

Weekly Management Report February 24, 2017

1. **Synopsis** Parks and Recreation Board Meeting of February 9, 2017
Parks and Recreation Department
2. **Minutes** Civil Service Board Meeting of February 1, 2017
Management Services Department
3. **Minutes** Burbank Water and Power Board Meeting of February 2, 2017
Burbank Water and Power Department
4. **Staff Report** January 2017 Operating Results
Burbank Water and Power Department
5. **Notes** City Notes, February 24, 2017
City Manager

CITY OF BURBANK
PARKS AND RECREATION
ANNOTATED AGENDA/MEETING SUMMARY

Meeting: Parks and Recreation Board

Date: Thursday, February 9, 2017

Staff Present: Marisa Garcia, Assistant Parks and Recreation Director; Krista Dietrich, Administrative Officer; Jonathan McGinley, Recreation Supervisor; Jason Dyer, Recreation Coordinator; and Patricia Molinar, Recording Secretary.

Board Members Present: Dr. Barta, Ms. Jackson, Ms. Lowers, Mr. DePalo, and Mr. Gussow

Council Members Present: None

Item Discussed	Summary	Direction or Action, if any
1 Recognitions	Dr. Barta introduced the Southern California Municipal Athletic Federation's – SCMAF, Youth Volleyball Fifth and Sixth Grade Division second place champions, Volley Girlz, and the Seventh and Eighth Grade Division's second place champions, Fusion-Thunder. Jonathan McGinley, Recreation Supervisor, introduced the team members, coaches, and managers of both teams and along with Dr. Barta presented certificates of recognition and congratulated the participants on an outstanding season. John McGinley introduced the decorated racers, coaches, and volunteers of the City of Burbank's Cross Country Program. Dr. Barta presented certificates of recognition and congratulated the participants who finished in the top 3 spots of their division at the Cross Country Championships in Santa Clarita.	N/A
2 Oral Communications	None	N/A
3 Response To Oral Communications	None	N/A
4 Written Communications	Ms. Garcia informed the Board that the Roller Hockey Audit Report was emailed to the Park Board members earlier in the day.	N/A
5 Park Board Comments	Mr. DePalo praised the Department's commitment in creating great volleyball and cross county programs. Mr. DePalo and Dr. Barta praised the participants' involvement in the City's enriching programs. Dr. Barta attended the Youth Board meeting and reported on the member's preparation for great service in the future.	N/A
6 Budget Update Fiscal Year 2017 - 2018	Ms. Dietrich updated the Board on the Department's submission of the Materials, Supplies, and Services Exceptions requesting nearly \$24,000 for government safety code requirements and annual Consumer Price Index increases for contractual obligations. A copy of this request will be	Note and File.

CITY OF BURBANK
PARKS AND RECREATION
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		included in the March agenda packet. Ms. Garcia reported on the Capital Improvement Project List and updated the Board that the Joslyn Center restrooms' project is scheduled to be awarded at the March 28, 2017 City Council meeting.	
7	Consent Calendar	<p><u>Approval of Minutes</u> Minutes of the January 12, 2017 meeting were approved.</p> <p><u>City Council Agenda Items Update</u> Noted and Filed.</p> <p><u>Contract Compliance</u> Noted and Filed.</p> <p><u>Departmental Operations Update</u> Noted and Filed.</p>	It was moved by Ms. Lowers seconded by Mr. Gussow and carried 5-0 "to approve the Consent Calendar."
8	Tabled Items	None	N/A
9	Second Period of Oral Communications	Ms. Paula Nesten addressed the Board with a request to expand opportunities of sport activity venues and free play for 10 – 16 year olds at City parks.	N/A
10	Response to Second Period of Oral Communications	Ms. Lowers and Mr. DePalo thanked Ms. Nesten for sharing her interest to expand activity venues to the Board.	Note and File.
11	Additional Comments from the Board	Mr. DePalo attended the Burbank Athletic Federation meeting. He reported that due to this year's rainouts, the Sports Office has offered and gained support from the teams to prolong the softball season in order to play make up games. Ms. Jackson reminded registered voters of the upcoming All Mail Ballot Election on February 28.	N/A
12	Introduction of New Agenda Items	The Board requested Staff to provide the Roller Hockey Report Audit along with any updated items. The Board requested that Staff, in partnership with the Youth Board, provide a report on existing teen park amenities and programs, a survey of other cities, and recommendations from Youth Board on what they would like to see. Mr. Gussow requested Staff to provide a Skate BMX Report including attendance numbers.	N/A

CITY OF BURBANK
PARKS AND RECREATION
ANNOTATED AGENDA/MEETING SUMMARY

13	Adjournment	The meeting was adjourned at 7:40 p.m.	It was moved by Mr. DePalo seconded by Ms. Lowers and carried 5-0 "to adjourn the meeting."
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February 1, 2017
4:30 p.m.

The regular meeting of the Civil Service Board was held in the City Council Chambers of City Hall.

Roll Call

Members present: David Nos, Chairperson
Miguel Porras, Vice-Chairperson
Jacqueline Waltman, Secretary
Matthew Doyle

Members not present: Susan Widman

Also present: Sean Aquino, Administrative Officer – BWP
Lincoln Bleveans, Acting Asst. General Manager - BWP
Brady Griffin, Human Resources Manager
Jay Hawver, Police Lieutenant
Sarab Khalsa, Administrative Analyst II
Lisa Kurihara, Deputy City Attorney
David Lasher, Administrative Analyst II
Betsy McClinton, Management Services Director
Omar Moheize, BMA President
April Moreno, Human Resources Manager
Jessica Sandoval, Executive Assistant
Riad Sleiman, Acting Mgr. Transmission & Dist Engrng
Drew Sugars, Public Information Officer
Michael Thompson, Principal Civil Engineer - BWP
Julianne Venturo, Asst. Management Services Director

Additional Agenda Items

None

Open Public Comment Period of Oral Communications

None

Approval of Minutes

MOTION CARRIED: It was moved by Mr. Porras, seconded by Ms. Waltman and carried 4-0 to approve the minutes of the regular meeting of January 4, 2017.

Proposed Amendments to Classification Plan

- **THE ESTABLISHMENT OF TITLES AND SPECIFICATIONS AND REVISIONS OF SPECIFICATIONS FOR CLASSIFICATIONS IN BURBANK WATER AND POWER ELECTRICAL SERVICES, POWER SUPPLY, AND WATER ENGINEERING DIVISIONS**

MOTION CARRIED: It was moved by Mr. Doyle, seconded by Mr. Porras and carried 4-0 to approve the establishment of titles and specifications and revisions of specifications for classifications in Burbank Water and Power Electrical Services, Power Supply, and Water Engineering Divisions.

Recruitment and Selection Report – January 2017

RECOMMENDATION: Note and file.

Appointments and Assignments – January and February 2017

Due to a clerical error there were retroactive extensions needed for the month of January 2017. There was one provisional appointment extension and two temporary appointment extensions needed. The extensions were sought on behalf of the Public Works Department, City Manager's Office, and the Management Services Department.

For the month of February 2017, there was one temporary appointment and two temporary assignment extensions needed. The extensions were sought on behalf of the Burbank Water and Power Department and the Police Department.

MOTION CARRIED: It was moved by Mr. Porras, seconded by Ms. Waltman and carried 4-0 to approve the Appointments and Assignments for the months of January and February 2017.

Adjournment

The regular meeting of the Civil Service Board was adjourned at 5:23 p.m.

Julianne Venturo
Assistant Management Services Director

APPROVED:

David Nos, Chairperson

DATE _____

Jacqueline Waltman, Secretary

DATE _____

6A.

UNAPPROVED

**BURBANK WATER AND POWER BOARD
MINUTES OF MEETING
February 2, 2017**

Mr. Herman called the regular meeting of the Burbank Water and Power Board to order at 5:07 p.m. in the third floor Boardroom of the BWP Administration Building, 164 W. Magnolia Boulevard, Burbank, California.

Mr. Herman called for the Pledge of Allegiance to the Flag.

ROLL CALL

Board Present: Mr. Herman, Mr. Eskandar, Mr. Ford, Ms. Obal, Mr. Olson, Mr. Smith, Ms. Springer

Board Absent: None

Staff Present: Mr. Somoano, General Manager, BWP; Mr. Liu, Chief Financial Officer; Mr. Chwang, Sr. Asst. City Attorney; Mr. Ancheta, Acting Assistant General Manager, Electrical; Mr. Bleveans, Acting Assistant General Manager, Power Supply; Mr. Compton, Assistant General Manager – Chief Technology Officer; Ms. Fletcher, Assistant General Manager, Customer Service and Marketing; Mr. Mace, Assistant General Manager, Water; Ms. Meyer, Marketing Manager, Mr. Lippert, Manager, Telecommunications, Mr. Aquino, Administrative Officer; Ms. Titus, Legislative Analyst, Ms. Kaczmarek, Manager, Customer Service Operations, Mr. Hernandez, Assistant Manager, Customer Service Operations, Ms. O'Brien, Assistant Manager, Customer Service Operations, Mr. Lopez, Manager, Water Production Operations, Mr. Nahhas, Principal Civil Engineer/BWP; Mr. Thompson, Principal Civil Engineer/BWP; Mr. Pandey, Acting Power Resource Manager; Mr. Adkins, Financial Accounting Manager/BWP, Ms. Mao, Financial Analyst; Mr. Swe, Financial Analyst; Ms. Waloejo, Financial Planning and Risk Manager; Ms. Kramer, Recording Secretary

INTRODUCTION OF ADDITIONAL AGENDA ITEMS

None requested.

ORAL COMMUNICATIONS

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

CONSENT AGENDA

MINUTES

It was moved by Ms. Obal, seconded by Mr. Ford and carried 6-0 to approve the minutes of the regular meeting of December 15, 2016. Ms. Springer abstained from voting on this item as she was not present for the December 15, 2016 Board Meeting.

REPORTS TO THE BOARD

BWP OPERATIONS AND FINANCIAL REPORTS

Mr. Liu presented BWP's financial update and operating report for the month of December 2016.

Mr. Liu and staff responded to Board Member questions.

This was an information item only. No action was taken.

UPDATE ON THE IMPLEMENTATION STATUS OF THE POTABLE WATER DISTRIBUTION SYSTEM MASTER PLAN

Mr. Nahhas gave an update on the status of the potable water distribution system master plan. His presentation included a brief overview of the water system, the progress made since the last master plan update in 2012, the pipe replacement plan for the next 5 years, information regarding Senate Bill No. 555, the Water Loss Reporting Law, and performance indicators/statistics in comparison to the national average and other local utilities.

Mr. Nahhas, Mr. Mace, and Mr. Lopez responded to Board Member questions.

This was an information only item. No action was taken.

PROPOSED FY 17-18 BUDGET

Mr. Somoano gave a presentation on the proposed fiscal year 2017-18 budget. Staff recommended no increase to the Electric Fund, and to implement the planned 3.4 % rate increase to the Water Fund for FY 2017- 18. Mr. Swe followed Mr. Somoano with a PowerPoint presentation regarding rate design.

Mr. Somoano, Mr. Liu, Ms. Fletcher, Mr. Mace, and Mr. Swe responded to Board Member questions and comments.

This was an information only item. No action was taken.

GOLF COURSE TANK SEISMIC IMPROVEMENTS

Mr. Thompson gave a PowerPoint presentation reviewing the seismic improvements needed for the Golf Course water storage tank.

Staff recommended that the BWP Board endorse the staff's recommendation to City Council to (1) authorize staff to negotiate with Crosno Construction, Inc. for a design/build contract for seismic improvements to Golf Course tank due to insufficient steel wall thickness, (2) authorize the BWP Board to award a design/build contract to Crosno Construction, Inc. pending successful negotiation of a contract by staff and (3) authorize the BWP Assistant General Manager, Water Systems to approve the plans and specifications.

Mr. Thompson and Mr. Mace responded to Board Member questions and comments.

It was moved by Mr. Eskandar, seconded by Mr. Ford, and carried 7-0 to approve staff's recommendation for this item.

METER DATA MANAGEMENT SYSTEM UPDATE

Mr. Hernandez gave a PowerPoint presentation on the results of the Meter Data Management System (MDMS) procurement process, and how staff narrowed down the vendors to endorse Siemens as the best choice for the MDMS upgrade.

Staff recommended that the BWP Board support Mr. Somoano in signing the PSA and proceed with negotiating a final agreement with Siemens to implement the MDMS upgrade.

Mr. Hernandez, Ms. Fletcher, and Mr. Somoano responded to Board Member questions and comments.

It was moved by Mr. Smith, seconded by Mr. Olson and carried 7-0 to approve staff's recommendation for this item.

