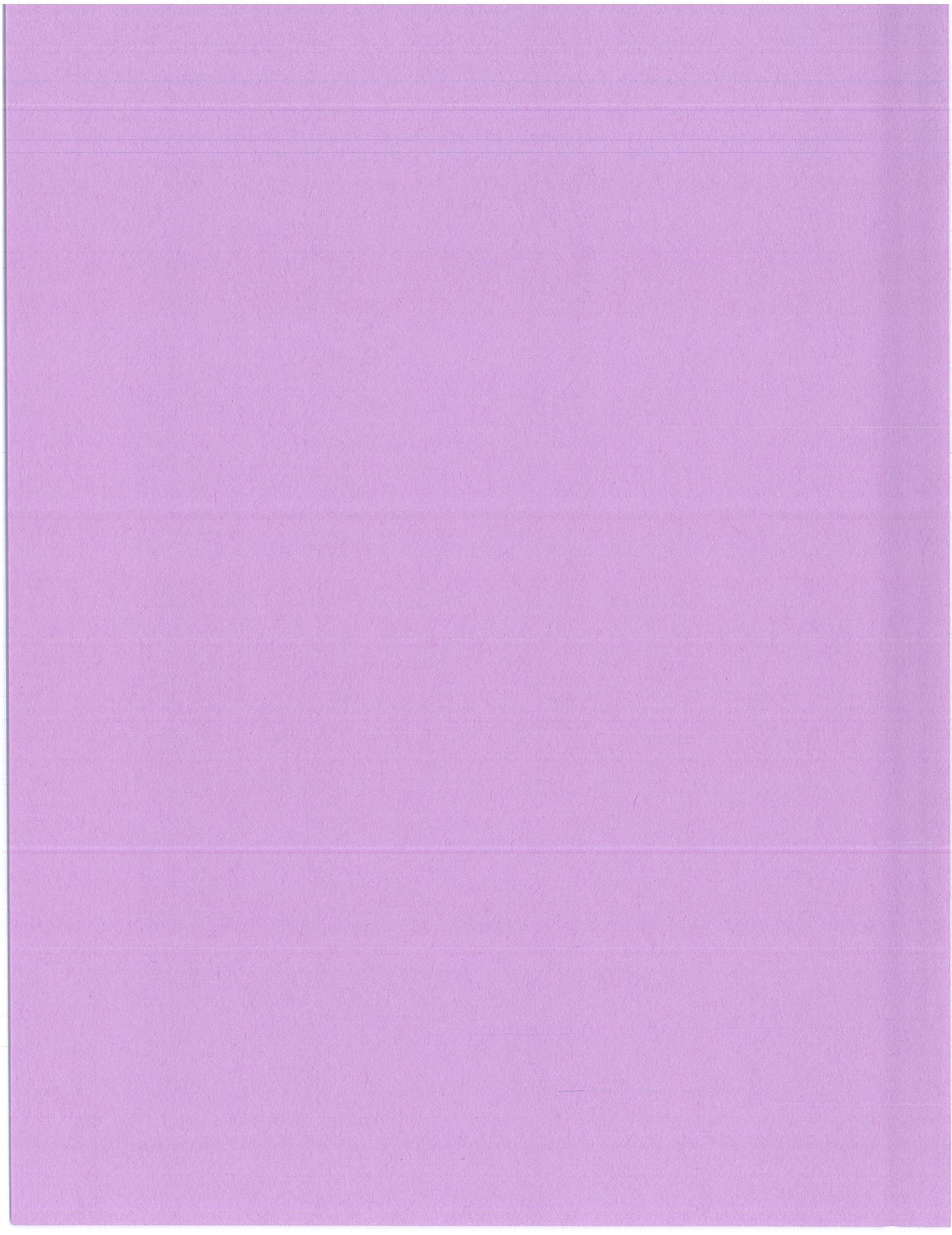


# Weekly Management Report

## April 3, 2015

1. **Staff Report** – February 2015 Operating Results – Burbank Water and Power Department
2. **Minutes** – Burbank Water and Power Board Meeting of March 5, 2015 – Burbank Water and Power Department
3. **Synopsis** – Senior Citizen Board Meeting of March 25, 2015 – Parks and Recreation Department
4. **Synopsis** – Civil Service Board Meeting of April 1, 2015 – Management Services Department
5. **Notes** – City Notes, April 3, 2015 – City Manager



7A



**CITY OF BURBANK  
BURBANK WATER AND POWER  
STAFF REPORT**

**DATE:** April 2, 2015  
**TO:** BWP Board  
**FROM:** Ron Davis, General Manager, BWP *[Signature]*  
**SUBJECT:** February 2015 Operating Results

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**SAFETY**

Burbank Water and Power had no new reportable lost time injuries during February 2015.

**Water Results of Operations**

For the month of February, water usage was 10% lower than budgeted primarily due to conservation. Conservation was driven by the Stage II Burbank Sustainable Water Use Ordinance that went into effect on August 1, 2014. The ordinance limits landscape watering in Burbank to 3 days per week until November 1, and then 1 day per week through March 30, with no more than 15 minutes each day per irrigation station. February Potable Water Revenues were \$212,000 worse than budgeted and Recycled Water Revenues were \$57,000 worse than budgeted. February Water Supply Expenses were \$64,000 better than budgeted, corresponding to lower demand. February's Gross Margin was \$194,000 worse than budgeted. Income before Aid in Construction was a loss of \$408,000, which was \$104,000 worse than budgeted.

February fiscal-year-to-date (FYTD) water usage was 11% lower than budgeted. With a hotter than average summer, all of the 11% (486 million gallons) variance can be attributed to conservation efforts by our customers. Potable water usage would be even less if customers did not have delays in connecting to the recycled water system as planned. FYTD February Potable Water Revenues were \$2,408,000 worse than budgeted and Recycled Water Revenues were \$444,000 worse than budgeted. February FYTD Water Supply Expenses were \$683,000 better than budgeted, corresponding to lower demand, and partially offset by purchasing more MWD treated water than planned to meet water blending requirements. The FYTD Gross Margin was \$1,991,000 worse than budgeted. Operating Expenses were \$518,000 better than budgeted; and Income before Aid in Construction was \$608,000, which was \$321,000 worse than budgeted.

**Electric Results of Operations**

For the month of February, electric loads were 9% lower than budgeted primarily due to conservation. Retail Sales were \$1,123,000 worse than budgeted. February Power Supply Expenses were \$227,000 better than budgeted due to lower retail load, lower energy prices, biogas underperformance, and true-up credits of \$190,000; partially offset by higher renewable costs. February's Gross Margin was \$869,000 worse than

budgeted. Income before Aid in Construction was a loss of \$1,375,000, which was \$802,000 worse than budgeted.

FYTD February electric loads were 5% lower than budgeted primarily due to conservation, which was partially offset by warmer than normal September and October temperatures. Retail Sales were \$2,895,000 worse than budgeted. FYTD Power Supply Expenses were \$7,923,000 better than budgeted due to lower retail loads and larger than planned power supply true-up credits, partially offset by higher renewable costs. February's FYTD Gross Margin was \$5,339,000 better than budgeted. FYTD Operating Expenses were \$3,674,000 better than budgeted. Income before Aid in Construction was \$12,483,000, which was \$9,234,000 better than budgeted.

## **WATER DIVISION**

### **State Water Projects and Burbank Operating Unit (BOU) Water Production**

The State Natural Resources Agency has completed the release of preliminary draft chapters of the Bay Delta Conservation Plan (BDCP). This has caused an increased volume of conversation and proposals of alternate plans that tend to transfer impacts to others or, not so subtly, create conditions that would stop the proposed BDCP solution. The State Natural Resources Agency released a revised plan/tunnel alignment for the BDCP that would reduce the impact of the project to private property both during and after construction. The BDCP is very much in the news with supporters and detractors active on a daily basis. Governor Brown supports the approval of the BDCP. The Public Draft of the plan was released December 13, 2013 and all final environmental documents were made available in spring 2014. A significant public outreach effort supporting the BDCP is underway. A Study Session with the City Council on the BDCP was held January 28, 2014. Public comments on the draft were originally due on April 14, 2014 but that date has been revised twice and the final date to submit comments was July 29, 2014. The State Agencies receiving the public comments are reviewing them and will then recirculate the revised documents for further public comment in early 2015. Recirculation of the documents will strengthen the proposed project to ensure it meets the objectives and reduces environmental impacts. The final documents will then be ready for adoption and any decisions about proposed actions.

The initial State Water Project (SWP) Allocation for 2015 was released on December 1, 2014 at 10%. This initial allocation for 2015 was revised to 15% on January 15, 2015 and then to 20% on March 2, 2015. Any further revisions will be dependent on subsequent winter storms. January was unseasonably dry after heavy rainfall in December and some precipitation in early February. Most precipitation has come as rain with very little contributing to the Sierra snowpack. The MWD Board will be considering implementing a Water Supply Allocation Plan (WSAP) at their April meeting.

The State Water Resource Control Board issued emergency drought/water use regulations on July 15, 2014 that was effective on August 1, 2014. The regulations prohibit specific water use/waste practices and provide for issuing citations and subsequent fines for individuals and water retail agencies that violate the prohibitions. Burbank's Sustainable Water Use Ordinance, currently then in force at Stage 1, prohibits the specified water wasting practices. The emergency regulation also required Water Agencies to limit outdoor watering to two days per week unless the water Agency

has a Water Shortage Contingency Plan. In that instance the agency must activate the Plan to a level that begins to limit outdoor watering. On July 22, 2014 Council voted unanimously to enact Stage 2 of the Sustainable Water Use Ordinance, effective August 1, 2014. Stage 2 limits outdoor watering to three days a week April through October. Watering is limited to one day a week, Saturday, November through March. Residents and Council have expressed concern that one day a week may not be enough for irrigation. This was discussed at length at Council on November 4, 2014 with Council voting to retain the one day a week limit in the existing water use ordinance. Status of the Drought and Water supply was also the subject of a Study Session with Council on January 6, 2015.

Year to date data indicates water use by the City has been reduced by 11.4% from budget for the fiscal year. Given that temperatures this year have been higher than normal, the 11.4% reduction in use YTD can reasonably be attributed to conservation efforts by our customers. This totals to 486 million gallons of potable water saved this year.

The BOU was 78.12% available for service in February. Six Liquid Phase Granulated Activated Carbon (LPGAC) Filters were off line for portions of the month for carbon change out. Three LPGAC beds went offline for carbon change out the last day of January and came back on-line in February. The filter outages were staggered with plant capacity always able to meet system demand. The plant was also offline for a few additional hours to address minor maintenance tasks. Wells V-02 and V-05 were offline all month. The effects of the 3/1 day a week landscape watering restriction is having an impact on demand and not requiring as much BOU production capacity to be utilized. Water into the system is about 13% less than the same month last year.

<b>Availability</b>	<b>Production</b>	<b>Average Flow Rate (gallons per minute)</b>
78.12%	72.10%	6,489

**Project Updates:**

Work on installing 620 l.f. of 8-inch ductile iron water main in North Lomita Street from Palm Ave. to Magnolia Blvd was complete the first week of February. The main was placed into service and customer service connections were tied over to the new main in February. Abandonment of the old water main was completed in March

Work began on installing 1,000 l.f. of 12-inch ductile iron water main in Providencia Ave. below San Fernando Blvd the first week of February. This work is in response to, and reimbursable by, the IKEA project. This work is scheduled for completion in April.

Work began and was completed in February on transferring customer service connections in Naomi St. between Thornton Ave. and Winona Ave. from an old 4-inch main to an-8 inch main. This is in preparation of extending recycled water to Winona Ave.

