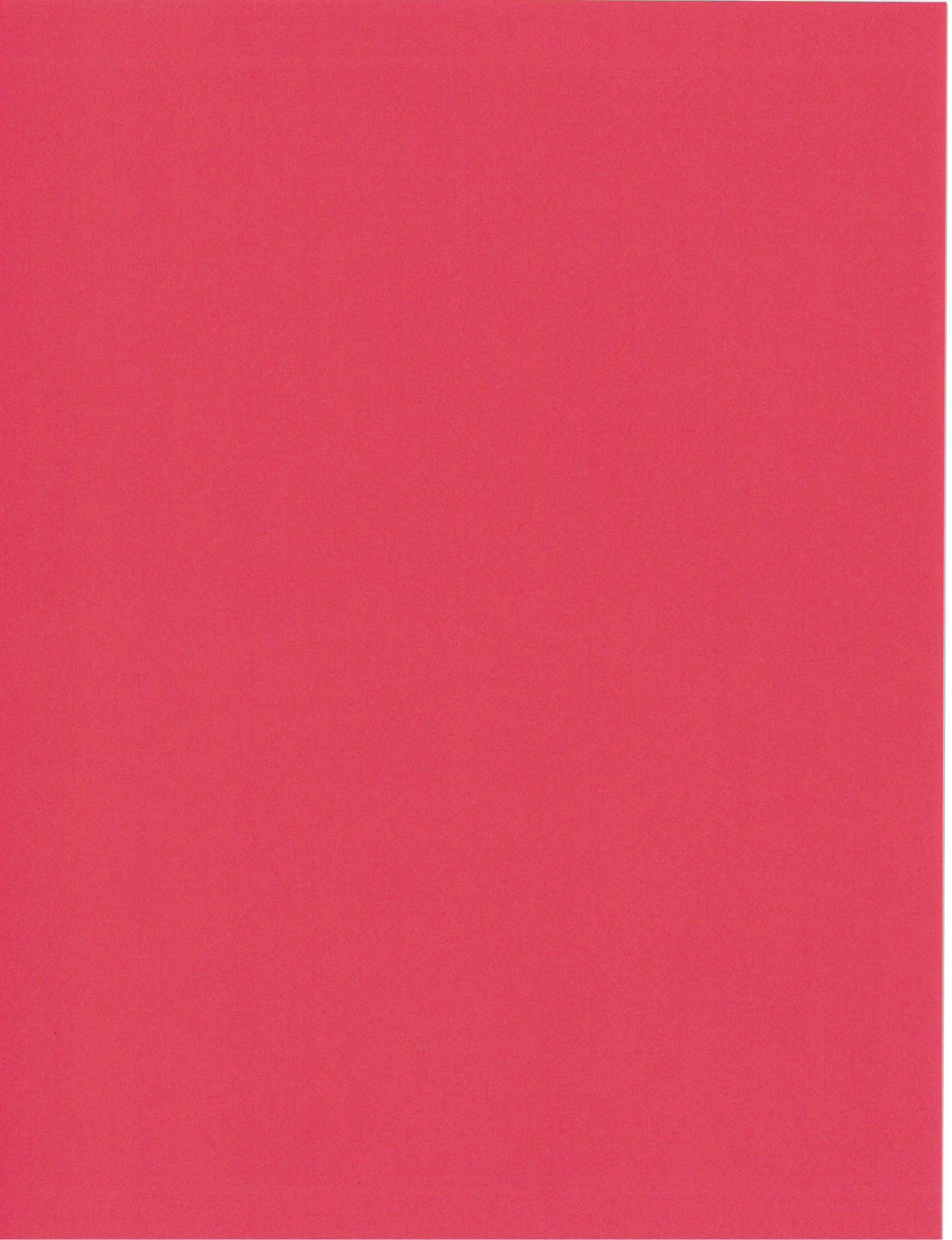


Weekly Management Report

May 26, 2017

- 1. Staff Report** April 2017 Operating Results
Burbank Water and Power Department
- 2. Minutes** Burbank Water and Power Board Meeting of
May 4, 2017
Burbank Water and Power Department
- 3. Letter** Employee Separations at Burbank Office
Warner Music Inc.
- 4. Synopsis** Planning Board Meeting of May 22, 2017
Community Development Department
- 5. Synopsis** Parks and Recreation Board Meeting of May 11, 2017
Parks and Recreation Department
- 6. Notes** City Notes, May 26, 2017
City Manager





7A.

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

DATE: June 1, 2017
TO: BWP Board
FROM: Jorge Somoano, General Manager, BWP
SUBJECT: April 2017 Operating Results

A handwritten signature in blue ink, appearing to read "Jorge Somoano".

SAFETY

Burbank Water and Power had one new reportable lost time injury during April 2017.

Water Results of Operations

Rainfall for the month of April was significantly lighter than normal (actual 0.09 inches vs. normal 1.11 inches), resulting in higher demand for landscape irrigation. Potable water usage was 17% (58 million gallons) higher than budgeted and Potable Water Revenues were \$458,000 better than budgeted. Recycled water usage was 42% (28 million gallons) higher than budgeted and Recycled Water Revenues were correspondingly \$115,000 better than budgeted. April Water Supply Expenses were \$230,000 higher than budgeted, driven by the higher demand. April's Gross Margin was \$249,000 better than budgeted. Net Income was -\$48,000, which was \$249,000 better than budgeted.

April fiscal-year-to-date (FYTD) potable water usage is slightly higher (52 million gallons) budgeted and FYTD April Potable Water Revenues were \$627,000 (3%) better than budgeted. FYTD recycled usage was slightly (26 million gallons) lower than budgeted and Recycled Water Revenues were correspondingly \$17,000 lower than budgeted. The rainfall Burbank experienced this winter has been followed by a dryer than normal March and April. FYTD Water Supply Expenses were \$167,000 higher than budgeted due to potable demand. The FYTD April Gross Margin was \$71,000 lower than budgeted. Operating Expenses were \$1,673,000 better than budgeted. Net Income was \$1,381,000, which was \$1,656,000 better than budgeted.

Electric Results of Operations

For the month of April, electric loads were 6% lower than budgeted due to conservation; and Retail Sales were \$920,000 lower than budgeted. April Power Supply Expenses were \$113,000 better than budgeted primarily due to lower load and offset in part by Pacific DC transmission costs. April's wholesale margin was \$433,000 better than budgeted; inexpensive northern hydro energy was in abundance and BWP was able to leverage its assets to bring this energy south and achieve significant wholesale margins. April's Gross Margin was \$374,000 lower than budgeted. Net Income was -\$1,586,000 which was \$374,000 lower than budgeted.

FYTD April electric loads were 4% lower than budgeted. Retail Sales were \$6,166,000 lower than budgeted. FYTD Power Supply Expenses were \$11,364,000 better than budgeted primarily due to lower delivery of biomethane gas than planned, savings from

biomethane restructuring, prior period true-up credits and lower than planned O&M costs. FYTD Gross Margin was \$5,356,000 better than budgeted. April FYTD Operating Expenses were \$5,477,000 better than budgeted. Net Income was \$15,259,000 which was \$11,532,000 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 continues 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. A study session with Council on the proposed California Water Fix project by Marsha Ramos, the Metropolitan Water District (MWD) Director, took place on October 18th, 2016. In the coming months, State and Federal agencies are poised to make several major decisions (environmental findings, water rights change petition and permits) on the California Water Fix. Resolution of the proposed California Water Fix project will culminate at the end of 2017 and design could start in 2018 if the proposed project is approved.

Governor Brown issued Executive Order B-40-17, on April 7, 2017, recognizing that the drought was over in California, with the exception of 4 counties in the Central Valley that rely on depleted groundwater basins. The Executive Order does state that the Orders and Provisions in "Making Water Conservation a California Way of Life" remain in full force and effect. This includes: "The Department of Water Resources (Department) shall continue work with the Water Board to develop standards that urban water suppliers will use to set new urban water use standards that urban water suppliers will use to set new urban water use efficiency targets as directed by Executive Order B-37-16. Upon enactment of legislation, the Water Board shall adopt urban water use efficiency standards that include indoor use, outdoor use and leaks as well as performance measures for commercial, industrial and institutional water use. The Department shall provide technical assistance and urban landscape area data to urban water suppliers for determining efficient outdoor use". These water use standards must be in place by May 20, 2021, but the State Water Board may set interim standards to ensure progress before the long term standards are adopted in 2021.

This promises a significant intrusion by the State into detailed water use decisions in Burbank, as well as any other water purveyor beyond simple efficient volumetric use of water. BWP will pay close attention and work with regional and industry groups to comment on, and influence, the development of these standards. As noted above, these actions will require enabling legislation.

The following table shows Burbank water use in terms of per capita daily water use in gallons per person per day. It begins in 2009 with the requirement of a 20% reduction per capita in baseline use by 2020. It shows actual per capita water use reduction as well as the Governor's Goal in the Executive Order requiring a 25% reduction although the percentage reduction in the table is measured against the 2009 baseline. Burbank met the 25% reduction in the Executive Order.

Year	20% by 2020 (Baseline)	20% by 2020 (Goal)	2012 (Actual)	2014 (Actual)	2015 (Actual)	2016 (Gov.'s goal)	2016 (Actual)
GPCD	193	155	149	162	139	125	117
Reduction of Baseline %	0%	20%	29%	16%	28%	35%	39%

Burbank consistently met the reduction requirements by utilizing the appropriate stages of the Sustainable Water Use Ordinance. Initially that was in Stage III that limited watering to two days a week in the summer and one day a week in winter. With experience and some relaxation of the State mandate, Burbank currently limits outdoor watering to three days a week year round. This is now embodied in the Sustainable Water Use Ordinance in Stage I and is the "New Normal" in Burbank. The effect of the three day a week watering limitation will continue to be monitored. Given future actions by the State, Burbank appears well positioned to meet the future requirements. Water use in Burbank in April was 122 GPCD. Besides conservation measures, Burbank made significant strides in converting major irrigation and building cooling towers to recycled water which is 100% conservation that will continue year after year. BWP continues to work with customers to utilize recycled where practical but recognizes that the largest users have been converted.

The State Water Project (SWP) allocation is currently 85% as of April 14, 2017. Increasing the SWP allocation above 85% is still a possibility. A significant event impacting the SWP is the erosion and undermining of the spillway at the Oroville Dam discovered on February 7; and it includes severe damage to the main spillway and the emergency overflow spillway. The State has issued a \$274 million contract for permanent repairs that will take two years to complete. MWD plans on adding all excess water beyond demand to its storage facilities. Currently, that is 1 million acre-feet.