SUSTAINABLE BURBANK COMMISSION REPORT

Ms. Springer reported out on the Sustainable Commission meeting of January 30, 2017. Some goals of the commission include more community engagement, looking at code enforcement, multi-family recycling signage, and specific incubator projects.

Ms. Springer reported out on a meeting with Mr. Kriske, Assistant Community Development Director, Transportation and Planning, where they discussed possible improvements to the intersection at Sparks, Reese, Verdugo and Olive.

Ms. Springer also commented on Measure M projects that might help Burbank, and expansion of the Orange Line. She reported that Glendale applied for a grant to study light rail connecting downtown Glendale, to downtown Burbank, to the Airport, and how this may improve transportation in our community.

COMMENTS AND REQUESTS FROM BOARD MEMBERS

Mr. Smith commented on the three IOU's recently filed with the Public Utilities Commission – about one billion dollars in extensive transportation electrification proposals. This was a result of SB 350.

Ms. Springer inquired about the possibility of BWP customers connecting to recycled water. Mr. Mace responded. Ms. Springer also asked about the process to apply for lifeline and project share services. Ms. Fletcher responded.

Mr. Ford commented on the online App, Nextdoor, as he noticed the City is on the App. Ms. Meyer and Mr. Somoano responded and advised that the City is looking into it further. Mr. Ford also commented on notices promoting gas line insurance, and inquired if the City could offer water line insurance. Mr. Mace responded.

Mr. Eskandar congratulated Mr. Somoano and staff on a successful first step towards completing the budget.

INFORMATION FROM STAFF

DROUGHT UPDATE

Mr. Mace gave an update on the positive indicators that water levels and reserves are up. If this continues, our long-term water supply looks good for the next 2-3 years.

ALISO CANYON UPDATE

Mr. Bleveans reported that the recent cold snap led to withdrawals of natural gas from the Aliso Canyon natural gas storage facility on January 25 and 26. These withdrawals, which were made to ensure gas system reliability, were the first withdrawals from Aliso Canyon since the facility's leak in February 2016. Legislatively mandated public hearings have added to the uncertainty regarding the future of Aliso Canyon.

Mr. Bleveans also reported that California State Senator Stern has proposed a new bill regarding the future of the facility. Mr. Bleveans responded to Board Member questions.

MAGNOLIA POWER PLANT LEAK UPDATE

Mr. Bleveans reported that just after midnight on Sunday, Jan 15, 2017, a routine inspection by plant staff led to the discovery of a sulfuric acid leak. The acid breached the storage tank and its secondary containment and began flowing toward the nearby storm drain. The storm drain empties directly into the Burbank Channel. Multiple cities' fire department hazardous materials units mobilized to contain and neutralize the leak. Due to the quick response and execution of an emergency plan, the leak was successfully contained. Out of the 3800 gallons that escaped, there is no evidence that any got into the waterway.

Mr. Bleveans responded to Board Member questions, and noted that LA County Hazmat is writing an incident report.

LEGISLATIVE UPDATE

This item was not presented due to the lateness of the hour.

ADJOURNMENT

The meeting was adjourned at 10:11 p.m. The next scheduled Board Meeting is March 2, 2017 and will be held in the third floor Boardroom at Burbank Water and Power.

Lyndsey Kramer
Recording Secretary

Jorge Somoano
Secretary to the Board

Paul Herman, Chair, BWP Board



7A.

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

DATE: March 2, 2017
TO: BWP Board
FROM: Jorge Somoano, General Manager, BWP
SUBJECT: January 2017 Operating Results

SAFETY

Burbank Water and Power had no new reportable lost time injuries during January 2017.

Water Results of Operations

For the month of January, water usage was 9% (30 million gallons) lower than budgeted; and January Potable Water Revenues were correspondingly \$128,000 lower than budgeted, primarily due to higher than normal rainfall in the month of January. In January 2017, Burbank received 5.69 inches of rainfall as compared to the average rainfall of 3.54 inches for the month of January. Recycled Water Revenues were \$27,000 lower than budgeted, primarily related to lower demand for landscape irrigation, due to higher than normal rainfall in the month of January. January Water Supply Expenses were \$75,000 lower than budgeted. January's Gross Margin was \$106,000 lower than budgeted. Net Income was -\$483,000, which was \$106,000 lower than budgeted.

January fiscal-year-to-date (FYTD) water usage was 1% (36 million gallons) lower than budgeted. FYTD January Potable Water Revenues were correspondingly \$156,000 lower than budgeted and Recycled Water Revenues were \$7,000 lower than budgeted. FYTD Water Supply Expenses were \$100,000 lower than budgeted. The FYTD Gross Margin was \$379,000 lower than budgeted. Operating Expenses were \$1,215,000 better than budgeted. Net Income was \$1,657,000, which was \$884,000 better than budgeted.

Electric Results of Operations

For the month of January, electric loads were 5.7% lower than budgeted due to conservation; and Retail Sales were correspondingly \$1,213,000 lower than budgeted. January Power Supply Expenses were \$1,442,000 better than budgeted primarily due to fuel savings from not running Olive Units, receiving less Copper Mountain energy than planned, lower delivery of biomethane gas than planned and savings from biomethane restructuring, prior period true-up credits, and lower retail load. January's Gross Margin was \$186,000 better than budgeted. Net Income was -\$201,000 which was \$186,000 better than budgeted.

FYTD January electric loads were 3.2% lower than budgeted. Retail Sales were \$3,382,000 (3%) lower than budgeted. FYTD Power Supply Expenses were \$9,543,000 better than budgeted primarily due to lower delivery of renewables, true up credits,

refinancings, economic dispatch and lower O&M. FYTD Gross Margin was \$6,150,000 better than budgeted. January FYTD Operating Expenses were \$3,220,000 better than budgeted. Net Income was \$15,879,000 which was \$9,742,000 better than budgeted.

WATER DIVISION

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

The State Department of Water Resources released the Environmental Impact Statement (EIS) for the revised/recirculated Bay Delta Conservation Plan (CA Water Fix) on July 10, 2015. Public meetings were held and the final EIR/S was released in late December 2016. The release of the EIS has not changed anyone's mind as responses align with political and economic interests in the Delta and the water users outside of the Delta. The process will continue with governmental agency environmental reviews, possible opposition lawsuits and discussions among the potential users about project costs. The State Water Resources Control Board is holding hearings on the Petition to add points of diversion in the Sacramento River to put water in the proposed under delta tunnels. The Bureau of Reclamation (Central Valley Project) and the Department of Water Resources (State Water Project) are the petitioners. Resolution, up or down, of the proposed California Water Fix will culminate in 2017. A study session with Council on the California Water Fix by Marsha Ramos, the Metropolitan Water District (MWD) Director, took place on October 18th.

Governor Brown issued an Executive Order on March 2, 2015. Burbank was required to meet a 24% reduction in water use against water use in the same period of 2013.

Burbank had implemented Stage II of the Sustainable Water Use Ordinance and then later went to Stage III to meet the requirements of the Executive Order. The table below shows the gallons per capita day (GPCD) goals before and after the Governor's orders. The actual result at the end of February, 2016 was 124 GPCD.

Year	20% by 2020 (Baseline)	20% by 2020 (Goal)	2012 (Actual)	2014 (Actual)	2015 (Actual)	2016 (Gov.'s goal)
GPCD	193	155	149	162	139	125
Reduction of Baseline %	0%	20%	29%	16%	28%	35%

The SWP allocation for 2016 was set at 15% on January 26, 2016. It was increased to 30% on February 24, 2016 and then to 45% on March 18, 2016. The SWRCB decided in January to extend the Governor's Executive Order thru October of 2016 but would reconsider this decision. Burbank's Conservation Standard was revised to 22% at that time, giving some buffer but the extension from March thru October was still a billion gallon reduction compared to water use in the same period in 2013. Subsequent events overtook these actions. The SWP allocation for 2016 was increased to 60% on April 21, 2016. The Governor issued a new Executive Order on May 9 discussing making water conservation a California way of life while stating that the State Water Resource Control Board (SWRCB) would adjust emergency water conservation regulations as soon as practicable. The Executive Order made the prohibition of a number of water wasting

practices permanent but these practices were already prohibited at all times in the Burbank Sustainable Water Use Ordinance. The SWRCB then issued new regulations on May 18, 2016 allowing water agencies to set their conservation targets based on local water supply conditions. These regulations became effective June 1, 2016. MWD as Burbank's water wholesaler has been able to certify no water supply shortage for the next three years, thus enabling Burbank to self-certify no supply shortage for the next three years and then setting Burbank's mandatory conservation standard at 0% on June 22, 2016. This will be effective until January 2017. The Governor's order also directed SWRCB to weigh additional conservation practices and develop new conservation regulations that go well beyond the 20% by 2020 requirement for consideration and possible implementation in January, 2017. SWRCB is developing water budget criteria for both inside and outside water use. Council implemented Stage II of the Sustainable Water Use Ordinance on June 21, 2016 which allows for landscape watering 3 days a week, while approving modification of the ordinance to change watering to 3 days a week in Stage I. Stage 1 is the new normal. The SWRCB voted on February 8, 2017 to extend the June 1, 2016 Emergency Regulations until September 2017. This decision will be revisited in May 2017. This extension will not require any changes to Burbank's current policies/actions.

The initial State Water Project allocation for 2017 was issued on November 28, 2016 at 20%. The allocation was increased to 45% on December 23, 2016 due to a wet fall. The allocation was then increased to 60% on January 19, 2017. Continued wet weather portends a possible further increase in the SWP allocation. The State's position is that the emergency has passed but it is reserving judgment on whether the drought is over. An additional complicating event is the erosion and undermining of the spillway at the Oroville dam discovered on February 7th. This may reduce the capacity of water releases from the dam for the SWP.

SWRCB released a draft proposal in November for "Making Water Conservation a California Way of Life" for review and comment. The proposals address budgets for residential indoor and outdoor watering, Commercial/Industrial/Institutional (CII) water use and water loss standards. How RW use is treated so that Utilities that have implemented RW use do not have their existing investments discounted is of prime concern to BWP. Comments will be submitted to SWRCB although these requirements may not begin to be phased in until 2020. SWRCB may also need to acquire additional legislative authority to implement them.

March, April, May, June, July, August, September, October, November and December, 2016 and January 2017 show a continued trend in lower water usage, 29.8%, 29.6%, 28.6%, 27.8%, 22.5%, 21.2%, 24.7%, 21%, 19.4%, 21.3% and 26%, respectively compared to March, April, May, June, July, August, September, October, November and December of 2013 and January of 2014. Water volumes of 142, 149, 159, 161, 136, 132, 147, 118, 94, 97 and 105 million gallons, respectively, were conserved for a total volume of 1,442 million gallons for the eleven months. Results for each month are still reported to SWRCB but the level of conservation achieved is voluntary in respect to the reporting. BWP continues to complete remaining recycled water (RW) conversions, inform the public of the relaxed three day a week watering limit and continue to educate and remind the public of the need to use water wisely and conserve. January shows a higher level of conservation from previous months due to the rain although watering is allowed three days a week, not one, as it was last January. Water use per month has

decreased because of local rain. The effect of the three day a week watering limitation will continue to be monitored.

It is not expected that one year of more than average precipitation will break the drought. MWD added 300,000 acre-feet of water to storage in 2016 to prepare for future demands in the coming years. MWD is currently storing more water and rebuilding stored supply.

The BOU was 91.4% available for service in January 2017. Two Liquid Phase Granulated Activated Carbon Filters were offline for a combined 31 operational days for carbon change out. Well V-08 went offline on December 7, 2016 and remained out of service through the end of January. The effects of the plentiful rain have had a significant impact on demand. BWP is maximizing BOU production by optimizing the blend with MWD treated water. Lower ground water levels are impacting the operational efficiency of the BOU wells although that should rebound somewhat due to the rain. Testing of drawing water from lower in the aquifer, by deflating the "packers" in the lower portion of the well casings, requiring discussions with the EPA, are scheduled.

Availability	Production	Average Flow Rate (gallons per minute)
91.4%	48.6%	4,374

Project Updates:

Work on replacing transmission valves at Walnut Avenue and 6th Street and 3rd Street and East Avenue began in August. A broader shut down than anticipated was necessary with insertion of line stop valves required. Plans have been refined. The work to isolate the transmission valve at 3rd Street and East Avenue was completed in December. The transmission valve was replaced in February. The valve at Walnut Avenue and 6th Street has been postponed to March.

Work started on installing 1,325 l.f. of 8-inch ductile iron water main in Frederic Street from Clark Avenue to Magnolia Blvd and was complete at the end of December. Service tie-overs and existing old main cut out was complete in January.