The Joint Service Agreement (JSA) between BWP and the Los Angeles Department of Water and Power (LADWP) has finally been executed by LADWP, (1/28/15). This agreement covers the construction of recycled water mains in the City of Los Angeles by Williams Brothers Contractors under Contract to BWP with all costs for the work to be reimbursed to BWP from LADWP. The work under the agreement is three extensions into Los Angeles from points of metered connection to the BWP recycled water system for delivery of recycled water to end use customers in Los Angeles. Once active, BWP will receive an equal volume of ground water pumping credits for the water delivered to Los Angeles. The estimated current value of this exchange is \$180,000, annually. Contract discussions are underway with Williams Brothers and will hopefully come to the BWP Board in April for approval. Total construction time to complete all three extensions is 18-24 months.

An 18-inch Transmission valve was replaced at Lincoln Street and San Fernando Blvd the first week of March.

Two of the four large booster pumps ("D" and "A") from the Valley Pumping plant have been overhauled and are back in operation. Pump "C" is now in the shop for overhaul and was reinstalled in January. These are the pumps that put BOU treated water into the distribution system. Pump "B" went out for work in February and was back in service at the end of March.

The Wedgewood Reservoir is down for inspection and possible repair after inspection for cracks and joint condition. Any work should be completed by mid-April. Painting of the exterior of the Starlight tank and the interior of the Via Montana tank began in March and should be complete in April.

Replacement of the electrical control panels in the Recycled Water pump stations began in February. Pump Stations 4 and 6 are complete. Pump Stations 2, 3 and 5 should be complete by June.

Burroughs Baseball Field and the Fire Training Center were converted to RW in February. A recycled meter was also set to provide construction water for the IKEA project. This service will provide recycled water for the completed project. The Burbank Studios cooling towers and the Disney Studios remaining irrigation are scheduled for conversion in March.

A meeting with Warner Brothers Studios at the beginning of September produced their schedule for irrigation conversions to RW at the Ranch and Main studio in phases through 2018. Recent progress is discussed above. Warner Brothers is doing a test conversion of one of their cooling towers with alternate chemical treatment which should lead to conversion of others on their property. Cooling tower conversion at the Disney Studios is to follow the landscape conversion but we still lack a current schedule for the cooling towers. Letters have been sent to St. Josephs and the M. David Paul Co. about conversion of their cooling towers. The Burbank Studios should go in March as stated above. The education of property owners about the use of RW in cooling towers is forefront and a major factor in getting the conversions done. The Burbank Avalon Media Center (Oak & Pass) is in process for conversion to RW.

BWP continues to work with Valhalla Memorial Park to coordinate their conversion of the larger portion to RW for irrigation and with the School District to move them forward in converting additional schools to RW.

**Installation of a new 10" valve without shutting down the main for the IKEA project:**



Utility markings before excavation



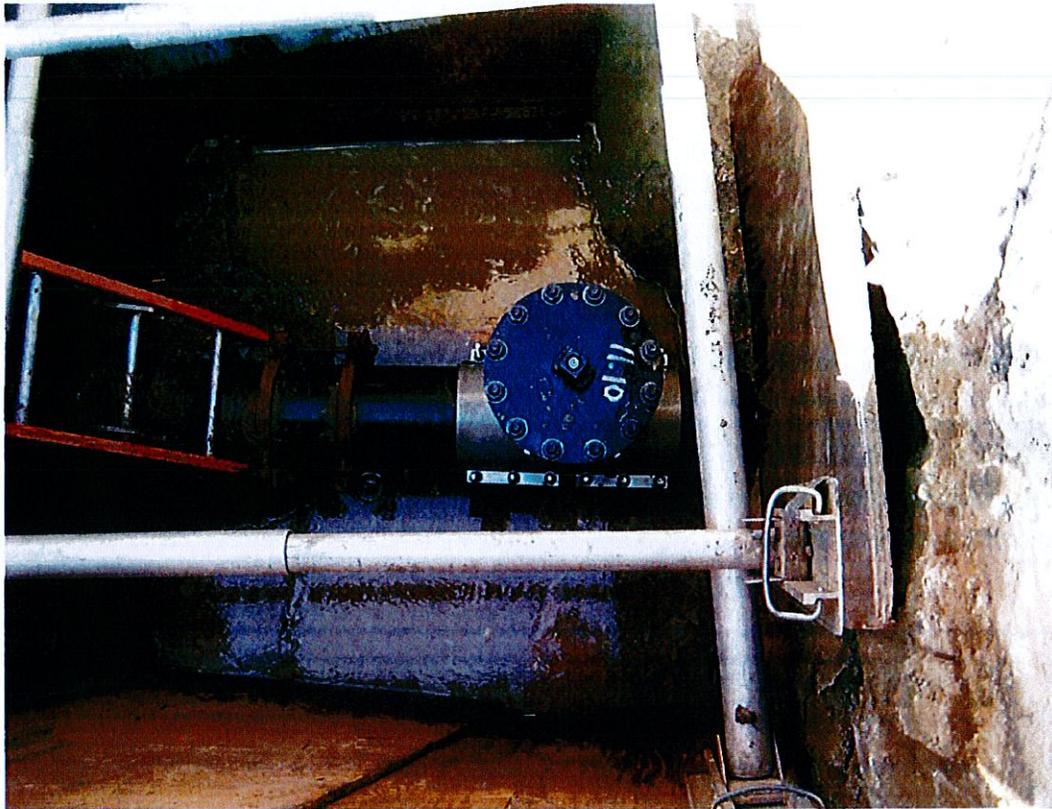
Installing the wrapping "T" in preparation for tapping



Tapping the main while still in service (under pressure)



The gate component of the new valve (blue)



INSTALLATION OF NEW VALVE COMPLETE

## DISTRIBUTION

### ELECTRIC RELIABILITY

#### Outages

BWP experienced no sustained feeder outages in February 2015. In the past twelve months, automatic reclosing has reduced customer outage time by approximately 1,588,381 customer minutes.

Reliability Measurement	Mar 2013-Feb 2014	Mar 2014-Feb 2015
Average Outages Per Year (SAIFI)	0.1758	0.2801
Average Outage Duration (CAIDI)	86.96 minutes	27.43 minutes
Average Service Availability	99.9971%	99.9985%
Average Momentary Outages Per Year (MAIFI)	0.3235	0.3794
No. of Sustained Feeder Outages	17	12
No. of Sustained Outages by Mylar Balloons	4	1
No. of Sustained Outages by Animals	2	0
No. of Sustained Outages by Palm Fronds	1	2

## **PROJECT UPDATES:**

### **Alameda/Hollywood Way Substation Restoration**

Staff has placed on hold further design development of the landscape restoration and graphic branding project at the outmoded Alameda/Hollywood Way Substation until public improvements surrounding the neighboring Talaria project are determined.

### **Naomi-15 12kV Conversion**

Construction is currently underway and the circuit is anticipated to be converted to 12kV by August of 2015.

### **Town-10 & Town-20 Rebuild**

Construction has been completed and project completion is anticipated by end of March 2015.

### **Burbank-3 12kV conversion**

Engineering work has started on the pole line rebuild and conversion of the Burbank-3 circuit. Construction is scheduled for FY 15/16.

### **CALTRANS I-5 Widening**

The Caltrans' contractor is constructing the utility infrastructure from the intersection of Victory Place and Empire Avenue to the east side of the I-5 Freeway, just west of Grismer Avenue. The Empire portion of the project is anticipated to be complete late 2016.

## **STREET LIGHTING**

### **LED Replacement Program**

In accordance with the 2014 Street lighting Master Plan, BWP began replacing 100W and 250W HPS streetlight luminaires with LED luminaires. Replacement is carried out on a maintenance basis and LEDs are installed daily as the HPS luminaires burn out. Currently, the CREE XSPR 42W has been selected to replace the 100W HPS luminaire and the CREE XSP2 102W replaces the 250W HPS luminaire. To date, 7.2% of the total streetlight luminaires have been converted to LEDs and Table 1 below details the breakdown of the light in the City's street lighting system as a percentage of the total.

<b>TYPE OF LAMP</b>	<b># OF LIGHTS MAY 2014</b>	<b># OF LIGHTS TO DATE</b>	<b>UNIT CHANGE</b>	<b>% OF TOTAL # OF LIGHTS</b>
<b>HIGH PS SODIUM</b>				
70W	19	19	0	0.20
100W	3,664	3,290	-374	34.63
150W	17	17	0	0.18
200W	3	3	0	0.03
250W	2,979	2,773	-206	29.19
360W	14	14	0	0.15
400W	2,157	2,150	-7	22.63
<b>LOW PS SODIUM</b>				
55W	137	137	0	1.44
<b>FLUORESCENT</b>				
85W	128	128	0	1.35
<b>INCANDESCENT</b>				
2500 LUMEN	10	10	0	0.11
4000 LUMEN	1	1	0	0.01
100W INC.	74	74	0	0.78
<b>METAL HALIDE</b>				
250W	190	190	0	2.00
400W	10	10	0	0.11
<b>LED</b>				
42W	1	391	390	4.12
102W	1	212	211	2.23
120W	63	63	0	0.66
150W	18	18	0	0.19
<b>TOTAL # OF LAMPS</b>	<b>9,486</b>	<b>9,500</b>	<b>14</b>	<b>100</b>
<b>ENERGY</b>				
Annualized Mwh	9,267	9,013	-254.34	
Average Mwh/lamp	0.98	0.95	-0.03	

Table 1: Breakdown of streetlight luminaires in City of Burbank's Street lighting system, February 2015.

### **Substation Transformer Relay Upgrades at Town and San Jose**

BWP is in the process of replacing its older vintage substation transformer relays and meters with modern relays that have additional protection and metering features. The new relays improve protection of BWP substation transformer assets and will be used to reduce arc flash energy levels on substation operating buses, thereby increasing personnel safety. In addition, the new relays increase reliability because they constantly monitor themselves and will send an alarm to the Energy Control Center (ECC) if the relay is not working properly. Furthermore, the new relays reduce maintenance costs by reducing panel devices with roughly 1/3 of the components and by increasing the maintenance interval from three years to five years. Finally, the new relays have the ability to record system events which increases BWP's ability to troubleshoot these events. This project is currently in the design phase and is anticipated to be issued for construction in August 2015.

### **Substation Transformer Temperature Monitors at Victory and McCambridge**

BWP is improving its ability to monitor the temperature of its substation transformers, which are some of the most critical components in the electrical system. New temperature monitors will be installed to provide real-time temperature data to the ECC, thereby allowing the ECC to respond more quickly to transformer temperature issues. These monitors will also provide engineers with historical data for analyzing system events and estimating transformer life expectancy. This project is currently in engineering design and anticipated to be issued in July 2015.

### **Substation Circuit Breaker Replacements at San Jose and Clybourn**

BWP is in the process of replacing equipment that is obsolete or difficult to maintain. The 12kV circuit breakers at San Jose and 4kV circuit breakers at Clybourn are being replaced with newer, completely refurbished circuit breakers which will reduce maintenance costs and ensure reliable operation. This project is anticipated for completion in June 2015.

## **CUSTOMER SERVICE**

### **BWP's Key Account Managers Meeting with Large Water Users to Spur Conversion to Recycled Water**

As California struggles through a record-breaking drought, BWP is working to assist all customers in conserving potable water. One of the very best ways to do so is through the use of recycled water. For many years, our focus has been on providing recycled water for irrigation of high water use properties, like Burbank's parks, the Chandler Bikeway, and DeBell Golf Course. As we continue with those efforts, we have more recently focused on the use of recycled water in cooling towers. Cooling towers, which are typically found in large office buildings, hospitals and schools as part of those facilities' air conditioning systems, use a significant amount of water. BWP's Rules and Regulations state that commercial customers are subject to mandatory recycled water use in place of potable water for uses including irrigation and building air conditioning that are economic and practical.

