



# Weekly Management Report

## July 13, 2018

- 1. Synopsis** Burbank Hospitality Association Meeting  
June 13, 2018  
**Community Development Department**
- 2. Synopsis** Downtown Burbank Partnership Meeting  
May 10, 2018  
**Community Development Department**
- 3. Report** May 2018 Operating Results  
**Burbank Water and Power**
- 4. Agenda** Burbank-Glendale-Pasadena Airport Authority  
Regular Meeting of July 16, 2018  
**Burbank-Glendale-Pasadena Airport Authority**



# memorandum

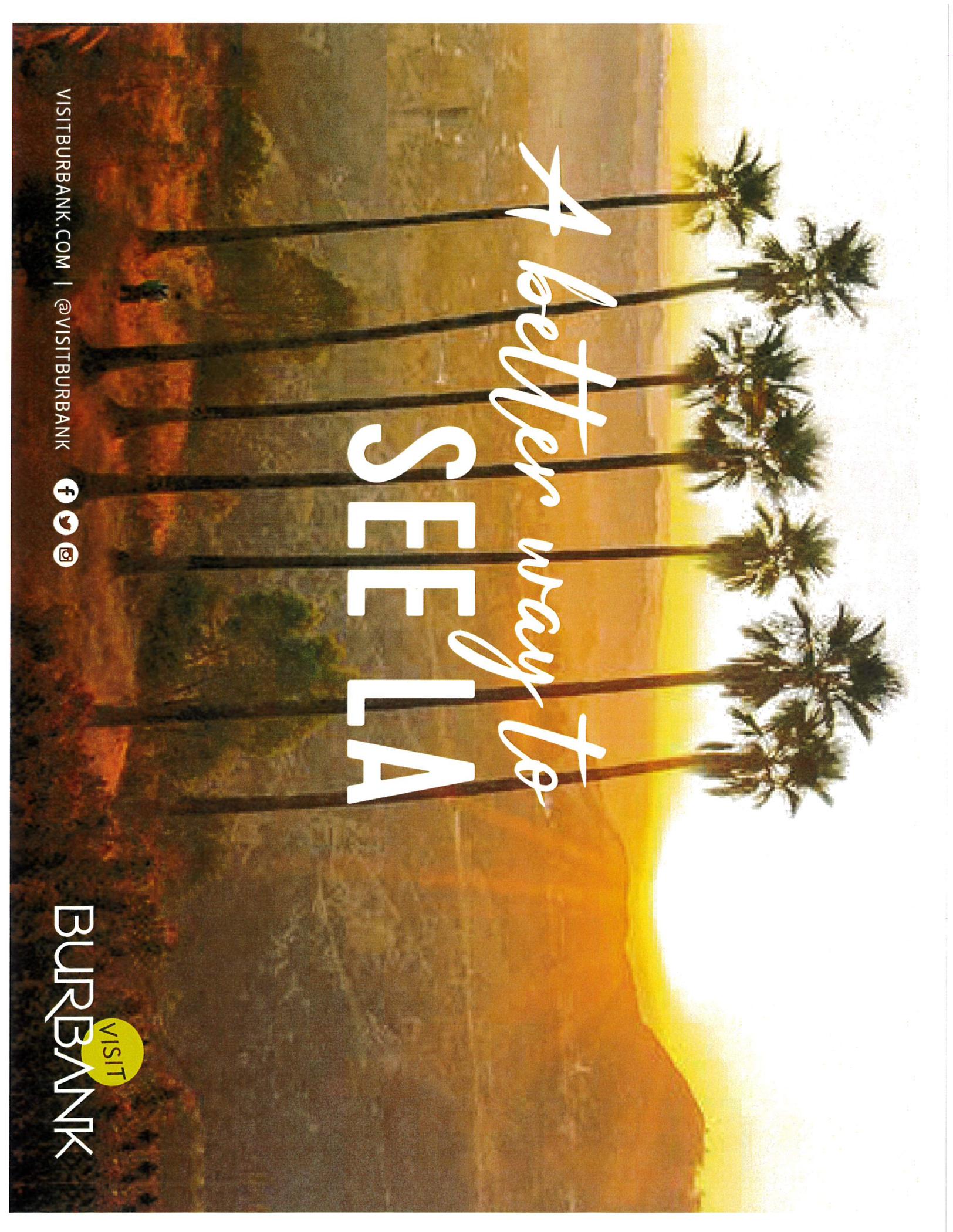
**DATE:** July 3, 2018

**TO:** Ron Davis, City Manager

**FROM:** Patrick Prescott, Community Development Director   
Via: Simone McFarland, Assistant Community Development Director-  
Business and Economic Development 