Work began in November installing 400 l.f. of 8-inch ductile iron water main in Whitnall Highway from California Street to Oak Street. The main is complete and the service tie-overs are anticipated to be complete in early March.

Work began on installing 1,335 l.f. of ductile iron water main in Myers Street from Verdugo Avenue to Clark Avenue. This project is anticipated to be complete in April.

Work began in February on installing 950 l.f. of 8-inch ductile iron water main in Hollywood Way from Burbank Blvd. to Allan Avenue. The project is anticipated to be complete in May.

Council awarded the Seismic retrofit of the McClure Tank to Crosno Construction April 26, 2016. Design work started in May 2016. Ongoing construction began in October.

The tank has been raised and welding of the shell is complete. Blasting and painting began in February and the project is projected to be complete by April.

Seismic valve actuators are being installed at Reservoirs #1 and #4. This is estimated to be complete by mid-January. Control software will be complete in April.

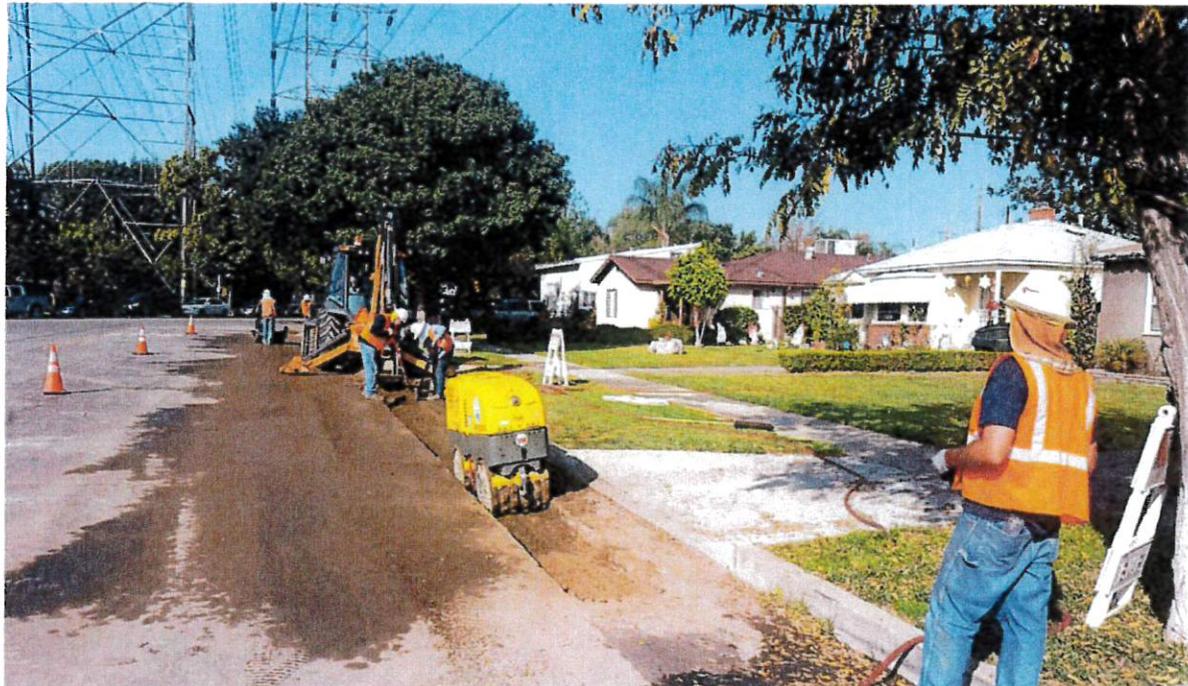
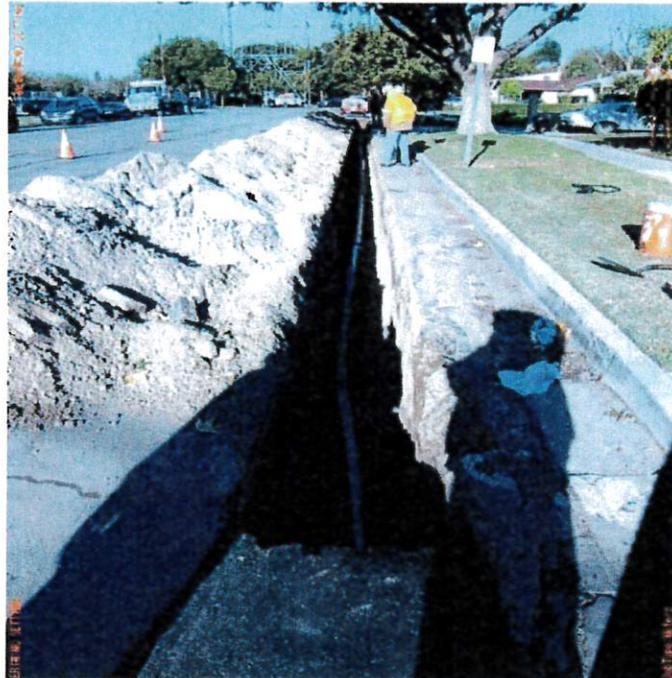
The Joint Service Agreement (JSA) between BWP and the Los Angeles Department of Water and Power (LADWP) was executed by LADWP, (1/28/15). This agreement covers the construction of RW mains in the City of Los Angeles by Williams Brothers Contractors under contract to BWP with all costs for the work to 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 RW system for delivery of RW 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 complete with Williams Brothers and the project cost has been accepted by LADWP. Total construction time to complete all three extensions is 18-24 months. The first two phases along the Chandler Bikeway and the Whitnall Hwy. at Burbank Blvd. were completed in March 2016 and final reimbursement from LADWP has been received. Phase three, along Verdugo Ave (17,000 l.f. of pipe) began in June when the permits from L.A. were finally forthcoming. The BWP Board awarded the first portion of the Phase Three contract to Williams Brothers at the April Board meeting. LADWP acquired approval from their Board on October 4 to increase the contract cost on phase three because of additional cost due to reduced work hours and street repairs required by the City of L.A. This will fully fund Phase Three. BWP has received a copy of the executed amendment documents and has issued a change order to the contractor for the rest of the scope. Notice to proceed is held up awaiting LADWP receiving the construction traffic control permits for this last phase. Phase 3 is anticipated to be complete in September 2017.

A new Waste Discharge Requirements and Water Recycling Requirements Permit was granted to the City of Burbank on April 14, 2016. This brought the City into full compliance by recognizing the use of RW in cooling towers. A Waste Water Change Petition was submitted to amend Burbank's water rights to our RW account for our recent expansion of use and for our plans of additional use 10 years into the future. Work on the water rights petition is underway at the State Water Resources Control Board.

3300/3400 Olive, The Pinnacle CT, 3400 Olive Irrigation and the Warner Bros. Data Center (Bldg. 58) are awaiting customer application to the Los Angeles County Department of Public Health. 1100 Olive, Cusumano Elder Residence is awaiting plumbing research.

Conversions pending in 2017 include Nickelodeon, Talaria, and Disney ABC 7 cooling tower.

A new 8-inch ductile iron water main is being installed replacing a 2-inch galvanized line on Whitnall Highway from Oak Street to California Street. All galvanized service laterals were also replaced with new copper pipes from the new main to the existing meter boxes.

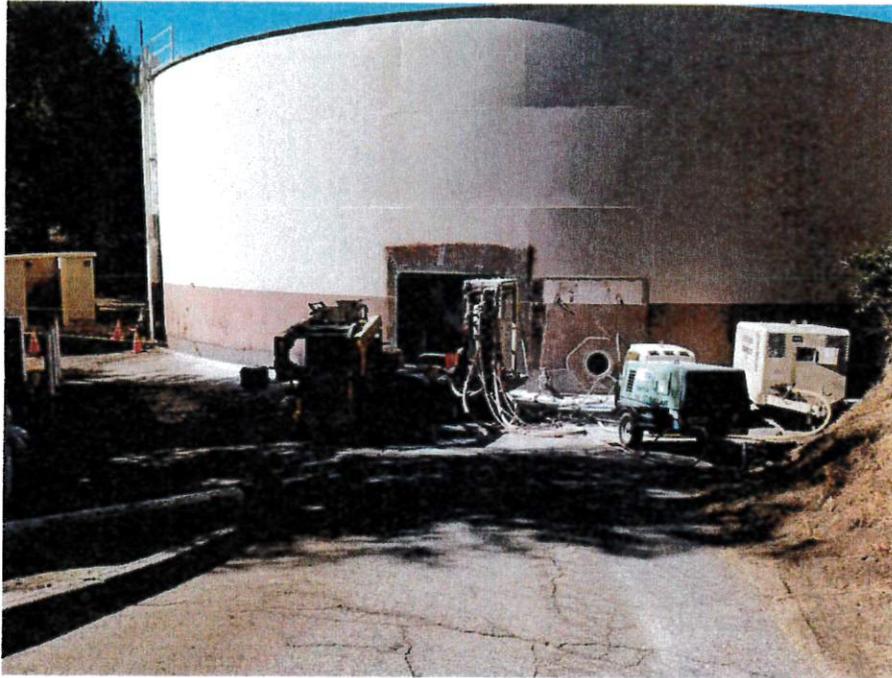


An 8-inch hot-tap is being installed to allow for the construction of a new 8-inch ductile iron water main on Myers Street from Clark Ave to Verdugo Ave. The new main will replace an old 4-inch cast iron pipe and water services. Additionally, a fire hydrant will be added to augment firefighting capability in the area. Construction was completed in February.

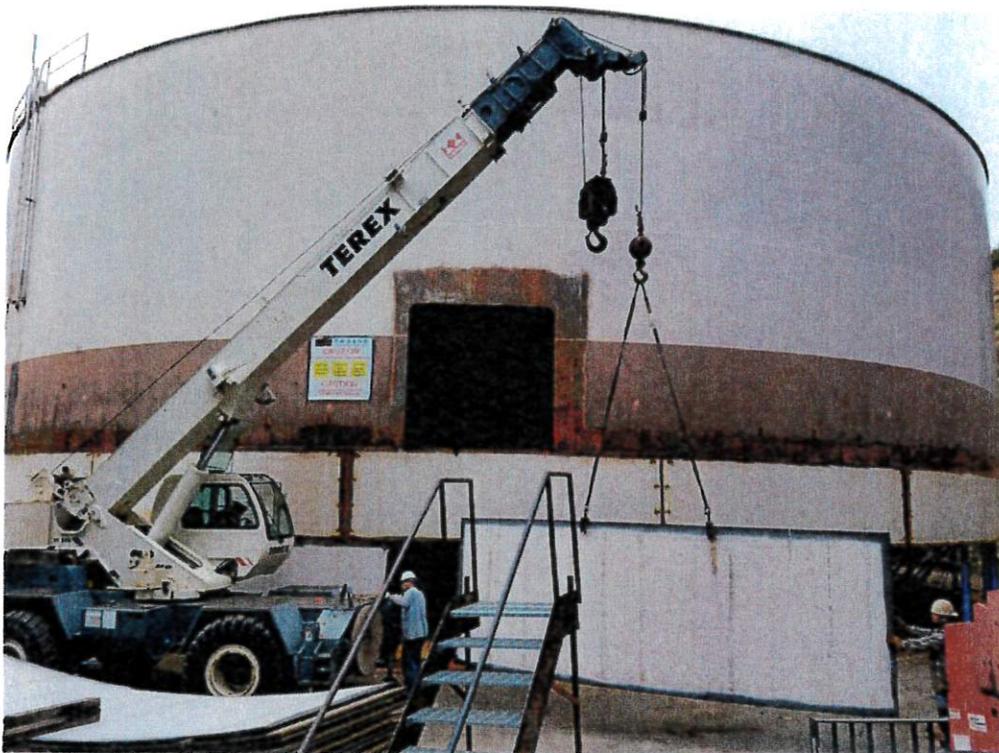


The Water Division received an "Honored Institution Award" from the National Oceanic and Atmospheric Administration (NOAA) in recognition for our 50 years of weather data reporting to the National Weather Service (NWS). The weather station is located at the Valley Pumping Plant, and it reports climate data on a regular basis to the NWS who utilize the information in their studies and research.