The BOU was 85.97% available for service in April 2017. One Liquid Phase Granulated Activated Carbon Filter was offline for carbon change-out the first 21 days of the month. The plant was offline for the first two days because of the MWD shutdown that began March 26, which required a BOU shutdown due a lack of blending water. The shutdown extended into the 3rd day. Well V-01 was offline in April for maintenance. Well V-03 came back online at the end of April. 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 levels in the aquifer, by deflating the "packers" in the lower portion of the well casings requires discussions with the EPA, which are on-going. We are currently awaiting the EPA reply to the Technical Memorandum which clarifies the engineering calculation in support of deflating the packers.

Availability	Production	Average Flow Rate (gallons per minute)
77.29%	46.77%	4,210

Project Updates:

Work began in January 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 were completed the first week of 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. Work was complete in May.

Work continued on installing 2,300 l.f. of 12-inch ductile iron recycled water main in San Fernando Blvd. from I-5 to Amherst Drive. This will tie the second recycled water crossing of I-5 to the recycled water distribution system north of I-5. The main installation in the I-5 right of way is being done by Security Paving Co (CalTrans contractor). Work was completed in May. Thick pavement in San Fernando Blvd. slowed the progress of the construction.

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. Sand blasting and painting began in February, the contractor was finished at the end of March, and the tank was back in service at the end of May.

Council approved the negotiation of a Design/Build contract with Crosno Construction for the seismic retrofit of the Golf Course Recycled Water Storage Tank at the March 7, 2017 meeting. If negotiations are successful, staff will bring the contract to the BWP Board for approval and award, likely in August.

Seismic valve actuators are currently being installed at Reservoirs #1, #4 and #5; A valve control software will be installed in June which will enable us to program the closing positions of the valve actuators.

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 recycled water (RW) mains in the City of Los Angeles by Williams Brothers Contractors, who are under contract with BWP; all costs for the work are to be reimbursed to BWP by 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 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 issued. 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. 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.

On April 14, 2016 a new Waste Discharge Requirements and Water Recycling Requirements Permit was granted to the City of Burbank by the Regional Water Quality Control Board. This brought the City into full compliance by recognizing the use of RW in cooling towers. A Waste Water Change Petition was submitted to the State Water Resources Control Board, Division of Water Rights. The purpose of the petition is 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. The petition was posted by the State Board on March 29, 2017. Review of the water rights petition is underway at the State Water Resources Control Board, Division of Water Rights.

IKEA's irrigation system passed the cross connection test and is now fully online. The Disney ABC 7 cooling tower was converted in April. Other pending conversions to recycled water in 2017 include: Nickelodeon, Talaria, and The Pinnacle. Other sites that are expected to be converted to recycled water in 2018 include: Warner Bros Data Building (Building #38), I-5 Freeway irrigation at Cohasset, Fotokem, and the ornamental fountain at the Valley Pumping Plant.

A new 12-inch recycled water main is being installed on San Fernando Blvd east side of I-5 freeway from Grismer Ave to Amherst Drive near McCambridge Park. This main along with the portion of the main under the new Empire Interchange (being constructed by Caltrans contractor) will make up the second freeway crossing for the recycled water system, which would significantly enhance the operation and reliability of our increasingly important recycled water system.



On January 17, the Water Division was issued an amendment to our domestic water supply permit by the State Water Resources Control Board. The Permit Amendment requires the Water Division to collect lead sampling at K-12 schools (at BWP expense) if an authorized school representative requests so. On February 16, the Water Division received a letter from BUSD's Superintendent requesting assistance with lead sampling at their 22 schools. The Water Division and BUSD staff worked together to finalize the sampling plans, which called for collecting up to five samples at each school. Sampling began in March and ended in April for all 22 BUSD school sites. Results showed that no lead was detected in any of the samples except one sample at the Adult School which

had a result of 6.4 Parts per Billion (ppb) lead, far below the limit of 15 ppb. Per the requirements of the permit amendment, all private K-12 schools in the City are also eligible for this one-time assistance, and schools have until the end of 2019 to request assistance from BWP.



DISTRIBUTION

ELECTRIC RELIABILITY

In April 2017, BWP experienced one sustained feeder outage. In the past twelve months, automatic reclosing has reduced customer outage time by approximately 405,848 customer minutes.

Reliability Measurement	May 2015-April 2016	May 2016-April 2017
Average Outages Per Year (SAIFI)	0.3976	0.3023
Average Outage Duration (CAIDI)	48.76 minutes	23.24 minutes
Average Service Availability	99.996%	99.999%
Average Momentary Outages Per Year (MAIFI)	0.2644	0.0969
No. of Sustained Feeder Outages	13	9
No. of Sustained Outages by Mylar Balloons	0	0
No. of Sustained Outages by Animals	1	0
No. of Sustained Outages by Palm Fronds	3	5

PROJECT UPDATES

4 kV Circuit Breaker Replacements for McCambridge A1 & Victory A-1 Transformers

The 4 kV oil-filled circuit breakers (OCB) used for isolating Victory A-1 & McCambridge a-1 transformers were not opening as quickly as designed. After performing additional maintenance on these circuit breaker, it was determined that they could not be brought back to original design specifications. As such, these circuit breaker 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 4 kV Oil Circuit Breaker for Victory A-1 Transformer Bank

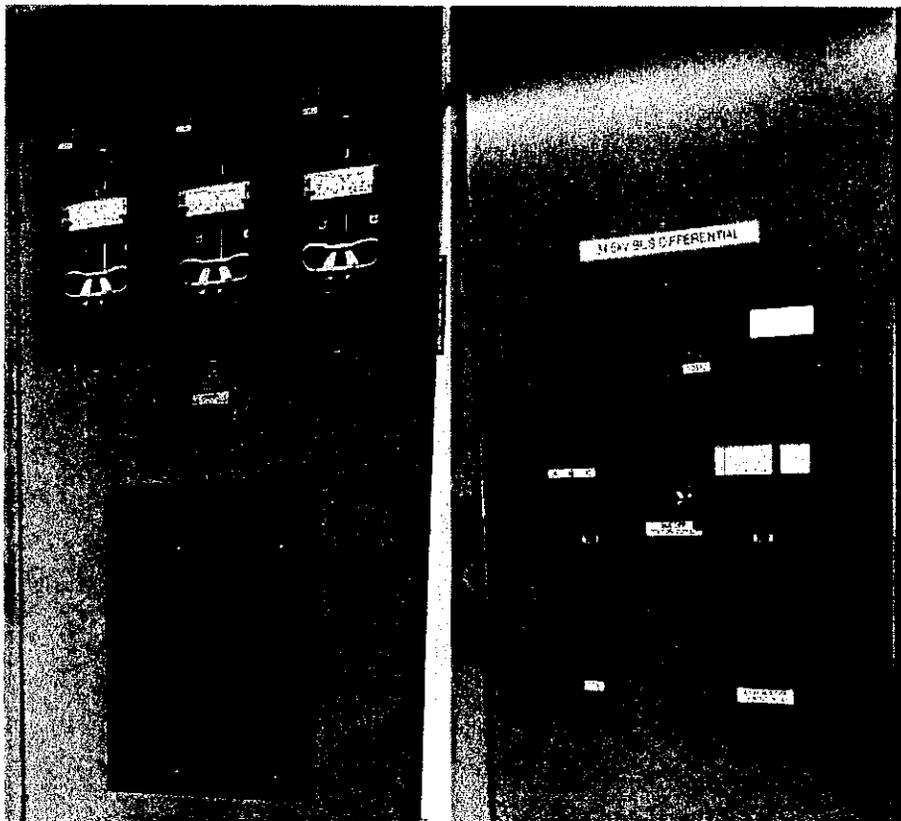


New 4 kV Vacuum Circuit Breaker for Victory A-1 Transformer Bank

34.5 kV Bus Differential Relay Replacement at McCambridge Substation

34.5 kV bus differential relays (bus diff. relays) are electronic devices that monitor the flow of electrical currents into and out of high voltage electrical busses, which connect 34.5 kV subtransmission lines to substation transformers. Much like a typical ground fault current interrupting (GFCI) circuit breaker or outlet used in your bathroom or kitchen at home, a bus diff. relay operates very quickly when a short circuit occurs. In addition, a bus diff. relay must trip several high voltage circuit breakers to isolate its much larger electrical system from the electrical fault.

BWP's Electrical Equipment Section installed and tested new relays for the McCambridge 34.5 kV bus in April 2017. These new relays improve personnel and equipment safety by isolating faults much more quickly, increasing reliability through their ability to self-diagnose, improving 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 aids troubleshooting.



Bus Diff Relays Before Replacement

Bus Diff Relays After Replacement

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,

34.37% of the total streetlight luminaires have been converted to LEDs which translates to an annualized energy savings of 1,771 MWh or a 19.11% reduction in energy consumption.

SERIES CONVERSIONS

In April, a series 2400V streetlight circuit was converted to multiple 120V circuits on Victory Boulevard from Lincoln Street to Reese Place. A total of 33 HPS lights were replaced with LED lights.

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.

Month of usage	Usage in kWh	Gross Revenue	GHG emissions reduced in kg	kWh/ Station/ Day	% Peak Sessions
April 2017	18,699	\$3,461	7,854	22	20%
March 2017	20,151	\$3,777	8,464	23	20%
February 2017	17,697	\$3,358	7,433	23	21%
January 2017	19,499	\$3,611	8,189	23	20%
December 2016	17,472	\$3,130	7,338	20	19%
November 2016	17,230	\$3,334	7,521	21	18%
October 2016	17,976	\$3,705	7,550	21	18%
September 2016	17,810	\$3,811	7,480	21	20%
August 2016	19,702	\$4,257	8,275	23	19%
July 2016	17,235	\$3,506	7,239	20	19%
June 2016	17,278	\$3,469	7,257	21	19%
May 2016 *	17,839	\$3,179	7,492	21	N/A
April 2016	15,212	\$2,622	6,389	19	N/A
March 2016	15,717	\$2,712	6,601	19	N/A
February 2016	13,595	\$2,361	5,742	17	N/A
January 2016	13,011	\$2,508	5,459	16	N/A
December 2015	12,378	\$2,415	5,188	15	N/A
November 2015	12,853	\$2,499	5,400	16	N/A
October 2015	13,058	\$2,544	5,473	16	N/A
September 2015	12,514	\$2,442	5,254	15	N/A
August 2015 **	11,045	\$2,191	4,665	13	N/A
July 2015	8,771	\$1,743	3,684	26	N/A

* 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
April 2017	7	113	579	5,561
March 2017	8	106	572	5,529
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.