BWP's Key Account Managers have teamed up with Water Division staff to meet with eligible recycled water customers, educating and facilitating conversion from potable

water for cooling towers as well as irrigation. We share with customers that California's drought remains severe, actions by all are needed, and prioritized conversion efforts are needed by these businesses as their effort for the community. We share assistance information, including BWP rebates for County Permits and MWD rebates for other conversion expenses. Most eligible customers have been concentrating on irrigation conversions; BWP staff is engaging with customers to move to the next phase of recycled water use: cooling towers. To date, the cooling tower of one office building, located at 2300 Empire Avenue, has been converted to recycled water. Meetings have been held with Warner Bros., BUSD, Providence Saint Joseph Medical Center, Worthe Real Estate, CenturyLink, Crane Aerospace (formerly Hydro-Aire), CF Burbank Office LP, and Disney Studios, and cooling tower conversion progress is underway.

### **Rooftop Solar**

Not so many years ago, residential rooftop solar was priced beyond the reach of most households. Falling prices, rebates and tax incentives, and no-money-down leasing arrangements have created a new solar reality for many Californians. In a November 2014 survey, just under a third of Burbank homeowners said they plan to install solar energy at their home in the next two years. The following table will be updated monthly to report on Burbank's rooftop solar impact.

<b>Month</b>	<b>Number of Solar Systems Installed This Month</b>	<b>Number of Solar Systems Installed FYTD</b>	<b>Total Solar Systems in Burbank</b>	<b>Total Solar Kilowatts</b>
February 2015	14	53	255	3,215
January 2015	7	39	241	3,155

### **New Features of MyBWP, the Customer Web Portal**

We are excited to announce a new feature, Unusual Usage Alerts (UUAs), for all residential customers that sign up for MyBWP, our customer web portal. MyBWP displays a household's monthly, daily and hourly energy use in easy-to-read graphs, and we update the information nightly so customers can log in and view their energy use before receiving their next bill. For customers that want to receive automatic notifications related to increased electric usage, they can sign up for UUAs, which provide an email or phone call midway through the billing period if electric use has increased 30 percent or more compared to the same period one year earlier. UUAs enable customers to save energy and money, create an opportunity to prevent high bill issues, provide tips to lower electric usage, and empower customers to manage their energy usage. To "alert" customers of these new features, in late January and early February, we sent out a mass email to 23,000 customers that had registered their email address with our website. The email described our MyBWP customer web portal and UUA feature, and provided links for the customer to go directly to the site or to our website to learn more. Digital marketing is less expensive than traditional marketing, so we plan to incorporate more email marketing into our programs. Based on providing a link to the portal, we've had 20 to 50 times the level of activity compared to normal.

### Plug-In Electric Vehicle (PEV) Charging Program.

Eleven PEV charging stations are in service. On August 6, 2014, new volumetric EV charge pricing commenced with a rate of 18.53 cents per kilowatt hour (kWh) used for Level 1 and Level 2 charging. Staff is monitoring usage. The 240 E. Orange Grove location recorded the most sessions (174) with 451 total hours of usage. The 301 E. Olive location recorded the fewest sessions (63).

Month of usage	KWh	GHG savings in kilograms (kg)	Occupied time (hours)
January 2014	2,524	1,060	681
February	2,323	976	632
March	2,725	1,145	746
April	3,276	1,376	888
May	3,144	1,320	856
June	3,009	1,264	876
July	3,858	1,621	1,050
August	4,154	1,745	1,219
September	5,364	2,253	1,744
October	6,401	2,688	1,957
November	5,820	2,444	1,877
December	6,778	2,847	2,054
January 2015	6,434	2,702	1,960
February 2015	4,411	1,852	1,474

\* GHG has been adjusted based on revised US EPA data.

## TECHNOLOGY

### **Broadband Services (ONE Burbank)**

	February New Orders	Revenues for February 2015	FYTD 2014-15 Revenues	FYTD Budget
Lit	3	88,341	645,361	566,666
Dark	0	211,540	1,723,795	1,699,999
<b>Total</b>	<b>3</b>	<b>\$299,881</b>	<b>\$2,369,156</b>	<b>\$2,266,665</b>

## POWER SUPPLY

### Project Updates:

#### **Power Supply Engineering**

##### **Lake Cooling Tower Project**

This project has an approved budget to procure and install a forced circulation counter-flow cooling tower, two (2) circulating water pumps that will draw water from the Reclaimed Water Tank, and a chemical addition system for circulating water treatment for the Lake Power Plant. This new cooling tower system will be located at the oily water containment area adjacent to the Fuel Gas Compressor Building. Activities include process and structural engineering of the system and support structures. When the Olive Plants were placed in dry-layup, a cooling tower was rented to address cooling requirements for the Lake Power Plant. The new cooling tower system will cool the Lake Power Plant turbine lube oil, generator lube oil, and fuel gas compressor, eliminate current ongoing cooling tower rental costs, and provide the power plant with a dedicated cooling tower to promote power system reliability.

The newly installed single cell cooling tower system successfully supports full-load plant operations, and the chemical treatment system is fully functional. However, with operational testing of the current configuration came identification of an operational limitation that had not been considered during the development of the original Cooling Tower specification. A 500 gallon per minute limitation on the single cell tower does not support dual (redundant) fuel compressor operation. Integrating a two cell tower will resolve this issue by allowing a greater water circulation rate.

A two cell tower has been procured and was delivered at the end of January 2015. Substructure modifications have been completed to accommodate the larger tower when it arrives. Flow valves are being added to control the distribution to cooling water to the two fuel gas compressor skids. Tie-in work on this new tower will coincide with the planned outage for the Lake generator overhaul in May 2015, with project completion occurring in June 2015. This date range has slipped three months due to operational concerns associated with having both MPP and the Lake unit down at the same time. BWP will provide the power supply and piping modifications to integrate the new tower.

### **Variable Frequency Drive Project**

This project has an approved budget to engineer, procure, and install a Variable Frequency Drive (VFD) system on the Fuel Gas Compressors (FGCs) at the Magnolia Power Plant (MPP) to save energy and improve the system's reliability. The existing FGC equipment consists of two fully redundant reciprocating gas compressor skids that operate at a fixed motor speed and are configured with a gas recirculation control valve to accommodate fluctuations in service demand. This recirculation loop normally transfers about one-third of the compressed fuel volume flow, which represents a significant amount of wasted energy that can effectively be mitigated through implementation of the proposed VFD system.

Fabrication of the VFD equipment by Rockwell is on-going, with assembly, final wiring, and testing to occur this month; the drive will be fully function-tested at their factory in Cambridge Canada, including 1.5 hours of run time at full load (connected to their test bay). The VFD equipment was delivered to site the last week of March 2015. Black & Veatch is working on the installation design details including modification of several BWP drawing files – single lines, elementary diagrams, interconnection diagrams, I/O list, cable schedule/circuit list, raceway details, control narrative, and a startup and test plan. BWP has notified Rockwell that complete commissioning of the equipment will not occur until April 2016 (as needed to coincide with the 5.5 week outage for hot gas path inspection of MPP to start on March 4, 2016). Rockwell has agreed with this schedule adjustment.

### **Materials Handling Area Project**

The Material Handling Area (MHA) project is comprised of segregated areas for material storage and waste handling. One portion of this facility has four discrete storage compartments to meet BWP's need for temporary handling and storage of dirt, asphalt, gravel, and rubbish. This covered storage area will eliminate the current use and cost of off-site storage containers, improve logistical control and efficiencies in deploying and removing temporary materials, prevent material migration and storm water contamination due to weather conditions, and generally improve site cleanliness and organization.

An adjacent portion of this facility is dedicated for temporary covered storage of oil-filled electrical equipment that contains waste by-products. This area will include two separate recessed concrete containment pits with sumps to control any potential waste material releases. The covered areas with secondary containment will mitigate potential soil and storm water contamination, as this semi-enclosed space will provide a higher level of protection from adverse weather conditions to meet regulatory requirements and best practices.

Tyler Gonzalez Architects, Inc. (TGA) submitted the design drawings for plan check on August 8, 2014, and now the plan checks have been completed. BWP coordinated with Purchasing to complete the Bid Schedule books during January 2015 and secure the required departmental approvals prior to issuance for bid. Bid opening occurred March 10 with three (3) vendors supplying a bid. Purchasing deemed all bids non-responsive since an assortment of key document requirements were not provided by each bidder at the time of submission.

Staff scheduled a meeting with Purchasing and the City Attorney to develop and agree on a bidding strategy to improve the bidder's quality level, further promote increased competition, and pursue a viable bid process.

The rejection of all bids will cause Project completion to slip by two months. Based on current circumstances, and following the City's standard advertising and bidding process, staff projects new bids to be submitted on May 12, 2015 and Project completion by January 2016. TGA's effort also includes work on the Central Laboratory Project.

### **Central Laboratory Project**

This project has an approved budget to design, bid, and build a 760 gross square foot water quality testing laboratory within the MPP boundaries to support operations required to verify proper water chemistry. This new facility provides space for determining water quality control, storage for operator's safety gear, separate restrooms for use by staff and outside service providers, an operator work station, and all furniture, fixtures and equipment (FF&E) to support stand-alone operations. The new Central Laboratory will improve operator safety and productivity and can be used to augment the ZLD water quality laboratory as needed. A Pre-Engineered Metal Building (PEMB) approach will be implemented as a cost-effective alternative to traditional building construction. The bidding for this project is being combined with the Material Handling Area Project to promote contractor interest and reduce overall projected construction costs through economy of scale.

As detailed in the Material Handling Area Project status, Tyler Gonzalez Architects, Inc. (TGA) submitted the design drawings for plan check on August 8, 2014, and now the plan checks have been completed. BWP coordinated with Purchasing to complete the Bid Schedule books during January 2015 and secure the required departmental approvals prior to issuance for bid. Bid opening occurred March 10 with three (3) vendors supplying a bid. Purchasing deemed all bids non-responsive since an assortment of key document requirements were not provided by each bidder at the time of submission.

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### **Power Resources**

#### **Intermountain Power Project (Delta, UT) Renewal Progress**

The Intermountain Power Project (IPP) participants, including BWP, continue to discuss post-coal repowering (called "renewal") for IPP. The current contracts expire in 2027.

BWP staff has seen an increasing agreement of its view by many of the other IPP participants, from both California and Utah, and a resulting desire to thoughtfully assess and consider developing alternatives at IPP. These alternatives might include a combination of different generation (and perhaps energy storage) technologies and the

facilitation of renewable technologies at the site, as well as a better optimized allocation of transmission rights.

In the meantime, IPP's owner, the Intermountain Power Agency (IPA), has, in concert with LADWP, issued a formal request for renewal, including proposed renewal contracts for approval by each participant. BWP staff, along with legal counsel from the City Attorney's office, is carefully reviewing these proposed renewal contracts and assessing BWP's strategic options. BWP, along with other Southern California participants, is actively discussing these proposed renewal contracts with LADWP and the owner of IPP, the Intermountain Power Agency.