**SUBJECT: THE BURBANK HOSPITALITY ASSOCIATION (BHA)  
MEETING SYNOPSIS – JUNE 13, 2018**

- Staff from the City of Burbank's Transportation Division presented information on a possible Bikeshare Program in order to receive feedback and gauge the interest of the hospitality stakeholders should a Bikeshare Program be implemented in the future. The BHA was in general support as this is an additional amenity to select travelers, but more details would need to be discussed should this program move forward.
- Due to recent internal programming changes at HotelPlanner.com, the BHA approved to rescind their previously approved decision to partner with HotelPlanner.com. The company is an organization that specializes in booking group travel.
- With the recommendations of the Marketing and Design Advisory Committee, the BHA approved the following:
  - The annual budget for Fiscal Year 18/19; and
  - New marketing creative concepts and media plan (attached).
- The BHA approved to allocate Destination Development funds to create airline incentive packages for new flight routes being considered to fly to/from the Hollywood Burbank Airport. Incentives may include targeted marketing of new routes. Specific guidelines and incentives will be brought back to the Board for approval.
- Staff presented additional marketing opportunities to "Paint the Town CTN" during the annual expo including welcome banners on hotel exteriors, light projections on buildings, shuttle bus wraps, social media reskins, as well as hiring Burbank Police Officers for additional security measures during the expo. The Board asked staff to bring back cost estimates for elevator wraps at the hotels and signage in the baggage claim area of the Hollywood Burbank Airport.
- The BHA considered establishing a formal Budget and Financial Advisory Committee as a standing committee to discuss finance related matters including the annual budget. After some discussion it was determined that the Board Chair and Treasurer could continue to meet with staff as needed and bring budget related recommendations to the BHA Board for consideration.