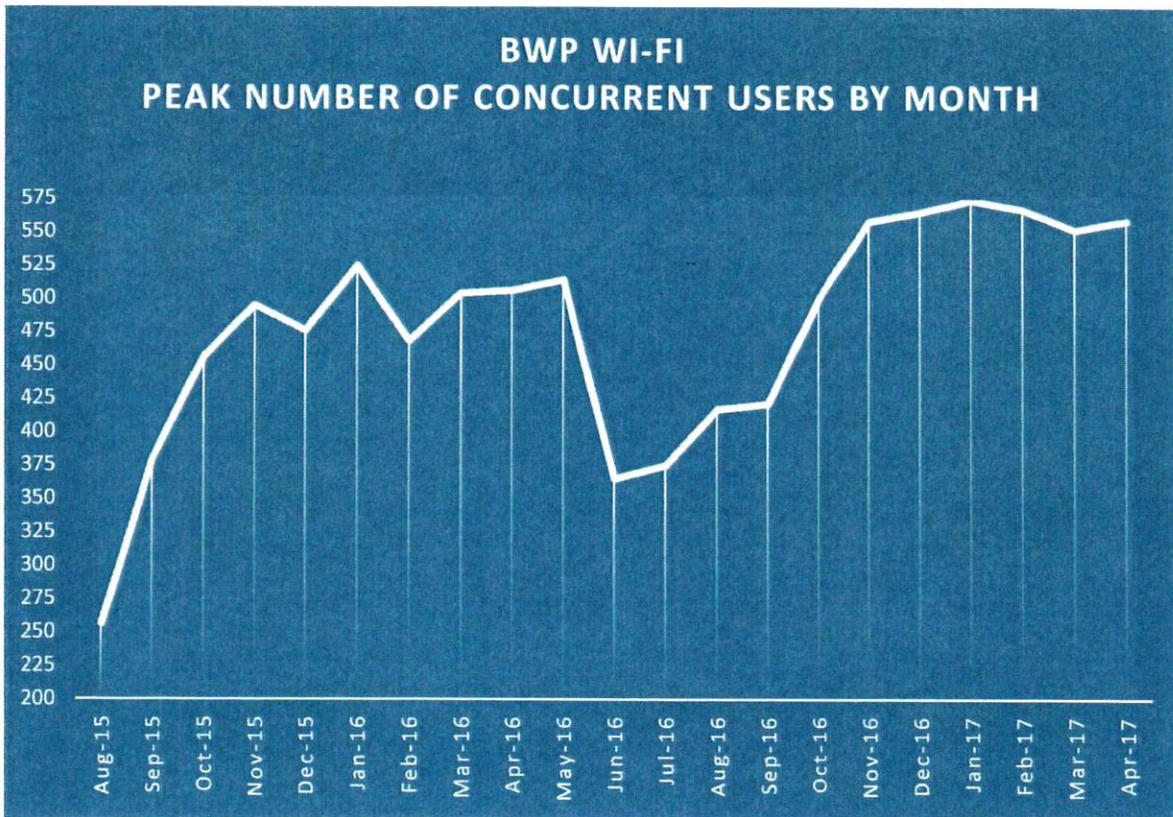
TECHNOLOGY

Broadband Services (ONE Burbank)

	April 2017 New Orders	Revenues for April 2017	FYTD 2016-17 Revenues	FYTD Budget
Lit	2	\$112,891	\$1,174,400	\$770,833
Dark	2	\$187,765	\$1,816,507	\$2,312,500
Total	4	\$300,656	\$2,990,907	\$3,083,333

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 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, in which BWP and GWP participated, ended on April 14, 2017. BWP's analysis indicates that LADWP has made measurable strides to conform its proposed OATT with the Federal Energy Regulatory Commission's pro-forma OATT, but significant concerns remain and are being raised during LADWP's process. The 2017 OATT rates will affect costs for service which Burbank purchases through the Balancing Authority Area Services Agreement.

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 associated transmission 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. The Action Plan for summer 2017 is expected shortly.

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 continues. Another SB380 requirement, public hearings, concluded on February 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, to enhance coordination relative to reliability, and BWP is in regular, detailed communications with its balancing authority, LADWP, regarding BA-wide operations planning for Aliso Canyon-related risks.

Attachment:
Electrical Distribution Asset Inspection Report-2016

2016

ELECTRICAL DISTRIBUTION ASSET INSPECTION REPORT

OVERVIEW

BWP conducts routine inspections of distribution assets to assess condition and repair/replacement needs. Some of the asset analysis inspections are currently computer-based, while others are still paper-based. It is a goal of BWP to have all distribution asset inspections become computer-based which will enable effective data management and report generation. The expected effective completion date for this goal is FY 17/18; final application development and complete records transfer will likely extend to FY 18/19. Inspection types, points, and methods are in line with industry practices.

Assets determined upon inspection to require repair or replacement are prioritized according to need and based on safety concern, reliability impact, and crew efficiency and availability factors. Assets are assigned a condition level based on several factors, including the previously mentioned elements, and are further evaluated accordingly. The assigned condition levels for distribution assets are:

Condition Level 1: Immediate repair or replacement required. Asset condition presents a current safety hazard or reliability problem. Corrective action shall be scheduled and performed within 90 days. Inspector shall immediately notify inspection crew supervisor of condition. Crew supervisor will coordinate repair/replacement with the Electrical Distribution Manager and Electrical Engineering. If needed, temporary repairs will be made immediately to mitigate safety and reliability risks.

Condition Level 2: Repair or replacement needed. Asset condition presents an impending safety or reliability concern. Inspector shall notify inspection crew supervisor of condition. Crew supervisor will coordinate repair/replacement with the Electrical Distribution Manager and Electrical Engineering. Repair/replacement shall be scheduled and performed after consultation with Engineering concerning criticality and priority. To enable effective work order management and scheduling, assets assigned a Condition Level 2 are additionally prioritized using a 2.1, 2.2, or 2.3 rating.

Condition Level 3: Operationally effective repair or replacement needed. Asset condition presents no current or impending safety or reliability concern. Corrective efforts may be deferred and shall be scheduled when effective manpower and equipment scheduling allows.

Condition Level 4: Pass. Asset condition presents no discovered safety or reliability concerns. Asset is fully functional and serviceable. Okay until next scheduled inspection.

Calendar year 2016:

70 assets were assigned a Condition Level 1; 43 were repaired or replaced. 17 of the remaining assets were deteriorated poles, of which 15 were replaced by 3/6/17. The remaining 2 deteriorated poles are scheduled to be completed in March of 2017.

7 of the remaining Condition Level 1 assets are underground substructures which are projects requiring significant planning and coordination. Where needed, reinforcement methods were utilized to prevent performance issues.

The balance of 3 Condition Level 1 assets consists of padmounted equipment which requires replacement. All three are scheduled for replacement in March of 2017.

126 assets were assigned a Condition Level 2.1; 39 were repaired or replaced.

24 of the remaining Condition Level 2.1 assets are underground substructures which are projects requiring significant planning and coordination. Where needed, reinforcement methods were utilized to prevent performance issues.

The balance, 63 Condition Level 2.1 assets, consists of deteriorated poles and padmounted transformers which require replacement. These assets have been prioritized for replacement by field crews and will be scheduled for replacement as work orders are created and issued to the field.

In total, including the replacement of previous calendar year discoveries, 111 assets assigned a Condition Level 1 or 2.1 were replaced in 2016.

INSPECTION RESULTS

Underground

BWP performs detailed inspections of the utility's 762 manholes on an 8-year cycle. To remain on schedule, crews need to complete an average of 95 manhole inspections per year. In 2016, 244 detailed manhole inspections were completed. In 2016, the pace of detailed manhole inspections was increased to enable "catch up" from a below average number of inspections in 2015.

BWP performs detailed inspections of the utility's 712 primary pull boxes on an 8-year cycle. To remain on schedule, crews need to complete an average of 89 inspections per year. In 2016, 44 detailed primary pull box inspections were completed. This places BWP behind schedule. An increased number of detailed primary pull box inspections is planned for 2017.

Due to known deterioration issues, BWP has increased the frequency for performing detailed inspections of vaults (manholes containing transformers) and underground switches from a 5-year cycle to a 3-year cycle. All 31 of the vaults in the BWP system were inspected in 2016. In 2016, two underground switches were inspected. All five of the underground switches currently remaining in the BWP system have been inspected within the current 3-year cycle ending in 2017.

In 2016, BWP partnered with a substructure manufacturer, New Basis, in a pilot project to aid in the development of an application process for a new substructure replace-in-place product. When properly applied, the product returns the structure to a strength greater than its original and which, after its application, consumes very little space from the manhole's interior dimensions. In comparison to conventional manhole replacement processes, the product will potentially require considerably less time, traffic flow obstruction, and street restoration (paving around structure). This results in a significantly lower overall cost to restore a failing substructure.

Utilizing a structural engineering consultant specializing in the assessment of underground manholes and vaults, BWP further inspected 26 previously identified structures to determine the conditional need to repair or replace these structures.

Due to observed condition or system needs, BWP proactively replaced 5000 circuit feet of high voltage cable in 2016. No high voltage cable required replacement due to failure of the existing cable or components.

Padmounted Equipment

BWP performs annual patrol inspections of all of its 915 padmounted switches, transformers, and regulators, and detailed inspections on a 5-year cycle.

In 2016, patrol inspections of all padmounted equipment were completed.

To remain on schedule, crews need to complete an average of 183 padmounted equipment detailed inspections per year. Detailed inspections of all padmounted equipment were completed within the 5-year cycle ending in 2014. Since 2014, 326 detailed inspections, including 266 in 2016, have been completed. This places BWP a bit behind schedule. While the number of inspections completed in 2015 was low, the increase in detailed inspections of

padmounted equipment in 2016 improved our pace and with increased inspections planned for 2017, we anticipate being on schedule by 2017 year end.

Overhead Facilities

The BWP overhead electrical distribution system consists of 11,478 poles, approximately 249 circuit miles of conductor, 4783 transformers, 435 switches, and 54 capacitor banks. In 2016, BWP completed patrol inspections of all of its overhead facilities.

A computer-based Detailed Overhead Inspection process is in development. Vendor product development and upgrade issues have delayed the release to inspection crews for trial use and review.

