first day of the City's fiscal year after that date.
5. **Certifications from Sellers of Investments.** The investment officer shall present this policy to any business organization offering an investment transaction with the City and obtain from such business organization a policy certificate in form acceptable to the City; provided, however, that no certificate is required from a business organization that the City has not employed to use discretionary investment authority. Provided, further, an investment pool used by the City shall provide to the City the pool's policy regarding holding deposits in cash.

### IV. SAFEKEEPING AND CUSTODY:

1. **Authorized Financial Dealer and Institution:** Financial institutions authorized to provide investment services must be approved by the City Council and have a minimum capital requirement of \$10,000,000 and at least five years of operation and must be registered with the Securities and Exchange Commission and be insured by the Security Investors Protection Corporation.

All financial institutions and brokers/dealers who desire to become qualified bidders for investment transactions must supply the following as appropriate:

- audited financial statements.
- proof of National Association of Securities Dealers (NASD) certification
- proof of state registration.
- completed broker/dealer questionnaire.
- certification of having read the City of Hilshire Villages' Investment policy.

An annual review of the financial condition and registration of qualified bidders will be conducted by the City Treasurer.

2. **Internal Controls:** The City Treasurer and other investment officers are responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City of Hilshire Village are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance

## INVESTMENTS AND STRATEGIES FOR PUBLIC FUNDS

recognizes that (1) the cost of the control should not exceed the benefits likely to be derived; and (2) the valuation of the cost and benefits require estimates and judgments by management.

Accordingly, the City Treasurer shall establish a process for annual independent review by an external auditor in conjunction with the City's year-end audit to assure compliance with policies and procedures. The internal controls should address the following points:

- A. Control of Collusion:** Collusion is a situation where two employees are working in conjunction to defraud their employer.
  - B. Custodial safekeeping:** Securities purchased from any bank or dealer including appropriate collateral (as defined by State Law) shall be placed with an independent third party for custodial safekeeping.
  - C. Avoidance of physical delivery securities:** Book entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
  - D. Written confirmation or telephone transactions for investments and wire transfers:** Due to the potential for error and improprieties arising from telephone transactions, all telephone transaction should be supported by written communications and approved by the City Treasurer and/or appointee. Written communications may be via fax if on letterhead and the safekeeping institution has a list of authorized signatures. The City Treasurer should receive a copy of all confirms and statements.
  - E. Development of a wire transfer agreement with the lead bank or third-party custodian:** This agreement should outline the various controls, security provisions and delineate responsibilities of each party making and receiving wire transfers.
3. **Delivery vs. Payment:** All trades where applicable will be executed by Delivery vs. Payment (DVP). This ensures that securities are deposited in the eligible financial institution prior to the release of funds. Securities will be held by a third-party custodian as evidenced by safekeeping receipts.

## V. SUITABLE AND AUTHORIZED INVESTMENTS

## INVESTMENTS AND STRATEGIES FOR PUBLIC FUNDS

1. **Investment Types:** The following investments will be permitted by this policy and are those defined by State Law where applicable:
  - A. U.S. Government obligations, U.S. Government Agency obligations and U.S. Government instrumentality obligations.
  - B. Repurchase agreements.
  - C. Certificates of Deposit (backed by full FDIC).
  - D. Savings and loan association deposits (backed by FSLIC).
  - E. Money market mutual funds regulated by Securities and Exchange Commission and whose portfolios consist only of Government securities.
  - F. Statewide investment pools.

The use of Derivatives is prohibited.

2. **Collateralization:** Full collateralization will be required on two types of investments: certificates and repurchase agreements.
3. **Solicitation of Bids for Certificates of Deposit.** Bids for certificates of deposit may be solicited orally, in writing, electronically, or in any combination of these methods.

### VI. INVESTMENT PARAMETERS

1. **Diversification:** The investments will be diversified by security type and institution.
2. **Maximum Maturities:** All maturities should be limited to maturities of two years unless specific authority is given to exceed.