BWP staff believes the renewal proposal fails to address renewable energy issues. The proposal is under consideration in Burbank's Integrated Resource Planning (IRP) process. The IRP process is important, given that conservation continues to be the least-cost resource and the increasing penetration of intermittent renewable energy on the grid and an accompanying need for fast-ramping resources to integrate that energy and available transmission to transmit it to load, in each case in a way that ensures reliable operations, balanced with concerns of over-reliance on natural gas.

On a related note, the Western Electricity Coordinating Council (WECC), which oversees the Western U.S. electrical grid, is conducting BWP's proposed study of potential large-scale compressed air energy storage (CAES) at the IPP site. This study focuses on the use of CAES at the IPP site to firm and shape cost-effective Wyoming wind energy, brought to IPP by DATC's Zephyr transmission project and transmitted to Southern California by the existing Southern Transmission System; the transmission line that brings IPP's output to our area. Such a project might also absorb excess California solar generation during peak solar hours, helping to mitigate the anticipated "Duck Curve" of over-generation and fast-ramping requirements in California resulting from increased solar penetration. BWP and its partners are currently working to support this study and expect initial results in early 2015.

As noted above, BWP is also pursuing a comprehensive IRP process. The IRP will assist BWP in determining the appropriate solution for BWP at IPP.

### **Balancing Authority Services**

In 2011, LADWP has cancelled the Southern California Utility Power Pool (SCUPP) agreement, which governed the participation of LADWP, BWP, and Glendale Water and Power (GWP) in LADWP's balancing authority. Operations do not appear to have been affected by the cancellation of the SCUPP agreement.

In the meantime, in August 2013 LADWP issued a proposed Open Access Transmission Tariff (OATT). An OATT is issued by a utility, such as LADWP, to set the terms and conditions, under which any electric market participant may purchase access to that utility's transmission system and associated resources. Under industry practice, a utility issues a proposed OATT for stakeholder review and comment; an OATT is then finalized and implemented only after stakeholders have had an opportunity to gain a detailed understanding of the technical, commercial, and financial assumptions underlying the proposed OATT and to challenge those assumptions through a public process. During this public process, the issuing utility defends those assumptions and the proposed OATT. The Los Angeles City Council approved this OATT in July 2014.

LADWP, BWP, and GWP are currently negotiating a balancing authority agreement on the basis of an LADWP OATT. However, BWP staff and a team of outside specialists, in conjunction with GWP, remain very concerned about the new OATT's consistency with current rate-making public policy. Assessing this consistency requires a detailed understanding of the assumptions underlying the OATT, and then comparing that understanding with the policies and practices established by the Federal Regulatory Energy Commission (FERC). Neither the substance of the new OATT nor the now completed stakeholder process is consistent with current rate-making public policy. In addition, the relationship between the new OATT and a balancing authority agreement has not been clarified. BWP and GWP continue to discuss these matters with LADWP. In this connection, staff from BWP and GWP, together with legal counsel, formally expressed these concerns at open meetings during the OATT approval process culminating at the Los Angeles City Council. Despite these concerns, the proposed OATT was approved and, is now effective. BWP and GWP staff, together with legal counsel, are considering options to protect their respective ratepayers' interests.

In the meantime, BWP and GWP are also exploring alternatives to LADWP's balancing authority in order to determine the optimal result for our respective ratepayers. These options include joining another balancing authority or forming a new balancing authority.

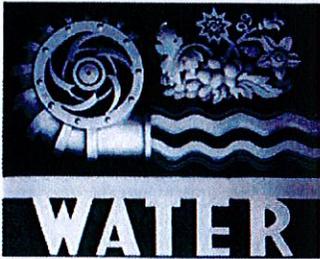
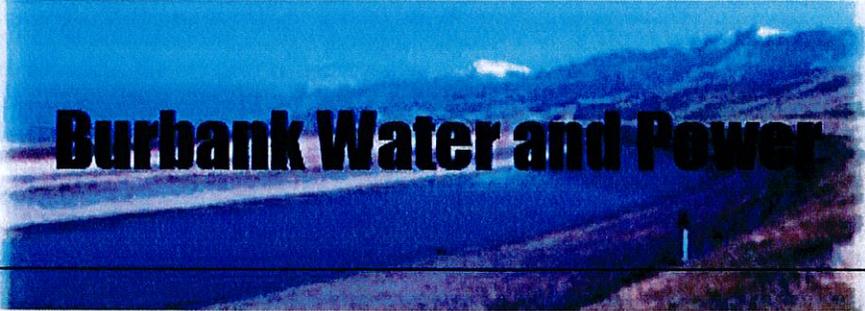
## **Power Resources**

### **Integrated Resource Planning (IRP) Process**

BWP is in the midst of a comprehensive IRP process. An IRP is a comprehensive planning process by which a utility communicates with its stakeholders about the opportunities and challenges associated with the community's projected energy demands and the alternative power supply and conservation demand management resources, as well as the environmental issues related to reliably meeting the demand for energy.

BWP's IRP team shaped an IRP process to meet Burbank's needs, with a significant emphasis on public outreach. Following preliminary public outreach in Spring 2014, focused on helping the public understand BWP's business and the issues it faces, and to seek public feedback, BWP engaged Liedos (formerly SAIC and R.W. Beck), a major power industry engineering and consulting firm, to assist in detailed scenario modeling

This modeling is now complete and staff reported its preliminary conclusions to the Board and Council in December 2014 and January 2015 respectively. In the meantime, BWP staff is working to integrate public feedback, modeling results, and other considerations into detailed planning observations and conclusions. These observations and conclusions, along with the IRP process and public feedback, will be reflected in a comprehensive IRP document. This document is expected in the third quarter of 2015.



**Estimated Financial Report  
February-15**

**Electric Fund (496)  
Estimated Statement of Changes in Net Assets  
MTD and FYTD February 2015  
(\$ in 000's except MWh Sales)**

MTD FY 14-15	MTD Feb-15 Budget	\$ Variance	% Variance	FYTD FY 14-15	FYTD Feb-15 Budget	\$ Variance	% Variance
78,417	85,922	(7,505)	(8.7%) (a)	785,748	826,121	(40,373)	(4.9%) (A)
NEL MWh							
Retail							
\$ 11,549	\$ 12,672	\$ (1,123)	(8.9%)	\$ 119,268	\$ 122,163	\$ (2,895)	(2.4%)
511	511	-	0.0%	3,861	4,088	(228)	(5.6%)
8,334	8,561	227	2.6% (b)	69,968	77,891	7,923	10.2% (B)
3,726	4,623	(897)	(19.4%)	53,161	48,360	4,800	9.9%
Wholesale							
975	5,100	(4,125)	(80.9%)	19,239	50,625	(31,386)	(62.0%)
862	5,015	4,153	82.8%	17,857	49,781	31,924	64.1%
113	85	28	32.6%	1,382	844	538	63.8%
3,839	4,708	(869)	(18.5%)	54,543	49,204	5,339	10.9%
Operating Expenses							
972	972	-	0.0%	7,071	7,957	886	11.1%
132	132	-	0.0%	1,027	1,139	113	9.9%
219	219	-	0.0%	1,439	1,872	433	23.1% (C)
426	426	-	0.0%	3,494	3,405	(88)	(2.6%)
230	230	-	0.0%	2,108	3,306	1,198	36.2% (D)
344	344	-	0.0%	2,911	3,312	401	12.1%
154	154	-	0.0%	1,131	1,180	49	4.2%
68	68	-	0.0%	463	551	89	16.1%
153	153	-	0.0%	1,035	1,225	190	15.5%
1,595	1,595	-	0.0%	12,360	12,765	405	3.2%
4,292	4,292	-	0.0% (c)	33,039	36,713	3,674	10.0%
(454)	415	\$ (869)	(209.2%)	\$ 21,504	\$ 12,491	\$ 9,013	72.2%

• Other revenues include ONE Burbank, dark and lit fiber.

**Burbank Water and Power  
Electric Fund (496)  
Estimated Statement of Changes in Net Assets  
MTD and FYTD February 2015**

(\$ in 000's)

	MTD		FYTD		FYTD Feb-15		% Variance
	FY 14-15	MTD Feb-15 Budget	FY 14-15	Budget	FYTD Feb-15 Budget	Variance	
\$	(454)	\$ 415	\$ 21,504	\$ 12,491	\$ 9,013	\$ 9,013	72.2%
Operating Income/(Loss)	75	75	497	597	(100)	(100)	(16.8%)
Other Income/(Expenses)							
Interest Income	173	173	1,682	1,380	302	302	21.9% (E)
Other Income/(Expense)	(420)	(420)	(3,359)	(3,359)	-	-	0.0%
Bond Interest/ (Expense)	(173)	(173)	(1,180)	(1,381)	202	202	14.6%
Total Other Income/(Expenses)	(626)	243	20,324	11,109	9,215	9,215	82.9%
Income before Contributions & Transfers	576	634	6,044	6,108	64	64	1.0%
In Lieu	172	182	1,797	1,753	(44)	(44)	(2.5%)
Street Lighting	749	815	7,841	7,861	19	19	0.2%
Total Contributions & Transfers	(1,375)	(573)	12,483	3,249	9,234	9,234	284.3%
Income Before AIC	192	192	659	1,533	(874)	(874)	(57.0%) (F)
Capital Contributions (AIC)	(1,183)	(381)	13,142	4,782	8,360	8,360	174.8%
Net Change in Net Assets (Net Income)							

- ( ) = Unfavorable
- This report may not foot due to rounding.

**Burbank Water and Power  
Electric Fund (496)  
Estimated Statement of Changes in Net Assets - Footnotes  
FYTD February 2015  
(\$ in 000's)**

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
A.	Electric Usage in MWh	785,748	826,121	(40,373)	- FYTD NEL is 4.9% below budget due to conservation and is partially offset by warmer September and October temperatures. FYTD CCD were 1,365 versus the 30 year average of 1,285.
B.	Retail Power Supply & Transmission	69,968	77,891	7,923	- The favorable variance is primarily attributable to lower retail load - \$1M, a one-time MPP outage true-up credit - \$1.5M, operational savings - \$1.7M, higher than planned annual true up credits: IPP \$1.5M, SCPPA \$1.7M, transmission \$400K, and biogas and wind under deliveries \$3.2M. These savings were partially offset by higher renewable costs attributable to receiving energy from Copper Mountain solar facility sooner than planned \$3.3M and receiving more renewable resources from Don A. Campbell Geothermal Power Plant \$250K.
C.	Finance, Fleet, & Warehouse	1,439	1,872	433	- The favorable variance is attributable to the timing of payments for insurance, software and hardware, and to lower than planned professional services.
D.	Customer Service, Marketing & Conservation	2,108	3,306	1,198	- The favorable variance is attributable to the timing of payments for professional services and office equipment maintenance and repair.
E.	Other Income/Expense	1,682	1,380	302	- The favorable variance is primarily attributable to the timing of obsolete inventory sales of \$105K and the proceeds from the Lehman Bros litigation settlement of \$85K.
F.	Capital Contributions (AIC)	659	1,533	(874)	- The unfavorable variance is attributable to the timing of Aid in Construction payments.

**Burbank Water and Power**  
**Electric Fund (496)**  
**Estimated Statement of Changes in Net Assets - Footnotes**  
**MTD February 2015**  
**(\$ in 000's)**

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
a.	Electric Usage in MWh	78,417	85,922	(7,505)	MTD NEL is 8.7% below budget due to conservation. MTD HDD were 101 versus the 30 year average of 240.
b.	Retail Power Supply & Transmission	8,334	8,561	227	The favorable variance is primarily attributable to lower retail load, lower energy prices, biogas underperformance, and \$190K annual true up credit (Milford \$150K, Ameresco \$36K). These savings were offset by higher renewable costs attributable to receiving energy from Copper Mountain Solar Facility sooner than planned.
c.	Total Operating Expenses	4,292	4,292	-	Expenses, other than retail power supply and transmission, wholesale power supply, in-lieu, and street lighting, have not closed for February 2015 and are estimated at budgeted values.