Wood Poles

As deteriorated poles are discovered, BWP prioritizes and schedules replacement on a regular basis. As part of an ongoing 4kV to 12kV rebuild and conversion effort, many older poles are replaced each year. In 2016, 62 deteriorated poles were replaced, and 203 poles were replaced as part of Capital Projects or customer-related projects.

An intrusive inspection is required for all wood poles which have been in service for 25 years and every 20 years thereafter. In 2016, BWP partnered with Osmose Utilities Services, Inc. to perform wood pole intrusive inspections. Intrusive inspections were performed on 4189 wood poles at an average cost per pole of \$50.00. In June through December 2016, 47 high priority pole replacements were identified and staff actively created work orders, scheduled, and performed the pole replacements, completing 31 by year end. Of the remaining 16 high priority poles, another 13 replacements were completed prior to February 14, 2017. The remaining 3 priority replacements are being scheduled and it is planned that they be completed by the end of March 2017. The high volume of pole inspections resulted in an abnormally high number of discovered Condition Level 1 and 2.1 assets for the Calendar year of 2016. Staff is working diligently to prioritize the work and effectively manage the manpower and available budget required to perform the efforts necessary to ensure safety and reliability.

Street Lighting

There are 6281 streetlight standards in BWP's street lighting system. In 2016, patrol inspections were performed on all the streetlight standards within each of the 19 BWP inspection zones.

BWP has a stated goal of addressing all streetlight complaints within one working day of notification received by Electrical Distribution staff. In 2016, BWP Electrical Distribution staff received 444 streetlight complaints and 99.78%, all but one, were addressed in compliance with the stated goal. There are 9422 streetlight luminaires in the BWP street lighting system. Among

those, 1505 streetlight operational problems were reported or discovered during patrols and all were corrected.

In 2016, BWP Electrical Distribution staff replaced 1000 less-efficient streetlight luminaires with high efficiency LED luminaires.

Vegetation Management

BWP executes an aggressive line clearance tree trimming program. A line clearance tree trimming contractor, currently overseen by an Electrical Distribution Supervisor, performs trimming through the 19 zones on a cyclical basis. Reoccurring "problem" trees are removed when practical. To support emergency situations, capital construction projects, or found conditions, the contracted crews may be called upon to perform trimming or tree removals at specific locations that may be out of the current zone they are working in. Effective use of resources is consistently coordinated. The desired goal is to complete trimming in all 19 zones within a 2- to 3-year cycle rate. As of December 31, 2016, the crews had completed trimming in each of the 19 zones within the last 30 months. Additionally, in 2016, 42 "problem" trees were removed to eliminate future growth and repeated interference with power lines.

2016

ELECTRICAL DISTRIBUTION ASSET INSPECTION REPORT

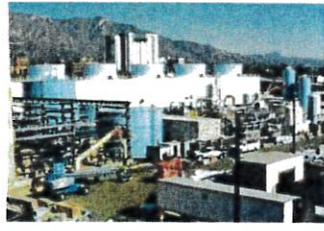
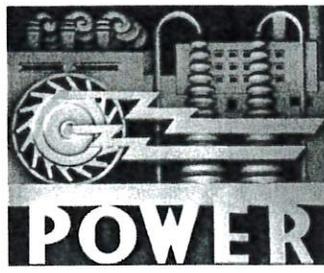
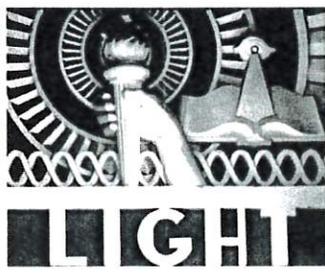
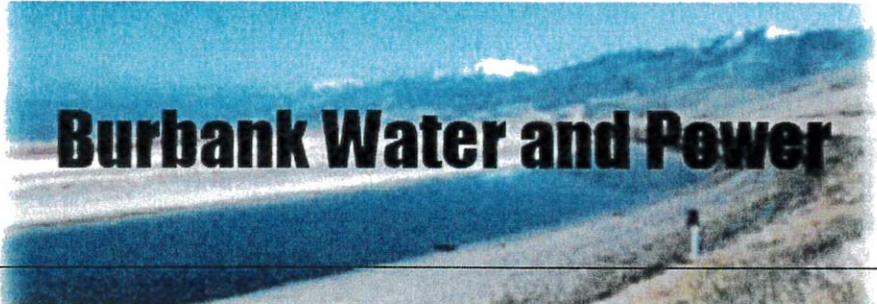
EXECUTIVE SUMMARY

In order to help ensure the safety of our personnel and the public, as well as maintain our renowned electric system reliability, BWP performs routine inspections of distribution assets to assess condition and repair/replacement requirements. The types and methods of these inspections are consistent with industry best practices. Although a majority of the asset analysis inspections are still paper-based, the utility is transitioning to eventually have all distribution asset inspections become computer-based which will streamline data management and simplify reporting.

The overall condition of assets was as expected--no "surprises" were discovered and needed repairs or replacement of assets were performed or scheduled.

INSPECTION RESULTS:

- All required patrol inspections for calendar year 2016 were completed on schedule.
- Detailed inspections of underground substructures are on an 8-year cycle. Manholes are on schedule, but primary pull box inspections are a bit behind schedule. An increased inspection rate has been scheduled for 2017 to recover and get back on track in meeting the cycle goal.
- Detailed inspections of padmounted equipment are slightly behind schedule, but on target to meet the 5-year cycle goal.
- Detailed overhead facilities inspection processes are in development and have experienced a delay in the planned release to inspection crews for trial use and review.
- As deteriorated wood poles are discovered, BWP prioritizes and schedules replacement on a regular basis. In 2016, a Price Agreement contract with Osmose Utilities Services, Inc. to perform wood pole intrusive inspections was executed. 4189 intrusive inspections on wood poles were performed for an outstanding average price of \$50.00 per pole.
- There were 1505 streetlight operational problems reported or discovered during patrols and all were corrected. BWP Electrical Distribution staff replaced 1000 less-efficient streetlight luminaires with high efficiency LED luminaires.
- BWP implements an aggressive line clearance tree trimming program that minimizes vegetation caused outages.



**Estimated Financial Report
April 2017**

UNAUDITED

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

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
a.	Electric Usage in MWh	84,022	89,021	(4,999)	NEL is 6% below budget due to conservation. For the month of April, average high temperature was 78.2°F in Burbank and the 15 year average high temperature for the month of April was 73.8°F.
b.	Retail Sales	12,936	13,856	(920)	Retail sales correspond to lower NEL (demand).
c.	Other Revenues	536	536	-	These revenues have not closed for April 2017 and are estimated at budgeted
d.	Retail Power Supply & Transmission	9,734	9,847	113	The favorable variance is attributable to various components within Retail Power Supply & Transmission. Please refer to page A-6 for additional details.
e.	Wholesale Margin	533	100	433	The favorable variance is attributable to taking advantage of cheaper hydro energy in the Northwest.
f.	Total Operating Expenses	4,768	4,768	-	Expenses have not closed for April 2017 and are estimated at budgeted values.

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

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
A.	Electric Usage in MWh	933,898	971,914	(38,016)	- NEL is 4% below budget due to conservation and is partially offset by warmer summer temperatures earlier in the fiscal year. YTD CDD were 1,243 versus the 30 year average of 1,138. YTD HDD were 1,163 versus the 30 year average of 1,318.
B.	Retail Sales	147,195	153,361	(6,166)	- Retail sales correspond to lower NEL (demand).
C.	Retail Power Supply & Transmission	85,412	96,776	11,364	- The favorable variance is attributable to various components within Retail Power Supply & Transmission. Please refer to page A-7 for additional details.
D.	Distribution	8,488	10,507	2,019	- The favorable variance is primarily attributable to salary savings due to vacant positions, and receiving higher than planned credit for maintenance work performed for other departments.
E.	Construction & Maintenance	1,115	1,855	740	- The favorable variance is primarily attributable to the timing of expenditures for professional services, and private contractual services. For professional and private contractual services, expected annual savings are \$180k.
F.	Other Income / (Expense)	1,223	896	327	- The favorable variance is primarily attributable to higher than planned miscellaneous revenue from the sale of scrap materials and obsolete inventory and assets.
G.	Capital Contributions (AIC)	489	1,639	(1,150)	- The unfavorable variance is primarily attributable to the timing of AIC projects.

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

	Apr-17	Mar-17	Feb-17	Jan-17	Dec-16	Jun-16	Recommended Reserves	Minimum Reserves
Cash and Investments								
General Operating Reserve	\$ 67,718	\$ 68,328	\$ 71,977	\$ 76,939	\$ 77,121	\$ 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	15,759	15,747	15,740	15,729	15,703	15,482		
Sub-Total Cash and Investments	<u>93,477</u>	<u>94,075</u>	<u>97,718</u>	<u>102,668</u>	<u>102,823</u>	<u>83,759</u>	<u>69,060</u>	<u>39,340</u>
Capital Commitments	(16,665) ^(b)	(16,708) ^(b)	(16,731)	(16,774)	(16,792)	(17,000)		
Public Benefits Obligation	(4,989)	(4,629)	(4,708)	(4,845)	(4,813)	(4,721)		
Biogas Commitment	-	-	(7,751)	(7,751)	(7,751)	(7,751)		
Pacific Northwest DC Intertie	(9,638)	(9,885)	(9,885)	(9,885)	(9,885)	-		
Cash and Investments (less Commitments)	<u>62,185</u>	<u>62,862</u>	<u>58,643</u>	<u>63,413</u>	<u>63,583</u>	<u>54,287</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 \$334.8k.