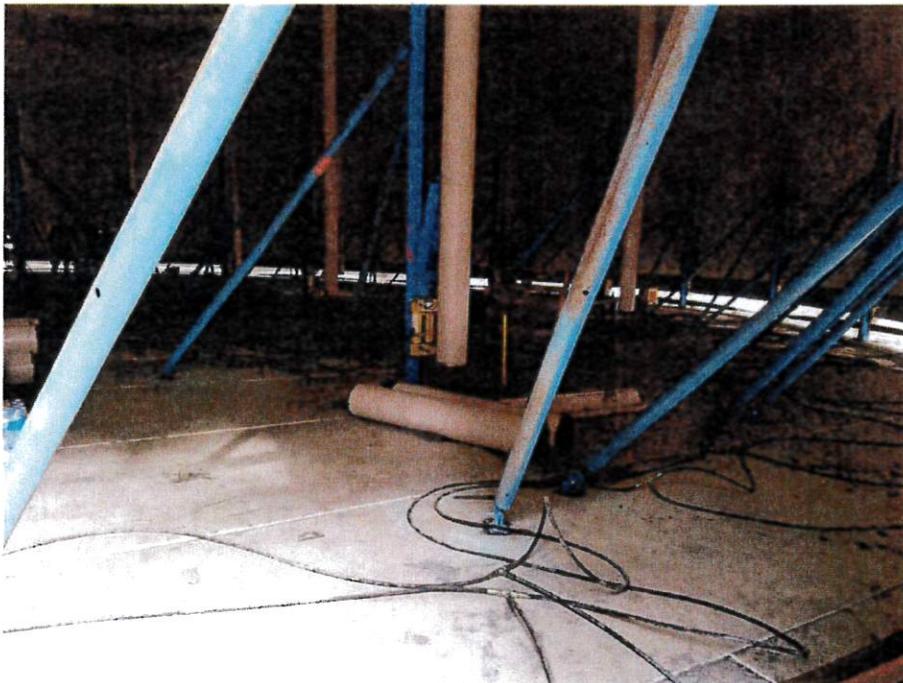
McClure Tank before it was raised; note the location of the access hole cut into the tank



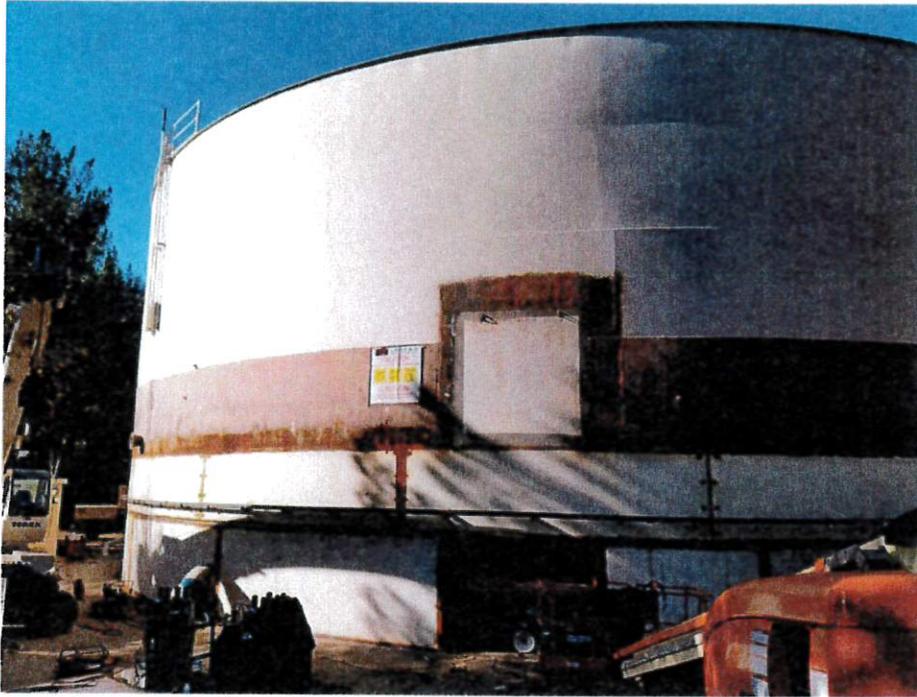
McClure Tank after it has been raised twice; note how the access hole is 12 feet off the ground



McClure Tank after first jacking. The jacks used to raise the tank are the blue "legs" seen at the center of the photo



The interior of McClure Tank. Again, note the blue jacks used to raise the tank are attached to the columns and tank shell



McClure Tank as the contractor completes welding new bottom ring to the tank floor



The interior of McClure Tank. Welder is completing welding new bottom ring to the second ring

DISTRIBUTION

ELECTRIC RELIABILITY

OUTAGES

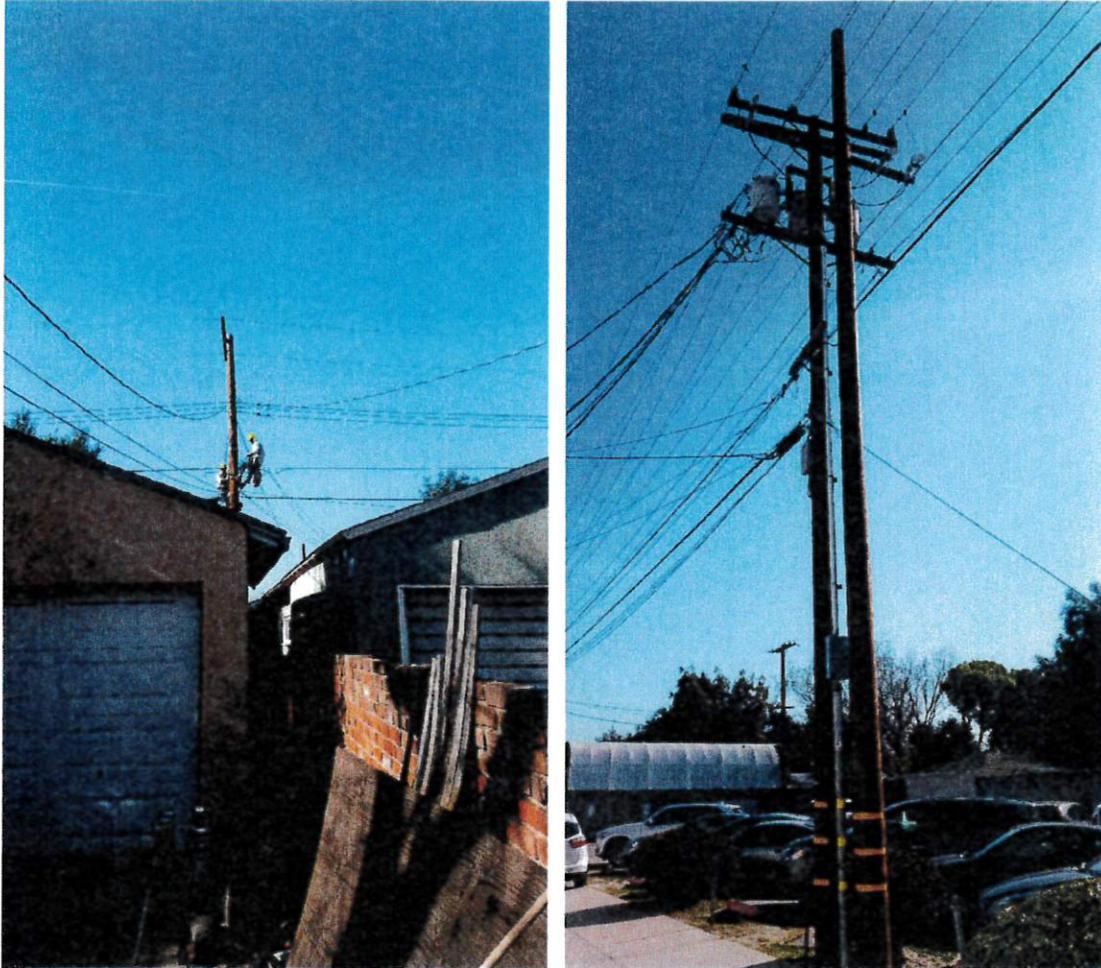
In January 2017, BWP experienced two sustained feeder outages. In the past twelve months, automatic reclosing has reduced customer outage time by approximately 300,578 customer minutes.

Reliability Measurement	February 2015- January 2016	February 2016- January 2017
Average Outages Per Year (SAIFI)	0.3663	0.2308
Average Outage Duration (CAIDI)	52.02 minutes	13 minutes
Average Service Availability	99.996%	99.999%
Average Momentary Outages Per Year (MAIFI)	0.3750	0.0718
No. of Sustained Feeder Outages	13	5
No. of Sustained Outages by Mylar Balloons	0	0
No. of Sustained Outages by Animals	0	1
No. of Sustained Outages by Palm Fronds	2	4

PROJECT UPDATES

4kV to 12kV Conversion – Naomi-18 Feeder

BWP Line Crews continue to rebuild overhead pole lines on six blocks of property lines south of Magnolia Boulevard in preparation for the upcoming 4kV to 12kV conversion of the Naomi-18 feeder. About 50 poles will be set by crane on the back property lines by the second week of March. The pole line rebuild is on schedule to be completed in May 2017.



Transformer Temperature Monitor Installation at Golden State

BWP has a total of 56 substation transformers with an average age of 45 years. The life expectancy of substation transformers will vary with operating and maintenance conditions. BWP's practice has always been to age assets gracefully and we have historically operated the transformers at less than 50% of their capacity, which extends their life. Although approximately 60% of these substation transformers have exceeded their typical life expectancy of 40 years, our operating practice allows us to further prolong their life expectancy. With this in mind, and due to the long lead time and high cost associated with replacement of a substation transformer, BWP has increased its efforts to monitor the condition of its substation transformers. Knowledge of a transformer's insulating oil and winding temperature are key pieces of information for understanding its condition which allows us to better plan for any additional maintenance requirements or possible replacement.

BWP has been in the process of installing new temperature monitors for 38 of its 42 substation transformer banks (the remaining four transformer banks already have temperature monitors). In 2015 and 2016, twelve temperature monitors were installed at McCambridge, Victory, Winona, and Flower Substations, which have some of our oldest or most heavily loaded transformers. Pursuant to the Electric Distribution Master Plan, BWP has targeted to budget CIP funding for transformer temperature monitor installations for up to six transformer banks per year until Fiscal Year 2020-21.

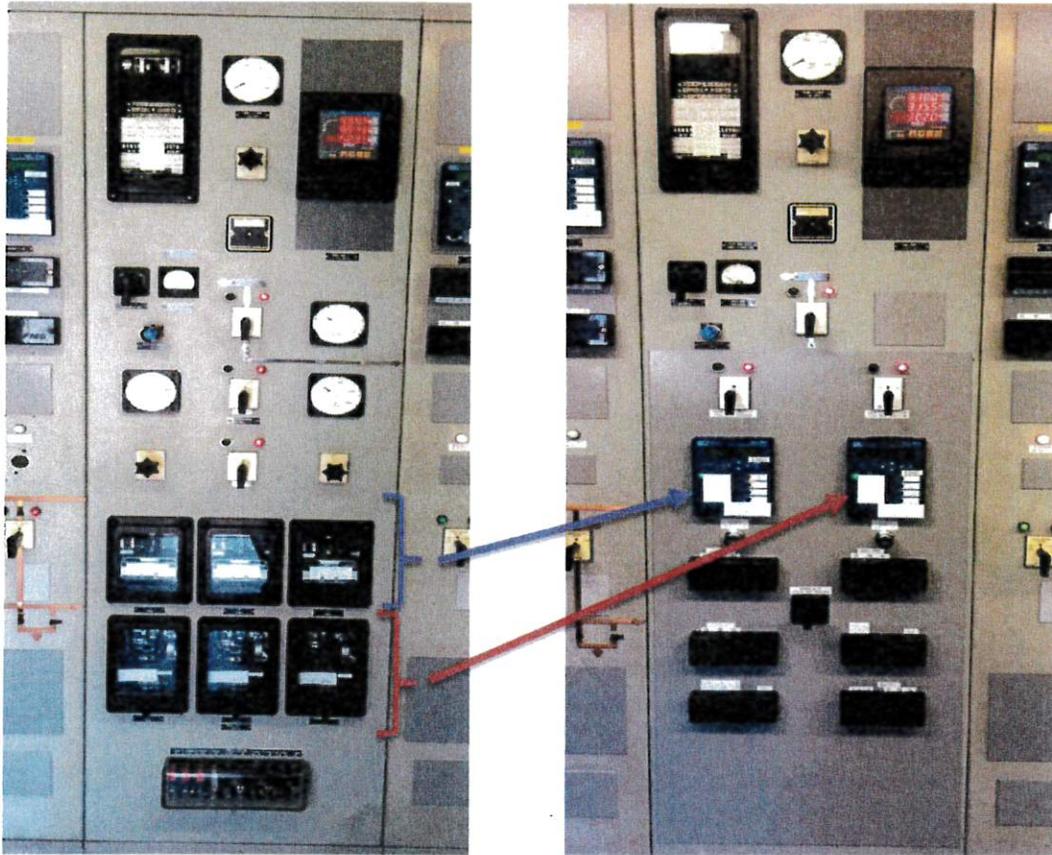
In January, BWP installed two transformer temperature sensors and monitors at Golden State Substation. The new monitors transmit transformer oil and winding temperatures to the Energy Control Center (ECC) and allow for automatic control, as well as remote control of transformer cooling fans from the ECC. System Operators and Engineers will use temperature information to quickly identify abnormal operating conditions and determine whether a substation transformer is loaded beyond its normal rating.

