

## Weekly Management Report March 31, 2017

1. **Letter** Notice of Los Angeles County Oversight Boards  
Consolidation July 1, 2018  
**County of Los Angeles Dept. of Auditor-Controller**
2. **Minutes** Burbank Water and Power Board Meeting of March 2, 2017  
**Burbank Water and Power Department**
3. **Staff Report** February 2017 Operating Results  
**Burbank Water and Power Department**
4. **Agenda** Burbank-Glendale-Pasadena Airport Authority Regular  
Meeting of April 3, 2017  
**Burbank-Glendale-Pasadena Airport Authority**
5. **Notes** City Notes, March 31, 2017  
**City Manager**





JOHN NAIMO  
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 525  
LOS ANGELES, CALIFORNIA 90012-3873  
PHONE: (213) 974-8301 FAX: (213) 626-5427

ADDRESS ALL CORRESPONDENCE TO:  
PROPERTY TAX APPORTIONMENT DIVISION  
500 W. TEMPLE ST., ROOM 484  
LOS ANGELES, CA 90012-3554

March 17, 2017

TO: All Appointing Agencies and Successor Agencies within Los Angeles County

FROM: Guy Zelenski, Chief   
Property Tax Apportionment Division

SUBJECT: **NOTICE OF LOS ANGELES COUNTY OVERSIGHT BOARDS  
CONSOLIDATION - JULY 1, 2018**

In September 2015, the State of California approved Senate Bill No. 107 (SB 107) which guides the final technical steps in the dissolution of local redevelopment agencies. SB 107 calls for significant changes to the redevelopment dissolution process, with additional clarifications and regulatory amendments that are intended to streamline the dissolution process.

SB 107 makes several process changes related to Oversight Boards. The legislation calls for counties with more than 40 Oversight Boards (i.e., Los Angeles County) to consolidate into five Oversight Boards. One Oversight Board for each of the five County Supervisorial Districts. Each consolidated Oversight Board shall have jurisdiction over each Successor Agency located within its borders. If a Successor Agency has territory located within more than one Supervisorial District, the County Board of Supervisors shall, no later than July 15, 2018, determine which Oversight Board shall have jurisdiction over that Successor Agency.

SB 107 moves the date of Oversight Board consolidation from July 1, 2016 to July 1, 2018. Because of these provisions, on July 1, 2018 each of the local Oversight Boards in Los Angeles County will be consolidated into one of five Countywide Oversight Boards.

The Los Angeles County Auditor-Controller (A-C) is responsible for providing administrative support staff to the consolidated Oversight Boards. The A-C may authorize another County entity to staff the consolidated Oversight Board or may select a city to staff the board, with approval from the Department of Finance. The A-C will later survey jurisdictions to identify cities that are interested in staffing the consolidated Oversight Boards.

The five consolidated Oversight Boards will have the authority to oversee and direct the Successor Agencies to expeditiously retire all enforceable obligations and liquidate or dispose of assets identified in the Long Range Property Management Plan. The Oversight Board will also continue its role in approving the administrative cost allowance, as well as reviewing the Recognized Obligation Payment Schedule. SB 107 provides that the Oversight Board for a particular Successor Agency will cease to exist when the Successor Agency has been formally dissolved. The consolidated Oversight Boards will cease to exist when all of the Successor Agencies in the County have been formally dissolved.

Pursuant to SB 107, each of the five consolidated Oversight Board members are appointed as follows:

- (1) One member may be appointed by the County Board of Supervisors.
- (2) One member may be appointed by the City Selection Committee established pursuant to Government Code Section 50270.
- (3) One member may be appointed by the Independent Special District Selection Committee established pursuant to Government Code Section 56332 for the types of special districts that are eligible to receive property tax revenues pursuant to Section 34188.
- (4) One member may be appointed by the County Superintendent of Education to represent schools if the superintendent is elected. If the County Superintendent of Education is appointed, then the appointment made pursuant to this paragraph shall be made by the County Board of Education.
- (5) One member may be appointed by the Chancellor of the California Community Colleges to represent community college districts in the County.
- (6) One member of the public may be appointed by the County Board of Supervisors.
- (7) One member may be appointed by the recognized employee organization representing the largest number of Successor Agency employees in the County.

The Governor may appoint individuals to fill any Oversight Board member position that has not been filled by July 15, 2018 or any member position that remains vacant for more than 60 days.

The A-C will work with appointing entities to identify consolidated Oversight Board members and alternates. As previously mentioned, the A-C will be surveying jurisdictions to identify cities that are interested in providing administrative support staffing to the consolidated Oversight Boards.

If you have questions or concerns about the Oversight Board consolidation process please contact me at (213) 974-8533 or [gzelenski@auditor.lacounty.gov](mailto:gzelenski@auditor.lacounty.gov) and Kristina Burns at (213) 974-8362 or [kburns@auditor.lacounty.gov](mailto:kburns@auditor.lacounty.gov).

All Appointing Agencies and Successor Agencies within Los Angeles County  
March 17, 2017  
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c: John Naimo, Auditor-Controller



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

**UNAPPROVED**

Mr. Herman called the regular meeting of the Burbank Water and Power Board to order at 5:12 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. Ford, Mr. Olson, Mr. Smith, Ms. Springer

**Board Absent:** Mr. Eskandar, Ms. Obal

**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; Mr. Mellon, Acting Manager Energy Control Center; 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; Mr. Regan, Fleet Manager/BWP; 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. Mr. Herman noted that written comments were received from Mr. Eskandar, distributed to all Board Members, and available for members of the public.

Following oral communications, Mr. Somoano requested to the Chair to present an agenda item out of order. Mr. Somoano requested that the Fleet Update listed under Information from Staff be presented prior to the Consent Agenda. It was moved by Mr. Olson, seconded by Mr. Smith, and carried 5-0 to move this item.

## **INFORMATION FROM STAFF**

### **FLEET UPDATE**

Mr. Regan presented an update on the vehicles in the BWP Fleet, and the process by which BWP manages and replaces its vehicles.

Mr. Regan and Mr. Liu responded to Board Member questions.

## **CONSENT CALENDAR**

### **MINUTES**

It was moved by Mr. Smith, seconded by Mr. Ford and carried 5-0 to approve the minutes of the regular meeting of February 2, 2017.

## **REPORTS TO THE BOARD**

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

Mr. Liu presented BWP's financial update and operating report for the month of January 2017.

Mr. Liu, Mr. Somoano, and Mr. Mace responded to Board Member questions.

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

### **PROPOSED FY 17-18 BUDGET**

Mr. Somoano gave a presentation on the changes made to the Proposed FY 2017-18 Budget since the last presentation made to the Board at the February Board Meeting.

Mr. Somoano and staff responded to Board Member questions.

It was moved by Mr. Olson, seconded by Mr. Smith and carried 5-0 to approve staff's recommendation that the BWP Board recommends approval of the Utility's Proposed FY 2017-18 budget by the Burbank City Council for funds 496, 497, 483, 129, 133, and 535, including a proposed water rate increase of 3.40%, and a proposed water rate design change, both to be effective July 1, 2017, and no increase to the Electric Fund.

### **CITY COUNCIL REQUEST FOR BOARD PRESENTATION ON PROPOSED FY 2017-18 ELECTRIC RATE**

Mr. Herman advised that he was requested to make a presentation to the City Council explaining the Board's support of the proposed electric rate. Mr. Herman commented that he would like the consent of the entire Board to make this presentation, and proposed to create a subcommittee of three members, including himself, Mr. Eskandar, and Mr. Olson to make this presentation to the Council at an upcoming meeting.