Estimated April 2017 Budget to Actual P&L Variance Highlights - Electric Fund

(in 000's)

	Variance Month-to-Date		
	Favorable Items	Unfavorable Items	Budget to Actual Variance
<u>MTD NET INCOME/(LOSS) - (\$1,586)</u>		\$ (374)	\$ (374)
 <u>MTD GROSS MARGIN VARIANCE</u>			
Retail Sales		(920)	(920)
Power Supply and Transmission			
- Lower retail load	100		100
- Lower than expected renewables	177		177
- Economic dispatch and optimizing of resources by taking advantage of lower fuel and energy prices to meet lower system load	97		97
- Higher transmission expense due to Pacific DC upgrade		(247)	(247)
- Other		(14)	(14)
Wholesale Margin	433		433
Total	807	(1,181)	(374)

Estimated April 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 - \$15,259</u>	11,532		11,532
<u>FYTD GROSS MARGIN VARIANCE</u>			
Retail Sales		(6,166)	(6,166)
Power Supply and Transmission			-
- Lower usage of biomethane gas than planned and savings from biomethane restructuring	3,268		3,268
- Lower O&M expenses than planned	2,100		2,100
- Prior period true-up credits	2,184		2,184
- Received less renewable energy than planned	1,272		1,272
- IPP/STS refinancing and refunding settlement from LADWP	975		975
- Lower energy prices	350		350
- Lower retail load	440		440
- Economic dispatch and the managing and optimizing of resources by taking advantage of lower fuel and energy prices to meet lower system load	373		373
- Other	402		402
Wholesale Margin	697		697
Other Revenues		(539)	(539)
Total	<u>12,061</u>	<u>(6,705)</u>	<u>5,356</u>

FYTD EXPENSE AND OTHER VARIANCES

Distribution	2,019		2,019
Construction & Maintenance (Facilities)	740		740
In-lieu and street lighting	340		340
Depreciation expense	1,297		1,297
All other	1,780		1,780
Total	<u>6,176</u>	<u>-</u>	<u>6,176</u>

**Burbank Water and Power
Water Fund (497)**

**Estimated Statement of Changes in Net Assets⁽¹⁾
MTD and FYTD April 2017
(\$ in 000's except Gallons)**

MTD FY 16-17	MTD Apr-17 Budget	\$ Variance ^(b)	% Variance	FYTD FY 16-17	FYTD Apr-17 Budget	\$ Variance ^(c)	% Variance
401	343	58	17% ^(a)	3,949	3,897	52	1%
96	68	28	42% ^(b)	764	790	(26)	(3%) ^(A)
\$ 2,059	\$ 1,601	\$ 458	29% ^(c)	\$ 19,776	\$ 19,149	\$ 627	3%
358	243	115	47% ^(d)	2,790	2,807	(17)	(1%)
20	114	(94)	(82%) ^(e)	624	1,138	(514)	(45%) ^(B)
2,437	1,958	479	24%	23,190	23,094	97	0%
1,006	776	(230)	(30%) ^(f)	8,715	8,548	(167)	(2%)
1,431	1,182	249	21%	14,475	14,546	(71)	(0%)
538	538	-	0%	4,852	5,459	607	11% ^(C)
153	153	-	0%	1,238	1,563	325	21% ^(D)
224	224	-	0%	1,648	2,160	512	24% ^(E)
137	137	-	0%	1,371	1,371	-	0%
319	319	-	0%	2,965	3,194	229	7%
1,371	1,371	-	0% ^(a)	12,074	13,747	1,673	12%
14	14	-	0%	147	145	2	2%
44	44	-	0%	496	444	52	12%
(166)	(166)	-	0%	(1,663)	(1,663)	0	0%
-	-	-	0%	-	-	-	0%
(108)	(108)	-	0%	(1,020)	(1,074)	54	5%
(48)	(297)	249	84%	1,381	(275)	1,656	603% ^(F)
27	27	-	0%	430	266	164	62%
(21)	(270)	\$ 249	92%	\$ 1,811	\$ (9)	\$ 1,820	20157%

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 April 2017
(\$ in 000's except Gallons)

Foot- note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
a.	Potable Water Usage in Millions of Gallons	401	343	58	- Potable water sales are higher than planned primarily because of higher than planned demand for landscaping irrigation. In April 2017, Burbank received 0.09 inches of rainfall, compared to the average rainfall of 1.11 inches. Additionally, higher than normal temperatures in April also contributed to higher demand for landscaping irrigation.
b.	Recycled Water Usage in Millions of Gallons	96	68	28	- Recycled water sales are higher than planned due to higher than planned usage at Studio District and Valhalla, likely related to warmer and dryer conditions than normal in April.
c.	Potable Water Revenue	2,059	1,601	458	- The WCAC impact increased potable water revenues by \$145k MTD. Without this adjustment, potable water revenues would be favorable by 20%.
					WCAC Revenue
					WCAC Expenses - includes higher than planned purchases from MWD due to 2 days of BOU unavailability
					WCAC revenue deferral (increased revenues)
d.	Recycled Water Revenue	358	243	115	- MTD Recycled Revenue corresponds with the demand.
e.	Other Revenue	20	114	(94)	- Other revenues include items such as damaged property recovery, connection fees, late fees, and tampering fees, which tend to fluctuate.
f.	Water Supply Expense	1,006	776	(230)	- 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	1,371	1,371	-	- Expenses, other than water supply expense, have not closed for April 2017 and are estimated at budgeted values.
					MTD Actual
					\$ 861
					1,006
					<u>\$ (145)</u>

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

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
A.	Recycled Water Usage in Millions of Gallons	764	790	(26)	- FYTD 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. This is partially offset by higher than planned demand in March and April, due to warmer and dryer conditions than normal in March and April.
B.	Other Revenue	624	1,138	(514)	- Other revenues include items such as damaged property recovery, connection fees, late fees, and tampering fees, which tend to fluctuate.
C.	Operations & Maintenance - Potable	4,852	5,459	607	- 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	1,238	1,563	325	- The favorable variance is primarily attributable to lower than planned maintenance expenses on the recycled water system.
E.	Allocated O&M	1,648	2,160	512	- The favorable variance is attributable to favorable variances in allocated expenses (primarily Finance and Customer Service) from the Electric Fund.
F.	Aid in Construction	430	266	164	- The favorable variance is primarily attributable to the timing of AIC projects.

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

	Apr-17	Mar-17	Feb-17	Jan-17	Dec-16	Jun-16	Recommended Reserves	Minimum Reserves
Cash and Investments								
General Operating Reserves	\$ 8,754	\$ 8,325	\$ 8,478	\$ 10,422	\$ 11,294	\$ 8,674	\$ 9,760	\$ 5,240
WCAC	800	945	1,216	1,139	1,112	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>11,774</u>	<u>11,480</u>	<u>11,914</u>	<u>13,781</u>	<u>14,625</u>	<u>11,767</u>	<u>15,760</u>	<u>7,240</u>
Capital Commitments	(349) ^(b)	(460) ^(b)	(477)	(480)	(485)	(553)	-	-
Water Purchase Commitments ^(c)	-	-	-	(1,364)	(3,094)	-	-	-
Cash and Investments (less commitments)	<u>11,425</u>	<u>11,030</u>	<u>11,436</u>	<u>11,938</u>	<u>11,047</u>	<u>11,213</u>	<u>15,760</u>	<u>7,240</u>

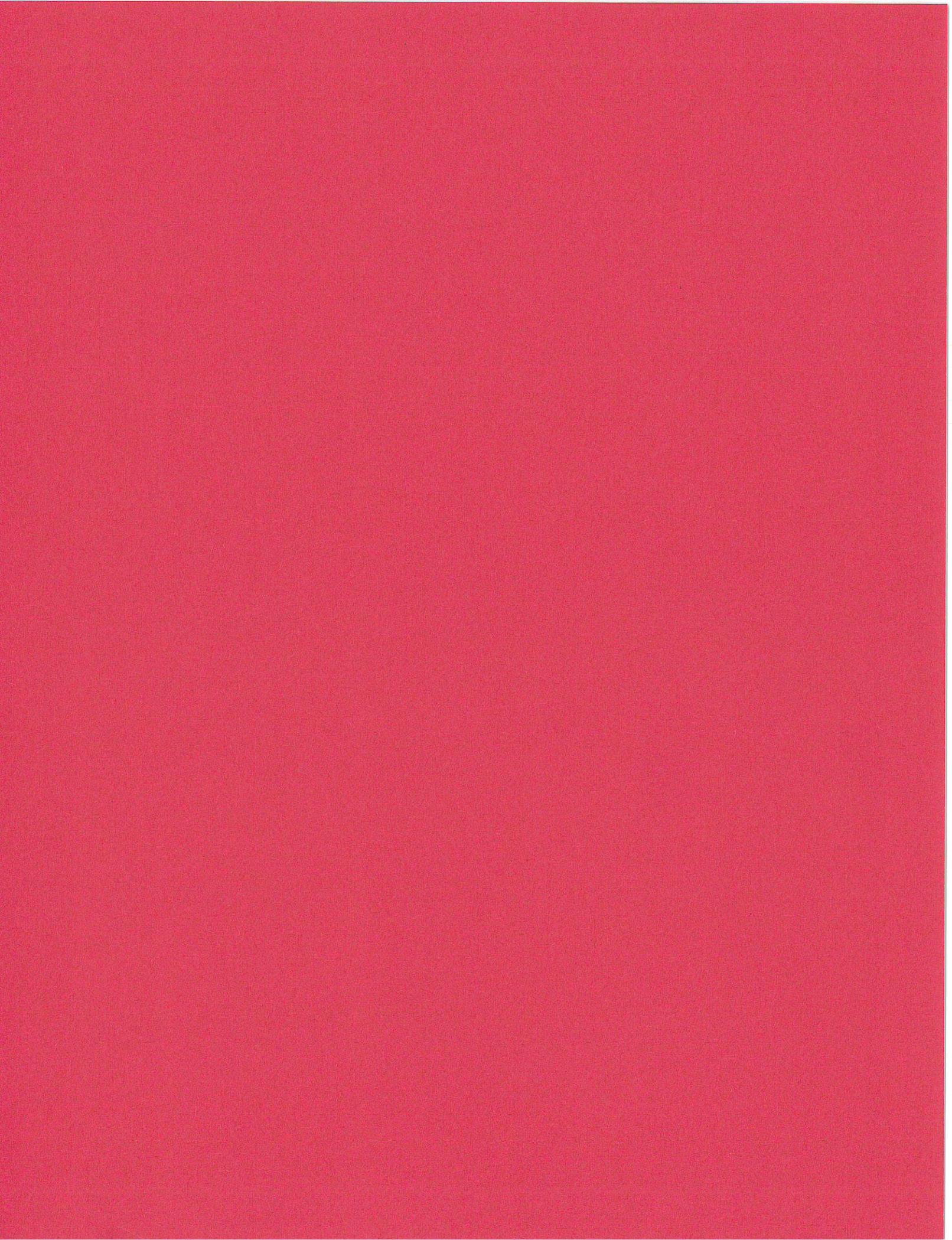
^(a) The Statement of Cash Balances may not add up due to rounding.

^(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 \$93k.

^(c) 7200 Acre Feet of Untreated Water was purchased from the Metropolitan Water District, with payments made in December 2016 through February 2017.

