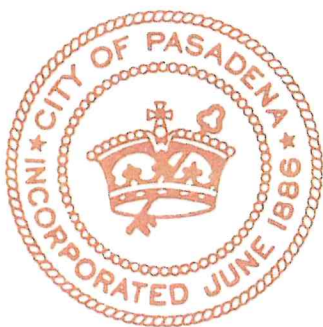




Agenda Report

September 29, 2026

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: ADOPT THE 2026 UPDATE TO THE PASADENA WATER AND POWER PHYSICAL SECURITY PLAN

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is not a "project" subject to the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21065 and within the meaning of State CEQA Guidelines Section 15378; and
2. Adopt the 2026 update to the Pasadena Water and Power ("PWP") Physical Security Plan in compliance with California Public Utilities Commission ("CPUC") Decision D.19-01-018.

BACKGROUND:

In recognition of the physical security risks to electric distribution facilities and the potential consequences of a long-term power outage, the California Legislature enacted Senate Bill 699 ("SB 699") in 2014. SB 699 directed the CPUC to consider rules addressing physical security risks to electric distribution systems.

In response to SB 699, the CPUC issued Decision D.19-01-018, establishing a process for Investor-Owned Utilities ("IOU") and Publicly-Owned Utilities ("POU") to identify distribution facilities that may be at risk and, where necessary, develop appropriate physical security mitigation measures.

The CPUC-established process consists of six steps:

- Step 1 – Assessment/Plan Development: Identification of Covered Distribution Facilities, risk assessment, and development of mitigation measures, as necessary;
- Step 2 – Independent Third-Party Review and Utility Response;
- Step 3 – Qualified Authority Validation of the Utility Security Plan;
- Step 4 – Adoption of the Utility Security Plan;
- Step 5 – Maintenance of the Utility Security Plan; and
- Step 6 – Repeat the six-step process at least once every five years.

On June 14, 2021, the City Council adopted PWP's initial Physical Security Plan ("Plan") in accordance with CPUC Decision D.19-01-018.

The 2021 Plan also committed PWP to maintaining the Plan and repeating the six-step assessment and adoption process at least once every five years. The 2026 update fulfills this five-year review requirement.

Changes Since the Last Plan

- There has been no change in the facilities designated as Covered Distribution Facilities since adoption of the original Plan in 2021; three facilities continue to meet the applicable screening criteria and were subject to further risk assessment.
- The 2021 adopted plan continues to effectively mitigate identified risks and no changes to that plan are proposed herein.
- Improvements completed since 2021 include enhancements to lighting and electronic surveillance, reinforcement of fencing and gates, installation of additional barbed wire and other perimeter security measures, and vegetation control.
- Additional security enhancements are planned for Fiscal Years 2027 and 2028, including maintenance and reinforcement of existing security measures, periodic camera cleaning, sealing unnecessary gates, securing ladders, and repairing perimeter security features.

2026 Utility Physical Security Plan Update

As part of the 2026 update, PWP repeated the six-step development process established under CPUC Decision D.19-01-018 and reassessed all power distribution-level facilities under its control. The assessment determined that there has been no change in the facilities designated as Covered Distribution Facilities since adoption of the original Plan in 2021. Three facilities continue to meet the applicable screening criteria and were therefore subject to further risk assessment.

PWP evaluated the potential risks associated with a successful physical attack on each Covered Distribution Facility and assessed whether existing physical security, system resiliency, backup generation, spare equipment, and other measures appropriately mitigate those risks. Using the risk assessment methodology developed for the 2021 Plan, PWP determined that all three Covered Distribution Facilities are low-risk facilities and that the existing security and resiliency measures effectively mitigate the identified risks of physical attack, theft, and vandalism.

Since adoption of the original Plan, PWP has continued to implement physical security improvements at its power distribution substations and other related facilities. Improvements completed during the past five years include enhancements to lighting and electronic surveillance, reinforcement of fencing and gates, installation of additional barbed wire and other perimeter security measures, and vegetation control.

PWP has also identified additional security enhancements for implementation during Fiscal Years 2027 and 2028. These improvements generally involve maintenance and

reinforcement of existing security measures, including periodic camera cleaning, sealing unnecessary gates, securing ladders when not in use, and repairing existing perimeter security features.

Consistent with Step 2 of the CPUC process, PWP retained Radian Generation to conduct an independent third-party review of the 2026 Plan. Radian Generation has experience managing and supporting compliance and risk programs, including review of program documentation, risk assessments, internal controls, and mitigation activities. Radian Generation determined that PWP's assessment methodology is sufficient and that the results are accurate and consistent with good industry practices for physical security of critical infrastructure. PWP accepts the results of the independent evaluation.

For Step 3, PWP selected the Pasadena Police Department ("PPD") to serve as the qualified authority. PWP and PPD staff jointly inspected all distribution-level facilities and reviewed existing physical security measures, including security cameras, fencing, ingress and egress points, and overall security design. PPD validated the 2026 Plan and provided minor recommendations to complete repairs to enhance existing fencing, establish periodic camera cleaning, and seal unnecessary gates at the Covered Distribution Facilities. PWP accepts PPD's recommendations and is in the process of implementing the recommended enhancements.

The updated Plan also addresses the additional elements required by the CPUC process, including PWP's asset management program for tracking and locating spare parts and supporting their rapid deployment; workforce training and retention programs necessary to maintain qualified personnel capable of responding to emergency repairs; and preventative maintenance practices for physical security equipment to ensure that mitigation measures remain functional and effective.

The 2026 Plan reflects PWP's current physical security and resiliency practices and documents improvements implemented since adoption of the original Plan. PWP will continue to maintain and update the Plan as appropriate and will repeat the required six-step process at least once every five years.

Due to public safety and security considerations, the names and locations of Covered Distribution Facilities are omitted from this Agenda Report and in the public version of the Plan.

PWP respectfully recommends City Council adoption of the 2026 update to the Physical Security Plan in accordance with Step 4 of the CPUC process.

COUNCIL POLICY CONSIDERATION:

The 2026 Physical Security Plan is consistent with the City Council's strategic goals to ensure public safety and maintain fiscal responsibility and stability. The Plan supports the continued safety, security, reliability, and resiliency of PWP's electric distribution system and critical infrastructure.

ENVIRONMENTAL ANALYSIS:

CEQA excludes, from environmental review, actions that are not “projects” as defined by Public Resources Code Section 21065 and within the meaning of CEQA Guidelines Section 15378. Sections 21065 and 15378 define a project as an action which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Section 15378(b) excludes from the definition of “project” organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment. The actions proposed herein, adopting an update to a security plan, is an administrative activity, and therefore is not a “project” as defined by CEQA. Since the action is not a project subject to CEQA, no environmental document is required.

FISCAL IMPACT:

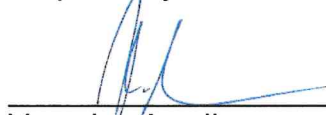
There is no fiscal impact associated with adoption of the 2026 Physical Security Plan. Any costs associated with future security enhancements identified in the Plan will be addressed through the applicable operating or capital budget, as appropriate.

Respectfully submitted,



DAVID M. REYES
General Manager
Water and Power Department

Prepared by:



Varoojan Avedian
Assistant General Manager

Approved by:



MATTHEW E. HAWKESWORTH
Interim City Manager