**Burbank Water and Power  
Electric Fund (496)  
Estimated Statement of Cash Balances  
(\$ in 000's)**

	Feb-15	Jan-15	Dec-14	Sep-14	Jun-14	Mar-14	Dec-13	Recommended Reserves	Minimum Reserves
<b>Cash and Investments</b>									
General Operating Reserve	\$ 54,555	\$ 54,251	\$ 53,178	\$ 48,518	\$ 41,945	\$ 45,580	\$ 47,736	\$ 54,060	\$ 36,340
Capital & Debt Reduction Fund	10,000	10,000	10,000	10,000	10,000	10,000	10,000	15,000	3,000
BWP Projects Reserve Deposits at SCPFA	15,714	15,706	15,703	15,682	15,637 (a)	16,657	16,607		
Sub-Total Cash and Investments	<u>80,269</u>	<u>79,957</u>	<u>78,880</u>	<u>74,200</u>	<u>67,582</u>	<u>72,237</u>	<u>74,343</u>	<u>69,060</u>	<u>39,340</u>
Capital Commitments	(17,000)	(17,000)	(17,000)	(17,000)	(17,000)	(17,000)	(19,655)		
Public Benefits Obligation	(4,942)	(4,942)	(4,922)	(4,842)	(4,380)	(5,308)	(7,528)		
Cash and Investments (less Commitments)	<u>58,327</u>	<u>58,015</u>	<u>56,958</u>	<u>52,358</u>	<u>46,202</u>	<u>49,929</u>	<u>47,160</u>	<u>69,060</u>	<u>39,340</u>
<b>Restricted Cash</b>									
Debt Service Fund & Other Restricted Cash (b)	3,682	3,053	4,404	2,488	622	4,213	2,347	3,682	3,682
Parity Reserve Fund (c)	4,268	4,268	4,268	4,268	4,268	4,175	4,175	4,268	4,268
Sub-Total Restricted Cash	<u>7,951</u>	<u>7,321</u>	<u>8,672</u>	<u>6,757</u>	<u>4,890</u>	<u>8,388</u>	<u>6,522</u>	<u>7,951</u>	<u>7,951</u>
<b>Total Cash</b>	<u>\$ 88,220</u>	<u>\$ 87,278</u>	<u>\$ 87,552</u>	<u>\$ 80,956</u>	<u>\$ 72,472</u>	<u>\$ 80,625</u>	<u>\$ 80,665</u>	<u>\$ 77,011</u>	<u>\$ 47,291</u>

\* Statement of Cash Balances may not foot due to rounding.

(a) Decrease in April cash due to the refunding of high interest rate bonds for the Hoover Visitor Center.

(b) Debt Service Funds are funds used to pay principal and interest on Fund 496 Bonds. This balance increases monthly to cover the semi-annual bond interest payments, which are paid in December and June of each year, and the annual bond principal payments, which are paid in June of each year.

(c) Parity Reserve Funds are funds restricted for debt service defaults in case revenues are insufficient to satisfy debt service requirements.

**Burbank Water and Power  
Water Fund (497)  
Estimated Statement of Changes in Net Assets  
MTD and FYTD February 2015  
(\$ in 000's except Gallons)**

	MTD FY 14-15	MTD Feb-15 Budget	\$ Variance	% Variance		FYTD FY 14-15	FYTD Feb-15 Budget	\$ Variance	% Variance
	357	395	(38)	(9.6%) <sup>(a)</sup>	Water put into the system in Millions of Gallons	3,790	4,276	(486)	(11.4%) <sup>(A)</sup>
	42	58	(17)	(28.4%)	Metered Recycled Water in Millions of Gallons	493	613	(120)	(19.6%)
					<b>Operating Revenues</b>				
\$	1,430	\$ 1,642	\$ (212)	(12.9%) <sup>(b)</sup>	Potable Water	\$ 17,076	\$ 19,484	\$ (2,408)	(12.4%) <sup>(B)</sup>
	143	201	(57)	(28.6%) <sup>(c)</sup>	Recycled Water	1,667	2,111	(444)	(21.0%) <sup>(C)</sup>
	73	62	11	18.5%	Other Revenue	674	496	178	35.9%
	<u>1,647</u>	<u>1,904</u>	<u>(258)</u>	<u>(13.5%)</u>	Total Operating Revenues	<u>19,417</u>	<u>22,091</u>	<u>(2,674)</u>	<u>(12.1%)</u>
	711	776	64	8.3% <sup>(d)</sup>	Water Supply Expense	8,426	9,109	683	7.5% <sup>(D)</sup>
	<u>935</u>	<u>1,129</u>	<u>(194)</u>	<u>(17.1%)</u>	Gross Margin	<u>10,992</u>	<u>12,983</u>	<u>(1,991)</u>	<u>(15.3%)</u>
					<b>Operating Expenses</b>				
	544	544	-	0.0%	Operations & Maintenance - Potable	4,096	4,414	319	7.2%
	92	92	-	0.0%	Operations & Maintenance - Recycled	826	789	(37)	(4.7%)
	176	176	-	0.0%	Allocated O&M	1,252	1,643	391	23.8% <sup>(E)</sup>
	66	66	-	0.0%	Transfer to General Fund for Cost Allocation	822	527	(296)	(56.1%) <sup>(F)</sup>
	<u>345</u>	<u>345</u>	<u>-</u>	<u>0.0%</u>	Depreciation	<u>2,622</u>	<u>2,762</u>	<u>140</u>	<u>5.1%</u>
	1,223	1,223	-	0.0% <sup>(e)</sup>	Total Operating Expenses	9,618	10,136	518	5.1%
	<u>(288)</u>	<u>(94)</u>	<u>(194)</u>	<u>(205.4%)</u>	Operating Income/(Loss)	<u>1,374</u>	<u>2,847</u>	<u>(1,473)</u>	<u>(51.7%)</u>
					<b>Other Income/(Expenses)</b>				
	11	11	-	0.0%	Interest Income	103	86	17	19.8%
	42	42	-	0.0%	Other Income/(Expense)	400	340	60	17.7%
	(173)	(173)	-	0.0%	Bond Interest/(Expense)	(1,269)	(1,384)	115	8.3%
	-	(89)	89	100.0% <sup>(f)</sup>	Transfers In/(Out) - (In Lieu)	-	(960)	960	100.0% <sup>(G)</sup>
	<u>(120)</u>	<u>(209)</u>	<u>89</u>	<u>42.7%</u>	Total Other Income/(Expenses)	<u>(766)</u>	<u>(1,918)</u>	<u>1,152</u>	<u>60.1%</u>
	<u>(408)</u>	<u>(303)</u>	<u>(104)</u>	<u>(34.4%)</u>	Income (Loss) Before AIC	<u>608</u>	<u>929</u>	<u>(321)</u>	<u>(34.6%)</u>
	25	25	-	0.0%	Aid in Construction	240	203	38	18.6% <sup>(H)</sup>
\$	<u>(382)</u>	<u>(278)</u>	<u>\$ (104)</u>	<u>(37.6%)</u>	Net Change in Net Assets (Net Income)	<u>\$ 848</u>	<u>\$ 1,131</u>	<u>\$ (284)</u>	<u>(25.1%)</u>

• ( ) = Unfavorable  
• This report may not foot due to rounding.

Burbank Water and Power  
Water Fund (497)  
Estimated Statement of Changes in Net Assets - Footnotes  
FYTD February 2015  
(\$ in 000's except Gallons)

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
A.	Water put into the system in Millions of Gallons	3,790	4,276	(486)	- Potable demand FYTD February was lower than planned due to conservation. On August 1, 2014 the Stage II Burbank Sustainable Water Use Ordinance went into effect. The ordinance limits landscape watering in Burbank to 3 days per week and for no more than 15 minutes each day for each irrigation station during April through October, and no more than one day per week during November through March. Due to a hotter than normal summer, all of the 1.4% (486 million gallons) variance can be attributed to conservation. The variance would be larger, except that customers have delayed conversions from potable water to recycled water.
B.	Potable Water Revenue	17,076	19,484	(2,408)	- The WCAC impact decreased potable water revenues by \$289k FYTD. Without this adjustment, potable water revenues would be unfavorable by 10.9%.
					WCAC revenue
					WCAC Expenses:
					Purchased water, chemicals, and electricity
					Total WCAC Expenses
					<u>WCAC revenue deferral (increased revenues)</u>
C.	Recycled Water Revenue	1,667	2,111	(444)	- Recycled water sales are lower than planned primarily related to lower than planned demand for landscaping irrigation due to delays in hooking up new customers.
D.	Water Supply Expense	8,426	9,109	683	- Water supply expenses correspond to lower water usage due to conservation, partially offset by using more MWD water than planned due to 2 prime mover pumps being down most of December and January.
E.	Allocated O&M	1,252	1,643	391	- The favorable variance is attributable to favorable variances in allocated expenses (Administration, Safety, Finance, Customer Service, Marketing, Construction and Maintenance) from the Electric Fund.
F.	Transfer to General Fund for Cost Allocation	822	527	(296)	- The unfavorable variance is attributable to an accrual for estimated services provided by other City Departments in conjunction with the settlement terms of the in-lieu transfer agreement.
G.	Transfers In/(Out) - (In Lieu)	-	(960)	960	- The monthly transfers of 5% of the City's gross sales of water from the Water Enterprise Fund to the General Fund in lieu of taxes was ceased as of July 1, 2014 as a result of a settlement agreement.
H.	Aid in Construction	240	203	38	- The favorable variance is attributable to the timing of Aid in Construction payments.
					<u>FYTD Actual</u>
					<u>8,714</u>
					<u>8,426</u>
					<u>8,426</u>
					<u>\$ 289</u>

Burbank Water and Power  
Water Fund (497)  
Estimated Statement of Changes in Net Assets - Footnotes  
MTD February 2015  
(\$ in 000's except Gallons)

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
a.	Potable Water Usage in Millions of Gallons	357	395	(38)	Potable demand in February was lower than planned due to conservation. On August 1, 2014 the Stage II Burbank Sustainable Water Use Ordinance went into effect. The ordinance limits landscape watering in Burbank to no more than one day per week for each irrigation site during November through March.
b.	Potable Water Revenue	1,430	1,642	(212)	The WCAC impact decreased potable water revenues by \$144k MTD. Without this adjustment, potable water revenues would be unfavorable by 4.1%.
					WCAC Revenue
					WCAC Expenses:
					Purchased water, chemicals, and electricity
					Total WCAC Expenses
					MTD Actual
					\$ 855
					711
					711
					<u>144</u>
c.	Recycled Water Revenue	143	201	(57)	WCAC revenue deferral (increased revenues) - Recycled water sales are lower than planned primarily related to lower than planned demand for landscaping irrigation due to delays in hooking up new customers.
d.	Water Supply Expense	711	776	64	- Water supply expenses correspond to lower water usage due to conservation.
e.	Total Operating Expenses	1,223	1,223	-	- Expenses, other than water supply expense, have not closed for February 2015 and are estimated at budgeted values.
f.	Transfers In/(Out) - (In Lieu)	-	(89)	89	The monthly transfers of 5% of the City's gross sales of water from the Water Enterprise Fund to the General Fund in lieu of taxes was ceased as of July 1, 2014 as a result of a settlement agreement.