Estimated April 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	
<u>FYTD NET INCOME - \$1,381</u>	1,656		1,656
<u>FYTD GROSS MARGIN VARIANCE</u>			
Potable Revenues	627		627
Recycled Revenues		(17)	(17)
Other Revenue		(514)	(514)
Water Supply Expense		(167)	(167)
Total	627	(698)	(71)
<u>FYTD O&M AND OTHER VARIANCES</u>			
Potable Water O&M	607		607
Recycled Water O&M	325		325
Allocated O&M	512		512
Depreciation Expense	229		229
All Other	54		54
Total	1,727	-	1,727



**BURBANK WATER AND POWER BOARD
MINUTES OF MEETING
May 4, 2017**

6A.
UNAPPROVED

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

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, Assistant General Manager, Power Supply; Mr. Compton, Assistant General Manager – Chief Technology Officer; Ms. Fletcher, Assistant General Manager, Customer Service and Marketing; Mr. Hernandez, Customer Service Supervisor; Mr. Nahhas, Principal Civil Engineer, BWP; Mr. Hernandez, Principal Electrical Engineer, BWP; Mr. Thompson, Principal Civil Engineer, BWP; Mr. Lopez, Manager Water Production – Operations; Mr. Aquino, Administrative Officer; Ms. Titus, Legislative Analyst; Mr. Baumgardner, Emergency Management Coordinator; Ms. Kramer, Recording Secretary

INTRODUCTION OF ADDITIONAL AGENDA ITEMS

None requested.

ORAL COMMUNICATIONS

Mr. Herman called for oral communications at this time. Appearing to comment was Mr. Donald Howell.

Board Members, Mr. Somoano, and Ms. Fletcher responded to Public Comment.

Mr. Somoano advised that information regarding low-income rates will be brought back to the Board.

CONSENT AGENDA

MINUTES

It was moved by Mr. Eskandar, seconded by Ms. Obal, and carried 6-0 to approve the amended minutes of the April 6 Board Meeting. Ms. Kramer noted to correct the minutes appropriately.

REPORTS TO THE BOARD

MWD UPDATE

Ms. Ramos, Burbank's representative on the Metropolitan Water District (MWD) Board of Directors, presented an update on MWD, and showed a video about the Oroville Dam Spillway.

Ms. Ramos responded to Board Member questions.

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

BWP OPERATIONS AND FINANCIAL REPORTS

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

Mr. Liu, Mr. Somoano, Mr. Nahhas, and Mr. Lopez responded to Board Member questions.

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

CITY OF BURBANK'S EMERGENCY OPERATIONS PLAN AND BWP's EMERGENCY RESPONSE PLAN

Mr. Baumgardner, Burbank's Emergency Management Coordinator, presented an overview of the City's Emergency Operations Plan and his role as the Emergency Management Coordinator.

Mr. Baumgardner and Mr. Compton responded to Board Member questions.

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

SUSTAINABLE BURBANK COMMISSION REPORT

Mr. Herman commented that since Ms. Springer won her election for the City Council, she has resigned from the BWP Board. Ms. Springer submitted a written Sustainable Commission Report which Mr. Herman read aloud.

- Mr. Molinar informed the group that the Community Garden bid opening is expected to begin on July 1, 2017.
- The Commissioners reviewed their 2017 goals previously discussed at the March 20 meeting.
- The group discussed formulating ordinances and/or codes that could be presented to Council that would provide guidelines to enhance sustainability citywide.

Ms. Obal volunteered to take over for Ms. Springer, representing the BWP Board at the Sustainable Burbank Commission meetings.

The Board unanimously supported Ms. Obal as the new representative.

COMMENTS AND REQUESTS FROM BOARD MEMBERS

Ms. Obal questioned who she should report hillside fires to if she's not sure if it's within Burbank's jurisdiction. Mr. Baumgardner responded.

Mr. Ford commented in response to Mr. Howell's concerns with rates, he would be interested in continuing the discussion on rates. Mr. Ford inquired how formal Ms. Ramos' relationship with the City of Burbank is in regards to her position at MWD. Mr. Somoano responded. Mr. Ford also inquired about local water storage in Burbank. Mr. Somoano responded.

Mr. Eskandar congratulated Ms. Springer on her election win, she will be missed on the BWP Board.

Mr. Smith commented on Ms. Ramos' presentation, on the damage to the Oroville Spillway, and that he anticipates continued pressure on water rates.

Mr. Olson requested that the General Manager purchase copies of the book recommended by Ms. Ramos for distribution to the Board. Mr. Olson also requested information on the Open Access Tariff to be presented at the next Board meeting.

Mr. Herman also congratulated Council Member Springer on her victory, and wished her all the best.

INFORMATION FROM STAFF

LEGISLATIVE UPDATE

Ms. Titus updated the Board on AB 1667, introduced by Assemblymember Friedman. This bill has since been gutted and amended, and is now an agricultural planning bill. Burbank is no longer tracking this bill.

Ms. Titus discussed a report issued in April 2017 by the State Water Resource Control Board, entitled, *Making Conservation a Way of Life*. This report was in response to the Governor's Executive Order, which directed agencies to come up with a long-term conservation plan.

Ms. Titus also reported out on SB 100, introduced by Senator De Leon, and SB 700, an Energy Storage Initiative bill.

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

DROUGHT UPDATE

Mr. Nahhas reported on the Governor's Executive Order which maintained to make water conservation a California Way of Life. He reported on positive indicators showing water levels and reserves are up from the drought years.

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

OROVILLE DAM UPDATE

This item was covered by Ms. Ramos during her presentation.

ALISO CANYON UPDATE

Mr. Bleveans presented a brief update on the Aliso Canyon natural gas storage facility, its role in maintaining reliable natural gas supply in Los Angeles County, and BWP's operational planning for risks of possible curtailment of natural gas during the upcoming summer. In this connection, Mr. Bleveans emphasized the challenges inherent in that planning given BWP's limited access to real-time and forecast information about the gas system.

Mr. Bleveans and Mr. Somoano responded to Board Member questions.

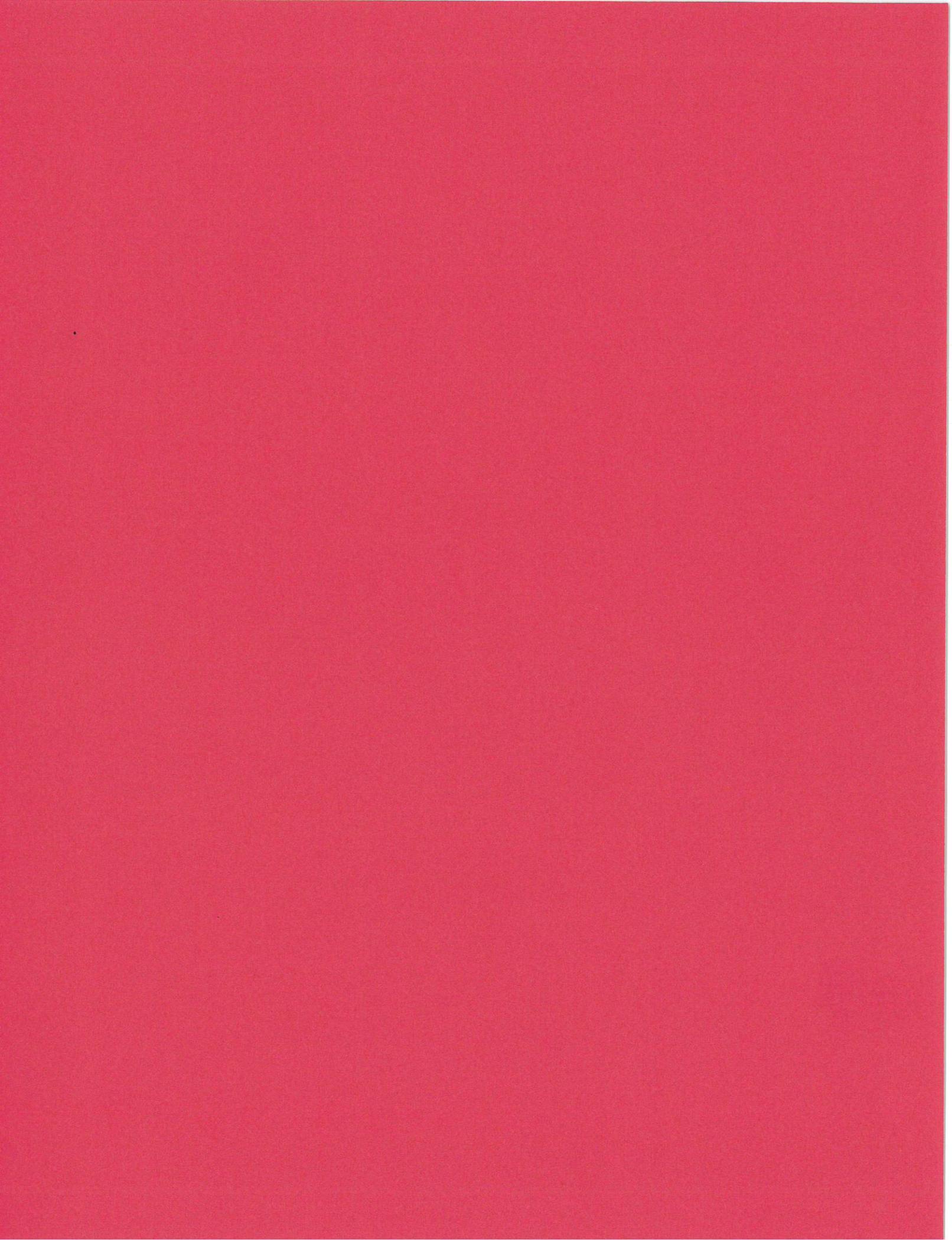
ADJOURNMENT

The meeting was adjourned at 7:49 pm. The next scheduled Board meeting is June 1, 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



WMR

WARNER MUSIC INC.
1633 Broadway
New York, NY 10019

May 23, 2017

VIA OVERNIGHT MAIL

Honorable Will Rogers
Burbank City Council
Burbank City Hall
275 East Olive Avenue
Burbank, CA 91502

Re: Employee Separations at Burbank Office

Dear Mayor Rogers:

This letter is to inform you that Warner Music Inc. ("WMG") will conduct employee separations at its office located at 3400 West Olive Avenue, Burbank, CA 91505 in connection with the relocation of certain operations. The entirety of WMG's Accounting Operations, Cash Management and Recorded Music Rights Administration departments at this location will cease. This action is expected to be permanent.