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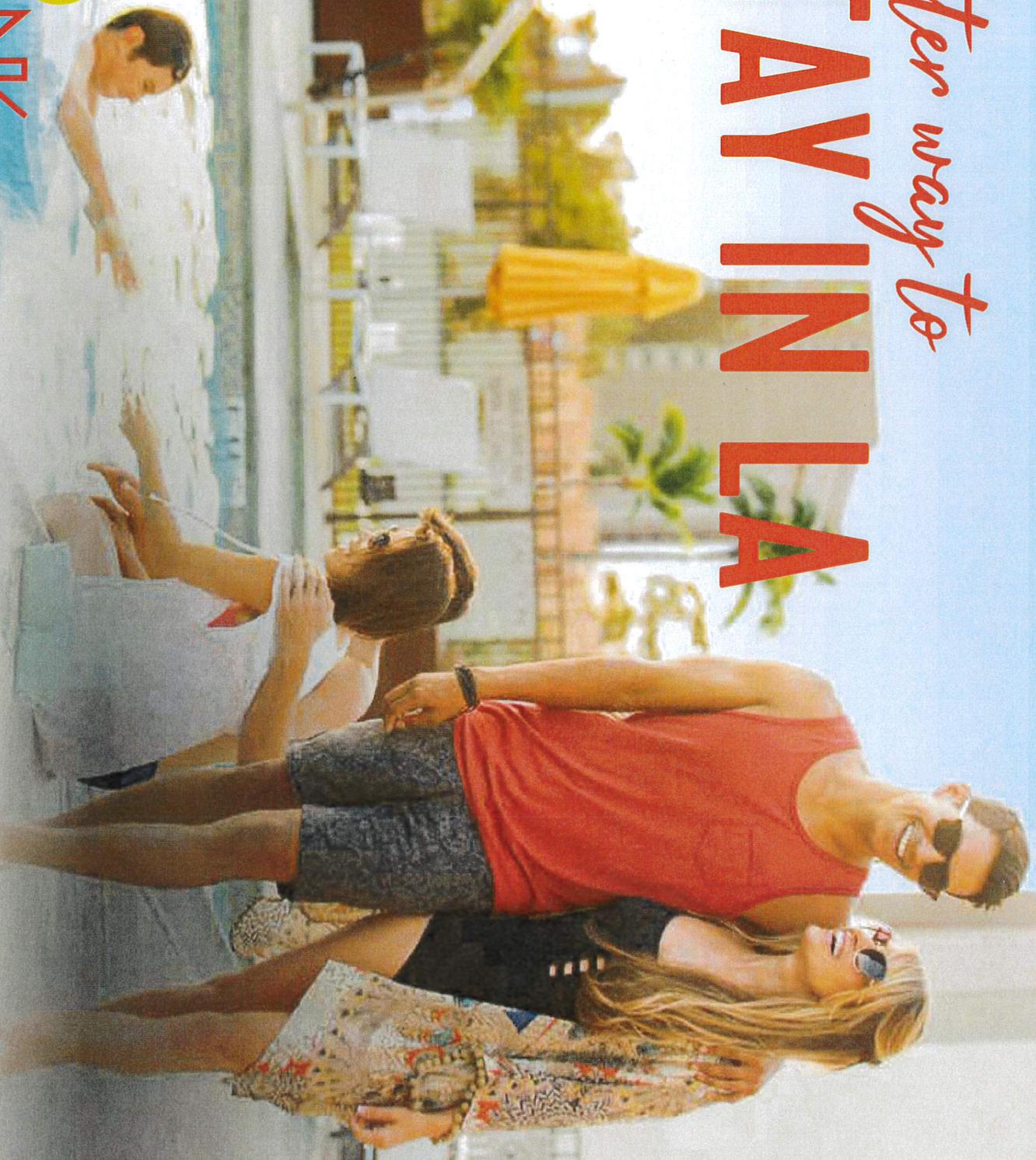
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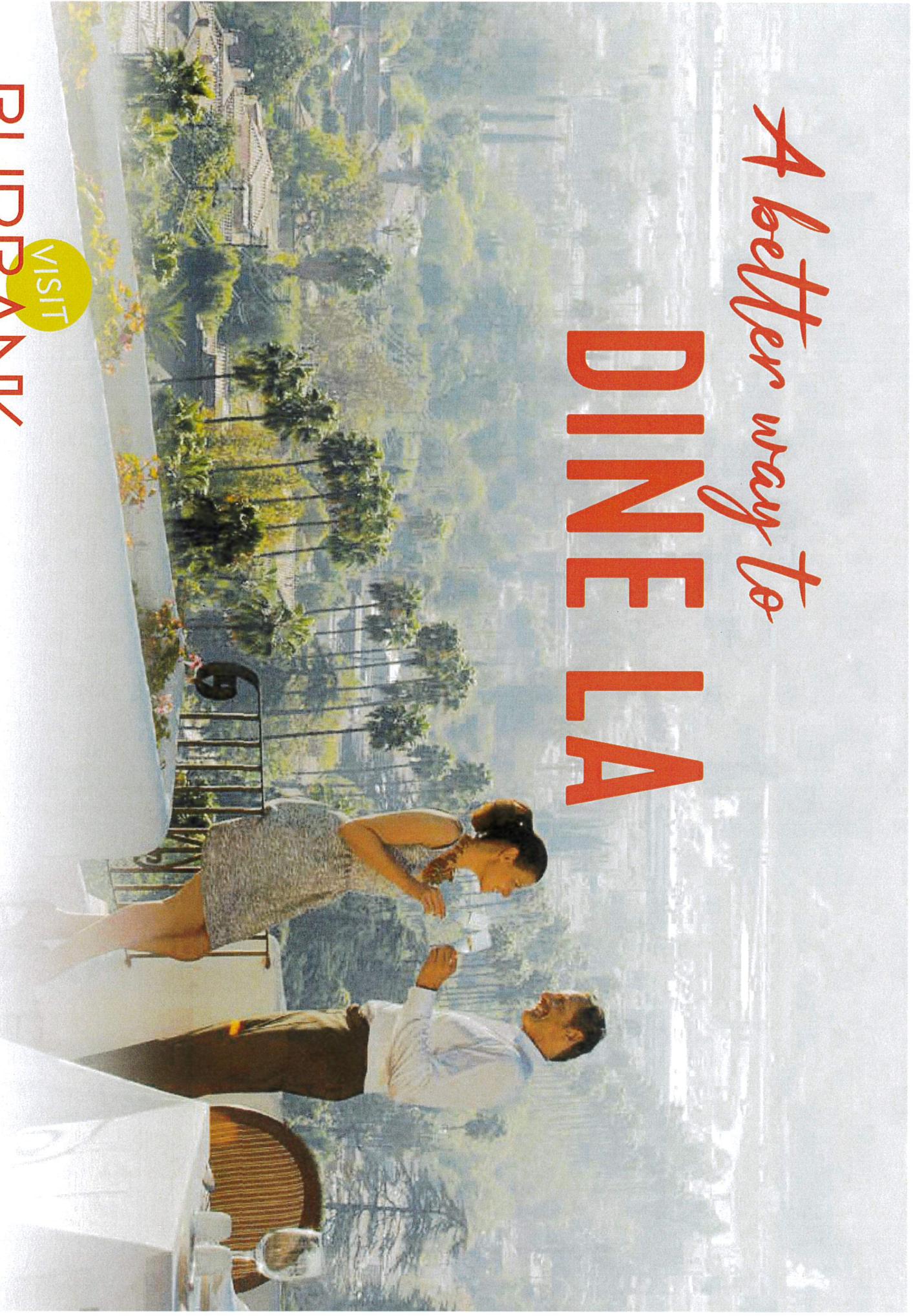
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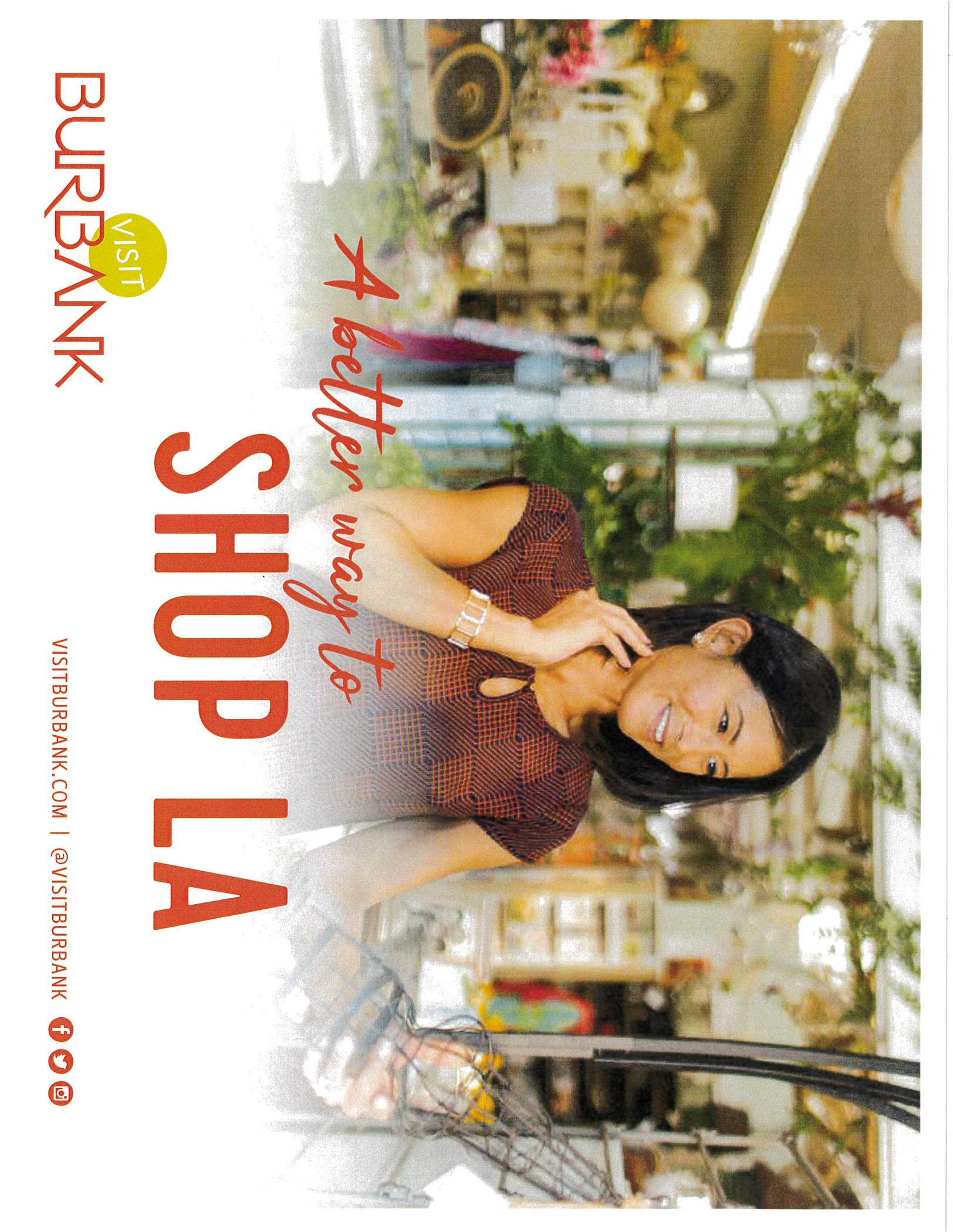


