



CITY OF GLENDALE CALIFORNIA  
REPORT TO CITY COUNCIL

March 3, 2009

**AGENDA ITEM**

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Report: Glendale Water & Power Strategic Plan 2009 – 2014

- 1. Motion to Note and File Report

**COUNCIL ACTION**

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Public Hearing [ ] Ordinance [ ] Consent Calendar [ ] Action Item [ ] Report Only [ ]  
Approved for March 9, 2009 calendar

**ADMINISTRATIVE ACTION**

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**Submitted**  
Glenn O. Steiger, General Manager-GWP.....  
**Prepared**  
Jackie Zadian, Assistant to General Manager.....  
**Approved**  
James E. Starbird, City Manager .....

**Reviewed**  
Scott H. Howard, City Attorney .....

Signature  
*[Handwritten Signatures]*

**RECOMMENDATION**

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It is recommended that the City Council note and file the Glendale Water & Power (GWP) Strategic Plan 2009 – 2014.

**SUMMARY**

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GWP staff has completed its "GWP Strategic Plan for 2009-2014". This plan takes GWP in a new direction in terms of developing a project path to resolve specific business issues, evaluate dominant trends in the

marketplace, identify GWP stakeholders and methodology to improve business and communications with these stakeholders, priority internal and external events, and scrutinizing challenges such as an aging infrastructure, rate increases, higher operating costs, labor issues, new technologies and organizational change. In addition, the GWP Strategic Plan Design Team will create a mission and vision for 2009-2014 to share with employees through designing and conducting workshops to ensure employee participation in the plan.

The proposed GWP Strategic Plan has been previewed by the GWP Commission, City department heads, key City staff, and GWP employees. It has been well received and supported by all. Most importantly, all GWP employees were encouraged to participate in developing the plan; over 250 employees actively participated.

## **FISCAL IMPACT**

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There is no fiscal impact involving implementation of the GWP Strategic Plan except GWP's expectation to gain cost savings, visibility, and success as a municipality with state-of-the-art methods of operation to improve the unlimited success of GWP and thereby, stabilizing rates and budgets for the City of Glendale and its residents. This plan is designed to streamline GWP operations and communications as well as serve as a role model for other City departments to follow in creating their own strategic planning process. Most financial goals are achievable within the five-year time horizon. The most important goals will be those associated with reducing GWP's rates in relationship to its surrounding utilities.

## **BACKGROUND**

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On July 9, 2008, the GWP Design Team held its first meeting with consultant Peter Lewis of The Lewis Group to identify stepping stones for the new GWP Strategic Plan 2009-2014. At the July 9, 2008 GWP Commission meeting, Glenn Steiger announced that GWP has just completed the first Strategic Planning session and approximately 27 seven sessions will be scheduled over the next few months. A number of stakeholders have been identified to be interviewed along with employees to get input on a number of issues affecting GWP. The Commission will receive quarterly updates on the progress of strategic planning.

Before we built our plan, we examined the big picture and discussed how major trends could impact the stakeholders in GWP's marketplace over the next five years.

After 15 team meetings and 13 employee strategic planning sessions, the Design Team successfully gained outstanding feedback and communicated important aspects of the plan in detail. On February 18, 2009, GWP made its final presentation to staff. The plan is outlined below.

We identified the following trends:

- INCREASING WORLDWIDE ECONOMIC UNCERTAINTY
- INCREASING GROWTH IN CALIFORNIA AND THE WORLD
- HIGHER STANDARD OF LIVING AND SERVICES
- INCREASING CONCERN FOR HUMAN HEALTH AND THE ENVIRONMENT
- INCREASING CLIMATE CHANGE

- SMALLER WORKFORCE SHIFTING TO NEW ECONOMY
- INCREASING SAFETY AND SECURITY
- INCREASING MAINTENANCE, REPAIR, OR REPLACEMENT OF INFRASTRUCTURE

### Strategic Plan Priorities

#### 1. WATER SUPPLY

Maximize the production of local water resources and the efficiency of water use.