The Board and Mr. Somoano discussed.

It was moved by Mr. Smith, seconded by Mr. Ford, and carried 5-0 that the BWP Board authorizes and approves the Chair, Vice Chair and Mr. Olson to speak on their behalf in support of the budget and explain the role that the Board has played in the budget process.

### **SUSTAINABLE COMMISSION REPORT**

Ms. Springer reported that the Sustainable Commission is still going over their roles. They plan to come up with three goals or projects to focus on, and are discussing the possibility of going to Council once a month to report out.

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

Mr. Smith commented on the state of Hawaii, the progressive rates they've developed, a law they passed requiring EV charging stations in existing, sizeable parking lots, and that they are considering mandating grey water systems for new construction.

Mr. Ford thanked BWP staff for the MPP tour, and would appreciate any other opportunities that could be offered to the Board in order to learn more about BWP. Mr. Ford inquired if BWP would comment or provide information on development in Burbank. Mr. Ford would also like more information about a potential pilot with battery storage as a part of public benefits.

Ms. Springer seconded Mr. Ford's comment on development. Ms. Springer commented that there is interest in the grant to study direct potable reuse of water and how those results would be implemented.

Mr. Herman requested a follow up report regarding the sulfuric acid leak from last month. Mr. Bleveans responded. Mr. Herman suggested to provide the Board information on their role in emergency situations. Mr. Smith seconded this request for information. Mr. Herman also requested to have a presentation on the change in PERS.

Mr. Somoano responded.

### **INFORMATION FROM STAFF**

#### **RESULTS OF CUSTOMER SERVICE SATISFACTION SURVEY:**

Ms. Meyer presented the results of the annual customer service satisfaction market research survey.

Ms. Meyer and Ms. Fletcher responded to Board Member questions and comments.

### **DROUGHT UPDATE**

Mr. Mace reported on the positive indicators that water levels and reserves are up. He reviewed charts that displayed water year to date hydrologic conditions.

### **OROVILLE DAM UPDATE**

Mr. Mace reported out on the release of water from Oroville Dam, and the erosion that was uncovered as a result.

### **ALISO CANYON UPDATE**

Mr. Bleveans reported no withdraws of natural gas from the facility since last month. Mr. Bleveans commented that the concern surrounding the reopening of Aliso Canyon has shifted from a reliability risk to now being discussed as a health risk. So Cal. Edison has taken a lessons learned approach moving forward.

Mr. Bleveans responded to Board Member questions.

### **MAGNOLIA POWER PLANT OUTAGE**

Mr. Bleveans reported out on the scheduled inspection and repair which Magnolia Power Plant is currently undergoing.

Mr. Bleveans responded to Board Member questions.

### **LEGISLATIVE UPDATE**

Ms. Titus gave an update on various bills and legislation introduced at the state and federal level. At the state level there have been almost 2500 bills introduced, Burbank is reading through and analyzing them to see how they will affect the utility.

Ms. Titus highlighted the Aliso Canyon Bill introduced by Senator Stern, the California Renewables Portfolio Standard, and AB 574. Burbank is monitoring how these bills and others are progressing.

Ms. Titus and Mr. Somoano responded to Board Member questions.

### **ADJOURNMENT**

The meeting was adjourned at 8:43 p.m. The next scheduled Board Meeting is April 6, 2017 and will be held in the third floor Boardroom at Burbank Water and Power.

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Lyndsey Kramer  
Recording Secretary

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Jorge Somoano  
Secretary to the Board

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Paul Herman, Chair, BWP Board





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## CITY OF BURBANK BURBANK WATER AND POWER STAFF REPORT

**DATE:** April 6, 2017  
**TO:** BWP Board  
**FROM:** Jorge Somoano, General Manager, BWP *Jorge Somoano*  
**SUBJECT:** February 2017 Operating Results

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### SAFETY

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

### **Water Results of Operations**

Burbank experienced 12 days of rainfall in February, compared to an average of 6 days, resulting in lower demand for landscape irrigation. Potable water usage was 11% (33 million gallons) lower than budgeted and Potable Water Revenues were correspondingly \$166,000 lower than budgeted. Recycled water usage was 79% (43 million gallons) lower than budgeted and Recycled Water Revenues were correspondingly \$147,000 lower than budgeted. February Water Supply Expenses were \$139,000 lower than budgeted. February's Gross Margin was \$228,000 lower than budgeted. Net Income was -\$595,000, which was \$228,000 lower than budgeted.

February fiscal-year-to-date (FYTD) water usage was 2% (70 million gallons) lower than budgeted and FYTD February Potable Water Revenues were correspondingly \$322,000 lower than budgeted. FYTD recycled usage was 8% (56 million gallons) lower than budgeted and Recycled Water Revenues were correspondingly \$154,000 lower than budgeted. The rainfall Burbank experienced between December 2016 and February 2017 has reduced demand for landscape irrigation. FYTD Water Supply Expenses were \$239,000 lower than budgeted. The FYTD February Gross Margin was \$604,000 lower than budgeted. Operating Expenses were \$1,355,000 better than budgeted. Net Income was \$1,208,000, which was \$802,000 better than budgeted.

### **Electric Results of Operations**

For the month of February, electric loads were 7.2% lower than budgeted due to conservation; and Retail Sales were \$500,000 lower than budgeted. February Power Supply Expenses were \$569,000 better than budgeted primarily due to lower energy prices, lower delivery of biomethane gas, savings from biomethane restructuring, and lower retail load, offset in part by receiving more renewable energy than planned. February's Gross Margin was \$82,000 better than budgeted. Net Income was -\$891,000 which was \$82,000 better than budgeted.

FYTD February electric loads were 3.6% lower than budgeted. Retail Sales were \$3,882,000 lower than budgeted. FYTD Power Supply Expenses were \$10,200,000 better than budgeted primarily due to lower delivery of biomethane gas than planned, savings from biomethane restructuring, lower delivery of renewables, true up credits,

and lower O&M. FYTD Gross Margin was \$5,966,000 better than budgeted. February FYTD Operating Expenses were \$3,660,000 better than budgeted. Net Income was \$15,267,000 which was \$10,102,000 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. The allocation remains at 60% as the end of February due to the Oroville Spillway situation. Increasing the SWP allocation to 70% ~ 80% is still a possibility. MWD plans on adding all excess water beyond demand to its storage.

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, January and February 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%, 26%, 30.1% respectively compared to March, April, May, June, July, August, September, October, November, December, January and February of 2013. Water volumes of 142, 149, 159, 161, 136, 132, 147, 118, 94, 97, 105, 115 million gallons, respectively, were conserved for a total volume of 1,557 million gallons for the twelve 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. February 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 February. 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 95.2% available for service in February 2017. Liquid Phase Granulated Activated Carbon Filters were all available and no carbon change-out occurred during February. Well V-03 was offline in February for maintenance, and V-05 went offline on February 25 for troubleshooting. 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)
95.2%	48%	4,318

**Project Updates:**

Work on replacing transmission valves at Walnut Avenue and 6<sup>th</sup> Street and 3<sup>rd</sup> 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 3<sup>rd</sup> Street and East Avenue was completed in December. The transmission valve was replaced in February. The valve at Walnut Avenue and 6<sup>th</sup> Street has been postponed to mid- April.

Work began in November installing 400 l.f. of 8-inch ductile iron ware main in Whitnall Highway from California Street to Oak Street. The main is complete and the service tie-overs were completed in February.

