

DEPARTMENT SUMMARY  
GLENDALE WATER AND POWER

**Mission Statement**

To deliver reliable, high quality, environmentally-sensitive, and sustainable water and power services to our customers in a caring and cost-competitive manner, while creating a stimulating and rewarding work experience for our employees.

**POWER SUPPLY**

**Section Description**

Produces and purchases electric power to supply the electricity needs of Glendale. This section also sells wholesale electricity to other electric utilities, which increases utility revenues and helps to reduce electric rates for Glendale Water and Power customers.

**Relationship to City Strategic Goals**  
**Utilities**

**Power Supply Section**

**Changes from Prior Year**

**Budget Changes:** The change in the section's budget from fiscal year 2009 revised budget is a net increase of \$9,371,400 or 5.9%. The increase is mainly attributable to the following:

- Increase of the budget for wholesale energy purchases to perform more trading and to actively participate in the wholesale markets.
- Net Increase of \$465,800 in the contractual Services budget due to hiring of consultants for wholesale trading and risk management, in order to perform and oversee the real time trading operations and the real time energy management.

**Staffing Changes:** There was no increase in FTE from the fiscal year 2009 budget. Vacancies are planned to be filled.

**Organizational/Program Changes:** An internal Energy Management Resources Group will aggressively manage the wholesale trading opportunities.

**Future Outlook**

GWP Power Supply is to provide the forecasted electric system energy requirements of 1,032,000 MWH at the lowest market price available for the Fiscal Year 2009-10. This energy is to supplement the local production in Grayson Power Plant. This goal supports the City's Strategic Plan in the area of Resources and Environment by the acquisition of energy from outside resources which are more efficient and renewable. It is also relates to the area of Economic Development and Service Delivery by the purchase of energy which is less expensive than local generation.

**STEP**

- a. Provide 314,000 MWH of energy(Q1)
- b. Provide 270,000 MWH of energy(Q2)
- c. Provide 212,000 MWH energy(Q3)
- d. Provide 236,000 MWH energy(Q4)

GWP Power Supply will continue to undertake projects to improve reliability and increase efficiency of local power generation units at Grayson. A recommended course of action to reconfigure the Grayson Power Plant in order to meet the GWP's Strategic Plan will be made in the coming fiscal year. GWP Power Supply will continue to look for opportunities in wholesale trading to increase net wholesale income.

## Power Supply Section Major Accomplishments

With the focus on projects that will provide big impact on reliability and increase unit efficiency, the Power Supply section completed the following capital improvement projects in Fiscal year 2008-09: (a) Unit 8A electric generator overhaul; (b) Installation of Automatic Voltage Regulators and Power System Stabilizers in Units 1, 2 and 8A; (c) Installation of Variable Frequency Drive of Unit 4 Flue Gas Recirculation Fan; and (d) Upgrading plant lighting, instrumentation and controls

## Customer Services Section Description

This Department consists of two main sections: The Customer Services Section, and Marketing and Public Benefit Programs Section.

The Customer Services Section provides billing and collection services for both the Electric and Water Utilities and for the other City departments such as the Department of Public Works for sewer usage. This section handles all public counters and telephone inquiries from customers and customer calls during emergencies. It also performs all meter reading and customer education programs.

The Marketing and Public Benefits Programs Section provides all public relations, marketing, communications, and outreach support for the utility, and is responsible for the development, implementation, and monitoring of all low-income, and customer photovoltaic, and energy and water efficiency programs.

## Relationship to City Strategic Goals Trust in Government

The Customer Services Department plays a strong role in a number of areas of the strategic plan including communications with customers and internal stakeholders, helping to reduce customer energy and water consumption, helping reduce electric and water rates, and working to implement new technologies, such as Advanced Metering Infrastructure and Meter Data Management System, to prepare GWP for the future.