#### 2. POWER SUPPLY

Ensure reliable power supply under severe legislative/regulatory controls and restrictions through a portfolio of resources that includes a reconfigured Grayson Power Plant.

#### 3. CUSTOMER SERVICE

Achieve high customer satisfaction level by increasing the value of all GWP programs and services.

#### 4. RATES

Achieve water and electric rates that are at the median of comparable utilities in Southern California.

#### 5. AGING INFRASTRUCTURE

Assure the highest achievable service reliability by continuously improving and maintaining the GWP physical plant, electric and water facilities.

#### 6. WORK FORCE

Hire, develop, and retain a safe, highly skilled, dedicated, and customer-focused work force

#### 7. SYSTEMS

Utilize new and existing information systems and technologies that reduce GWP's costs, enhance customer service, and increase operational effectiveness

#### 8. CITY OF GLENDALE

Collaboration to improve both the City's and GWP's efficiency and public image

#### 9. LEGISLATION AND REGULATION

Influence local, state, and federal legislation and regulations to benefit GWP's operations

We created GWP's Mission and Vision. Our mission, "**To be your trusted community utility**" describes the successes GWP will have achieved at the end of 5 years.

GWP's Vision: "**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**".

The Design Team, with GWP employee input, devised the followed goals for 2009-2014 which are measurable targets that describe the components of excellence in each GWP Key Result Area (KRA):

KRA: WATER SUPPLY

1. Produce 3,856 AFY from Verdugo Basin by 2014
2. Serve 2,500 AFY recycled water by Dec 2013
3. Institute a 2.5% PBC-like charge to fund water conservation measures by Dec 2010
4. Reduce water usage by \_\_% by Dec 2014

KRA: POWER SUPPLY

1. Reduce electrical usage by 7% by December 2014
2. Increase GPP efficiency to <10,000 heat rate by 2015
3. Reduce GHG emissions to 1990 levels by 2020
4. Achieve a balanced energy portfolio by 2020
5. Operate Energy Management Resources Group under defined metrics beginning July 2010

KRA: CUSTOMER SERVICE

1. Consistently achieve above average customer satisfaction scores from the CMUA survey by December 2010
2. Ensure that all affected customers and public are consistently notified of all GWP activities by December 2009
3. Restore minor power outages within 10 minutes and major outages within 20 minutes by December 2014

KRA: RATES

1. Water rates at or below 80% of the average rates in the area by 2014
2. Reduce electric rates to 35% below SCE by 2014
3. Increase annual electrical wholesale net revenue to \$10M by 2014
4. Reduce electrical system losses to  $\leq$  10% by Dec 2014

KRA: CITY OF GLENDALE

1. Improve communications with customers, City Council, and City Departments by November 2009
2. Stabilize and limit amount of transfer to 2008 dollar level by 2014.
3. Develop communications vehicles to improve GWP's public image by 2011
4. New collaborative ventures with City departments by December 2011

KRA: LEGISLATION & REGULATION

1. Continue compliance with state and federal regulatory requirements by Feb 2009.
2. Establish and continue on-going relationships with state and federal legislators and regulators by Jan 2010.
3. Provide quarterly report on major activities and successes by Jan 2010.
4. Develop specific GWP legislative strategy and initiatives. By June 2010.

Please see the GWP Strategy Scoreboard attached as Exhibit B for detailed quarterly goal tracking and implementation.

## **NEXT STEPS**

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In keeping with the strategic planning process in the future, GWP will undertake the following next steps:

1. Update current plan on a yearly basis.
2. Develop an appropriate, detailed GWP strategic planning process every five years
3. Evaluate needs and benchmark GWP in alignment with the current trends and marketplace.
4. Communicate findings and recommendations to the GWP Commission, City Council and other City departments while working strongly together to not lose sight of the successful plan's priorities and importance.

### Upcoming Schedule

March 3 Present Strategic Plan to City Council

March 18 Present Strategic Plan to GWP employees – Session One

March 23 Present Strategic Plan to GWP employees – Session Two

In conclusion, GWP respectfully requests that the City Council note and file the GWP Strategic Planning report for the period 2009-2014.