Work began on installing 1,335 l.f. of ductile iron water main in Myers Street from Verdugo Avenue to Clark Avenue. The main installation is complete and service-tie overs are underway. This project is anticipated to be complete in early 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. Main installation is underway and completion is anticipated in early 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 anticipated to be complete by end of 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. The notice to proceed for Phase 3B was issued on February 14, 2017. Construction is awaiting LADWP receiving the construction traffic control and excavation permits for this last phase. Completion of Phase 3 is anticipated in September 2017, contingent on receiving the required permits from LADOT and LA Bureau of Engineering in a timely fashion.

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.

The IKEA irrigation passed the cross connection test and is now fully online. Conversions pending in 2017 include Nickelodeon, Talaria, and Disney ABC 7 cooling tower.

The beautiful City of Burbank is designated as a "Tree City USA". In addition to, sidewalks, curbs and gutters, the roots of the City's lush trees also cause damages to underground utility lines (owned by customers or by utilities). On February 9, BWP crews responded to a main break near the intersection of Catalina Street and Victory Blvd. The 6-inch cast iron main was broken radially by the engulfing roots of the adjacent tree. Cast iron pipes are somewhat brittle and they crack under exterior pressure applied by the encircling roots.





A new 24-inch butterfly valve was added to the 24-inch transmission main on the East/Third & Glenoaks intersection. This modern valve will allow quickly isolating and restoring service in future shutdowns of this critical transmission main.



A new 8-inch water main is being installed on Hollywood Way from Burbank to Allan Ave. The purpose of this project is to transfer the old galvanized services off the transmission main and install new copper services off the new 8-inch main, hence the 24-inch main will only serve its intended function as a transmission main. Additionally; a fire hydrant was added to augment firefighting capability in the area.



## DISTRIBUTION

### ELECTRIC RELIABILITY

#### **OUTAGES**

In February 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.

<b>Reliability Measurement</b>	<b>March 2015- February 2016</b>	<b>March 2016- February 2017</b>
Average Outages Per Year (SAIFI)	0.3672	0.2830
Average Outage Duration (CAIDI)	52.16 minutes	12.51 minutes
Average Service Availability	99.996%	99.999%
Average Momentary Outages Per Year (MAIFI)	0.2984	0.0718
No. of Sustained Feeder Outages	14	6
No. of Sustained Outages by Mylar Balloons	0	0
No. of Sustained Outages by Animals	1	0
No. of Sustained Outages by Palm Fronds	2	5

### PROJECT UPDATES

#### **Caltrans Burbank-Bridge Project**

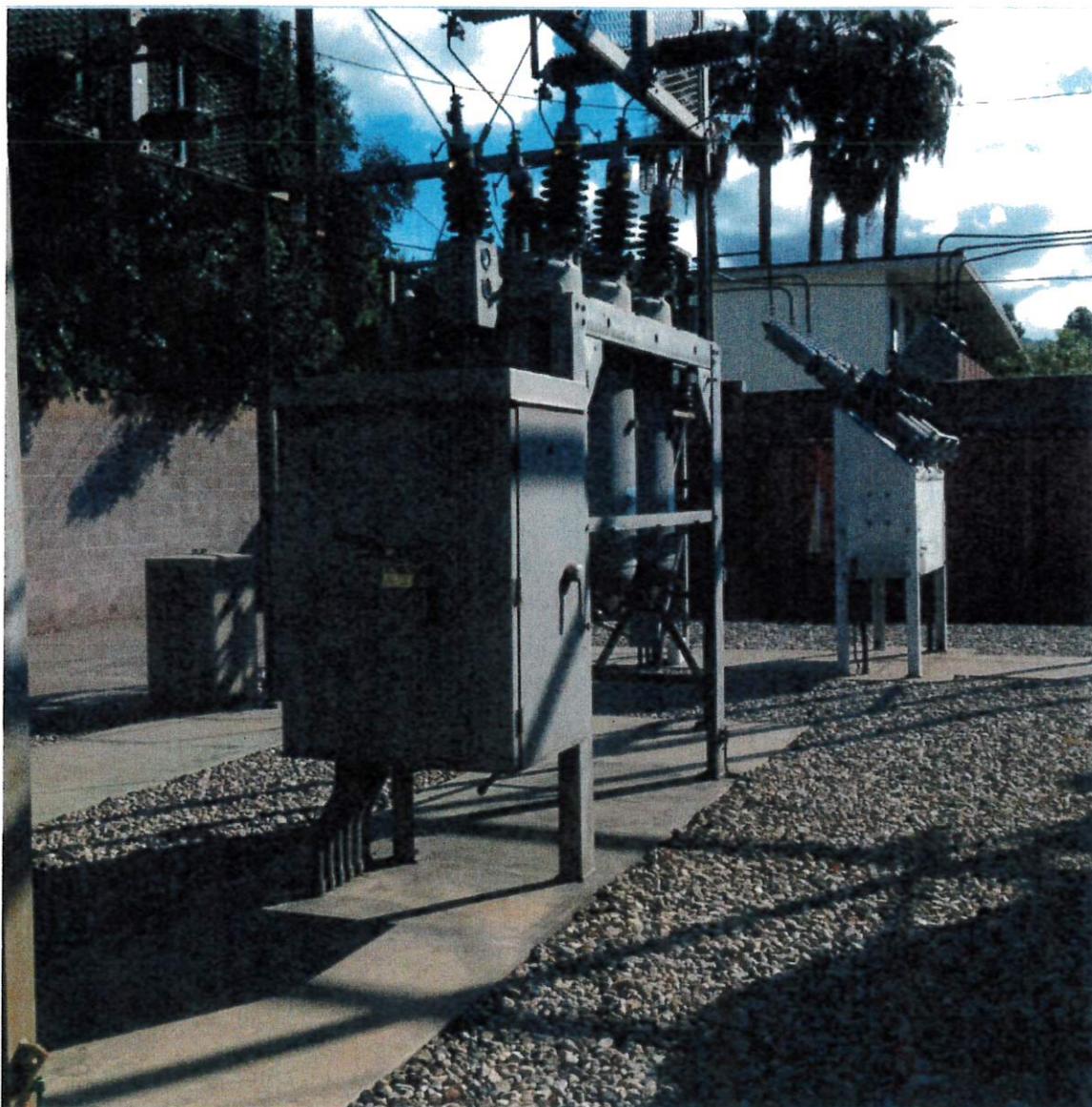
Caltrans has started planning work for the rebuilding of the Burbank bridge portion above the I-5 freeway. Demolition of the bridge is expected to start Q1 of 2018. BWP currently has one 34.5 kV subtransmission line and two 12 kV distribution lines within the bridge. On February 14, the City Council approved the utility agreement between Caltrans and the City of Burbank for the engineering and construction efforts to relocate the electrical lines within the Burbank bridge. Caltrans will reimburse the City for 100% of the cost up to approximately \$6,863,000.

#### **34.5 kV and 4 kV Circuit Breaker Replacements for McCambridge A-3 Transformer**

BWP has 120 substation circuit breakers for its 34.5 kV sub-transmission system and 129 substation circuit breakers for its 4 kV distribution system. These circuit breakers are used to start or interrupt the flow of electricity in a circuit. Circuit breakers are essential in preventing equipment damage when an electrical fault occurs. BWP will replace a circuit breaker identified through condition assessment if it is in poor condition. Over 46% of BWP's 34.5 kV and 4 kV circuit breakers are over the age of 40, exceeding their typical life expectancy. In accordance with the Electric Distribution Master Plan, BWP has budgeted annual funds to replace station circuit breakers as deemed necessary to ensure personnel safety and system reliability.