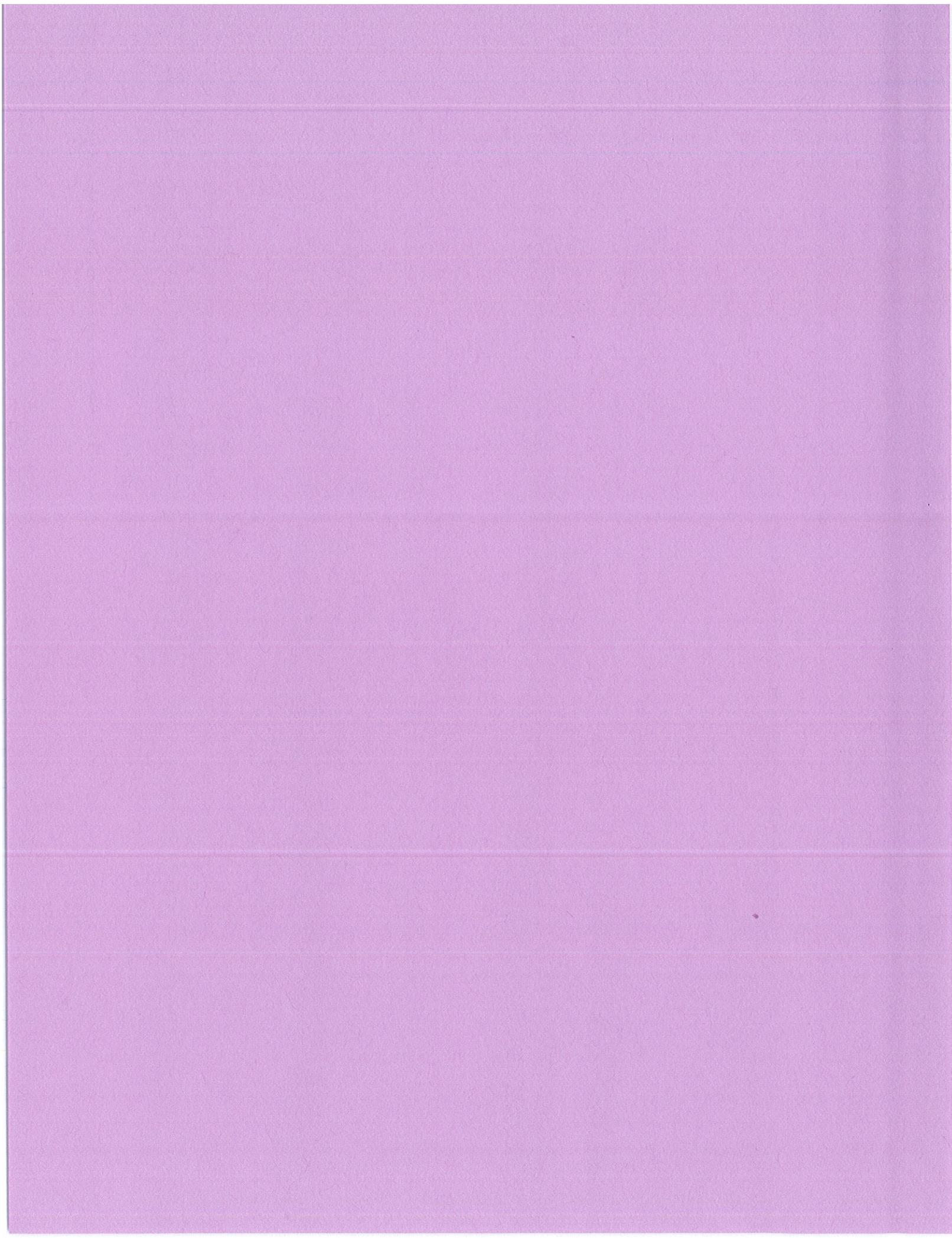
**Burbank Water and Power  
Water Fund (497)  
Estimated Statement of Cash Balances  
(\$ in 000's)**

	Feb-15	Jan-15	Dec-14	Sep-14	Jun-14	Mar-14	Dec-13	Recommended Reserves	Minimum Reserves
<b>Cash and Investments</b>									
General Operating Reserves	\$ 10,460	(b) \$ 14,672	\$ 15,113	\$ 13,285	\$ 10,767	\$ 9,041	\$ 12,093	\$ 9,760	\$ 5,240
WCAC	681	971	619	257	392	920	1,047	2,000	1,000
Capital Reserve Fund	2,220	2,220	2,220	2,220	2,220	2,220	2,220	4,000	1,000
Sub-Total Cash and Investments	<u>13,361</u>	<u>17,863</u>	<u>17,952</u>	<u>15,762</u>	<u>13,379</u>	<u>12,181</u>	<u>15,360</u>	<u>15,760</u>	<u>7,240</u>
Capital Commitments	(2,789)	(2,961)	(3,133)	(3,486)	(3,480)	(3,447)	(3,087)		
Public Benefits Obligation	(355)	(355)	(415)	(479)	(485)	(518)	(808)		
Cash and Investments (less commitments)	<u>10,216</u>	<u>14,546</u>	<u>14,403</u>	<u>11,797</u>	<u>9,414</u>	<u>8,216</u>	<u>11,665</u>	<u>15,760</u>	<u>7,240</u>
<b>Restricted Cash</b>									
Debt Service Funds (a)	889	715	1,216	682	171	834	385	889	889
Sub-Total Restricted Cash	<u>889</u>	<u>715</u>	<u>1,216</u>	<u>682</u>	<u>171</u>	<u>834</u>	<u>385</u>	<u>889</u>	<u>889</u>
<b>Total Cash</b>	<u>\$ 14,250</u>	<u>\$ 18,578</u>	<u>\$ 19,168</u>	<u>\$ 16,444</u>	<u>\$ 13,550</u>	<u>\$ 13,015</u>	<u>\$ 15,745</u>	<u>\$ 16,649</u>	<u>\$ 8,129</u>

• Statement of Cash Balances may not foot due to rounding.

(a) Debt Service Funds are funds used to pay principal and interest on Fund 497 Bonds. This balance increases monthly to cover the semi-annual bond interest payments, which are paid in December and June of each year, and the annual bond principal payments, which are paid in June of each year.

(b) Payment of \$4.3m to Metropolitan Water District (MWD) for the purchase of untreated water for Los Angeles Department of Water and Power in exchange for groundwater credits.



**BURBANK WATER AND POWER BOARD  
MINUTES OF MEETING  
MARCH 5, 2015**

Mr. Smith called the regular meeting of the Burbank Water and Power Board to order at 5:10 p.m. in the third floor Board room of the BWP Administration Building, 164 West Magnolia Boulevard, Burbank, California.

Mr. Eskandar led the Pledge of Allegiance to the Flag.

**ROLL CALL**

**Board Present:** Mr. Olson, Mr. Smith, Mr. Eskandar, Mr. LeClair, and Mr. Ford

**Board Absent:** Ms. Hovanessian and Ms. Kronzek

**Staff Present:** Mr. Davis, General Manager; Mr. Liu, Chief Financial Officer; Mr. Compton, Assistant General Manager – Chief Technology Officer; Mr. Mace, Assistant General Manager, Water; Mr. Somoano, Assistant General Manager, Electric; Mr. Fletcher, Assistant General Manager, Power; Ms. Fletcher, Assistant General Manager, Customer Service & Marketing; Ms. Hillesland, Administrative Officer; Mr. Chwang, Sr. Assistant City Attorney; Mr. Elsner, Principal Civil Engineer/BWP; Mr. Ancheta, Manager Trans. & Dist. Engineering; Mr. Hernandez, Principal Electrical Engineer; Mr. Lippert, Sr. Electrical Engineer; Ms. McGinley, Legislative Analyst; Mr. Bleveans, Power Resources Manager; Ms. Meyer, Marketing Manager; Mr. Sean Aquino, Customer Service Supervisor; Mr. Adkins, Financial Accounting Manager; Mr. Swe, Utility Rates and Programs Analyst; Ms. Waloejo, Financial Planning and Risk Manager; Mr. Lazar, Consultant; Mr. Kelley, Manager Electrical Equipment; Ms. Kelley, Recording Secretary.

**INTRODUCTION OF ADDITIONAL AGENDA ITEMS**

None requested.

**ORAL COMMUNICATIONS**

Mr. Smith called for oral communications at this time. No one asked to speak.

**CONSENT AGENDA**

**MINUTES**

It was moved by Mr. Olson, seconded by Mr. Eskandar and carried 5-0 to approve the minutes of the regular meeting of February 5, 2015 and to discuss the Consent Agenda.

Mr. Eskandar excused himself as to avoid a conflict of interest with Item # B

### **RECYCLED WATER EXCHANGE AGREEMENT WITH GLENDALE**

The proposed agreement outlines the provisions for the exchange of recycled water between the Cities of Glendale and Burbank. Recycled water from Glendale would provide make-up water to Burbank's recycled water system, when needed, in lieu of using potable water. Use of Glendale's recycled water for system make-up reduces the amount of potable water purchased from MWD for non-potable uses and maximizes recycled water resources within the region.

Mr. Elsner addressed the board and answered the Board's questions.

### **MOTION**

It was moved by Mr. Olson, seconded by Mr. LeClair and carried 4-0 to endorse City Council approval of recycled water exchange agreement with the City of Glendale.

Mr. Eskandar rejoined the meeting.

### **REPORTS TO THE BOARD**

#### **BWP OPERATIONS AND FINANCIAL REPORTS**

Mr. Liu presented BWP's financial update for January. He reported that January's water usage and electric loads were 10% and 9% lower due to conservation.

Mr. Davis and Mr. Liu responded to Board member questions.

No action was taken.

#### **FISCAL YEAR 2015/16 BUDGET**

Mr. Davis provided a power point presentation on significant changes made in the BWP's Draft Fiscal Year 2015/16 Budget since February 5, 2015. The presentation included discussion on reduced Electric PSA's by \$900k, reduced Electric Wages & Benefits by \$200k, the delayed MDMS Upgrade by one year, the reduced recommended Electric Rate increase from 2.35% to 2.1%, the reduced Water Cost Allocations by \$292k, and the reduced recommended Water Rate increase from 3.75% to 3.4%.

Mr. Swe and Mr. Lazar gave a presentation on Rate Design.

Mr. Davis responded to Board member questions and comments.

Ms. Waloejo responded to a question from Mr. Ford on rate recovery plans.

### **MOTION**

It was moved by Mr. Eskandar, seconded by Mr. Smith and carried 3-2 to endorse and approve the Proposed FY 2015-16 budget to the City Council for Funds 496, 497, 483, 129, 133 and 535, including an Electric rate increase of 2.10% and a Water rate increase of 3.40%, effective July 1, 2015.

Mr. Ford, no; *Reason for no vote – Lack of sufficiency of electric revenue;*

Mr. Olson, no; *Reason for no vote – Lack of transparent public process to review the change in cost allocations regarding the subsequent in lieu cost allocation;* Mr. Smith, yes; Mr. Eskandar, yes; Mr. LeClair, yes

### **DISTRIBUTION MASTER PLAN**

Mr. Somoano presented an executive summary review of the results of the Electric Distribution Master Plan which included system capacity upgrades, modernization of substations, and gradual expansion of BWP's 12kV distribution standard. The 20-year fiscal impact is approximately \$240,400,000, averaging \$12,000,000 a year, which is in line with our past 5-year historically average Capital Improvement Budget.

Mr. Lippert responded to board member questions on the age of the poles in our City.

Mr. Somoano responded to board member questions and comments.

No action taken.