## **EXHIBIT(S)**

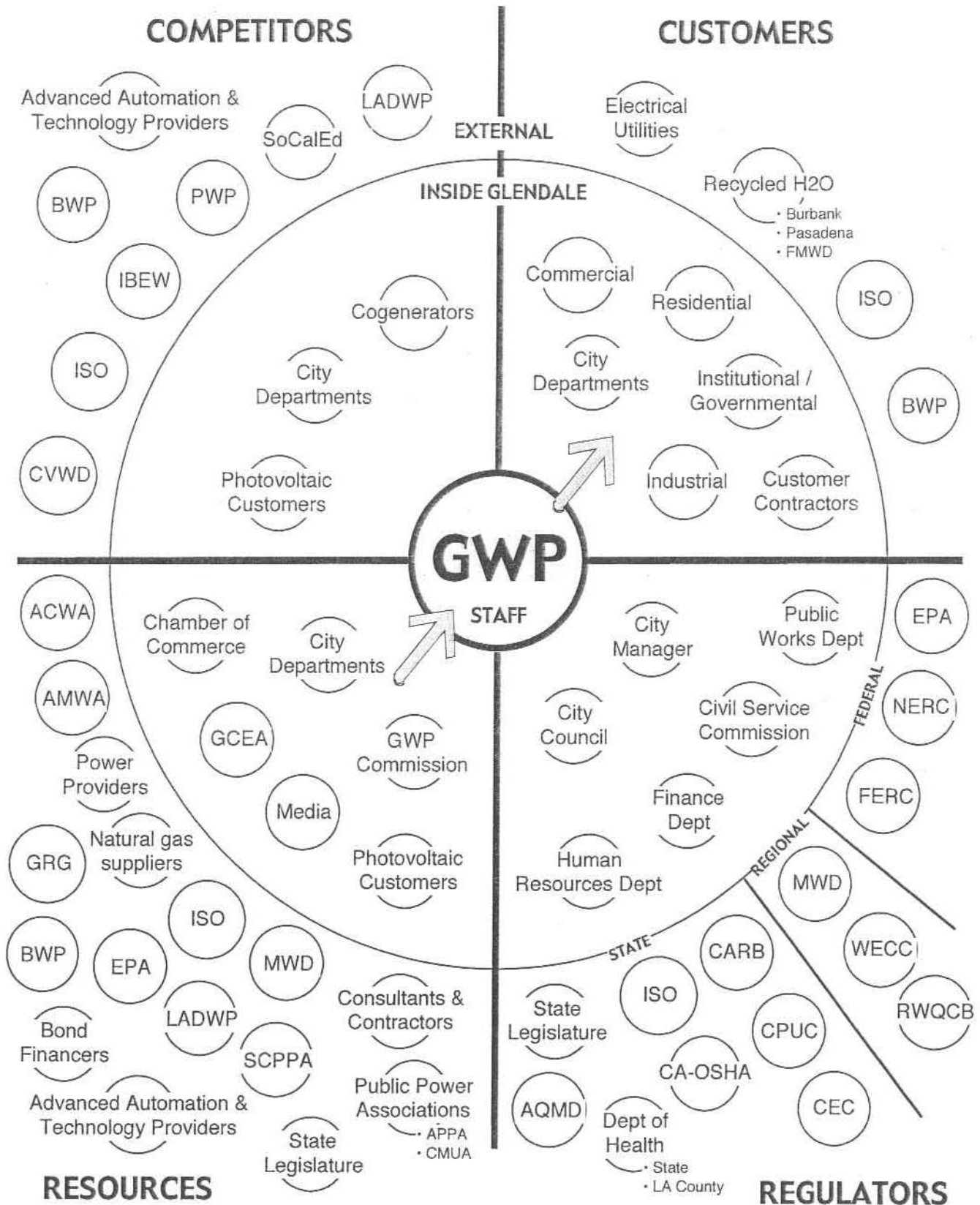
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Exhibit A: GWP Stakeholders Map