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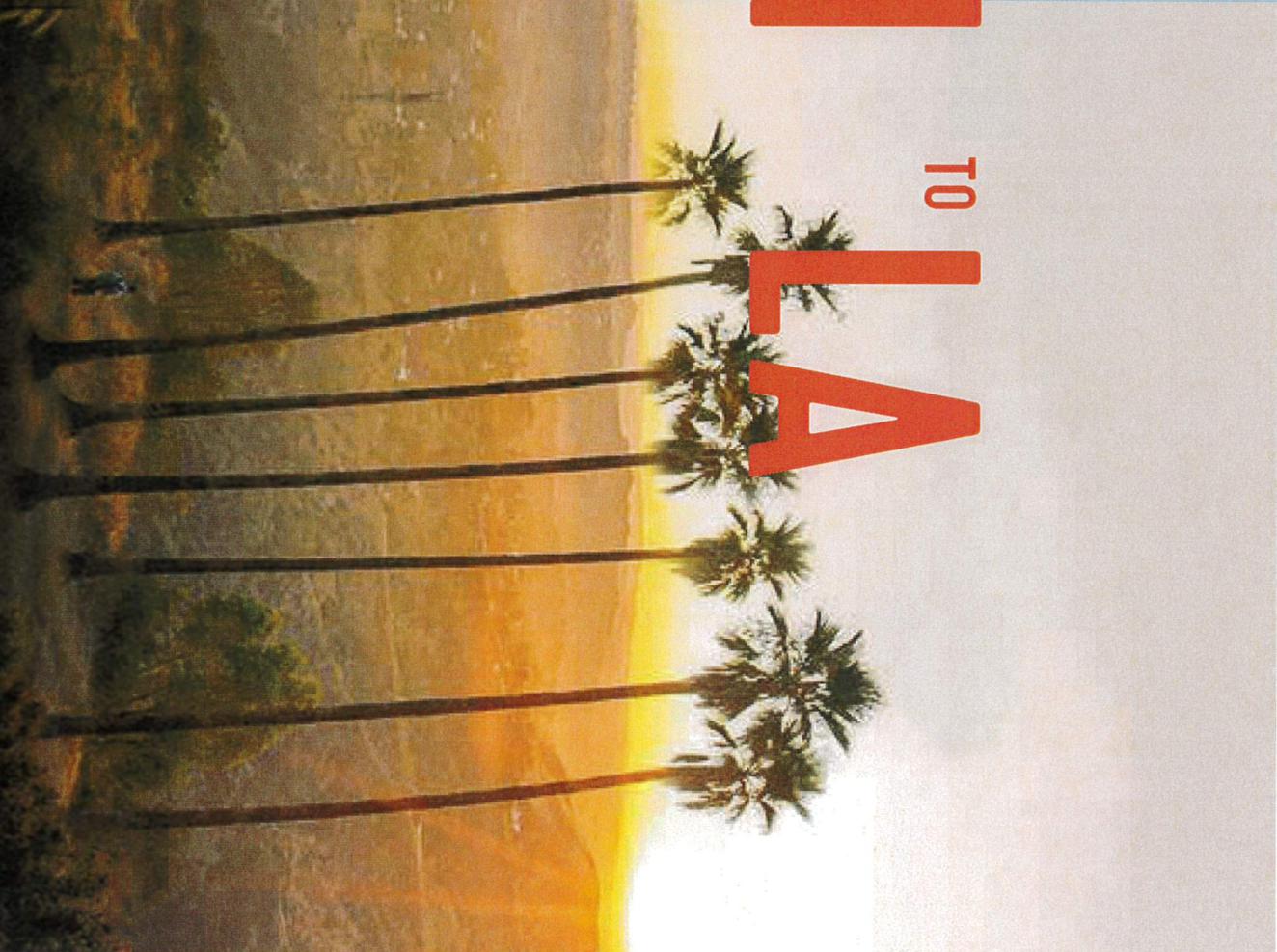