Transformer Relay Replacement at Flower Substation

Protective relays (relays) are devices that monitor electrical currents and other electrical quantities. When electrical currents or other quantities become excessive, such as during a short circuit, a relay will automatically trip a circuit breaker to prevent damage to cables, transformers, or other components of an electrical system. Transformer relays, which are relays that protect substation transformers, play a critical role in protecting some of BWP's most expensive and essential assets.

BWP is in the process of replacing its older vintage substation transformer relays with modern microprocessor relays. Of the 153 transformer relays currently installed in BWP's system, 60% of these relays are of the electromechanical type and have exceeded their typical life expectancy of 40 years. Pursuant to the Electric Distribution Master Plan, BWP has targeted to budget CIP funding for all of its older generation type transformer relays by Fiscal Year 2020-21.

BWP's Electrical Equipment Section installed and tested the new relays for Flower A-3 in January 2017. These new relays will improve personnel safety by reducing arc flash energy levels at the substation. In addition, the new relays increase reliability through their ability to self-diagnose whether they're working properly. The new relays also improve maintenance by reducing the number of relays by roughly 1/3, increasing the routine testing interval from 3 to 5 years, and logging digital event records which aide troubleshooting.



Bank A-3 Relays Before Replacement Bank A-3 Relays After Replacement

Fleet Services Building Modification Project

The Design phase of the Fleet Services Building (FSB) continues. The existing FSB is more than fifty-five years old (constructed in 1961) and is in need of modification. Existing office and conference rooms, restrooms, locker area, and break/training rooms have deteriorating spaces and are non-compliant with ADA and energy efficiency code requirements. The sewer drainage is frequently backed up. Furthermore, the FSB currently has no fire suppression system.

The FSB Modification Project will renovate office and conference spaces, locker and restroom areas, and employee break/training rooms to meet current BWP quality standards, ADA standards, and to improve employee safety, productivity, and operational functionality. This project will also extend the useful life for portions of the facility by forty (40) years. Improvements to the building's exterior windows, insulation below the roof deck, and man doors will be implemented to meet Title 24 energy compliance and improve thermal efficiency. A new fire suppression system will be provided throughout the FSB to meet code requirements, a new sanitary sewer will replace the defective on-site main, and the existing potable water system will be augmented to meet new and modified plumbing configurations. A new mezzanine storage area and related improvements will also be added to the light-duty vehicle bay. The original existing electrical switchgear will be replaced by BWP staff as necessary to accommodate electrical loads imposed by a new indirect evaporative cooling system which will be partially funded by Public Benefit funds to demonstrate a lower energy cooling system that uses recycled water.

The project is currently in its Design Development (DD) phase. The Construction Documents (CD) phase is set to commence in Spring of 2017 with Board Approval of the construction contract in Winter of 2017. The expected completion of the project is Fall 2018.

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 LED 42W has been selected to replace the 100W HPS luminaire and the CREE XSP2 LED 101W replaces the 250W HPS luminaire. To date, 31.32% 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.

Type of Lamp	# of Lights May 2014	# of Lights to Date	Unit Change	% of Total # of Lights
High Pressure Sodium				
70W	19	19	0	0.2%
100W	3,664	2,043	-1,621	21.4%
150W	17	16	-1	0.2%
200W	3	2	-1	0.0%
250W	2,979	2,078	-901	21.8%
360W	14	14	0	0.1%
400W	2,157	1,826	-331*	19.2%
Low Pressure Sodium				
55W	137	137	0	1.4%
Fluorescent				
85W	128	128	0	1.3%
Incandescent				
2500 LUMEN	10	10	0	0.1%
4000 LUMEN	1	1	0	0.01%
100W INC.	74	74	0	0.8%
Metal Halide				
250W	190	190	0	2.0%
400W	10	4	-6	0.04%
LED				
42W	1	1,656	1,655	17.4%
101W	1	1,220	1,219	12.8%
120W	63	67	4	0.7%
150W	18	14	-4	0.1%
163W**	0	30	30	0.3%
Total # of Lamps	9,486	9,526	40	100%
Energy				
	Consumption in Mwh			% Mwh Change
Annualized	9,268	7,633	-1,635	-17.64%
Average per Lamp	0.977	0.801	-0.176	-17.99%

Table 1: Breakdown of streetlight luminaires in City of Burbank's Street Lighting System, January 2017.

* Not part of LED O&M replacement program. Only includes installation of new lights and replacement of traffic safety lights. (According to current lighting standards for intersections, effective April 2014.)

**Pilot program for LED replacement of 400W HPS luminaires.

CUSTOMER SERVICE

Electric Vehicle (EV) Charging Program

28 public EV charging stations are in service, including a DC Fast Charger and 16 curbside stations. As of July 1, 2016, Time of Use (TOU) pricing for public EV charging is 17.81 cents per kilowatt hour (kWh) for Level 1 and Level 2 charging during off-peak hours. Between the hours of 4pm and 7pm during the summer, pricing increases to 31.17 cents per kWh. For the DC Fast Charger, the charging rate is 28.90 cents per kWh, increasing to 50.58 cents per kWh during peak hours. Staff continues to monitor usage and maintenance issues. The 327 N. Pass Ave location recorded the most sessions (299) with 685 total charging hours of usage.

Month of usage	KWh	kWh/Station/ Day	% Peak Sessions	Charging time (hours)
January 2017	19,499	23	20%	4,522
December 2016	17,472	20	19%	4,105
November 2016	17,230	21	18%	4,033
October 2016	17,976	21	18%	4,014
September 2016	17,810	21	20%	3,905
August 2016	19,702	23	19%	4,144
July 2016	17,235	20	19%	4,131
June 2016	17,278	21	19%	3,861
May 2016 *	17,839	21	N/A	3,962
April 2016	15,212	19	N/A	3,617
March 2016	15,717	19	N/A	3,747
February 2016	13,595	17	N/A	3,371
January 2016	13,011	16	N/A	3,028
December 2015	12,378	15	N/A	2,959
November 2015	12,853	16	N/A	3,076
October 2015	13,058	16	N/A	3,509
September 2015	12,514	15	N/A	3,155
August 2015 **	11,045	13	N/A	2,715
July 2015	8,771	26	N/A	2,095

* In May 2016, the number of public chargers increased from 27 to 28.

** In August 2015, the number of public chargers increased from 11 to 27.

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 planned 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.

Month	Number of Solar Systems Installed This Month	Number of Solar Systems Installed FYTD	Total Solar Systems in Burbank	Total Solar Kilowatts
January 2017	21	90	556	5,379
December 2016	12	69	535	5,276
November 2016	8	57	523	5,219
October 2016	10	49	515	5,188
September 2016	18	39	505	5,137
August 2016	10	21	487	4,828
July 2016*	11	11	477	4,643
June 2016	7	173	466	4,436
May 2016	16	166	459	4,321
April 2016	5	150	443	4,178
March 2016	14	145	438	4,151
February 2016	20	131	424	4,053
January 2016	27	111	404	3,962
December 2015	16	84	377	3,829
November 2015	18	68	361	3,741
October 2015	14	50	343	3,667
September 2015	15	36	329	3,598
August 2015	11	21	314	3,525
July 2015*	10	10	303	3,467
June 2015	11	91	293	3,431
May 2015	5	80	282	3,368
April 2015	14	75	277	3,341

* Start of new fiscal year.

TECHNOLOGY

Broadband Services (ONE Burbank)

	January 2017 New Orders	Revenues for January 2017	FYTD 2016-17 Revenues	FYTD Budget
Lit	2	\$118,161	\$830,577	\$539,583
Dark	3	\$187,822	\$1,259,512	\$1,618,750
Total	5	\$305,983	\$2,090,089	\$2,158,333

BWP WiFi

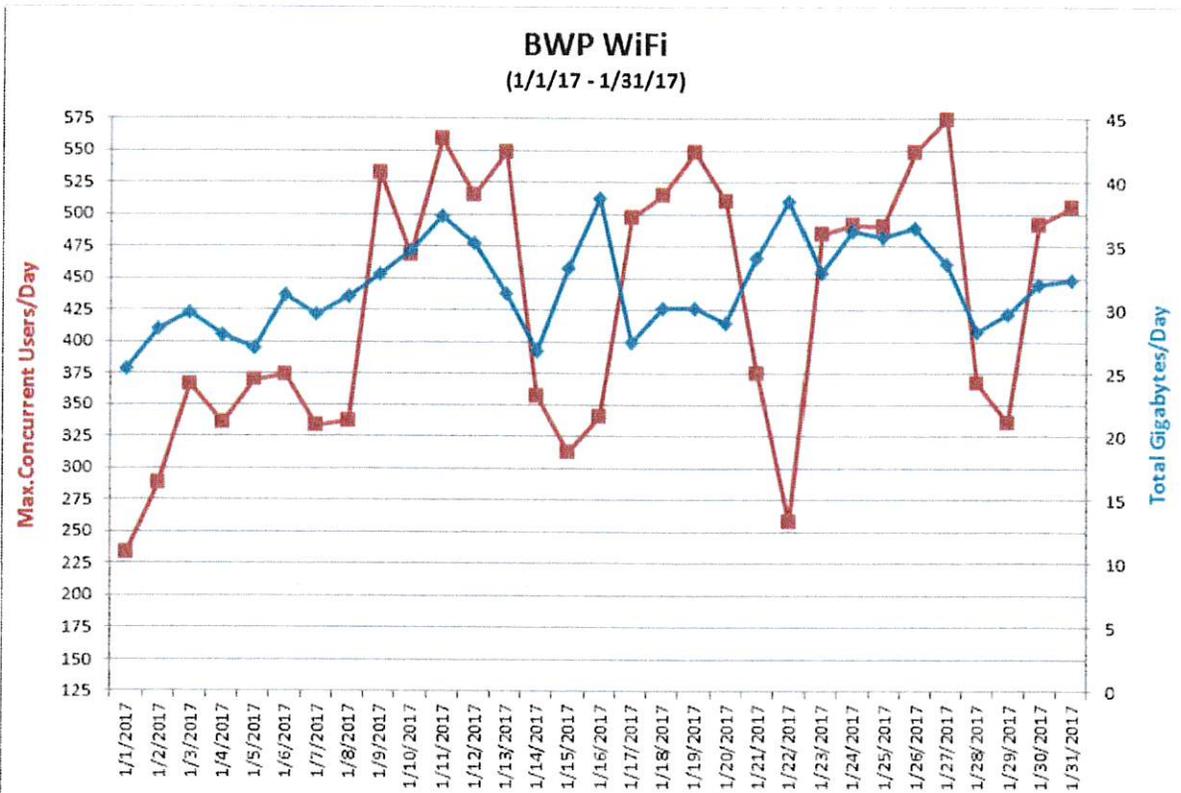
On August 17, 2015, BWP WiFi launched throughout the City of Burbank as a free citywide wireless community broadband service.