### VII. REPORTING

1. **Methods:** The City Treasurer shall prepare an investment report at least quarterly, including a succinct management summary that provides a clear picture of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner which will allow the entity to ascertain whether investment activities during the reporting period have conformed to investment policy.

The report should be provided to the City Council. The report shall include the following:

## INVESTMENTS AND STRATEGIES FOR PUBLIC FUNDS

- A. A listing of individual securities held at the end of the reporting period.
  - B. Unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities over one-year duration that are not intended to be held until maturity.
  - C. Average weighted yield to maturity of portfolio on entity investments as compared to applicable benchmarks.
  - D. Listing of investment by maturity date.
  - E. The percentage of the total portfolio which each type of investment represents.
2. **Performance Standards:** The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. Portfolio performance should be compared to appropriate benchmarks on a regular basis.
3. **Marking to Market:** A statement of the market value of the portfolio shall be issued at least quarterly. This will ensure that the minimal amount of review has been performed on the investment portfolio in terms of value and subsequent price volatility.
- VIII. **POLICY:** This policy shall be reviewed on an annual basis. Any changes must be approved by the City Council of Hilshire Village.

---

Robert F. Buesinger, Mayor

ATTEST:

---

Cassie Stephens, City Secretary



## City of Hilshire Village PROCLAMATION

*Whereas, Spring Branch was organized into an independent school district in 1946 and remains committed to providing an excellent educational experience for every child; and,*

*Whereas, SBISD embraces a range of diverse school communities in one of the nation's fastest-growing metropolitan areas. District schools educate children from all over the world, and student populations reflect the increasing diversity of Texas and the nation; and,*

*Whereas, the Texas public school finance model, under which local revenue in excess of entitlement is recaptured by the State has negatively impacted the financial status of the district as it allows the State to remove property tax dollars from SBISD schools. Further, there are over 1,000 school districts in Texas and 160 are designated "recapture" districts; and,*

*Whereas, As SBISD is considered property wealthy by the state, it is a "recapture" district, meaning it is required by law to send "excess local revenue" back to the State. This year, SBISD's estimated recapture payment will be roughly \$87M; and*

*Whereas, SBISD is the 39th largest school district paying the 10th highest recapture payment, even though 57% of SBISD students are economically disadvantaged; and,*

*Whereas, 21% of SBISD local property tax receipts go to the State. That percentage will increase and become financially unsustainable for SBISD – if no meaningful changes are made to the school funding formula this legislative session; and,*

*Whereas, The City of Hilshire Village is in support of legislation that raises the basic allotment benefit by \$1,000 for every Texas public school student which will reduce recapture payments; and*

*Whereas, The City of Hilshire Village is in support of legislation that adds an automatic inflation adjustment and cost of education adjustment to the school funding formula; and full credit for the local optional homestead exemption SBISD affords its taxpayers,*

*Now, Therefore, Be It Resolved, that the Mayor and City Council of the City of Hilshire Village, on behalf of all the citizens, do hereby support SBISD in the 88th Texas Legislative session and believe they should be fully funded to better ensure a proper education for our children.*

*In Witness Whereof, I have hereunto set my signature and the seal of the City of Hilshire Village, this 21<sup>st</sup> day of March, 2023.*

\_\_\_\_\_  
Robert F. Buesinger, Mayor

Attest:

\_\_\_\_\_  
Cassie Stephens, City Secretary

Dear Residents,

Spring Branch ISD recently invited all six Village mayors and respective city council members to attend an informational presentation led by SBISD Superintendent – Dr. Jennifer Blaine, SBISD CFO – Christine Porter, and the district’s School Finance Advocacy Team (SFAT) steering committee. The aim of the meeting was to educate us on the concerning financial situation facing the district and learn how we, as a community, can help advocate for the district during the 88th Texas Legislative session currently underway in Austin.