The 34.5 kV and 4 kV oil-filled circuit breakers (OCBs) used for isolating McCambridge A-3 transformer were not opening as quickly as designed. After performing additional maintenance on these circuit breakers, it was determined that they could not be brought back to original design specifications. As such, these circuit breakers were removed and

replaced with new vacuum circuit breakers (VCBs). The new VCBs open faster than the original OCBs which means they do a better job of protecting equipment and reducing arc flash exposure to personnel.



Original 34.5 kV Oil Circuit Breaker for McCambridge A-3 Transformer Bank



Original 34.5 kV Oil Circuit Breaker Being Removed



New 34.5 kV Vacuum Circuit Breaker for McCambridge A-3 Transformer Bank

## 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, 32.20% of the total streetlight luminaires have been converted to LEDs and the table 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
<b>High Pressure Sodium</b>				
70W	19	19	0	0.2%
100W	3,664	2,003	-1,661	21.0%
150W	17	16	-1	0.2%
200W	3	2	-1	0.0%
250W	2,979	2,052	-927	21.5%
360W	14	14	0	0.1%
400W	2,157	1,825	-332*	19.1%
<b>Low Pressure Sodium</b>				
55W	137	137	0	1.4%
<b>Fluorescent</b>				
85W	128	128	0	1.3%
<b>Incandescent</b>				
2500 LUMEN	10	10	0	0.1%
4000 LUMEN	1	1	0	0.01%
100W INC.	74	74	0	0.8%
<b>Metal Halide</b>				
250W	190	190	0	2.0%
400W	10	4	-6	0.04%
<b>LED</b>				
42W	1	1,701	1,700	17.8%
101W	1	1,266	1,265	13.3%
120W	63	64	1	0.7%
150W	18	14	-4	0.1%
163W**	0	30	30	0.3%
Total # of Lamps	9,486	9,550	64	100%
<b>Energy</b>				
	Consumption in Mwh			% Mwh Change
Annualized	9,268	7,613	-1,654	-17.85%
Average per Lamp	0.977	0.797	-0.180	-18.40%

Table : Breakdown of streetlight luminaires in City of Burbank's Street Lighting System, February 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

### **BILLING ISSUE**

Consistent with our plan to ensure cost-based rates, we moved our 5,800 small commercial customers to a Time of Use (TOU) rate on January 1, 2017. These customers received two letters in 2016 explaining the change and were told their first TOU bill would be received in February 2017. While we successfully migrated our medium commercial customers to TOU billing two years ago, this year the switch did not go smoothly.

Before the bills were mailed out, staff noticed that a small component of the rate was not correct. Correcting the problem led to some unintended consequences which required further remediation. The result was that 70 customers received their February bills up to two weeks late, 200 electronic pay customers received two bill notices, and 26 customers received a combined two-month bill in March representing their February and March charges. Customers receiving a two-month bill were sent a letter explaining the situation and apologizing for the error and inconvenience. The bigger, more visible issue impacted another 2,300 customers. These customers received a bill in March with some Public Works charges listed as past due. This happened because we inadvertently cancelled the entire batch of bills rather than just the few erroneous bills. When we rebilled the batch, a few extra days of prorated Public Works charges caused a variance from the original bill amount. We were unable to identify and correct the accounts before the March billing and these Public Works charges appeared on the past due line of the customers March bill. Knowing this would cause confusion with our customers, our front line staff were prepped and well prepared to respond to all questions and concerns.

A key Customer Service metric is to produce accurate and timely bills each month. We did not meet that goal this month and customers were impacted. We do not take this lightly and recognize that customer confidence is fundamental to our success as a business partner with our community. We have documented the lessons we learned over this past month and will continue to focus on quality and excellence.

### **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 (302) with 616 total charging hours of usage.

<b>Month of usage</b>	<b>KWh</b>	<b>kWh/Station/ Day</b>	<b>% Peak Sessions</b>	<b>Charging time (hours)</b>
February 2017	17,697	23	21%	3,803
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
February 2017	8	98	564	5,491
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.

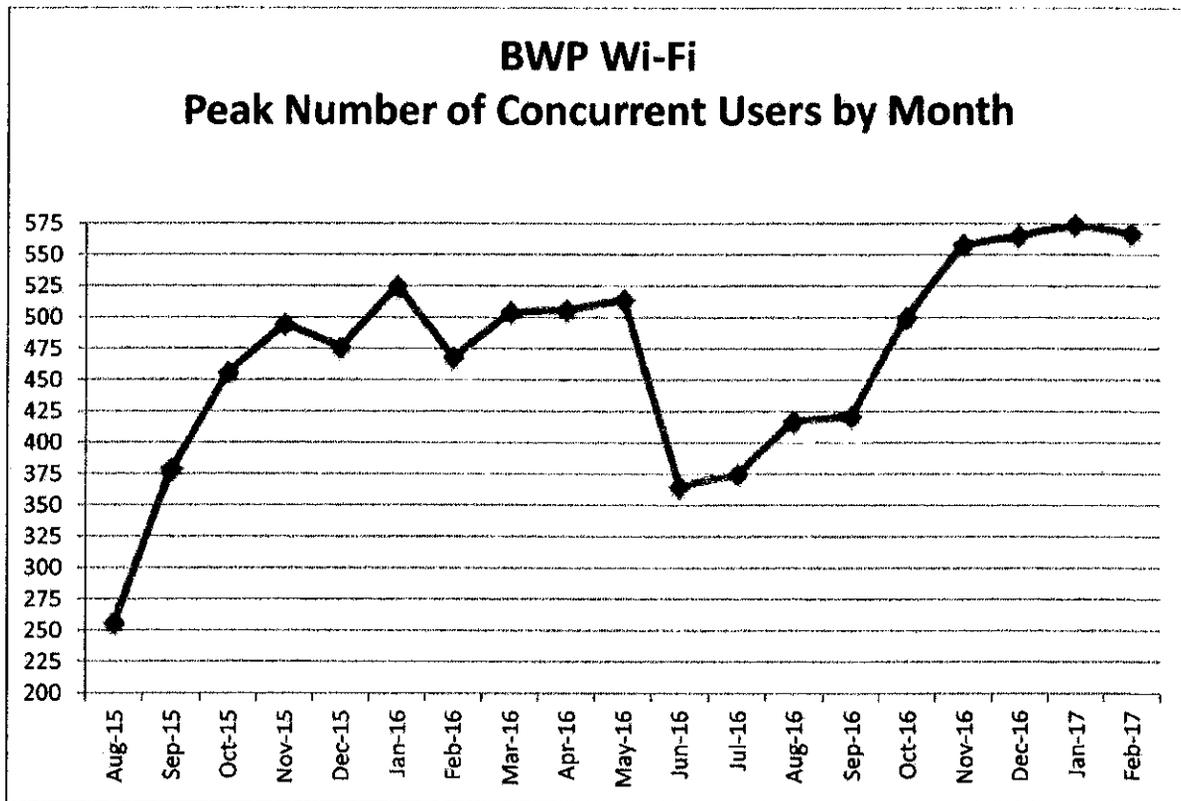
## TECHNOLOGY

### Broadband Services (ONE Burbank)

	February 2017 New Orders	Revenues for February 2017	FYTD 2016-17 Revenues	FYTD Budget
Lit	2	\$116,081	\$946,658	\$616,667
Dark	0	\$182,365	\$1,441,877	\$1,850,000
<b>Total</b>	<b>2</b>	<b>\$298,446</b>	<b>\$2,388,535</b>	<b>\$2,466,667</b>

### BWP WiFi

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



## POWER SUPPLY

### Project Updates:

#### **Power Supply Engineering**

##### **Magnolia Power Project Outage**

Magnolia Power Project (MPP) began a planned outage on February 3, 2017 which concluded on March 13, 2017. The primary objective of this outage was 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.