## Technology

With the support of Water and Electric Services, the Customer Services Department has lead GWP's move to the Smart Grid for the past two-years. Smart Grid provides the foundation for a host of functions to make GWP more energy efficient and to help customers better manage their electric and water usage and reduce their electric bills.

## Changes from Prior Year

Budget Changes: The change in the Department's budget from fiscal year 2009 revised budget is a net increase of \$2,000,000. The increase is attributable to the following:

- Budgeted for full compliment of personnel. Total addition in salaries and benefits is \$1,300,000
- Increase of \$700,000 to the M&O budget for contractual services and anticipated additional uncollectible.

Organizational/Program Changes: Programs to implement the FACT Act legislation, mass communication system, water conservation, and smart grid were added this year creating an increase to the M&O budget for the department.

## Electrical Services

### Section Description

Complies with the regional reliability requirements and standards. Delivers the electricity safely to Glendale's business and residential customers. This Section maintains the integrity of the electrical system so reliable electricity is provided to customers; they also respond in all emergencies.

### Relationship to City Strategic Goals

#### Utilities

GWP electrical services will provide reliable electrical service by implementing the following:

1. reducing the number of outages by 25 per year.
2. Replace aging infrastructure and proper planning of the future infrastructure.
3. Implement effective asset management.

#### Technology

Implementation of the Automated Metering Infrastructure (AMI) project will position GWP in the fore front of technology giving GWP customers access to real time information.

### Changes from Prior Year

Budget Changes: The change in section's budget is a net increase of \$3,066,800 or 5.74%. The increase is mainly attributable to the cost of AMI at 8,000,000 a year for the next 4 years. The total cost of AMI for the electric section is 32,000,000.

Staffing Changes: There was no increase in FTE from the fiscal year 2009 budget. Vacancies are planned to be filled.

### Organizational/Program Changes:

The engineering section will be re-organized so that one Principal Engineering position will be eliminated which would result in Section Overhead

reduction of \$149,820. This change will be reflected in 2010-11 fiscal year FTE.

### Future Outlook

GWP electrical Services will implement the following projects:

- **Substations Engineering:**
  1. Upgrade Protection on Four 34kV Lines.
  2. Replace Three Aging Breakers and add PT's at Columbus.
  3. Replace Three Cap Bank Breakers.
  4. Glorietta Substation 40% Constructed.
  5. Complete 2nd phase of Kellogg-GIS Backup. (Transformer at Glendale Rack).
- **Transmission & Distribution Engineering:**
  1. Extend the underground portion of the Kellogg-Columbus West 69kV line to San Fernando Road between Doran and construct an accompanying distribution substructure system.
  2. Complete the 12 kV conversion of Glorietta feeders # 2, 3, 5, 6, 7, and 8.
  3. Construct the underground 12kV getaway substructure and wiring system on Glorietta Avenue for the new Glorietta Substation.
  4. Relocate the overhead distribution lines and the Kellogg Western # 2 overhead 69kV line impacted by the Caltrans project on the 5 Freeway-Western Avenue off ramp.
  5. Complete the remaining work on the replacement of deteriorating Vault # 1014 on Laurel Avenue east of Central Avenue.
  6. Replace deteriorating vault # 1136 on Arden Avenue east of Pacific Avenue.

7. Perform coordinated feeder re-fusing on # 7 Scholl, # 7 Columbus, # 2 Western and # 9 Tropic.
  8. Construct 12 underground circuit extensions for various customers.
  9. Implement the first year of Advanced Metering Infrastructure (AMI) program
- **Street Light Engineering:**
    1. Paint 250 cast Iron street light poles.
    2. Install New street lights by petition.
    3. Replace 20 deteriorating concrete poles.
    4. Relocate Street lights on Colorado Blvd. from Brand Blvd. to Glendale Ave. (as a part of Public Works Colorado widening project)
  - **Compliance:**
    1. Update/Revise all the NERC procedures.
    2. Update all RSAWs with new Question-Answer sections.
    3. Self Certification: For Critical Cyber Assets (CIP-002 to CIP-009) for GO-GOP-LSE. (Jan 01 - 15, 09)
4. Self Certification: NERC Standards under all functions GO-GOP-LSE-PSE-RP-P. (March, 09)
  5. Evidence for Audit: Gather and document evidence for audits. (For period 2007-2008)
  6. Provide the requested data and documentation to NERC.
  7. Generation Protection Misoperation Data submittal. (PRC-004-1).
  8. Data submittals under LSE / DP Project to WECC.
  9. Mock Audits for all the NERC standards.
  10. Assessment of all cyber assets.
- **Customer Service:**
    1. Implement 25% of Automated Metering Infrastructure (AMI) project.
    2. Install 20 primary services. Install 540 secondary services.