#### HERE’S WHAT YOU NEED TO KNOW:

- As SBISD is considered property wealthy by the state, it is a “recapture” district, meaning it is required by law to send “excess local revenue” back to the State. **This year, SBISD’s estimated recapture payment will be roughly \$87M.**
- **21% of your SBISD property tax payment goes to the State.** That percentage will increase and become financially unsustainable for SBISD – if no meaningful changes are made to the school funding formula this legislative session.
- **SBISD is the 39th largest school district and pays the 10th highest recapture payment, even though 57% of SBISD students are economically disadvantaged.** FYI: There are over 1,000 school districts in Texas and 160 are designated “recapture” districts.

#### HOW YOU CAN HELP:

1. **Call, email, write letters or postcards to SBISD lawmakers\*** and tell them to:
  - **Support legislation that raises the Basic Allotment by \$1000 (minimum)** this legislative session. Raising the Basic Allotment benefits every district, every Texas public school student, and reduces SBISD’s recapture payment. Raising the Basic Allotment is a top priority and an easy ask to make!
  - **Support legislation that adds an automatic inflation adjustment and cost of education adjustment to the school funding formula.** (\*Links to legislator contacts, district and SFAT presentations and brochures, and more listed below.)
2. **Stay informed.** To receive legislative updates, regarding bills impacting SBISD and calls to action, please email [partner@springbranchisd.com](mailto:partner@springbranchisd.com). Calls to action will include detailed scripts you can follow to make advocating fast and simple.
3. **Spread the word.** Make your neighbors aware of the funding situation and encourage them to help advocate. If you are a member of a community, civic, faith-based, or professional organization that you feel would be interested in learning more and advocating, please email [partner@springbranchisd.com](mailto:partner@springbranchisd.com).
4. **Follow SBISD on social media** and share finance-related posts on your social.
  - [SBISD on Facebook](#)
  - [SBISD on Twitter](#)
  - [SBISD on Instagram](#)

#### HELPFUL RESOURCES:

The way Texas public schools are funded is very complicated, but there are many resources available that break it down and offer easy-to-follow advocacy tools. Advocacy does work! Lawmakers pay close attention when constituents reach out to them.

[SBISD #FULLYFUNDSBISD Campaign](#) (links to informational videos, community letters, 88th legislature, SFAT, additional resources)

[SBISD School Finance Advocacy Team \(SFAT\)](#) (links to meeting videos, brochures, and presentations)

[Texas Legislature Online](#) (follow bills here)

**HERE'S HOW HILSHIRE VILLAGE IS ADVOCATING:**

- Mayoral Proclamation
- Attending meetings alongside SBISD administrators, board members and parent/community advocates with lawmakers in Austin and in Houston
- Encouraging residents to get educated on the SBISD funding issue and advocate.

**SBISD has a long and well-respected track record as a strong school district. Let's do our part to #FULLYFUNDSBISD by making our voices heard in Austin this legislative session!**

Sincerely,

**Mayor Robert F. Buesinger**



# City of Hilshire Village

## PROCLAMATION

*Whereas, the Hilshire Village Civic Club is sponsoring a Spring Event, Sunday, April 23, 2023, and*

*Whereas, the Spring Event provides an opportunity for citizens to visit with each other while enjoying the beauty of Hilshire Village's small city atmosphere, and*

*Whereas, it is essential that all citizens of Hilshire Village, Texas be aware of the importance of pedestrian safety, and*

*Whereas, police-community partnerships to promote neighborhood safety, awareness and cooperation are important themes, and*

*Whereas, Pine Chase Grove Circle will have limited vehicle access for the duration of this event;*

*Now Therefore, be it resolved that I, Robert F. Buesinger, do hereby proclaim the Spring Family Event to be April 23, 2023 between the hours of 5:30 to 8:00 PM.*

*In Witness Whereof, I have hereunto set my signature and the seal of the City of Hilshire Village, this 21<sup>st</sup> day of March, 2023.*

\_\_\_\_\_  
Robert F. Buesinger, Mayor

Attest:

\_\_\_\_\_  
Cassie Stephens, City Secretary