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# memorandum

**DATE:** July 7, 2018

**TO:** Ron Davis, City Manager

**FROM:** Patrick Prescott, Community Development Director   
Via: Simone McFarland, Asst. Community Development Director:  
Business & Economic Development 

**SUBJECT:** **Downtown Burbank Partnership (P-BID) Meeting – May 10, 2018**

- Staff updated the Board on the PBID's renewal efforts. The next step in the renewal process will be the resolution of formation hearing at the June 26th Council Meeting. On June 26th, if a majority of the ballots received are in favor of renewal, the City Council may consider final approval of the renewal of the PBID through the Resolution of Formation. If ballots in opposition exceed the ballots in support of the proposed assessment, the PBID would dissolve on December 31, 2018. **Note:** *This meeting was held prior to the Council's approval of the PBID.*
- Staff updated the Board on the 15th annual Downtown Burbank Arts Festival which took place April 14 and 15. This year's event featured four blocks of handcrafted art as well as specialty artists from The Creative Talent Network. Chalk painters focused on animation created murals throughout the weekend in front of the newly remodeled Burbank Town Center. To complete the event a Wine Garden sponsored by Urban Press Winery was set up on the Palm Paseo walkway. Event attendance topped 18,000, and marketing reached more than 2.4 million individuals. In preparation for next year's event staff will look at other arts coordination organizations that Downtown Burbank can work with to bring in new and exciting vendors who will appeal to a larger audience.
- The next regular board meeting will be July 2018.





## CITY OF BURBANK BURBANK WATER AND POWER STAFF REPORT

**DATE:** July 5, 2018  
**TO:** BWP Board  
**FROM:** Jorge Somoano, General Manager, BWP  
**SUBJECT:** May 2018 Operating Results

### SAFETY

Burbank Water and Power had one new reportable lost time injury during May 2018.

### **Water Results of Operations**

For the month of May, Potable water usage was 22% (84 million gallons) higher primarily because of higher than planned demand for landscaping irrigation. The higher demand is likely related to the easing of landscape watering restrictions from two to three days per week. Potable Water Revenues were correspondingly \$335,000 better than budgeted. Recycled water usage was at budget. Recycled Water Revenues were \$36,000 better than budgeted. May Water Supply Expenses were \$161,000 higher than budgeted, driven by the higher demand. May's Gross Margin was \$204,000 better than budgeted. Net Income was \$129,000, which was \$204,000 better than budgeted.

May fiscal-year-to-date (FYTD) Potable water usage was 9% (414 million gallons) higher than budgeted and FYTD May Potable Water Revenues were correspondingly \$1,202,000 higher than budgeted. FYTD recycled usage was 6% (59 million gallons) better than budgeted and Recycled Water Revenues were correspondingly \$184,000 better than budgeted. FYTD Water Supply Expenses were \$818,000 higher than budgeted, driven by higher demand. The FYTD May Gross Margin was \$612,000 better than budgeted. Operating Expenses were \$1,108,000 better than budgeted. Net Income was \$2,256,000, which was \$1,689,000 better than budgeted.