In addition to the planned maintenance, several improvements were added including a combustion turbine Blade Health Monitoring (BHM) system, Automatic Generation Control software, and secondary oil containment for the combustion turbine. This outage was completed on schedule, under budget, and with no personnel injuries. The next major outage is planned to begin in January 2021.

##### **Variable Frequency Drive Project**

This project is now complete. Final work on installation, testing, and commissioning of the Variable Frequency Drive (VFD) occurred during the planned MPP outage that took place between February 3, 2017 and March 13, 2017. The VFD was successfully tested and placed into service on March 13, 2017.

#### **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 Commission's (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 Authority 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, especially as the California Energy Commission's (CEC) regulations for those IRPs have not yet been finalized, and staff is exploring strategies to best meet this deadline. In this connection, BWP staff is providing input to the CEC as it prepares the regulations relative to IRPs, pursuant to SB350.

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

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 each non-LADWP California Purchaser's Adelanto-service territory transmission capacity.

### **Aliso Canyon**

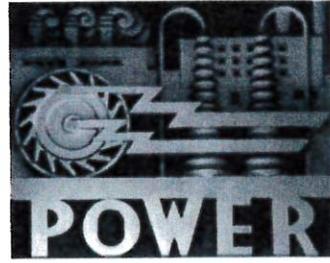
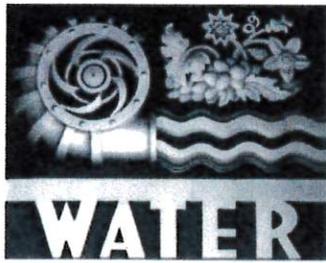
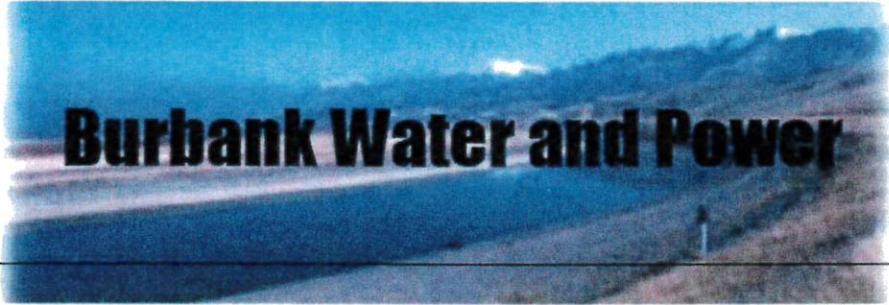
Southern California Gas Company (SoCal Gas) owns and operates the natural gas infrastructure in most of Southern California. This infrastructure supplies natural gas-fired power plants operated by BWP, GWP, LADWP, and others in the LA Basin. For many years, SoCal Gas has used its Aliso Canyon natural 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 (together, the 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 2016-17 winter, when natural gas demand is greater. The Action Plan for winter 2016-17 describes scenarios for natural gas demand – both for space heating and uses like power generation – under various winter temperatures 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 in January 2017. 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. At the same time, SoCal Gas is applying the "lessons learned" from Aliso Canyon, such as using only a well's inner pipe for injection and withdrawals, to its three other local gas storage facilities, further reducing the capacity of the system as a whole.

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  
February-17**

UNAUDITED

**Electric Fund (496)**  
**Estimated Statement of Changes in Net Assets <sup>(1)</sup>**  
**MTD and FYTD February 2017**  
(\$ in 000's except MWh Sales)

MTD FY 16-17	MTD Feb-17 Budget	\$ Variance <sup>(2)</sup>	% Variance		FYTD FY 16-17	FYTD Feb-17 Budget	\$ Variance <sup>(2)</sup>	% Variance
76,185	82,136	(5,951)	(7.2%) <sup>(4)</sup>	NEL MWh	762,725	791,529	(28,804)	(3.6%) <sup>(A)</sup>
				<b>Retail</b>				
\$ 12,104	12,604	\$ (500)	(4%) <sup>(B)</sup>	Retail Sales	\$ 121,246	125,128	\$ (3,882)	(3%) <sup>(B)</sup>
536	536	-	0% <sup>(C)</sup>	Other Revenues <sup>(2)</sup>	3,775	4,299	(514)	(12%)
7,940	8,509	569	7% <sup>(D)</sup>	Retail Power Supply & Transmission	67,299	77,499	10,200	13% <sup>(C)</sup>
4,700	4,631	69	1%	Retail Margin	57,722	51,918	5,804	11%
				<b>Wholesale</b>				
864	4,467	(3,603)	(81%)	Wholesale Sales	11,469	48,222	(36,753)	(76%)
776	4,392	3,616	82%	Wholesale Power Supply	10,503	47,418	36,915	78%
88	74	14	18%	Wholesale Margin	966	804	162	20%
4,768	4,706	82	2%	Gross Margin	58,668	52,722	5,966	11%
				<b>Operating Expenses</b>				
990	990	-	0%	Distribution	7,649	8,516	867	10% <sup>(D)</sup>
143	143	-	0%	Administration/Safety	1,120	1,222	102	8%
255	255	-	0%	Finance, Fleet, & Warehouse	1,917	2,027	110	5%
471	471	-	0%	Transfer to General Fund for Cost Allocation	3,752	3,766	14	0%
385	385	-	0%	Customer Service, Marketing & Conservation	2,707	3,161	454	14% <sup>(E)</sup>
417	417	-	0%	Public Benefits	3,106	3,341	235	7%
163	163	-	0%	Security/Oper Technology	1,355	1,329	(26)	(2%)
108	108	-	0%	Telecom	652	821	169	21% <sup>(F)</sup>
203	203	-	0%	Construction & Maintenance	912	1,450	538	37% <sup>(G)</sup>
1,537	1,537	-	0%	Depreciation	11,098	12,298	1,199	10%
4,671	4,671	-	0% <sup>(E)</sup>	Total Operating Expenses	34,270	37,930	3,660	10%
\$ 117	\$ 35	\$ 82	236%	Operating Income/(Loss)	\$ 24,419	\$ 14,793	\$ 9,626	65%

**Burbank Water and Power  
Electric Fund (496)  
Estimated Statement of Changes in Net Assets <sup>(1)</sup>  
MTD and FYTD February 2017**

(\$ in 000's)

MTD FY 16-17	MTD Feb-17 Budget	\$ Variance <sup>(2)</sup>	% Variance		FYTD FY 16-17	FYTD Feb-17 Budget	\$ Variance <sup>(2)</sup>	% Variance
\$ 117	\$ 35	\$ 82	236%	<b>Operating Income/(Loss)</b>	\$ 24,419	\$ 14,793	\$ 9,626	65%
105	105	-	0%	<b>Other Income/(Expenses)</b>				
90	90	-	0%	Interest Income	867	843	24	3%
(391)	(391)	-	0%	Other Income/(Expense) <sup>(4)</sup>	950	717	234	33% <sup>(4)</sup>
(197)	(197)	-	0%	Bond Interest/ (Expense)	(3,133)	(3,131)	1	0%
(80)	(162)	82	(51%)	<b>Total Other Income/(Expenses)</b>	(1,316)	(1,572)	257	16%
630	630	-	0%	<b>Income before Contributions &amp; Transfers</b>	23,103	13,220	9,883	75%
181	181	-	0%	In Lieu	6,087	6,256	169	3%
811	811	-	0%	Street Lighting	1,749	1,799	50	3%
(891)	(973)	82	(8%)	<b>Total Contributions &amp; Transfers</b>	7,836	8,055	219	3%
164	164	-	0%	<b>Net Income</b>	15,267	6,165	10,102	196%
\$ (727)	\$ (809)	\$ 82	(10%)	Capital Contributions (A/C)	365	1,311	(946)	(72%) <sup>(4)</sup>
				<b>Net Change in Net Assets (Net Income)</b>	\$ 15,632	\$ 6,477	\$ 9,156	141%

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 BAB5 subsidy.