Exhibit B: GWP Strategy Scoreboard

# GWP STAKEHOLDER MAP

July 16, 2008



### GWP STRATEGY SCOREBOARD

			KEY			
Goal is ahead of schedule OR is exceeding expectations						
Goal is on schedule or is meeting expectations						
Goal is behind schedule or is below expectations						
KRA & GOALS	Due	R	Q	Q	Q	Q
<b>WATER SUPPLY</b>						
1	Produce 3,856 AFY from Verdugo Basin	2014	Kavounas			
2	Serve 2,500 AFY recycled water	Dec 2013	Kavounas			
3	Institute a 2.5% PBC-like charge to fund water conservation measures	Dec 2010	Kavounas			
<b>POWER SUPPLY</b>						
1	Reduce electrical usage by 7%	2014	Bassin			
2	Increase GPP efficiency to <10,000 heat rate	2015	Lins			
3	Reduce GHG emissions to 1990 levels	2020	Lins			
4	Achieve a balanced energy portfolio	2020	Lins			
5	Operate Energy Management Resources Group under defined metrics	Jul 2010	Lins			
<b>CUSTOMER SERVICE</b>						
1	Consistently achieve above average customer satisfaction scores from the CMUA survey	Dec 2010	Vallier			
2	Ensure that all affected customers and public are consistently notified of all GWP activities	Dec 2009	Bassin			
3	Restore minor power outages within 10 minutes and major outages within 20 minutes	2014	Abueg			
4	Implement all facets of the Water System Asset Management Project	Dec 2012	Kavounas			

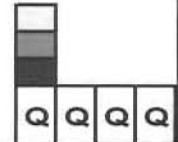
## GWP STRATEGY SCOREBOARD

## KEY

Goal is ahead of schedule OR is exceeding expectations

Goal is on schedule or is meeting expectations

Goal is behind schedule or is below expectations



KRA & GOALS		Due	R	Q	Q	Q	Q
<b>RATES</b>							
1	Water rates at or below 80% of the average rates in the area		Kawounas				
2	Reduce electrical rates to 25% below SCE	2014	Steiger				
3	Increase annual electrical wholesale revenue to \$10M	2014	Lins				
<b>WORKFORCE</b>							
1	Continually improve job satisfaction of our employees	Nov 2009	Steiger				
2	Increase annual workforce availability to 87%	2014	Bassin				
3	Have <5% vacancy rate	Jun 2012	Bassin				
4	Achieve annual utility average OSHA incident rate of 2.0	2014	Bassin				
5	Have zero preventable vehicle accidents each year	Jun 2010	Bassin				
<b>SYSTEMS</b>							
1	Achieve 100% AMI meter saturation	Dec 2013	Vallier				
2	Operate GWP within a city-wide GIS	Dec 2013	Bassin				
3	Implement new Dept of Finance processes for GWP transactions	Dec 2010	Steiger				
<b>CITY OF GLENDALE</b>							
1	Improve communications with customers, City Council, and City Departments	Nov 2009	Steiger				
2	Optimize value of transfer	2014	Steiger				
3	Create a culture of collaboration with GWP's primary stakeholders	Dec 2012	Steiger				
<b>LEGISLATION &amp; REGULATION</b>							
1	Continue compliance with state and federal regulatory requirements	Feb 2009	Lins				
2	Establish and continue on-going relationships with state and federal legislators and regulators	Jan 2010	Lins				
3	Provide quarterly report on major activities and successes	Jan 2010	Lins				

**M O T I O N**

Moved by Council Member \_\_\_\_\_, seconded  
by Council Member \_\_\_\_\_, that the report  
dated March 3, 2009 outlining the Glendale Water and Power  
Strategic Plan 2009-2014 be, and the same is hereby noted and  
filed.


Vote as follows:

Ayes:

Noes:

Absent:

Abstain:

APPROVED AS TO FORM  
  
CITY ATTORNEY  
DATE 2-26-09