## Water Section

### Section Description

Supplies, treats and delivers water to City residents, businesses and industry, parks, schools and government organizations (including fire fighting water supplies). Maintains both the potable and the recycled water systems to ensure high quality and reliability of delivery; staff also responds to all emergencies.

### Major Accomplishments

- During fiscal year 2009, the Division Potable Water Source Improvements
- Developed a Settlement Agreement with parties responsible for chromium pollution in the San Fernando Basin
- GIS-located 3,600 Valves Water Quality and Treatment Plant Improvements: Constructed long term chromium 6 removal facilities
- Pumping Plant Improvements
  - Completed all permitting requirements for the Foothill Well in the Verdugo Basin
  - Completed the Western Pump Station Project
- Installed Pressure Reducing Station for Potable Water to Fern Lane
- Completed Design of Glorietta Well #8
- Completed Construction of Fiber Optics Reservoirs/Tanks
  - Continued construction of the Chevy Chase 968 Reservoir and Pump Station Replacement and placed the new Pump Stations and half of the new storage in service

- Water Mains
  - Install 8" Water Main for Potable Water to Fern Lane
- Water Service and Meter
  - Connect two new recycled water system customers
  - Issued joint RFP on Advanced Metering Infrastructure; evaluated bids and selected vendor
- Operations and Maintenance
  - Cleaned 7 storage facilities
  - Reliably operated the system 24/7/365
  - Installed 8 Automatic Flushing Units
  - Installed Security improvements at various facilities
  - Performed all scheduled maintenance

### Future Outlook

#### GWP Water Supplies

- Reevaluate Water Rates
- Recommend water rate increases as necessary
- Issue new Water Revenue Bond Pumping Plant Improvements
- Complete Construction of Glorietta Well #8 (at Rockhaven) Reservoirs / Tanks
- Final Completion, including all landscaped improvements, of the Chevy Chase 968
- Reservoir Replacement Project Water Mains
- Complete Diederich main project Water Service and Meter
- Connect two new recycled water system customers

- Start advanced metering infrastructure implementation Operations and Maintenance
- Clean 5 storage facilities
- Reliably operate the system 24/7/365
- Full Implementation of CityWorks for computerized water system maintenance
- Repair all deficient valves identified by iWater
- Install 12 Automatic Flushing Units
- Install Security improvements at various facilities
- Perform all scheduled maintenance

<b>GLENDALE WATER &amp; POWER</b>			
	<b>Actual Expenditures 2007-08</b>	<b>Original Budget 2008-09</b>	<b>Proposed Budget 2009-10</b>
Salaries & Benefits	43,229,434	47,561,700	48,440,971
Maintenance & Operations	273,904,197	259,399,612	298,810,789
Capital Outlay	15,576	446,000	173,800
Projects	(50,609,529)	89,862,976	83,567,800
Transfers to Other Funds	22,375,000	23,267,000	23,267,000
Allocation Offset	(44,643,164)	(56,752,200)	(68,858,800)
Revenue Bond Requirements	1,485,000	1,485,000	1,855,000
<b>Total Appropriations</b>	<b>245,756,515</b>	<b>365,270,088</b>	<b>387,256,560</b>