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

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
a.	Electric Usage in MWh	76,185	82,136	(5,951)	- NEL is 7.2% below budget due to conservation. MTD HDD were 242 versus the 30 year average of 234.
b.	Retail Sales	12,104	12,604	(500)	- Retail sales correspond to lower NEL (demand).
c.	Other Revenues	536	536	-	- 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. These revenues have not closed for February 2017 and are estimated at budgeted values.
d.	Retail Power Supply & Transmission	7,940	8,509	569	- 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	4,671	4,671	-	- Expenses have not closed for February 2017 and are estimated at budgeted values.

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

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
A.	Electric Usage in MWh	762,725	791,529	(28,804)	- NEL is 3.6% below budget due to conservation and is partially offset by warmer summer temperatures. YTD CDD were 1,129 versus the 30 year average of 1,073.
B.	Retail Sales	121,246	125,128	(3,882)	- Retail sales correspond to lower NEL (demand).
C.	Retail Power Supply & Transmission	67,299	77,499	10,200	- 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	7,649	8,516	867	- The favorable variance is primarily attributable to salary savings due to vacant positions, and higher than planned work performed for other departments.
E.	Customer Service, Marketing & Conservation	2,707	3,161	454	- The favorable variance is primarily attributable to the timing of expenditures for professional services, which is caused by a delay in billing maintenance projects.
F.	Telecom	652	821	169	- The favorable variance is primarily attributable to performing un-budgeted capital labor on ONE Burbank Network Infrastructure expansion and Fiber Optics projects, and lower than planned utilization of labor from other departments.
G.	Construction & Maintenance	912	1,450	538	- The favorable variance is primarily attributable to the timing of expenditures for professional services, custodial services, and private contractual services. For professional and private contractual services, expected annual savings of \$180k.
H.	Other Income / (Expense)	950	717	234	- 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)	365	1,311	(946)	- The unfavorable variance is primarily attributable to the timing of AIC projects.

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

	<u>Feb-17</u>	<u>Jan-17</u>	<u>Dec-16</u>	<u>Nov-16</u>	<u>Oct-16</u>	<u>Jun-16</u>	<u>Recommended Reserves</u>	<u>Minimum Reserves</u>
<b>Cash and Investments</b>								
General Operating Reserve	\$ 72,912	\$ 76,939	\$ 77,121	\$ 74,512	\$ 71,685	\$ 58,277	\$ 54,060	\$ 36,340
Capital & Debt Reduction Fund	10,000	10,000	10,000	10,000	10,000	10,000	15,000	3,000
BWP Projects Reserve Deposits at SCPPA	15,729	15,729	15,703	15,688	15,494	15,482		
Sub-Total Cash and Investments	<u>98,641</u>	<u>102,668</u>	<u>102,823</u>	<u>100,200</u>	<u>97,178</u>	<u>83,759</u>	<u>69,060</u>	<u>39,340</u>
Capital Commitments	(16,731) <sup>(b)</sup>	(18,774)	(16,792)	(16,806)	(16,833)	(17,000)		
Public Benefits Obligation	(5,195)	(4,845)	(4,813)	(4,775)	(4,664)	(4,721)		
Biogas Commitment	(7,751)	(7,751)	(7,751)	(7,751)	(7,751)	(7,751)		
Pacific Northwest DC Inertie	(9,885)	(9,885)	(9,885)	(9,885)	(9,885)			
Cash and Investments (less Commitments)	<u>59,079</u>	<u>63,413</u>	<u>63,583</u>	<u>60,980</u>	<u>58,044</u>	<u>64,287</u>	<u>69,060</u>	<u>39,340</u>

<sup>(a)</sup> The Statement of Cash Balances may not add up due to rounding.

<sup>(b)</sup> 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 \$268.7k.

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

**MTD EXPENSE AND OTHER VARIANCES**

	Variance Month-to-Date	
	Favorable Items	Budget to Actual Variance
<b><u>MTD NET INCOME/(LOSS) - (\$891)</u></b>	\$ 82	\$ 82

**MTD GROSS MARGIN VARIANCE**

Retail Sales		(500)	(500)
Power Supply and Transmission			
- Lower energy prices	280		280
- Lower delivery of biomethane gas than planned and savings from biomethane restructuring	267		267
- Received less Copper Mountain energy than planned	251		251
- Lower retail load	120		120
- Received more renewable energy than planned from Milford Wind, Don Campbell, and swap contract		(406)	(406)
- Other	56		56
Wholesale Margin	14		14
<b>Total</b>	<b>988</b>	<b>(906)</b>	<b>82</b>

**Estimated February 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
<b><u>FYTD NET INCOME - \$15,267</u></b>	10,103		10,103
<b><u>FYTD GROSS MARGIN VARIANCE</u></b>			
Retail Sales		(3,882)	(3,882)
Power Supply and Transmission			-
- Lower usage of biomethane gas than planned and savings from biomethane restructuring	3,268		3,268
- 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	1,095		1,095
- IPP/STS refinancing and refunding settlement from LADWP	975		975
- Lower energy prices	280		280
- 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
- Lower retail load	240		240
- Higher than planned IPP true-up credits	134		134
- Other	453		453
Wholesale Margin	14		14
Other Revenues		(514)	(514)
<b>Total</b>	<b>10,362</b>	<b>(4,396)</b>	<b>5,966</b>
<b><u>FYTD EXPENSE AND OTHER VARIANCES</u></b>			
Distribution	867		867
Customer Service	454		454
Telecom	169		169
Construction & Maintenance (Facilities)	538		538
In-lieu and street lighting	219		219
Depreciation expense	1,199		1,199
All other	690		690
<b>Total</b>	<b>4,136</b>	<b>-</b>	<b>4,136</b>

**Burbank Water and Power  
Water Fund (497)  
Estimated Statement of Changes in Net Assets <sup>(1)</sup>  
MTD and FYTD February 2017  
(\$ in 000's except Gallons)**