### **Electric Results of Operations**

For the month of May, electric loads were 10% lower than budgeted due to conservation. Retail Sales were correspondingly \$1,463,000 lower than budgeted. May Power Supply Expenses were \$1,007,000 better than budgeted primarily due to lower usage of biomethane gas than planned. May's wholesale margin was \$260,000 better than budgeted. May's Gross Margin was \$196,000 lower than budgeted. Net Income was -\$105,000 which was \$102,000 lower than budgeted.

FYTD May electric loads were 3% lower than budgeted due to conservation, offset in part by warmer than normal summer temperatures. Retail Sales were correspondingly \$3,120,000 lower than budgeted. FYTD Power Supply Expenses were \$12,446,000 better than budgeted primarily due to prior period true-up credits, and lower usage of

biomethane gas than planned. FYTD wholesale margin was \$748,000 better than budgeted. FYTD Gross Margin was \$8,980,000 better than budgeted. May FYTD Operating Expenses were \$4,048,000 better than budgeted. Net Income was \$19,250,000 which was \$14,056,000 better than budgeted.

## WATER DIVISION

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

The California Water Fix passed a major milestone on April 10 when the Metropolitan Water District of Southern California (MWD) Board voted 61% to 39% to proceed with the full two tunnel project and finance the full unsubscribed share of the estimated construction cost to move the project forward. MWD's share is \$10.8 billion or 67% of the cost and capacity of the project. It is estimated that would affect retail customers' future monthly water bills by \$4.80 when the project is completed. It is also strongly anticipated that Central Valley farmers, south of the Delta, will be paying proportionate use fees to move their water offsetting costs to MWD customers. The Santa Clara Valley Water Authority (SCVWA) voted in early May to fund their share of the California Water Fix and explore participating in an unsubscribed portion of the project. The Delta Conveyance Design and Construction Joint Powers Authority (DCA) was formed and met for the first time on May 14. The DCA will sell bonds for project financing and direct design and construction. Now that the funding question has been resolved, permitting and design will go forward despite many protests by the project opponents. Notwithstanding the aforementioned events and actions, MWD is scheduling a revote on the California Water Fix at the July Board meeting to bypass a protest by external parties, which claim there may have been a violation of the Brown Act prior to the vote. MWD counsel has determined that no violation took place but a revote eliminates any continuing protests in further response to the formal MWD response.

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. Some language is also directed at conserving recycled water which is not in short supply. 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 is paying close attention and working with regional and industry groups to comment on, and influence, the development of these standards. As noted above, these actions require enabling legislation which was passed by the legislature this year.

Legislation is also moving forward for the state to fund operation and maintenance of water facilities in disadvantaged communities, as well as separate legislation to provide low income rate assistance. Both of these efforts are moving forward under the auspices of water as a basic human right as defined by the California Legislature. One means of paying for these initiatives is proposed as fees attached to individual consumers water bills as opposed to funding through the State General Fund. The Governor has also included this funding mechanism in the proposed state budget. This approach is highly contested by water agencies and is active in the current legislative session. The proposed monthly \$1 fee on water bills has been stopped at this time but will still be pursued by advocates in the future.

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 it was 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 Burbank 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 potential future actions by the State, Burbank appears well positioned to meet the future requirements. Water use in Burbank in May 2018 was 142 GPCD with 123 GPCD for the Fiscal Year ending on June 30. Monthly GPCD in May was significantly affected by warm weather. Calendar year 2017 water use was 133 GPCD, up 8 GPCD from 2016 reflecting some rebound in outdoor watering and a dry autumn. 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 water where practical, but recognizes that the largest users have been converted.

Due to the bountiful 2017 water year, MWD added excess water supply of 1.3 million acre-feet beyond its 2017 demand to its storage facilities. The available water exceeded MWD's capacity to place water into its storage facilities so MWD created a Cyclic Storage Program to allow Member Agencies to store water in their groundwater basins and then pay for the water when they take it. At the end of December 2017, Burbank had spread a total of 5,674 acre-feet in the MWD Cyclic Storage account for future purchase as well as the budgeted annual purchase of untreated volumetric water of 7,200 acre feet.

The initial allocation for the 2018 State Water Project (SWP) was 15% on December 1, 2017. The allocation was increased to 20% on January 29, 2018. The SWP allocation was increased to 30% on April 24 and then to 35% on May 24. It's not likely to increase further. A SWP allocation of 35% with moderate demand from member agencies will not require significant withdrawals from what MWD has in storage. Construction repair work on the Oroville Dam Spillway began again at the beginning of May. The lake level has been held lower to allow an earlier start on this years' construction. The relatively low level of the lake through the winter is one factor in an initial lower SWP allocation.