### **SUSTAINABLE BURBANK COMMISSION REPORT**

Mr. Eskandar reported that there was no meeting in February.

### **COMMENTS AND REQUESTS FROM BOARD MEMBERS**

Mr. Olson complimented the story on the electric police motorcycles in the February 26<sup>th</sup> Burbank Times.

Mr. Eskandar complimented the timely graffiti removal that was done recently on the wash that runs by Riverside and Buena Vista.

### **INFORMATION FROM STAFF**

#### **Legislative Update.**

Ms. McGinley gave an update on the following:

- APPA Rally is next week in Washington D.C. She anticipates having more information on it next month.
- Homeland Security funding issue was passed.
- Highlight of recent bills.

#### **Drought Update**

Mr. Mace gave a drought update using a presentation from MWD that was recently approved by their General Manager. Mr. Mace responded to board member questions and also discussed going from one day a week watering to three day a week watering restrictions as of April 1<sup>st</sup>. Mr. Mace also said that the MWD Board would be considering a Water Supply Allocation Plan at their April Board meeting.

### **ADJOURNMENT**

The meeting was adjourned at 9:15 p.m. in the memory of former MWD Director Glen Brown. The next meeting will be held on Thursday, April 2, 2015, at 5:00 p.m. in the third floor Board room at Burbank Water and Power.

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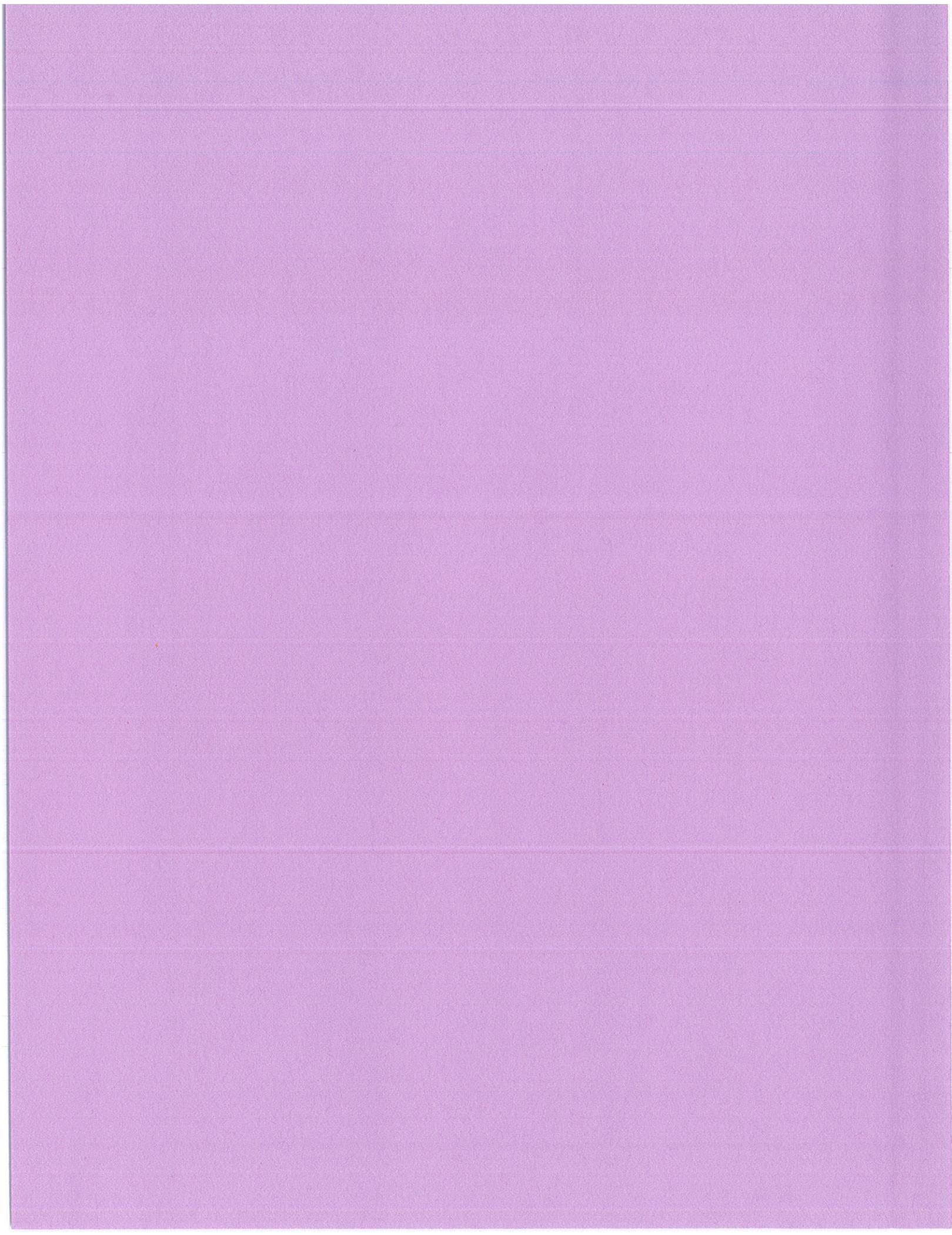
Sherry Kelley  
Recording Secretary

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Ron Davis  
Secretary to the Board

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Jordan Smith, Chair, BWP Board



CITY OF BURBANK  
**PARKS AND RECREATION**  
**ANNOTATED AGENDA/MEETING SUMMARY**

**Meeting: Senior Citizen Board**

**Date: 3-25-15**

**Members Present:** Bill Anderson, Peter McGrath, Henry Diel, Marva Murphy, Cynthia Leva, Lynn Shelby  
**Members Absent:** Katherine Ogden

**Staff Present:** Judie Wilke, Kristen Smith, Gayle Migden

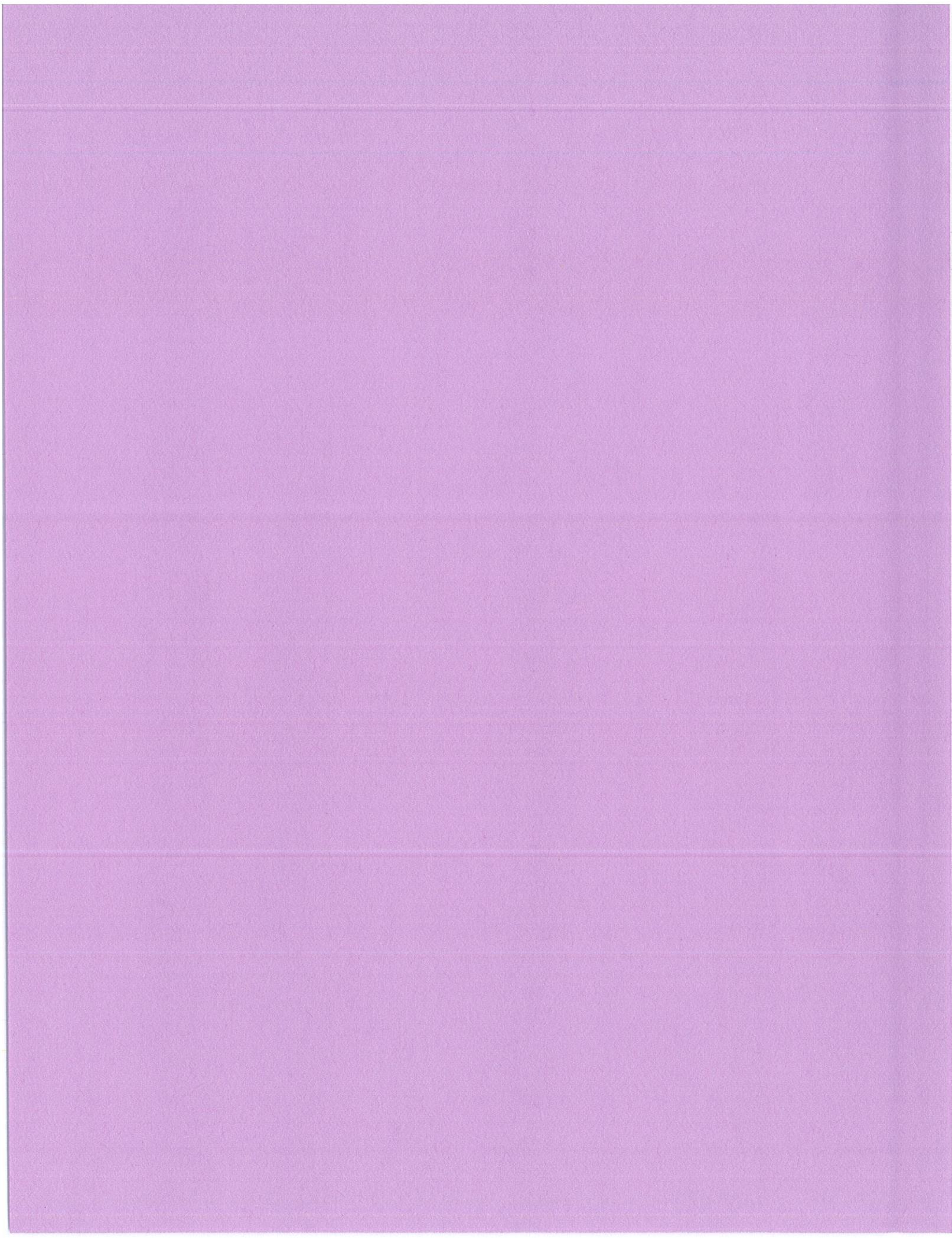
**Guests:** Janet Diel (Advisory Council on Disabilities)

**Liaisons Present:** Jess Talamantes (City Council), Mickey DePalo (Parks and Recreation Board)

Item Discussed	Summary	Direction or Action, if any
1 <b>Unfinished Business:</b>	A. Older Americans Month Committee: Cynthia Leva announced that four people were selected and will be recognized on May 5 <sup>th</sup> City Council meeting. All members were asked to attend the Proclamation, May is Older Americans month.	A. Receive and File
2 <b>New Business:</b>	A. Burbank Senior Activity Card: Gayle Migden gave an update on Burbank Senior Activity Card 2015 sales.	A. Receive and File
3 <b>Reports</b>	A. Transportation: No Report B. Senior Legislation: No Report C. Tuttle Center: Tuttle Spring Breakfast took place on March 21 and was well received. D. Joslyn Center: Burbank Senior Games applications are now available at the Center. E. Los Angeles County Commission for Older Adults: No	A. Transportation: <b>Note and file</b> B. Senior Legislation: <b>Note and file</b> C. Tuttle Center: <b>Note and file</b> D. Joslyn Center: <b>Note and file</b> E. Los Angeles County Commission for

**CITY OF BURBANK  
PARKS AND RECREATION  
ANNOTATED AGENDA/MEETING SUMMARY**

	Report	Older Adults: <b>Note and file</b>
4	<p><b>Committees &amp; Boards</b></p> <p>A. Senior Board Round Table: All members discussed their involvement in senior focused programs, clubs, committees, etc.</p> <p>B. Ambassador Program: Lynn Shelby announced that the Committee is looking to speak to community groups about the Senior Citizen Board.</p> <p>C. Nutrition: No Report</p> <p>D. House Committee: Bill Anderson announced that they are looking into funds to remodel the restrooms, once funds are available women's restroom will be completed first. Purchasing a new PA system for Hazel Walker and Nardo auditorium still pending.</p> <p>Joslyn collected canned tuna, jam, peanut butter and cereal for BTAC.</p> <p>E. Supporters of Senior Services: No Report</p> <p>F. Parks and Recreation Board: No Report</p>	<p>A. Senior Board Round Table: <b>Note and file</b></p> <p>B. Ambassador Program: <b>Note and file</b></p> <p>C. Nutrition: <b>Note and file</b></p> <p>D. House Committee: <b>Note and file</b></p> <p>E. Supporters of Senior Services: <b>Note and file</b></p> <p>F. Parks and Recreation Board: <b>Note and file</b></p>
5	<p><b>Future Agenda Item</b></p> <p>Cynthia Leva requested a discussion for possible Senior Citizen Board name change; all members understand that it will have to be approved by City Council.</p> <p>Jenny Griffin, Recreation Supervisor will give a report on Nutrition Programs at the April meeting.</p>	





**CITY OF BURBANK  
CIVIL SERVICE BOARD**

**NOTICE**

The regular meeting of the Civil Service Board will be held on **April 1, 2015** at **4:30 p.m.** in the **City Hall Council Chambers – 275 East Olive Avenue**. Support documents of items on this Agenda may be obtained from the Management Services Department or by visiting the City’s website at [www.burbankca.gov](http://www.burbankca.gov). The agenda shall include information regarding how, to whom, and when a request for disability-related modification or accommodation, including auxiliary aids or services may be made by a person with a disability who requires a modification or accommodation in order to participate in the public meeting.