MTD FY 16-17	MTD Feb-17 Budget	\$ Variance <sup>(2)</sup>	% Variance		FYTD FY 16-17	FYTD Feb-17 Budget	\$ Variance <sup>(2)</sup>	% Variance
267	300	(33)	(11%) <sup>(4)</sup>	Water put into the system in Millions of Gallons	3,179	3,249	(70)	(2%) <sup>(A)</sup>
12	55	(43)	(79%) <sup>(4)</sup>	Metered Recycled Water in Millions of Gallons	610	666	(56)	(8%) <sup>(B)</sup>
				<b>Operating Revenues</b>				
\$ 1,303	\$ 1,469	\$ (166)	(11%) <sup>(4)</sup>	Potable Water	\$ 15,744	\$ 16,066	\$ (322)	(2%)
52	199	(147)	(74%) <sup>(4)</sup>	Recycled Water	2,207	2,361	(154)	(7%)
60	114	(54)	(48%) <sup>(4)</sup>	Other Revenue <sup>(3)</sup>	543	910	(367)	(40%) <sup>(C)</sup>
1,415	1,782	(367)	(21%)	Total Operating Revenues	18,494	19,337	(842)	(4%)
573	712	139	20% <sup>(5)</sup>	Water Supply Expense	6,814	7,053	239	3%
842	1,070	(228)	(21%)	Gross Margin	11,680	12,294	(604)	(5%)
				<b>Operating Expenses</b>				
514	514	-	0%	Operations & Maintenance - Potable	3,914	4,384	470	11% <sup>(D)</sup>
148	148	-	0%	Operations & Maintenance - Recycled	923	1,262	339	27% <sup>(E)</sup>
210	210	-	0%	Allocated O&M	1,359	1,722	363	21% <sup>(F)</sup>
137	137	-	0%	Transfer to General Fund for Cost Allocation	1,097	1,097	-	0%
319	319	-	0%	Depreciation	2,372	2,565	193	7%
1,329	1,329	-	0% <sup>(6)</sup>	Total Operating Expenses	9,665	11,020	1,355	12%
				<b>Other Income/(Expenses)</b>				
14	14	-	0%	Interest Income	116	116	(0)	(0%)
44	44	-	0%	Other Income/(Expense) <sup>(4)</sup>	407	356	51	14%
(166)	(166)	-	0%	Bond Interest/(Expense)	(1,330)	(1,330)	-	0%
-	-	-	0%	Transfers in/(Out) - (In Lieu)	-	-	-	0%
(108)	(108)	-	0%	Total Other Income/(Expenses)	(807)	(858)	51	6%
(595)	(367)	(228)	(62%)	Net Income/(Loss)	1,208	406	802	198%
27	27	-	0%	Aid in Construction	397	213	184	87% <sup>(G)</sup>
\$ (568)	\$ (340)	\$ (228)	(67%)	Net Change in Net Assets (Net Income)	\$ 1,605	\$ 619	\$ 986	159%

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)  
Estimated Statement of Changes in Net Assets - Footnotes  
MTD February 2017  
(\$ in 000's except Gallons)**

Foot- note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
a.	Potable Water Usage in Millions of Gallons	287	300	(33)	- Potable water sales are lower than planned primarily because of lower than planned demand for landscaping irrigation, due to the higher than normal days with rainfall in the month of February. In February 2017, Burbank received rainfall on 12 days as compared to the average of 6 days.
b.	Recycled Water Usage in Millions of Gallons	12	55	(43)	- Recycled water sales are lower than planned primarily due to a scheduled MPP outage during the month of February and lower than planned demand for landscaping irrigation. In February 2017, Burbank received rainfall on 12 days as compared to the average of 6 days.
c.	Potable Water Revenue	1,303	1,469	(166)	- The Potable Water Revenue corresponds with the demand.
d.	Recycled Water Revenue	52	199	(147)	- MTD Recycled Revenue corresponds with the demand.
e.	Other Revenue	60	114	(54)	- Other revenues include items such as damaged property recovery, connection fees, late fees, and tampering fees, which tend to fluctuate.
f.	Water Supply Expense	573	712	139	- 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	1,329	1,329	-	- Expenses, other than water supply expense, have not closed for February 2017 and are estimated at budgeted values.

Burbank Water and Power  
Water Fund (497)  
Estimated Statement of Changes in Net Assets - Footnotes  
FYTD February 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	3,179	3,249	(70)	- 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 lighter 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. Also contributing to the lower recycled water usage was lower than planned demand for landscaping irrigation, due to the higher than normal rainfall / number of days with rainfall in December through February.
B.	Recycled Water Usage in Millions of Gallons	610	666	(56)	- Recycled water sales are lower than planned primarily due to a scheduled MPP outage during the month of February and lower than planned demand for landscaping irrigation. Burbank received higher than normal rainfall/number of days with rainfall in December through February.
C.	Other Revenue	543	910	(367)	- Other revenues include items such as damaged property recovery, connection fees, late fees, and lampering fees, which tend to fluctuate.
D.	Operations & Maintenance - Potable	3,914	4,384	470	- 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.
E.	Operations & Maintenance - Recycled	923	1,262	339	- The favorable variance is primarily attributable to lower than planned maintenance expense on the recycled water system.
F.	Allocated O&M	1,359	1,722	363	- The favorable variance is attributable to favorable variances in allocated expenses (primarily Finance and Customer Service) from the Electric Fund.
G.	Aid in Construction	397	213	184	- The favorable variance is attributable to an unplanned AIC project from LADWP.

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

	Feb-17	Jan-17	Dec-16	Nov-16	Oct-16	Jun-16	Recommended Reserves	Minimum Reserves
<b>Cash and Investments</b>								
General Operating Reserves	\$ 8,642	\$ 10,422	\$ 11,294	\$ 12,456	\$ 11,401	\$ 8,674	\$ 9,760	\$ 5,240
WCAC	1,216	1,139	1,112	1,063	959	873	2,000	1,000
Capital Reserve Fund	2,220	2,220	2,220	2,220	2,220	2,220	4,000	1,000
Sub-Total Cash and Investments	<u>12,077</u>	<u>13,781</u>	<u>14,625</u>	<u>15,740</u>	<u>14,580</u>	<u>11,767</u>	<u>15,760</u>	<u>7,240</u>
Capital Commitments	(477) <sup>(b)</sup>	(480)	(485)	(495)	(509)	(553)		
Water Purchase Commitments	- <sup>(c)</sup>	(1,364)	(3,094)	(4,277)	-	-		
Cash and Investments (less commitments)	<u>11,600</u>	<u>11,938</u>	<u>11,047</u>	<u>10,968</u>	<u>14,071</u>	<u>11,213</u>	<u>15,760</u>	<u>7,240</u>

<sup>(a)</sup> The Statement of Cash Balances may not add up due to rounding.

<sup>(b)</sup> Denotes capital commitment for the second tie crossing recycled water project; The amount is reduced by actual expenditures-to-date in the amount of \$76k.

<sup>(c)</sup> 7200 Acre Feet of Untreated Water Purchases from the Metropolitan Water District with payments to be made from December 2016 through February 2017. This amount is fully paid as of February 28, 2017.