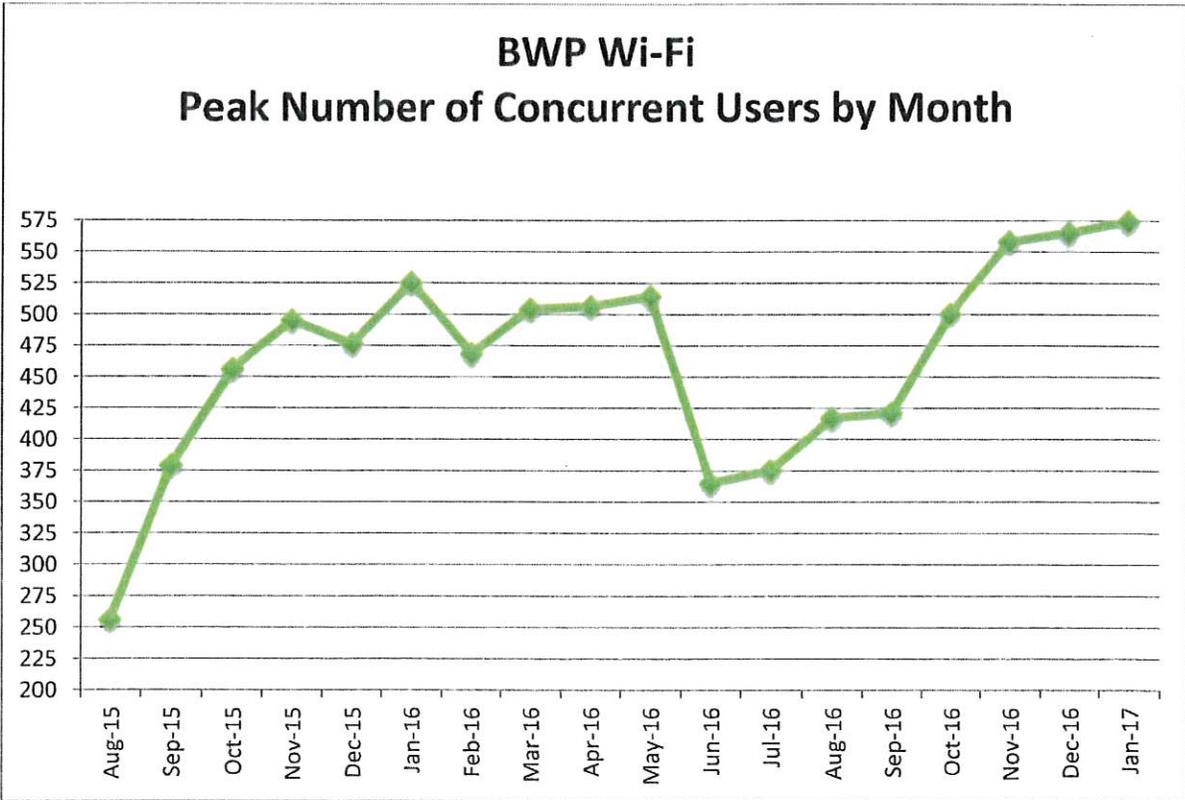
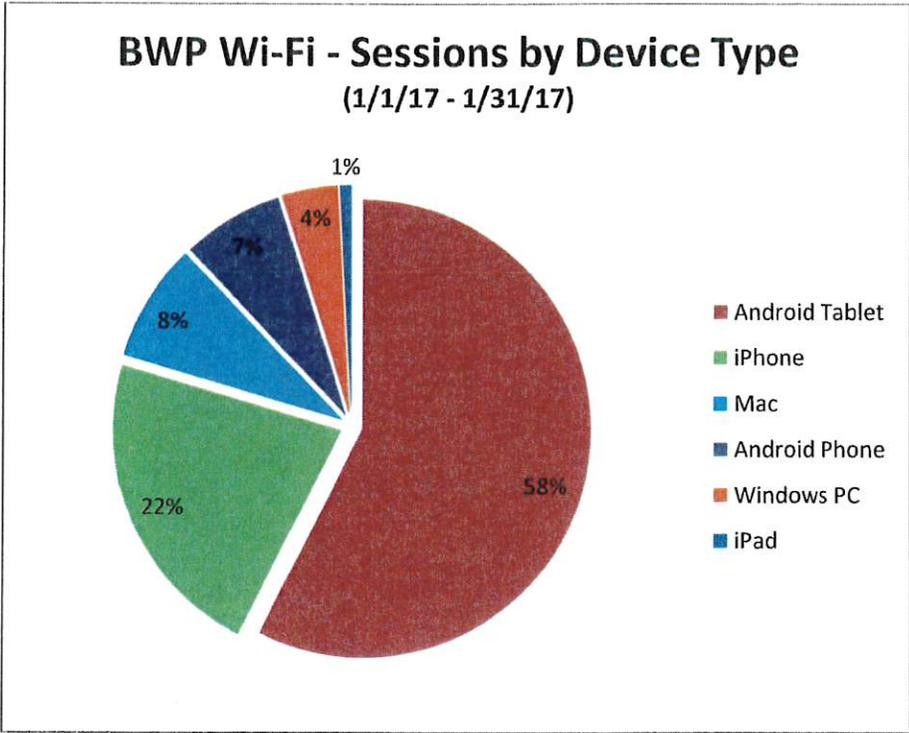
For the month of January 2017, staff reports the following metric highlights:

Maximum Concurrent Users: 574 users on 1/27/17

Maximum Bandwidth Consumed: 38.70 GB on 1/16/17

Maximum Sessions by Device Type: Android Tablets with 58% of all sessions





POWER SUPPLY

Project Updates:

Power Supply Engineering

Magnolia Power Project Outage

Magnolia Power Project (MPP) began a planned outage on February 3, 2017 which is scheduled to conclude on March 13, 2017. The primary objective of this outage is to complete required generator and turbine inspection and maintenance, along with inspection and maintenance of all other power plant equipment, including the Heat Recovery Steam Generator (HRSG) and high energy piping. MPP has been in continuous operation without a major maintenance outage since the last major outage in 2013. MPP has operated approximately 32,000 hours since the last outage in 2013 and is now due for service to continue reliable and efficient operation. This current outage will include services by BWP, General Electric, and various other contractors. Work will be conducted around the clock, seven days a week to minimize the outage duration.

In addition to the planned maintenance, an improvement is also planned for the MPP combustion turbine. In recent years, several of the same type of combustion turbines (located at other power plants) with similar operating hours, have failed. It was determined that compressor blade cracking and subsequent blade liberation caused catastrophic turbine damage. These power plants experienced very long outages of 12-18 months and repairs in the millions of dollars. General Electric examined these units and determined that if power plant control systems could identify a turbine compressor blade crack before the blade liberates, much of the subsequent turbine damage could be avoided. General Electric has since developed what is called a Blade Health Monitoring (BHM) system. BHM can detect when a turbine compressor blade has cracked and BHM will then shut the turbine off before the blade liberates and comes into contact with other rotating parts of the turbine. This will limit repairs to the cracked blade and not the entire turbine.

BHM works by monitoring the blade static deflection and resonant frequency, allowing for continuous assessment of overall blade health. For the system to function, a series of additional sensors need to be installed along with advanced software to monitor and react to the data. Upon completion of the current outage, MPP will have BHM in place to limit any future risks of compressor blade liberation.

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 (FGC) 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.

This Project is 83% complete. Final work on installation, testing, and commissioning of the VFD will occur concurrently with the pending 5.5 week planned outage for MPP

scheduled from February 3, 2017 through March 13, 2017. Field measurements for torsional modeling were taken on October 8, 2016 from the gas compressor coast down, during the recent planned outage at MPP; this analysis was conducted to determine if any modifications would be needed for an acceptable torsional response (angular deflection, torque, and stress on the motor shaft) over the load steps that are applicable to the future compressor operation with the VFD upgrade. The consulting firm (Peerless Dynamics) found that it will be acceptable to expand the operating speed range from the current fixed speed of 1185 rpm to the full range of variable speed between 600-1200 rpm. They also recommended repeating the analysis after the VFD upgrade is completed to measure the normal running torsional response over the extended speed range. The (Draft) Plan for Inspection, Testing, and Commissioning for the VFD Project was circulated to relevant stakeholders for review.

Power Resources

Los Angeles Department of Water and Power Open Access Transmission Tariff (OATT) Update

BWP, in conjunction with Glendale Water and Power (GWP), is actively participating in LADWP's 2017 Open Access Transmission Tariff (OATT) public stake holder process. The public comment period is currently set to end on April 7, 2017. The parties are in the discovery phase of the proceeding. Initial assessments of the proposed OATT, intended to go into effect July 1, 2017, are that LADWP has made measurable strides to conform its proposed OATT with the Federal Energy Regulatory Commissions (FERC) pro-forma OATT. The work team is currently focused on studying and identifying issues in the Cost of Service Study (COSS) that is the basis for the proposed OATT rates. The 2017 OATT rates will affect costs for service which Burbank purchases through the Balancing Area Services Agreement (BAASA).

Integrated Resource Planning

BWP is planning for its next Integrated Resource Plan (IRP) which, pursuant to new requirements embedded in SB350, is due January 1, 2019. This timeline is relatively tight for comprehensive integrated resource planning, and staff is exploring strategies to best meet this deadline. In this connection, BWP staff is providing input to the California Energy Commission as it prepares the SB350 implementing regulations relative to IRPs.

Intermountain Power Project (Delta, UT) Renewal Progress

IPP is currently comprised of three assets, all owned by Intermountain Power Agency: a 1,900 megawatt (MW) coal-fired power plant in Delta, Utah; a 490-mile 500 (kV) direct current transmission line which transmits the electricity generated by the power plant to Southern California known as the STS; and two alternating current transmission lines

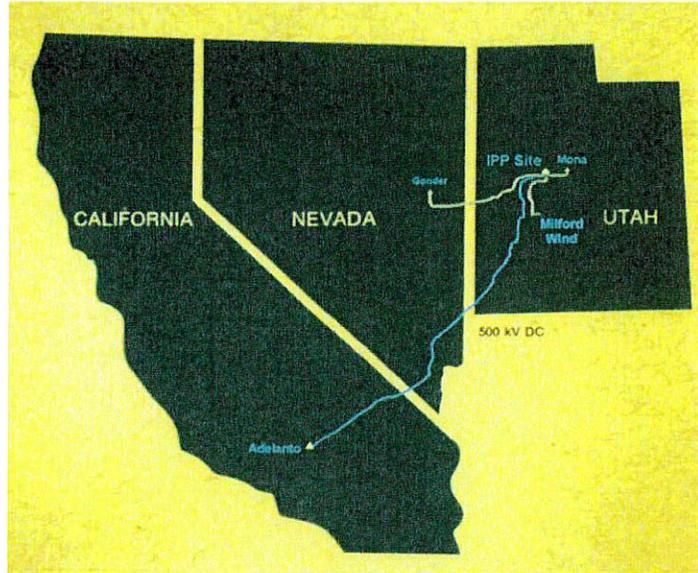


which transmit the electricity from the power plant to delivery locations in Utah (and a portion of Nevada) known as the NTS.

IPP has operated since the mid-1980s and serves 36 different municipal utilities in Utah and

California, including Anaheim, Burbank, Glendale, Los Angeles, Pasadena, and Riverside. LADWP purchases the majority of IPP's output. BWP's share of IPP is approximately 74 MW of electricity generation, 108 MW of STS capacity, and 27 MW of NTS capacity. The current power sales contracts will expire in 2027.

BWP and the other Purchasers have been working for a number of years to determine IPP's future after 2027. In that context, in early 2015, IPA and the Purchasers finalized agreements, including the Second Amendatory Power Sales Contract, the Renewal Power Sales Contract and the Agreement for Sale of renewal Excess Power (Enabling Agreements) to replace the coal power plant with a 1,200 MW combined-cycle, natural gas-fired power plant (the Gas Repowering), with rights to STS and NTS transmission capacity, again linked to power purchases from the new generating facility.



Under the Enabling Agreements, the Gas Repowering will operate from 2025 to 2077 and the coal plant will be retired in 2025. (Thus, whether or not BWP

participates in the Gas Repowering, it will purchase natural gas-generated power from IPP from 2025 until 2027.) LADWP will continue as the major purchaser of IPP's output and thus retain decision-making control, while each of the non-LADWP California Purchasers, like BWP, has an option to decline participation in the Renewal Power Sales Contract in 2019 (the Off-Ramp).

IPA and the Purchasers are currently implementing the Gas Repowering and renewal of STS and NTS rights pursuant to the Enabling Agreements. In this connection, BWP (and each of the other participants) recently executed the last of those renewal contracts, the Renewal Power Sales Agreement, in connection with a subscription process for participation shares in the Gas Repowering. While the actual size and configuration of the new facility or facilities has not yet been determined, BWP's participation share of the Gas Repowering is currently 50 MW of generation and 127 MW on the STS. If BWP does elect to take the Off-Ramp (and thus decline to participate in Gas Repowering generation), BWP and the other non-LADWP California Purchasers have a non-binding Memorandum of Understanding with LADWP pursuant to which each non-LADWP California Purchaser can maintain 50% of its current STS and NTS rights post-2027.

At the same time, LADWP and the non-LADWP California Purchasers are working to renew each non-LADWP California Purchaser's IPP-linked transmission agreement from the southern terminus of the STS at Adelanto to that non-LADWP California Purchaser's service territory, pursuant to which each non-LADWP California Purchaser's Adelanto-service territory transmission capacity.