The employee separations are expected to occur in phases over approximately eighteen months. The first phase is scheduled to begin during the 14-day period starting on July 28, 2017. Enclosed is a listing of the job titles of the positions affected and the number of affected employees in each job classification, along with the anticipated separation dates, for the first phase of separations. We will be in contact with you regarding future separations.

There are no bumping rights at this location. The affected employees are not represented by any union.

You may contact Monica Ramirez, Senior Director, Human Resources, (818) 558-6023, if you require further information.

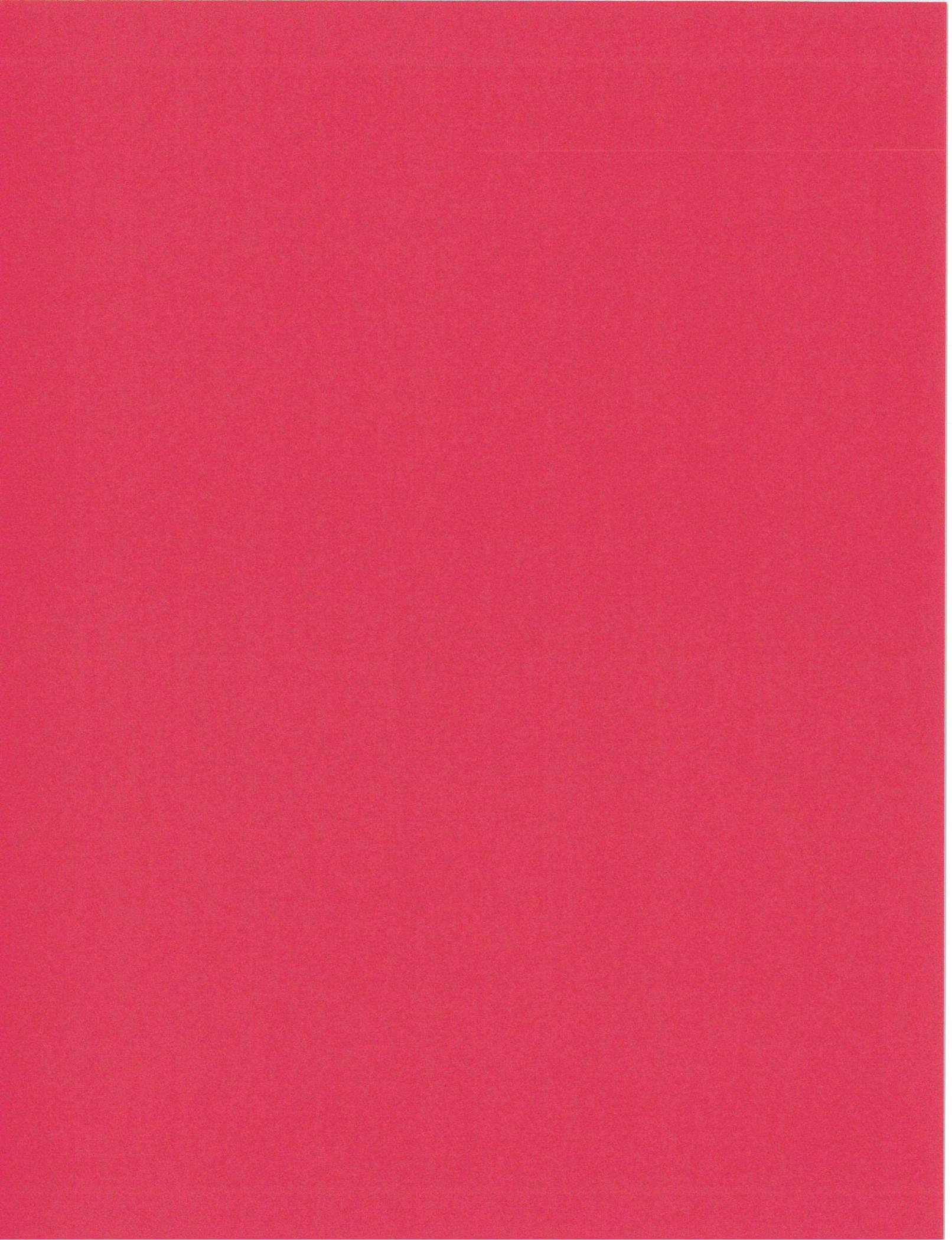
Very truly yours,



Paul M. Robinson
EVP & General Counsel

Enclosure: Job Titles and Number of Employees in Affected Positions

Job Title	Number of Affected Employees	First Day of Anticipated 14-Day Separation Period
Administrative Assistant	1	July 28, 2017
Analyst	2	July 28, 2017
Clerk	2	August 31, 2017
Director	2	July 28, 2017
Jr. Accountant	2	July 28, 2017
Manager	1	August 31, 2017
Sr. Accountant	2	August 31, 2017
Sr. Analyst	3	July 28, 2017
Sr. Director	1	July 28, 2017
Sr. Manager	1	July 28, 2017
Sr. Staff Accountant	1	August 31, 2017
Staff Accountant	1	August 31, 2017
Total	19	





memorandum

DATE: May 23, 2017
TO: Ron Davis, City Manager
FROM: Patrick Prescott, Community Development Director *Patrick Prescott*
SUBJECT: **Planning Board Actions of May 22, 2017**

At the regular meeting of May 22, 2017, the Planning Board discussed the following items:

Hearing

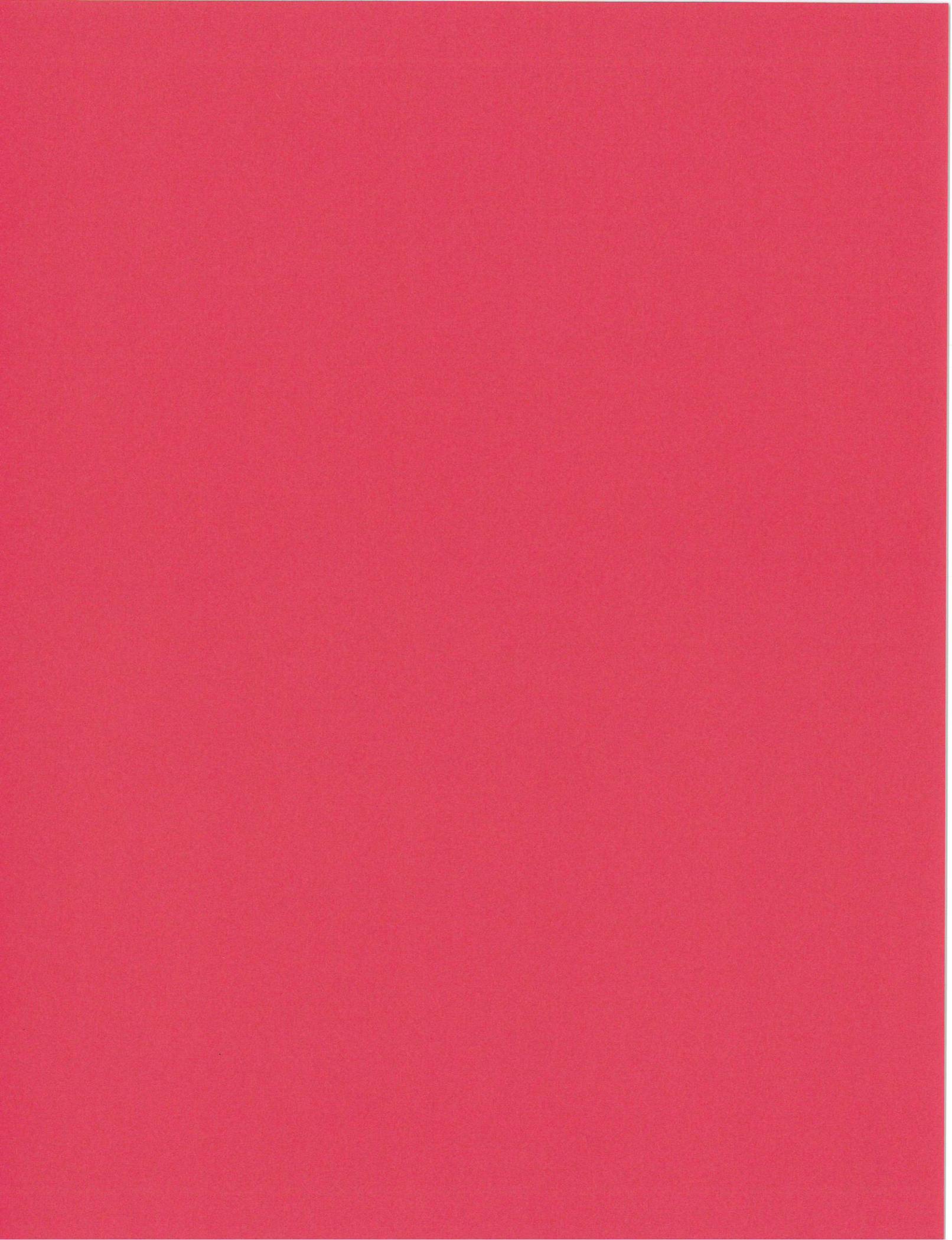
1. Project No. 16-7425 (Off-Site Alcohol Sales) | 201 E. Magnolia Blvd Unit #122.

The Board was presented with a request for a Type 21 alcohol license for off-site sale of beer and wine and a Type 86 alcohol license for instructional on-site tasting as well. The Board approved the two alcohol licenses by a vote of 4-0. Undine Petrulis was absent.

The Board's decision on this item is final. Modifications may not be made, nor the decision of the Board reversed, unless the Board's decision is appealed by the public or the City Council as a body decides to set the matter for a public hearing in lieu of an appeal. Any City Council Member requesting City Council review of this matter must submit a request in writing to the City Clerk by June 6, 2017.

Attendance

Present: Jo, Rizzotti, Atteukenian, Eaton.
Absent: Petrulis



CITY OF BURBANK
PARKS AND RECREATION
ANNOTATED AGENDA/MEETING SUMMARY

Meeting: Parks and Recreation Board

Date: Thursday, May 11, 2017

Staff Present: Judie Wilke, Parks and Recreation Director; Marisa Garcia, Assistant Parks and Recreation Director; Kris Smith, Deputy Director; Krista Dietrich, Administrative Officer; Erin Barrows, Recreation Manager; Diego Cevallos, Aquatics Program Coordinator; Kristen Hauptli, Administrative Analyst; and Patricia Molinar, Recording Secretary.