**Estimated February 2017 Budget to Actual P&L Variance Highlights - Water Fund**  
(In 000's)

	Variance Month-to-Date		Budget to Actual Variance
	Favorable Items	Unfavorable Items	
<b><u>MTD NET INCOME (LOSS) - (\$595)</u></b>		(228)	(228)
<b><u>MTD GROSS MARGIN VARIANCE</u></b>			
Potable Revenues		(166)	(166)
Recycled Revenues		(147)	(147)
Other Revenue		(54)	(54)
Water Supply Expense	139		139
<b>Total</b>	<b><u>139</u></b>	<b><u>(367)</u></b>	<b><u>(228)</u></b>

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

	Variance Fiscal Year-to-Date		Budget to Actual Variance
	Favorable Items	Unfavorable Items	
<b><u>FYTD NET INCOME - \$1,208</u></b>	802		802
<b><u>FYTD GROSS MARGIN VARIANCE</u></b>			
Potable Revenues		(322)	(322)
Recycled Revenues		(154)	(154)
Other Revenue		(367)	(367)
Water Supply Expense	239		239
<b>Total</b>	<b>239</b>	<b>(843)</b>	<b>(604)</b>
<b><u>FYTD O&amp;M AND OTHER VARIANCES</u></b>			
Potable Water O&M	470		470
Recycled Water O&M	339		339
Allocated O&M	363		363
Depreciation Expense	183		183
All Other	51		51
<b>Total</b>	<b>1,406</b>	<b>-</b>	<b>1,406</b>





March 31, 2017

CALL AND NOTICE OF A REGULAR MEETING  
OF THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTICE is hereby given that a regular meeting of the Burbank-Glendale-Pasadena Airport Authority will be held Monday, April 3, 2017, at 9:00 a.m., in the Airport Skyroom of the Hollywood Burbank Airport, 2627 Hollywood Way, Burbank, California 91505.

Terri Williams, Board Secretary  
Burbank-Glendale-Pasadena Airport Authority

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

Regular Meeting of Monday, April 3, 2017

9:00 A.M.

**NOTE TO THE PUBLIC:** *Prior to consideration of business items, the Authority invites comment on airport-related matters during the Public Comment period. Members of the public are requested to observe the following decorum when attending or participating in meetings of the Commission:*

- *Turn off cellular telephones and pagers.*
- *Refrain from disorderly or boisterous conduct, including loud, threatening, profane, or abusive language, clapping, whistling, stamping, or other acts that disrupt or otherwise render unfeasible the orderly conduct of the meeting.*
- *If you desire to address the Commission during the Public Comment period, fill out a speaker request card and present it to the Commission's secretary.*
- *Limit public comments to five minutes, or such other period of time as may be specified by the presiding officer, and confine remarks to matters that are on the Commission's agenda for consideration or are otherwise within the subject matter jurisdiction of the Commission.*

*Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the Authority to the Commission less than 72 hours prior to that meeting are available for public inspection at Hollywood Burbank Airport (2627 Hollywood Way, Burbank) in the administrative office during normal business hours.*



*In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please call the Board Secretary at (818) 840-8840 at least 48 hours prior to the meeting.*

1. PLEDGE OF ALLEGIANCE
2. ROLL CALL
3. APPROVAL OF AGENDA
4. PUBLIC COMMENT
5. CONSENT CALENDAR
  - a. Committee Reports  
(For Note and File)

- 1) Operations and Development Committee
    - (i) March 6, 2017 *[See page 1]*
  - 2) Finance and Administration Committee
    - (i) March 6, 2017 *[See page 4]*
  - 3) Legal, Government and Environmental Affairs Committee
    - (i) February 6, 2017 *[See page 6]*
  - b. Commission Minutes  
(For Approval)
    - 1) March 20, 2017 *[See page 8]*
  - c. Month-to-Month Ground Lease  
Overflow Storage Fox Rent A Car, Inc. *[See page 12]*
  - d. Annual Review and Adjustments of Noise Violation Fines *[See page 14]*
6. ITEMS FOR COMMISSION APPROVAL
- a. Environmental Impact Statement Memorandum of  
Understanding With The Federal Aviation Administration *[See page 16]*
7. CLOSED SESSION
- a. THREAT TO PUBLIC SERVICES OR FACILITIES  
(California Government Code Section 54957(a))  
Consultation with Director, Public Safety
  - b. CONFERENCE WITH REAL PROPERTY NEGOTIATORS  
(California Government Code Section 54956.8)
- Property: Adjacent Property, B-5, C-1 and Lot C  
 Authority Negotiator: Executive Director  
 Negotiating Party: Lockheed Martin Corporation  
 Under Negotiation: Price and Terms of Payment for Access Rights
- c. PUBLIC EMPLOYEE PERFORMANCE EVALUATION  
(California Government Code Section 54957(b))
- Title: Executive Director
8. ADJOURNMENT



Important Updates for the Burbank City Council

March 31, 2017

## BVP Meet and Greet



The Burbank Volunteer Program (BVP) Advisory Board recently hosted two well attended meet and greet events for all current volunteers. BVP provides for the personnel necessary to recruit, interview, screen and refer volunteers in needed areas and programs throughout the City. The program benefits the community as well as those participants who get involved, utilizing their individual abilities to provide service throughout the community. The BVP program

connects 750 volunteers to around 40 volunteer stations, delivering 130,000 hours of service annually. The purpose of the meet and greet events were to introduce the new supervisor overseeing the BVP program at the Joslyn Adult Center, Victoria Cusumano, and to provide an opportunity for volunteers to meet members of the BVP Advisory Board and network with other volunteers.

## Public Works Helps Deliver Supplies

The Public Works Department helped John Muir Middle School and Logix Federal Credit Union transport boxes of canned goods and household/personal-care supplies to the Burbank Temporary Aid Center (BTAC) on Friday, March 17. Logix Federal Credit Union sponsored a contest at the school with prizes and rewards going to the classroom that collected the most items on BTAC's "wish list." The drive was so successful that help was needed to deliver the "wish list" supplies to BTAC. A call to Public Works resulted in two lift trucks and four hard working employees who completed the transfer.



## Youth Leadership Program Graduation



The Youth Leadership Program (YLP) held its graduation ceremony in the Burbank City Council Chambers on Saturday, March 11. The ceremony highlighted five student speakers, a presentation of awards from Mayor Jess Talamantes and Council Member Bob Frutos, and was followed by a celebratory reception. The YLP Class of 2017 was comprised of 16 high school students who engaged in 10 program sessions focusing on professional and leadership development. Participants also completed

a community service project preparing hygiene kits and organizing donated items for Service Connection Day, an event centered on delivering essential quality of life services to the homeless.

## RISE Burbank Graduation

The Residents Inspiring Service and Empowerment (RISE) Burbank Program conducted its graduation in the City Hall Council Chambers on Saturday, March 18. The RISE Class of 2017 included 12 diverse Burbank residents who participated in the 10-week program. The graduation highlighted the Class' community service project of conducting outreach to local businesses, non-profits, and community residents for food, clothing, hygiene, and other personal care donations in addition to serving as volunteers on the day of the event. A graduation video yearbook was presented, as well as an inspirational speech from the ceremony's keynote speaker, Vice-Mayor, Will Rogers. A small reception was held in the City Hall Rotunda immediately following the ceremony.



## Burbank's Master Recycler Program Gains Notability

The Master Recycler Program is gaining notability and inspiring others throughout California. Amy Hammes, Recycling Specialist, spoke at the Northern California Recycling Association's conference in Berkeley, California, on Tuesday, March 21. Amy shared information about the program during the "Recycling Update" session. The conference was attended by more than 300 northern California recycling professionals across the waste reduction spectrum.

## Teddy Bear Sleepover and Storytime

More than 130 parents and children along with their stuffed animals came to Teddy Bear Storytime on Wednesday, March 22, to find out just what had been happening at the library. The stuffed animals spent three nights at the Buena Vista Branch Library, and at Storytime everyone had a chance to see a slideshow of the sleepover adventures. The complete slideshow is available on the library's YouTube channel. Storytime plays an important role in promoting early literacy and the love of books, learning, and exploring the world. Storytime programs expose children and their parents and caregivers to books, simple songs, finger plays, rhymes, and crafts. And Storytime can be lots of fun!