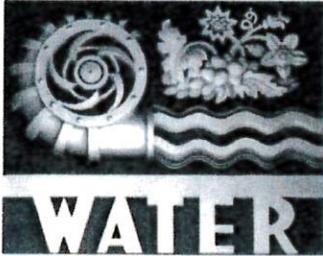
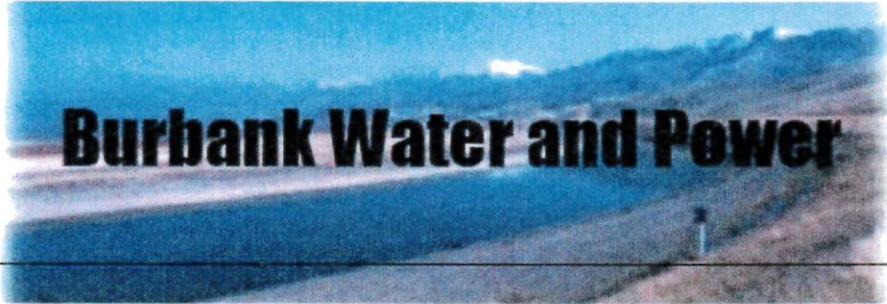
Aliso Canyon

Southern California Gas Company (SoCal Gas) owns and operates the natural gas infrastructure in most of Southern California, including supply to natural, gas-fired power plants operated by BWP, GWP, LADWP, and others in the LA Basin. For many years, SoCal Gas has used its Aliso Canyon natural gas storage facility, located near Porter Ranch, CA, to ensure reliable natural gas supply in the Basin, including to these generators. Aliso Canyon is the largest such facility in the Western U.S. On October 23, 2015, one of Aliso Canyon's 114 wells began to leak and the facility was shut down and mostly emptied. The leak was plugged on February 18, 2016 after significant leakage of natural gas into the atmosphere.

SoCal Gas, the California Governor's Office, the California legislature, numerous federal and state agencies, electric utilities (including BWP), and other stakeholders have been working since the leak was discovered to understand the leak's potential impact on electric reliability and to develop mitigation plans. In this connection, Action Plans have been jointly developed by the California Public Utilities Commission, the California Energy Commission, the California Independent System Operator, SoCal Gas, and LADWP (Aliso Working Group). The Action Plans propose 18 steps that utilities can take to mitigate the risk of outages. The Action Plan for summer 2016 anticipated, as a base case, 14 days of Aliso-related electric outages in this past summer (none actually occurred) and an unknown number during the current winter, when natural gas demand is greater. The Action Plan for the current winter describes scenarios for natural gas demand – both for space heating and uses like power generation – under various winter temperature and other scenarios but does not offer additional steps for risk mitigation.

In the meantime, the future of the Aliso Canyon storage facility is in doubt: if it will continue operating and, if so, under what restrictions. SoCal Gas is currently allowed to make limited gas withdrawals from Aliso Canyon's remaining inventory when system reliability is at risk. Two such withdrawals occurred last week. But at the same time, legislation like SB380 (Pavley), passed in response to the leak, dictates, among other things, the testing and certification required at Aliso Canyon before it may resume injection operations so that the storage facility can begin to refill and thus be ready as a robust system reliability resource. This testing is underway and another SB380 requirement, public hearings, concluded on February 1-2, 2017.

To best maintain electric reliability, SoCal Gas is working with its generator-customers, including BWP, and BWP is in regular, detailed communications with its balancing authority, LADWP, regarding BA-wide operations planning for Aliso Canyon-related risks.



**Estimated Financial Report
January-17**

UNAUDITED

Electric Fund (496)
Statement of Changes in Net Assets ⁽¹⁾
MTD and FYTD January 2017
(\$ in 000's except MWh Sales)

MTD FY 16-17	MTD Jan-17 Budget	\$ Variance ⁽²⁾	% Variance		FYTD FY 16-17	FYTD Jan-17 Budget	\$ Variance ⁽²⁾	% Variance
66,112	91,294	(5,182)	(5.7%) ⁽⁴⁾	NEL MWh	686,540	709,393	(22,853)	(3.2%) ⁽⁴⁾
				Retail				
\$ 12,885	14,098	\$ (1,213)	(9%) ⁽⁵⁾	Retail Sales	\$ 109,142	112,624	\$ (3,382)	(3%) ⁽⁶⁾
536	536	-	0% ⁽⁵⁾	Other Revenues ⁽⁵⁾	3,593	3,752	(160)	(4%)
7,810	9,252	1,442	16% ⁽⁴⁾	Retail Power Supply & Transmission	59,447	68,991	9,543	14% ⁽⁷⁾
5,811	5,382	229	4%	Retail Margin	53,287	47,286	6,001	13%
				Wholesale				
685	4,051	(3,366)	(83%)	Wholesale Sales	10,604	43,755	(33,151)	(76%)
661	3,984	3,323	83%	Wholesale Power Supply	9,726	43,026	33,299	77%
24	68	(44)	(64%)	Wholesale Margin	878	729	149	20%
5,635	5,449	186	3%	Gross Margin	54,165	48,015	6,150	13%
				Operating Expenses				
1,029	1,029	-	0%	Distribution	6,705	7,525	820	11% ⁽⁸⁾
172	172	-	0%	Administration/Safety	1,033	1,079	46	4%
256	256	-	0%	Finance, Fleet, & Warehouse	1,683	1,773	109	6%
471	471	-	0%	Transfer to General Fund for Cost Allocation	3,287	3,295	8	0%
385	385	-	0%	Customer Service, Marketing & Conservation	2,354	2,776	422	15% ⁽⁹⁾
418	418	-	0%	Public Benefits	2,796	2,924	128	4%
163	163	-	0%	Security/Oper Technology	1,123	1,166	44	4%
98	98	-	0%	Telecom	572	713	141	20% ⁽¹⁰⁾
203	203	-	0%	Construction & Maintenance	799	1,247	448	36% ⁽¹¹⁾
1,537	1,537	-	0%	Depreciation	9,707	10,760	1,054	10%
4,732	4,732	-	0% ⁽¹²⁾	Total Operating Expenses	30,039	33,259	3,220	10%
\$ 903	\$ 718	\$ 186	26%	Operating Income/(Loss)	\$ 24,126	\$ 14,757	\$ 9,370	63%

**Burbank Water and Power
Electric Fund (496)
Statement of Changes in Net Assets ⁽¹⁾
MTD and FYTD January 2017**

(\$ in 000's)

MTD FY 16-17	MTD Jan-17 Budget	\$ Variance ⁽²⁾	% Variance		FYTD FY 16-17	FYTD Jan-17 Budget	\$ Variance ⁽²⁾	% Variance
\$ 903	\$ 718	\$ 186	26%	Operating Income/(Loss)	\$ 24,126	\$ 14,757	\$ 9,370	63%
105	105	-	0%	Other Income/(Expenses)				
90	90	-	0%	Interest Income	738	737	0	0%
(391)	(391)	-	0%	Other Income/(Expense) ⁽⁴⁾	859	627	232	37% ⁽⁴⁾
(197)	(197)	-	0%	Bond Interest/ (Expense)	(2,741)	(2,740)	1	0%
707	521	186	36%	Total Other Income/(Expenses)	(1,145)	(1,376)	231	17%
705	705	-	0%	Income before Contributions & Transfers	22,982	13,381	9,600	72%
203	203	-	0%	In Lieu	5,517	5,626	109	2%
908	908	-	0%	Street Lighting	1,585	1,618	32	2%
(201)	(386)	186	(48%)	Total Contributions & Transfers	7,102	7,244	142	2%
164	164	-	0%	Net Income	15,879	6,137	9,742	159%
\$ (37)	\$ (222)	\$ 186	(83%)	Capital Contributions (AIC)	324	1,148	(823)	(72%) ⁽⁵⁾
				Net Change in Net Assets (Net Income)	\$ 16,204	\$ 7,285	\$ 8,919	122%

1. This report may not foot due to rounding.

2. () = Unfavorable

3. Other Revenues include transmission, telecom and internet revenues as well as other items such as damaged property recovery, connection fees, late fees, and tampering fees.

4. Other Income/(Expense) includes miscellaneous revenue from the sale of scrap materials, inventory, and assets, as well as BABS subsidy.

Burbank Water and Power
Electric Fund (496)
Statement of Changes in Net Assets - Footnotes
MTD January 2017
(\$ in 000's)

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
a.	Electric Usage in MWh	86,112	91,294	(5,182)	- NEL is 5.7% below budget due to conservation. MTD HDD were 367 versus the 30 year average of 283.
b.	Retail Sales	12,885	14,098	(1,213)	- Retail sales correspond to lower NEL (demand).
c.	Other Revenues	536	536	-	- Other revenues include items such as damaged property recovery, connection fees, late fees, and tampering fees. These revenues have not closed for January 2017 and are estimated at budgeted values.
d.	Retail Power Supply & Transmission	7,810	9,252	1,442	- The favorable variance is attributable to various components within Retail Power Supply & Transmission. Please refer to page A-6 for variance explanation along with the amounts.
e.	Total Operating Expenses	4,732	4,732	-	- Expenses have not closed for January 2017 and are estimated at budgeted values.

**Burbank Water and Power
Electric Fund (496)
Statement of Changes in Net Assets - Footnotes
FYTD January 2017
(\$ in 000's)**

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
A.	Electric Usage in MWh	686,540	709,393	(22,853)	- NEL is 2.9% below budget due to conservation and is partially offset by warmer summer temperatures. YTD CDD were 1,127 versus the 30 year average of 1,030.
B.	Retail Sales	109,142	112,524	(3,382)	- Retail sales correspond to lower NEL (demand).
C.	Retail Power Supply & Transmission	59,447	68,991	9,543	- The favorable variance is attributable to various components within Retail Power Supply & Transmission. Please refer to page A-7 for variance explanation along with the amounts.
D.	Distribution	6,705	7,525	820	- The favorable variance is primarily attributable to salary savings due to vacant positions, other salary savings, and less than planned spending on private contractual services. Also contributing to the favorable variance is higher than planned work performed for other departments.
E.	Customer Service, Marketing & Conservation	2,354	2,776	422	- The favorable variance is primarily attributable to the timing of expenditures for professional services and private contractual services.
F.	Telecom	572	713	141	- The favorable variance is primarily attributable to performing un-budgeted capital labor on ONE Burbank Network infrastructure expansion and Fiber Optics projects, more than budgeted work for other departments as well as the timing of expenditures for software and hardware and private contractual services.
G.	Construction & Maintenance	799	1,247	448	- The favorable variance is primarily attributable to the timing of expenditures for professional services, custodial services and private contractual services.
H.	Other Income / (Expense)	859	627	232	- The favorable variance is primarily attributable to un-budgeted miscellaneous revenue from the sale of scrap materials, and obsolete inventory and assets.
I.	Capital Contributions (AIC)	324	1,148	(823)	- The unfavorable variance is primarily attributable to the timing of AIC projects.

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

	Jan-17	Dec-16	Nov-16	Sep-16	Jun-16	Recommended Reserves	Minimum Reserves
Cash and investments							
General Operating Reserve	\$ 77,974	\$ 77,121	\$ 74,512	\$ 66,712	\$ 58,277	\$ 54,060	\$ 36,340
Capital & Debt Reduction Fund	10,000	10,000	10,000	10,000	10,000	15,000	3,000
BWP Projects Reserve Deposits at SCPPA	15,729	15,703	15,688	15,488	15,482		
Sub-Total Cash and Investments	<u>103,702</u>	<u>102,823</u>	<u>100,200</u>	<u>92,200</u>	<u>83,759</u>	<u>69,060</u>	<u>39,340</u>
Capital Commitments	(16,774) ^(b)	(16,792)	(16,808)	(16,845)	(17,000)		
Public Benefits Obligation	(5,171)	(4,813)	(4,775)	(4,519)	(4,721)		
Biogas Commitment	(7,751)	(7,751)	(7,751)	(7,751)	(7,751)		
Pacific Northwest DC Intertie	(9,885)	(9,885)	(9,885)	-	-		
Cash and Investments (less Commitments)	<u>64,122</u>	<u>63,583</u>	<u>60,980</u>	<u>63,086</u>	<u>64,287</u>	<u>69,060</u>	<u>39,340</u>

^(a) The Statement of Cash Balances may not add up due to rounding.

^(b) Denotes capital commitment for multiple projects for Station Capacitor Bank Upgrade at Victory, San Jose Station Capacity Upgrade, Valley Distribution Station and 4kV to 12kV conversion of circuit. The amount is reduced by actual expenditures-to-date in the amount of \$225.7k.