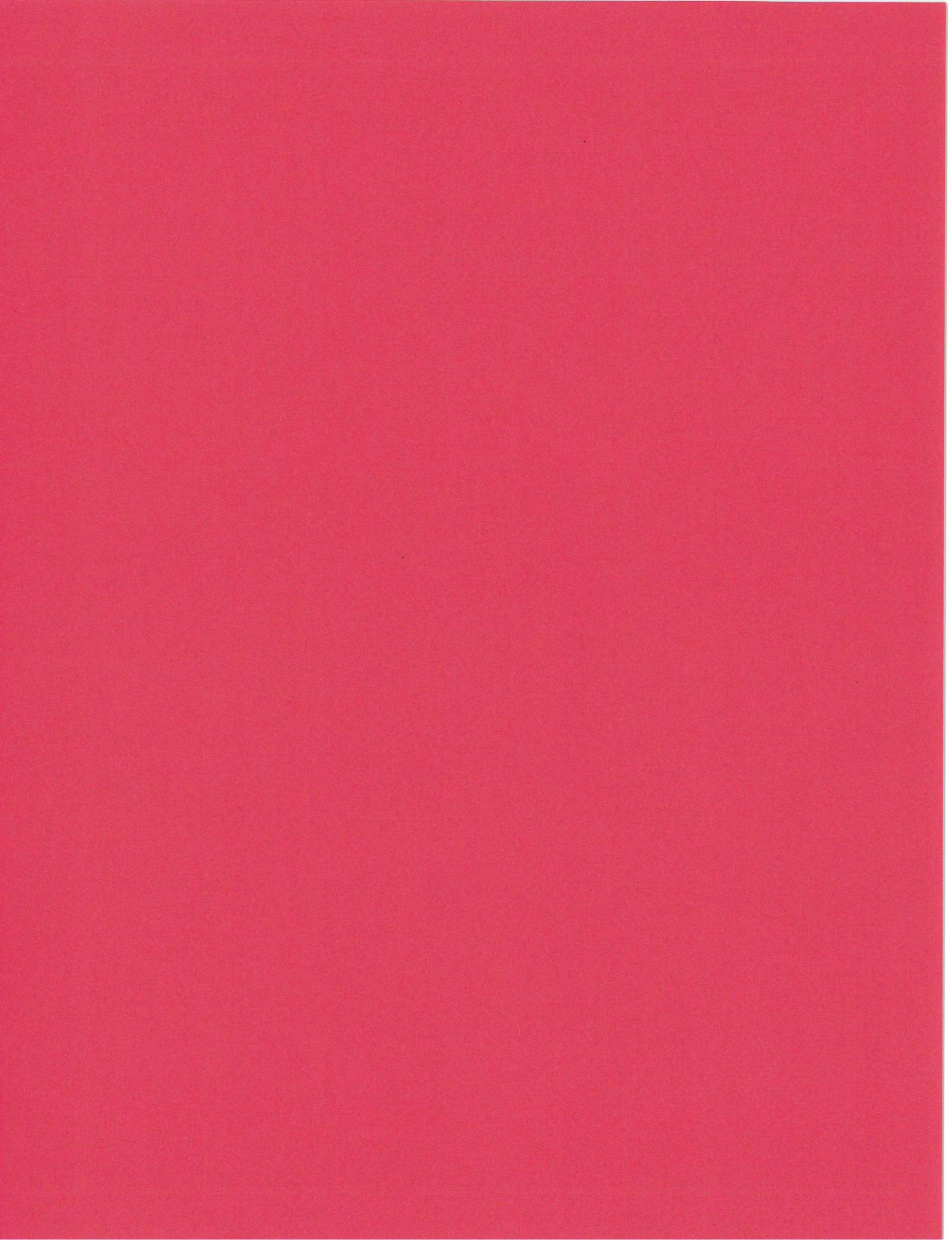
Board Members Present: Dr. Barta, Ms. Lowers, Mr. DePalo, and Mr. Gussow

Board Members Absent: Ms. Jackson

Item Discussed	Summary	Direction or Action, if any
1 Recognitions	RISE Graduates	N/A
2 Oral Communications	Debbie and Don Ludwig briefed the Board on the latest pickleball activities around the City and shared their vision to transform the Larry L. Maxam Memorial Park tennis court into a dedicated pickleball site with 4 permanent courts.	N/A
3 Response To Oral Communications	The Board thanked the speakers for the informative update. Ms. Wilke proposed to monitor the usage by tennis players and pickleball players of the Larry L. Maxam Memorial Park tennis courts during the upcoming months. The findings will be utilized during a future Park Board meeting, possibly in September 2017, to discuss possible pickleball court locations.	
4 Written Communications	None.	N/A
5 Park Board Comments	Mr. DePalo announced that the application deadline to submit nominees for this year's Walk of Fame induction has been extended. Dr. Barta reported that Youth Board will present the results of the new teen activities survey at the June Park Board meeting.	N/A
6 Aquatics Off-Season Comparison Report	Mr. Cevallos provided the Board with a utilization comparison of the Winter 2015/2016 and 2016/2017 sessions of the Verdugo Aquatic Facility. During the off-season the pool is utilized for learn-to-swim lessons, lap swim, aqua fitness classes, masters swim team, youth swim team, and event rentals. Aquatic Classes: October 2015-April 2016 Total Classes: 95 Total Participants: 1,065 October 2016-April 2017 Total Classes: 58 Total Participants: 1,033	Noted and Filed.

CITY OF BURBANK
PARKS AND RECREATION
ANNOTATED AGENDA/MEETING SUMMARY

11	Response to Second Period of Oral Communications	None	N/A
12	Additional Comments from the Board	Mr. DePalo announced that the Civitan Jamboree Day will take place at George Izay Park on Saturday, June 10 th at 9:00 a.m. Mr. DePalo announced that the Memorial Day Ceremony will take place at McCambridge Park on Monday, May 29 th at 11:00 a.m.	N/A
13	Introduction of New Agenda Items	Mr. DePalo requested staff to provide a report on prospective pickleball court sites. Mr. Gussow requested staff to present a Roller Hockey Rink Update report.	N/A
14	Adjournment	The meeting was adjourned at 7:26 p.m.	N/A



CITY MANAGER'S OFFICE CITY NOTES

Important Updates for the Burbank City Council

May 26, 2017

Police Unity Tour



Burbank Police Sergeant Henry Garay, Detective Todd Burke, and Detective Harry Terrill, along with 400 other current and former police officers from around the country, began the 270 mile bike ride from Somerset, New Jersey to Washington D.C., in the Police Unity Tour on Wednesday, May 10. About 2,000 other riders, who started in other cities in the Northeast, met the group in D.C., and rode into the National Law Enforcement Officers' Memorial together on Friday, May 12. The primary purpose of the Police Unity Tour is to raise awareness of Law Enforcement Officers who have died in the line of duty. The secondary purpose is to raise funds for the National Law Enforcement Officers' Memorial and Museum. The Police Unity Tour has raised more than \$2.5 million for the memorial and museum since 1997. The motto for the riders is "We ride for those who died." Riders will often ride in memory of a fallen officer from their agency or state. The Burbank Police Officers rode in Memory of Officer Matthew Pavelka, who was killed in the line of duty on November 15, 2003.

Choose Your Own Adventure

There was an exciting new program at the Buena Vista Branch Library on Monday, May 8. Wil Wheaton, actor and Burbank resident, volunteered his time to read to families. He was excited to share his love for reading, and involved the audience as he read from interactive books from the series *Choose Your Own Adventure*, where the reader decides the outcome of the story by choosing which page to turn to determine the main character's actions and the plot's outcome. As Wil read, he picked children from the audience to decide how to continue the adventure. The program was simultaneously broadcast on Wil's TwitchTV channel so anyone could watch and listen.



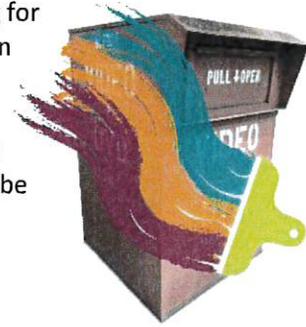
Linemen Appreciation Day!

Burbank Water and Power celebrated the City's linemen for working hard to keep the power flowing for Burbank residents and businesses on Tuesday, April 18. BWP has earned a 99.99% reliability rating, which means BWP customers experienced only 19.34 minutes without power in a year. A person living outside of Burbank experienced 132 minutes without power in a year. It would take a Burbank resident about six years to experience the same amount of minutes without power!



Beyond the Box – Art Contest

The Burbank Public Library’s book drops are in need of a makeover. BPL is asking for the community’s help to decorate the book return boxes on Glenoaks Blvd., in front of the Burbank Central Library. The contest is only for creating the illustration that will be on the outside of the book drop. The City will take care of the painting and use the winning designs for the inspiration. Submissions must be original artwork and cannot include any copyrighted images. Entries will be accepted through Monday, July 31.



Burbank Tech Talks



The first of four Burbank Tech Talks scheduled for the Spring/Summer 2017 series took place on Tuesday, April 25, at the new WeWork Burbank office in the Media District. The seminar titled “How to Raise Seed and Angel Funding for Your Start-Up,” drew in 140 registrants from Burbank and the surrounding Los Angeles area. Speakers Arteen Arabshahi, from Fika Ventures, and angel investor, Asher Leids, shared valuable advice on how to raise funding for start-ups, how to pitch an idea to investors, and

answered numerous questions from the audience. The Burbank Tech Talks create an opportunity for the entrepreneurial, start-up industry to connect and increase their knowledge in various tech sectors including media, biotech, and clean tech. Attendees come to hear established entrepreneurs and venture capitalists provide their knowledge and insight in the entrepreneur industry. The City’s Economic Development Team creates this networking opportunity for growing entrepreneurs, while also educating attendees on the benefits of opening or relocating their business to Burbank. In addition to learning these benefits, the new partnership with WeWork Burbank hosting the Burbank Tech Talks allowed attendees the opportunity to tour the facility after the seminar for membership inquiries. The common goal for both organizations is to promote leasing shared office space and Burbank’s involvement with this emerging trend among millennials. The remaining three seminars will run through July and will focus on:

- Gaming and entertainment start-ups;
- Achieving press coverage for your start-up; and
- The future of digital media and entertainment.

Crafty Kids

Young creative artists gathered at the Northwest Branch Library to design a personalized gift for Mother’s Day. Led by children’s librarian Arsine Ansryan, each child created a unique apron for that special person in their life. Imagination was in full bloom this spring.