**AGENDA**

**1. Roll Call**

**2. Additional Agenda Items**

**None**

**3. Open Public Comment Period of Oral Communications**

**None**

OVERVIEW: During this period of Oral Communications, the public may comment on any matter concerning Civil Service business, and/or any items on the agenda.

**4. Approval of Minutes**

**Approved 4-0 Mr. Doyle abstained**

OVERVIEW: Regular meeting of March 4, 2015.

RECOMMENDATION: Approve as submitted.

**5. Examination Appeal**

**The Civil Service Board made the recommendation to the City Manager to deny the appeal.**

OVERVIEW: On December 3, 2014, Captain Owings filed step one of the grievance process. His grievance was denied, and he escalated it through each step of the grievance process up to the Fire Chief. Captain Owings subsequently submitted a memorandum to the Board via the Management Services Director on February 11, 2015 requesting to appeal his grievance to the Board, which will make a recommendation to the City Manager. Captain

Owings' grievance is based on the lowering of his seniority in rank.

RECOMMENDATION: Staff recommends the Civil Service Board make a recommendation to the City Manager to deny the appeal.

6. **Proposed Amendments to Classification and Pay Plan**

None

None

7. **Recruitment and Selection Report – March 2015**

Note and file

OVERVIEW: The Recruitment and Selection Report is submitted to the Board to reflect the activity occurring during a specified month in the Recruitment and Selection section of the Management Services Department–Human Resources Division.

RECOMMENDATION: Note and file.

8. **Expedited Recruitment Quarterly Report**

Note and file

OVERVIEW: Pursuant to the Board's request, information regarding expedited recruitments is provided to the Board on a quarterly basis. This report provides the Board with a snapshot of the processes for the expedited recruitments completed this quarter.

RECOMMENDATION: Note and file.

9. **Annual Examination Appeals Report**

Note and file

OVERVIEW: The purpose of this report is to provide the Civil Service Board with an annual report of all examination appeals submitted to the Management Services Department.

RECOMMENDATION: Note and file.

**10. Annual Review of Recruitment Process Report****Note and file**

OVERVIEW: The purpose of this report is to provide the Civil Service Board with an annual review of recruitment processes. The review consists of all components of the recruitment process for a Civil Service recruitment and a non-Civil Service recruitment, including the recruitment phases agreed upon by the department and Management Services Department, statistics associated with the recruitment, and the final outcome of the recruitment.

RECOMMENDATION: Note and file.

**11. Appointments and Assignments****Approved 5-0  
as amended**

OVERVIEW: For the month of April 2015, there are two provisional appointment extension and ten temporary appointment extensions needed. The extensions are being sought on behalf of the Burbank Water and Power Department, the City Manager's Office, the Library Services Department, and the Police Department.

RECOMMENDATION: Discuss and approve.

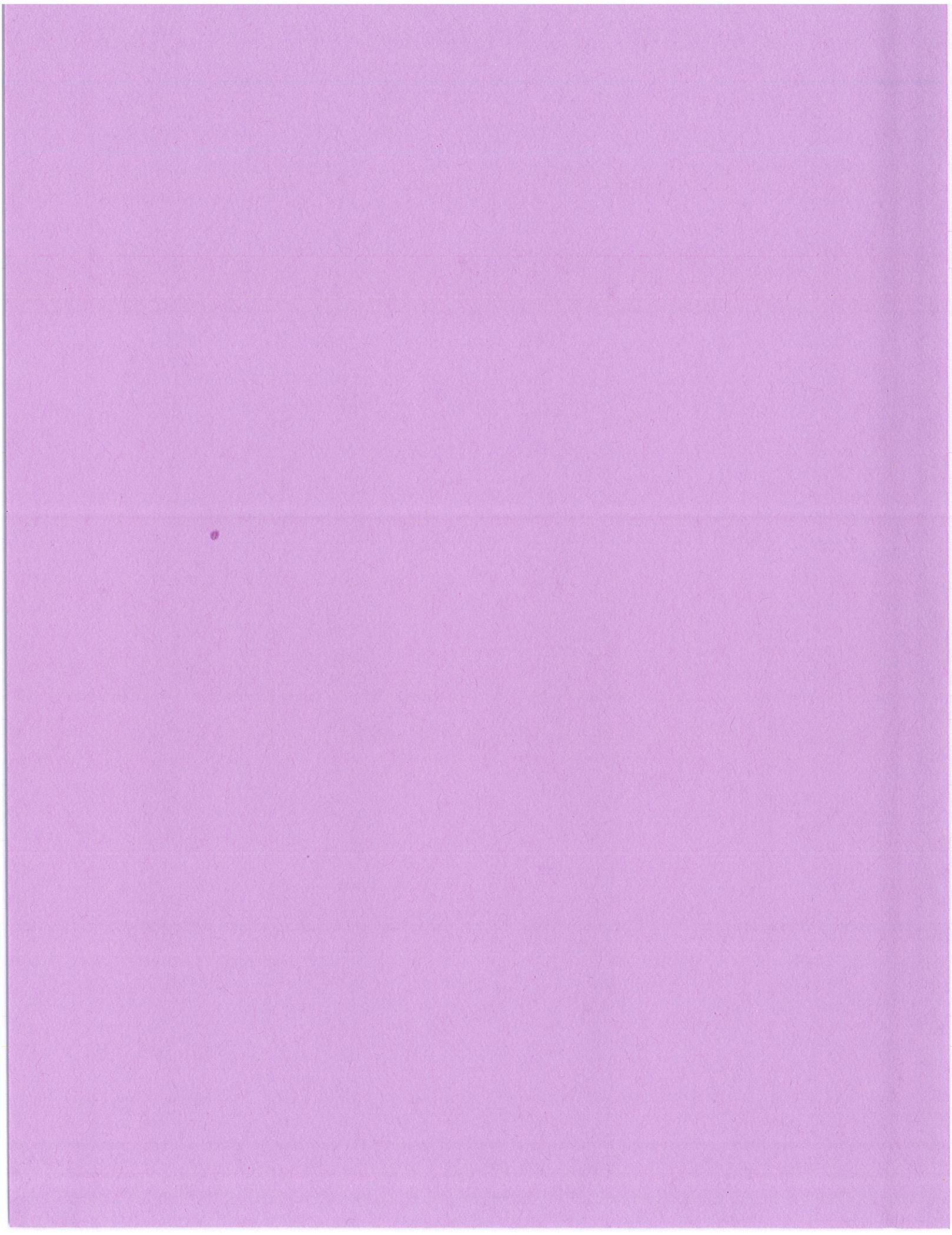
**12. Additional Leave Report****Note and file**

OVERVIEW: The purpose of this report is to provide the Board with a quarterly report listing employees that have been granted additional leave, pursuant to Civil Service Rule X and XIV.

RECOMMENDATION: Note and file.

**13. Adjournment**

If you have any questions about any matter on the agenda, please call the Management Services Department at (818) 238-5026. This facility is disabled accessible. Auxiliary aids and services are available for individuals with speech, vision or hearing impairments (advanced notice is required). Please contact the ADA Coordinator at (818) 238-5424 voice or (818) 238-5035 TDD with questions or concerns.



# CITY MANAGER'S OFFICE CITY NOTES

Important Updates for the Burbank City Council

April 3, 2015

## Veterans Job Fair

On Thursday, March 19, 2015, the Management Services Department's WorkForce Connection Office successfully conducted the Veterans Job Fair at McCambridge Recreation Center. This was a collaborative effort between Burbank WorkForce Connection, Verdugo Jobs Center, and the Employment Development Department. The event was well received by the community and the team was able to assist 151 job seekers. The employer outreach was also just as successful with 55 companies in attendance, including Warner Bros., Bank of America, Social Security Administration, CBS Radio, US Secret Service, and Amtrak.



## Bonnie Teaford Honored by the League of California Cities



The City of Burbank's Public Works Director, Bonnie Teaford, was named a co-winner of the 2015 James L. Martin Award on March 27. Honored with her was Robert Newman, the Public Works Director of Santa Clarita. The James L. Martin Award was created by the Public Works Officers Department of the League of California Cities to honor outstanding members of the public works profession. The award ceremony, held at the League's annual Public Works Officers Department conference, provided an opportunity to display the awardees' outstanding career service, leadership, expertise and innovation in the public works field.

## Council Votes in Support of IDCO

With a 5-0 vote, the Burbank City Council adopted an Interim Development Control Ordinance (IDCO) on Tuesday, March 31. The temporary ordinance will help address the provisions in current zoning codes that allow for homes that are perceived as out of character with Burbank neighborhoods. The IDCO is effective from March 10, 2015 and will be reconsidered during a Council meeting, scheduled tentatively for May 5, 2015. The IDCO can then be extended up to an additional 22 months, during which staff, the public, consultants from the firm of Dyett & Bhatia and architects from John Kaliski & Associates will work together to review and revise the current codes and recommend neighborhood compatibility guidelines.

## Spring Skatefest a Success

The Parks and Recreation Department hosted the annual Spring Skatefest at the Burbank Skate Park on Friday, March 20. More than 200 people enjoyed live music by local youth bands from the Neighborhood Rock School, skate contests, free open skate, free hot dogs, and prize giveaways. New to this year's festivities was the addition of a Finger Skate Park. Participants were given free Tech Decks to practice their tricks in the mini skate park.



## Upcoming Ribbon Cuttings

Simple Things, Sandwich and Pie Shop based in Los Angeles and Westwood Village, has opened its third location in Burbank at 4013 West Riverside Drive. A ribbon-cutting ceremony was held Wednesday, April 1, 2015.

The Residence Inn in Downtown Burbank, located at 321 South First Street has undergone a \$2.5 million dollar renovation to the hotel creating a more contemporary look and feel. A public open house was held Thursday, April 2, 2015.

People Helping People, a financial services marketing organization is located at 2501 West Burbank Blvd. Suite #200. A ribbon-cutting ceremony was held Thursday, April 2, 2015.

Ultragem Fish & Coral Inc. a full-service aquatic life shop is located at 111 E. Cedar Avenue #101. A ribbon-cutting ceremony is scheduled for Thursday, April 09, 2015 5:30 pm.

Centanni Trattatoria an Italian restaurant located in Venice Beach has opened a second location in Burbank at 117 N. Victory Boulevard. A ribbon-cutting ceremony is scheduled for Thursday, April 16, 2015 5:30 pm.