The BOU was 97.01% available for service in May 2018. Well V-02 came back on-line at the beginning of the month. BWP is maximizing BOU production by optimizing the blend with MWD treated water although lower ground water levels are impacting the operational efficiency of the BOU wells. Testing of drawing water from lower levels in the aquifer, by deflating the "packers" in the lower portion of the well casings and boosting well pumping rates, began on May 14. This a 10 week testing program and is showing initial promise.

<b>Availability</b>	<b>Production</b>	<b>Average Flow Rate (gallons per minute)</b>
97.01%	74.96%	6,745

**Project Updates:**

The final water services for the Talaria Project were installed in May as the building construction had progressed to where the services and meters could be safely installed.

Work began in April on installing 350 l.f. of 8-inch ductile iron water main in Whitnall Highway north of Fairview Street. Work was completed in mid-May.

Work began in April on installing 875 l.f. of 8-inch ductile iron water main in Mariposa Avenue from Chestnut Street to Burbank Blvd. Work was completed in late June.

Work began in May on installing 525 l.f. of 8-inch ductile iron water main in Brighton Street from Thornton Avenue to San Fernando Blvd. The project is anticipated to be completed by the beginning of July.

Work began in June on installing 800 l.f. of 8-inch ductile iron water main in Lincoln Street from San Fernando Blvd. to Kenmore Avenue. Work is expected to be completed in July.

Seismic valve actuators are currently being installed at Reservoirs #1, #4 and #5; valve control software was installed in late July 2017 which will enable BWP to program the closing positions of the valve actuators.

Repairs to the tank bottom and touch up painting were completed on Wildwood recycled water storage tank B in March. Work on Tank A was completed in April. Coating of the exterior of DeBell #1 tank began in mid-June.

Work began in March on replacing plug and pressure reducing valves in the blending facility at the Valley Pumping Plant. Work is expected to be complete in late July due to long lead time to procure valves.

Construction is complete by Williams Brothers on the recycled water distribution main extensions into Los Angeles. The cost of this work is being fully reimbursed by LADWP. A Notice of Completion has been recorded by the County. Now that the Notice has been recorded, BWP is preparing the final invoice to LADWP for reimbursement. LADWP's schedule to activate the mains to deliver recycled water into Los Angeles per our exchange agreement is showing activation of most connections taking place in December of 2018 and going into FY 2019/20. This is disappointing given that years have been available to plan conversions at project completion.

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 recycled water (RW) in cooling towers. A Waste Water Change Petition was submitted to the State Water Resources Control Board (SWRCB), 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 order approving Change in Place of Use, Purpose of Use and Quantity of Discharge was issued April 20, 2018. We are now proceeding with the conversion of four HVAC cooling towers. The Jefferson Elementary conversion was completed in May.

Pending conversions to recycled water in 2018 include: Nickelodeon, Talaria, Bret Harte School, PPG Aero Space and the Castaway fire system. Another site that is expected to be converted to recycled water in 2018 is the ornamental fountain at the Valley Pumping Plant.

The Beachwood Sewage Lift Station operated by the Burbank Public Works Dept. suffered a complete failure of their pumping capability on April 2. This station pumped approximately half of Burbank's sewage flow to the Reclamation plant. This flow is now bypassed to Los Angeles and the availability of recycled water is significantly reduced and critical at certain times of day requiring potable water to be added to the Recycled Water System. There are three pumps installed at Beachwood and they failed, one at a time, across a number of months with no maintenance or mitigating actions taken as the pump failures progressed. BWP is juggling the daily demands on the system to reliably serve our customers but have serious concern about a sufficient volume of recycled water being available to meet peak demands as the warmer weather comes on regardless of adding potable water to the Recycled System. This is becoming a critical situation and

requires mitigating action by the Public Works Dept. No repair parts or Purchase Order for repair of the two pumps removed from the pumping station in mid-April had been acquired as of June 12. The third failed pump is still in position. BWP is coordinating with the contract operator at the reclamation plant to minimize the addition of potable water make up in to the recycled system during times of low flow at night.

The below pictures are of the breaking pavement to excavate and make a hot tap at Brighton and San Fernando Road. This water main replacement project is to replace 525 feet of old and undersized 4-inch cast iron main to the new 8-inch Ductile Iron distribution main and is part of the Capital Improvement Program.





## DISTRIBUTION

### ELECTRIC RELIABILITY

In May 2018, BWP experienced no sustained feeder outages. In the past twelve months, automatic reclosing has reduced customer outage time by approximately 839,608 customer minutes.