January 2017 Budget to Actual P&L Variance Highlights - Electric Fund
(in 000's)

MTD EXPENSE AND OTHER VARIANCES

	Variance Month-to-Date		Budget to Actual Variance
	Favorable Items	Unfavorable Items	
<u>MTD NET INCOME/(LOSS) - (\$201)</u>	\$ 186		\$ 186

MTD GROSS MARGIN VARIANCE

Retail Sales		(1,213)	(1,213)
Power Supply and Transmission			
- Fuel savings from not running Olive Units	450		450
- Received less Copper Mountain energy than planned	340		340
- Lower delivery of biomethane gas than planned and savings from biomethane restructuring	300		300
- Prior period true-up credits	300		300
- Lower retail load	120		120
- Other		(67)	(67)
Wholesale Margin		(44)	(44)
Total	1,510	(1,324)	186

January 2017 Budget to Actual P&L Variance Highlights - Electric Fund
(in 000's)

	Variance Fiscal Year-to-Date		
	Favorable Items	Unfavorable Items	Budget to Actual Variance
<u>FYTD NET INCOME - \$15,879</u>	9,742		9,742
<u>FYTD GROSS MARGIN VARIANCE</u>			
Retail Sales		(3,382)	(3,382)
Power Supply and Transmission			-
- Lower usage of biomethane gas than planned and savings from biomethane restructuring	3,001		3,001
- Prior period true-up credits	1,925		1,925
- Lower O&M expenses than planned	1,738		1,738
- Received less renewable energy than planned	1,250		1,250
- IPP/STS refinancing and refunding settlement from LADWP	975		975
- Economic dispatch and the managing and optimizing of resources by taking advantage of lower fuel and energy prices to meet lower system load	240		240
- Higher than planned IPP true-up credits	134		134
- Other	160		160
- Lower retail load	120		120
Wholesale Margin	149		149
Other Revenues		(160)	(160)
Total	9,692	(3,542)	6,150
<u>FYTD EXPENSE AND OTHER VARIANCES</u>			
Distribution	820		820
Customer Service	422		422
Telecom	141		141
Construction & Maintenance (Facilities)	448		448
In-lieu and street lighting	142		142
Depreciation expense	1,054		1,054
All other	565		565
Total	3,592	-	3,592

**Burbank Water and Power
Water Fund (497)
Statement of Changes in Net Assets ⁽¹⁾
MTD and FYTD January 2017
(\$ in 000's except Gallons)**

MTD FY 16-17	MTD Jan-17 Budget	\$ Variance ⁽²⁾	% Variance		FYTD FY 16-17	FYTD Jan-17 Budget	\$ Variance ⁽²⁾	% Variance
301	331	(30)	(9%) ^(e)	Water put into the system in Millions of Gallons	2,912	2,948	(36)	(1%) ^(A)
41	50	(9)	(18%) ^(b)	Metered Recycled Water in Millions of Gallons	598	611	(13)	(2%)
				Operating Revenues				
\$ 1,431	\$ 1,558	\$ (128)	(8%) ^(c)	Potable Water	\$ 14,441	\$ 14,597	\$ (156)	(1%)
154	181	(27)	(15%) ^(d)	Recycled Water	2,155	2,162	(7)	(0%)
88	114	(26)	(23%) ^(e)	Other Revenue ⁽³⁾	481	797	(316)	(40%) ^(B)
1,673	1,853	(181)	(10%)	Total Operating Revenues	17,077	17,556	(479)	(3%)
684	758	75	10% ^(f)	Water Supply Expense	6,241	6,341	100	2%
989	1,095	(106)	(10%)	Gross Margin	10,836	11,215	(379)	(3%)
				Operating Expenses				
537	637	-	0%	Operations & Maintenance - Potable	3,466	3,870	404	10% ^(C)
156	156	-	0%	Operations & Maintenance - Recycled	827	1,114	286	26% ^(D)
215	215	-	0%	Allocated O&M	1,147	1,511	364	24% ^(E)
137	137	-	0%	Transfer to General Fund for Cost Allocation	960	960	-	0%
319	319	-	0%	Depreciation	2,076	2,236	160	7%
1,365	1,365	-	0% ^(a)	Total Operating Expenses	8,476	9,691	1,215	13%
				Other Income/(Expenses)				
14	14	-	0%	Interest Income	98	101	(3)	(3%)
44	44	-	0%	Other Income/(Expense) ⁽⁴⁾	363	311	52	17%
(166)	(166)	-	0%	Bond Interest/(Expense)	(1,164)	(1,164)	1	0%
-	-	-	0%	Transfers In/(Out) - (In Lieu)	-	-	-	0%
(107)	(107)	-	0%	Total Other Income/(Expenses)	(703)	(752)	49	7%
(483)	(377)	(106)	(28%)	Net Income/(Loss)	1,657	773	884	114%
27	27	-	0%	Aid in Construction	387	186	201	108% ^(F)
\$ (456)	\$ (350)	\$ (106)	(30%)	Net Change in Net Assets (Net Income)	\$ 2,044	\$ 958	\$ 1,085	113%

1. This report may not foot due to rounding.

2. () = Unfavorable

3. Other Revenue includes items such as damaged property recovery, connection fees, late fees, and tampering fees.

4. Other Income/(Expense) includes miscellaneous revenue from the sale of scrap materials, inventory, and assets.

**Burbank Water and Power
Water Fund (497)
Statement of Changes in Net Assets - Footnotes
MTD January 2017
(\$ in 000's except Gallons)**

Foot- note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
a.	Potable Water Usage in Millions of Gallons	301	331	(30)	- Potable water sales are lower than planned primarily because of lower than planned demand for landscaping irrigation, due to the higher than normal rainfall in the month of January. In January 2017, Burbank received 5.69 inches of rainfall as compared to the average rainfall of 3.54 inches for the month of January.
b.	Recycled Water Usage in Millions of Gallons	41	50	(9)	- Recycled water sales are lower than planned primarily because of lower than planned demand for landscaping irrigation, due to higher than normal rainfall in the month of January. In January 2017, Burbank received 5.69 inches of rainfall as compared to the average rainfall of 3.54 inches for the month of January.
c.	Potable Water Revenue	1,431	1,558	(128)	- The Potable Water Revenue corresponds with the demand.
d.	Recycled Water Revenue	154	181	(27)	- MTD Recycled Revenue corresponds with the demand.
e.	Other Revenue	88	114	(26)	- Other revenues include items such as damaged property recovery, connection fees, late fees, and tampering fees, which tend to fluctuate.
f.	Water Supply Expense	684	758	75	- Water supply expense corresponds with demand, and is enhanced with the savings that result by the staff maximizing BOU production by optimizing the blend with MWD treated water.
g.	Total Operating Expenses	1,365	1,365	-	- Expenses, other than water supply expense, have not closed for January 2017 and are estimated at budgeted values.

**Burbank Water and Power
Water Fund (497)
Statement of Changes in Net Assets - Footnotes
FYTD January 2017
(\$ 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	2,912	2,948	(36)	-FYTD potable water demand has been slightly lower than planned despite City Council's decision in June 2016 to ease landscape irrigation restrictions from two days of irrigation per week in the summer, and one day of irrigation per week in the winter, to three days of irrigation per week year round. Budgeted potable water demand was based on the aforementioned tighter restrictions. It appears that the lower than planned demand is attributable to Burbank customers' continuing efforts to conserve water and implement more sustainable water use practices. YTD CDD were 1,127 versus the 30 year average of 1,030.
B.	Other Revenue	481	797	(316)	- Other revenues include items such as damaged property recovery, connection fees, late fees, and tampering fees, which tend to fluctuate.
C.	Operations & Maintenance - Potable	3,466	3,870	404	- The favorable variance is attributable to lower than planned spending on special departmental supplies, utilities, professional services and street and pavement repair, as well as salary savings due to vacant positions.
D.	Operations & Maintenance - Recycled	827	1,114	286	- The favorable variance is primarily attributable to lower than planned maintenance expense on the recycled water system.
E.	Allocated O&M	1,147	1,511	364	- The favorable variance is attributable to favorable variances in allocated expenses (primarily Finance and Customer Service) from the Electric Fund.
F.	Aid in Construction	387	186	201	- The favorable variance is primarily attributable to the timing of AIC projects.

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

	Jan-17	Dec-16	Nov-16	Sep-16	Jun-16	Recommended Reserves	Minimum Reserves
Cash and Investments							
General Operating Reserves	\$ 10,649	\$ 11,294	\$ 12,456	\$ 10,762	\$ 8,674	\$ 9,760	\$ 5,240
WCAC	1,139	1,112	1,063	948	873	2,000	1,000
Capital Reserve Fund	2,220	2,220	2,220	2,220	2,220	4,000	1,000
Sub-Total Cash and Investments	<u>14,008</u>	<u>14,625</u>	<u>15,740</u>	<u>13,931</u>	<u>11,767</u>	<u>15,760</u>	<u>7,240</u>
Capital Commitments	(469) ^(b)	(485)	(495)	(543)	(553)		
Water Purchase Commitments	(1,364) ^(c)	(3,094)	(4,277)	-	-		
Cash and Investments (less commitments)	<u>12,175</u>	<u>11,047</u>	<u>10,968</u>	<u>13,387</u>	<u>11,213</u>	<u>15,760</u>	<u>7,240</u>

^(a) The Statement of Cash Balances may not add up due to rounding.

^(b) Denotes capital commitment for the "Second tie crossing Recycled water project"; The amount is reduced by actual expenditures-to-date in the amount of \$73.7k.

^(c) 7200 Acre Feet of Untreated Water Purchases from the Metropolitan Water District with payments to be made from December 2016 through February 2017, reduced by payments made to-date for \$2.913 Million.

January 2017 Budget to Actual P&L Variance Highlights - Water Fund
(in 000's)

	Variance Month-to-Date		
	Favorable Items	Unfavorable Items	Budget to Actual Variance
<u>MTD NET INCOME (LOSS) - (\$483)</u>		(106)	(106)
<u>MTD GROSS MARGIN VARIANCE</u>			
Potable Revenues		(128)	(128)
Recycled Revenues		(27)	(27)
Other revenue		(26)	(26)
Water Supply Expense	75		75
Total	<u>75</u>	<u>(181)</u>	<u>(106)</u>

January 2017 Budget to Actual P&L Variance Highlights - Water Fund
(in 000's)

	<u>Variance Fiscal Year-to-Date</u>		
	<u>Favorable Items</u>	<u>Unfavorable Items</u>	<u>Budget to Actual Variance</u>
<u>FYTD NET INCOME - \$1,657</u>	884		884
<u>FYTD GROSS MARGIN VARIANCE</u>			
Potable Revenues		(156)	(156)
Recycled Revenues		(7)	(7)
Other Revenue		(316)	(316)
Water Supply Expense	100		100
Total	<u>100</u>	<u>(479)</u>	<u>(379)</u>
<u>FYTD O&M AND OTHER VARIANCES</u>			
Potable Water O&M	404		404
Recycled Water O&M	286		286
Allocated O&M	364		364
Depreciation expense	160		160
All Other	49		49
Total	<u>1,263</u>	<u>-</u>	<u>1,263</u>

Important Updates for the Burbank City Council**February 24, 2017**

Dinner and a Movie Featuring "Food Waste Prevention"

The Burbank Recycle Center is hosting a gathering for its Master Recycler program students and alums to view the Golden Mike winning video "Food Waste Prevention" during their Dinner and a Movie night on Wednesday, February 22. The segment created by PIO's Walter Lutz will be part of the previews section before the feature presentation of "Just Eat It," a documentary on food waste.

Robotics with JPL

It was standing-room only at the Buena Vista Branch Library on Tuesday, January 24, to hear Megan Richardson, a mechanical engineer at NASA's Jet Propulsion Laboratory, speak about her experience working on the Mars Curiosity rover. Librarian Hubert Kozak invited Richardson to speak as part of the library's effort to encourage girls and all students, to pursue careers in science and engineering. She recommended that students play with robot kits, K'Nex building sets, and LEGO Mindstorms to build robots and she encouraged parents to visit www.instructables.com to take on do-it-yourself tech projects at home.



Sweetheart Brunch



The Burbank Nutrition Services (BNS) welcomed more than 150 people at Joslyn Adult Center for the Sweetheart Brunch on Saturday, February 11. This was the first of six Saturday special events that BNS will host for adults 55+ and their guests throughout the year. Participants enjoyed dancing, music, bingo, a delicious brunch accompanied by non-alcoholic mimosas, a guest appearance from the Mayor, and an opportunity drawing with 28 baskets put together by volunteers. The next Adults 55+ Special Event will be held on Saturday, April 1.

Burbank Adult School Students Visit the Library

54 ESL students and their teachers from Burbank Adult School visited the Buena Vista Branch Library for a library tour and the opportunity to get their first ever library card on Wednesday, February 8. The students were shown the library's collection of books, CDs, DVDs, and computers. They were happy to learn that computer use is free at the library, and that there are specialized online resources including *Mango* and *Tumblebooks* to support them when learning English. They were also shown examples from *JobNow* (job hunting) that includes online interview coaching, resume lab, and career resources, and *HelpNow* (online tutoring) that could help them with their studies, and assist their children with homework.

