



CITY OF GLENDALE, CALIFORNIA REPORT TO THE CITY COUNCIL

AGENDA ITEM

Report: Shifting of Funds from Glendale Water and Power's (GWP's) Electric Depreciation Fund - GWP Projects.

1. Resolution of Appropriation to shift funds from Glendale Water & Power's (GWP's) Electric Depreciation Fund - GWP Projects: Project GWP00648AA ES Vault Replacement to Electric Depreciation Fund; Projects GWP00642AA ES Pole Replacement Program in the amount of \$150,000 and GWP00649AA ES Cable Replacement Program in the amount of \$300,000 for a total amount of \$450,000.

COUNCIL ACTION

Item Type: Consent Calendar

Approved for June 27, 2023 **calendar**

EXECUTIVE SUMMARY

The Electrical Services division of GWP has taken measures to enhance system reliability by addressing identified risks in electrical facilities and infrastructure. These measures include conducting detailed assessments and inspections of all electrical facilities, with a focus on power poles and aging cables. The inspection results have provided a record of aging power poles, prompting the issuance of work orders for their replacement. Additionally, aging cables within the distribution system, which have been in service for over 30 years, have been identified and replaced to minimize the risk of power outages caused by cable failure. These efforts have resulted in increased expenditures, exceeding the project budgets for both the power pole and cable replacement programs. However, the Electric Depreciation Fund has sufficient remaining balance to cover the budget shortfalls.

Therefore, the intent of this report is to ask to shift funds to address the budgetary gaps and ensure the successful completion of these projects. By proactively replacing at-risk electrical facilities, GWP aims to enhance system reliability and mitigate potential issues that could disrupt power supply. As inspections are performed, additional work may emerge during this fiscal year that may require additional funds.

COUNCIL PRIORITIES

Infrastructure:

This appropriation to reallocate funds will provide resources to increase system reliability by upgrading the electrical infrastructures and replacing aging GWP infrastructure.

RECOMMENDATION

Authorize a Resolution of Appropriation to reallocate funds from Glendale Water & Power's Electric Depreciation Fund - GWP Projects to Electric Depreciation Fund in the amount of \$150,000 and GWP00649AA ES Cable Replacement Program in the amount of \$300,000 for a total amount of \$450,000.

BACKGROUND

The Electrical Services division of GWP enhanced the transmission distribution inspection program to conduct detailed assessments and inspections of all electrical facilities, including power poles. The results of the inspection established a record of the aging power poles. Staff released a large amount of work orders to replace the power poles to address the inspection findings. During the current fiscal year, GWP Electrical Services has replaced more than 56 power poles of as part of their Pole Replacement Program. This activity resulted in increased expenditures for the current fiscal year and exceeded the project budget by \$110,713, that requires additional funds to cover future increases in expenses not budgeted.

After the peak load summer months of 2022, Electrical Services staff also researched, identified, and replaced several ageing cables within the distribution system that have been in service for more than 30 years. The replacement of these cables improves system reliability and minimizes the risk of power outages and fire ignition as a result of cable failure. These cable replacements were part of the Capital Project GWP00649AA ES Cable Replacement Program and resulted in increased expenditures. This activity exceeded the project budget by \$175,475, that requires additional funds to cover future increases in expenses not budgeted.

ANALYSIS

Although the expenditures in Projects GWP00642AA and GWP00649AA exceeded the appropriated *project budget* for each in Fiscal Year 2022-23 to address deferred improvements; the total budget appropriation in Electric Depreciation Fund (5830) has adequate remaining balance. Therefore, the requested action will not result in additional appropriation from Net positions, Electric Fund Balance; rather it is to reallocate funds within GWP Projects (Cost Center 0020), Electric Depreciation Fund (5830) to cover the budget shortfall in the noted projects, as described in the Fiscal Impact portion of this report. For these reasons, GWP staff respectfully recommends that the City Council authorize a Resolution of Appropriation to reallocate funds within GWP's Electric Depreciation Fund - GWP Projects, for a total amount of \$450,000.

CONTRACT DASHBOARDS

Not applicable.

STAKEHOLDERS / OUTREACH

Not applicable.

FISCAL IMPACT

Due to the increased activity to ensure system reliability by replacing power poles and cables as described above, staff is requesting for an appropriation of \$450,000 by shifting of appropriation from the GWP00648AA ES Vault Replacement project to Projects GWP00642AA ES Pole Replacement Program in the amount of \$150,000 and GWP00649AA ES Cable Replacement Program in the amount of \$300,000 for a total amount of \$450,000. This action does not increase current level of appropriation for the Electric Depreciation Fund 5830.

The appropriation request is outlined below:

Requesting Appropriation			
Amount	From (Account String)	To (Account String)	Funding Source
\$150,000	GL: 53300-5830-GWP-0020 PL: GWP00648AA Vault Replacement	GL: 53300-5830-GWP-0020 PL: GWP00642AA Pole Replacement Program	Electric Depreciation Fund
\$300,000	GL: 53300-5830-GWP-0020 PL: GWP00648AA Vault Replacement	GL: 53300-5830-GWP-0020 PL: GWP00649AA Cable Replacement Program	Electric Depreciation Fund

ENVIRONMENTAL REVIEW

This item is considered a ministerial activity and is not a project for the purposes of California Environmental Quality Act (CEQA) and therefore, not subject to CEQA review.

CAMPAIGN DISCLOSURES

Not applicable.

ALTERNATIVES

Alternative 1: Approve a Resolution of Appropriation to shift funds from GWP's existing Electric Depreciation Fund - GWP Projects: to Electric Depreciation Fund; Pole Replacement Program in the amount of \$150,000 and ES Cable

Replacement Program in the amount of \$300,000 for a total amount of \$450,000.

Alternative 2: Consider any other alternative not proposed by staff.

ADMINISTRATIVE ACTION

Prepared by:

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Approved by:

Roubik R. Golanian, P.E., City Manager

EXHIBITS / ATTACHMENTS

Not applicable.