Reliability Measurement	June 2016-May 2017	June 2017-May 2018
Average Outages Per Year (SAIFI)	0.3183	0.5064
Average Outage Duration (CAIDI)	24.86 minutes	26.15 minutes
Average Service Availability	99.999%	99.998%
Average Momentary Outages Per Year (MAIFI)	0.1064	0.2005
No. of Sustained Feeder Outages	10	9
No. of Sustained Outages by Mylar Balloons	1	2
No. of Sustained Outages by Animals	0	1
No. of Sustained Outages by Palm Fronds	5	0

### PROJECT UPDATES

#### Ontario Substation

In May, underground construction of conduits used for 69kV subtransmission and 12kV distribution circuits leaving the substation was completed. Also, rough grading and form construction for building and equipment foundations was started.





69kV Duct Bank Installation (Substation Transformers)



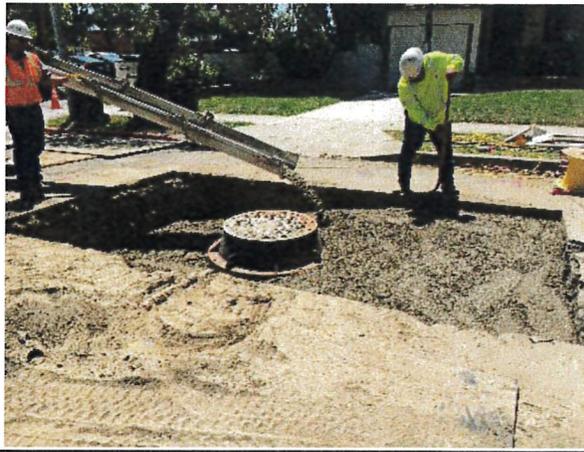
Concrete Forms for Transformer Foundation Installation

Underground construction of the two 69kV lines connecting the new Ontario Substation to Lincoln and Valley Substations continued to progress in May. This portion of the project involves the installation of eight manholes and about 7,000 linear feet of concrete-encased conduit packages that will provide an underground pathway for each 69kV line. Currently, seven manholes and approximately 5,000 linear feet of conduit have been installed on Ontario Street, Thornton Avenue, and Fairview Street.



Manhole Excavation Pit





Manhole Installation on Fairview Street

## Ontario Substation and Underground Construction Project Area



### 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, 45.22% of the total streetlight luminaires have been converted to LEDs which translates to an annualized energy savings of 2,240 MWh or a 24.17% reduction in energy consumption. LED conversions have also reduced evening load by 511kW, which shortens the “neck of the duck-curve” and reduces the amount of energy generation that BWP needs.

## 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 reduced in kg	kWh/ Station/ Day	% Peak Sessions	Parking Occupancy	Charging Occupancy
May 2018	20,512	\$3,695	8,615	24	19%	32%	27%
Apr 2018	20,643	\$3,729	8,670	25	20%	30%	25%
Mar 2018	19,414	\$3,459	8,154	22	21%	26%	22%
Feb 2018	19,884	\$3,666	8,351	25	21%	30%	25%
Jan 2018	24,790	\$4,927	10,412	29	21%	30%	24%
Dec 2017	24,402	\$4,757	10,249	28	21%	30%	24%
Nov 2017	21,410	\$3,996	8,992	26	21%	29%	24%
Oct 2017	23,000	\$4,828	9,660	27	20%	32%	27%
Sept 2017	20,755	\$4,307	8,717	25	20%	31%	25%
Aug 2017	22,207	\$4,669	9,327	26	23%	31%	26%
Jul 2017	22,981	\$4,845	9,652	27	22%	30%	25%
Jun 2017	21,456	\$4,513	9,011	26	23%	31%	27%
May 2017	21,693	\$4,063	9,111	25	19%	29%	24%
Apr 2017	18,699	\$3,461	7,854	22	20%	26%	21%
Mar 2017	20,151	\$3,777	8,464	23	20%	27%	22%
Feb 2017	17,697	\$3,358	7,433	23	21%	24%	20%
Jan 2017	19,499	\$3,611	8,189	23	20%	26%	22%
Dec 2016	17,472	\$3,130	7,338	20	19%	24%	20%
Nov 2016	17,230	\$3,334	7,521	21	18%	25%	20%
Oct 2016	17,976	\$3,705	7,550	21	18%	24%	19%
Sep 2016	17,810	\$3,811	7,480	21	20%	24%	19%
Aug 2016	19,702	\$4,257	8,275	23	19%	25%	20%
Jul 2016	17,235	\$3,506	7,239	20	19%	24%	19%
Jun 2016	17,278	\$3,469	7,257	21	19%	24%	19%
May 2016*	17,839	\$3,179	7,492	21	N/A	N/A	N/A

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

## 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. 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
May 2018	5	91	690	6,946
April 2018	9	86	685	6,911
March 2018	7	77	676	6,868
February 2018	5	70	669	6,832
January 2018	4	65	664	6,808
December 2017	9	61	660	6,777
November 2017	11	52	651	6,713
October 2017	13	41	640	6,630
September 2017	8	28	627	6,446
August 2017	15	20	619	6,405
July 2017*	5	5	604	6,302
June 2017	12	133	599	6,277
May 2017	8	121	587	5,601
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

\* Start of new fiscal year.

## TECHNOLOGY

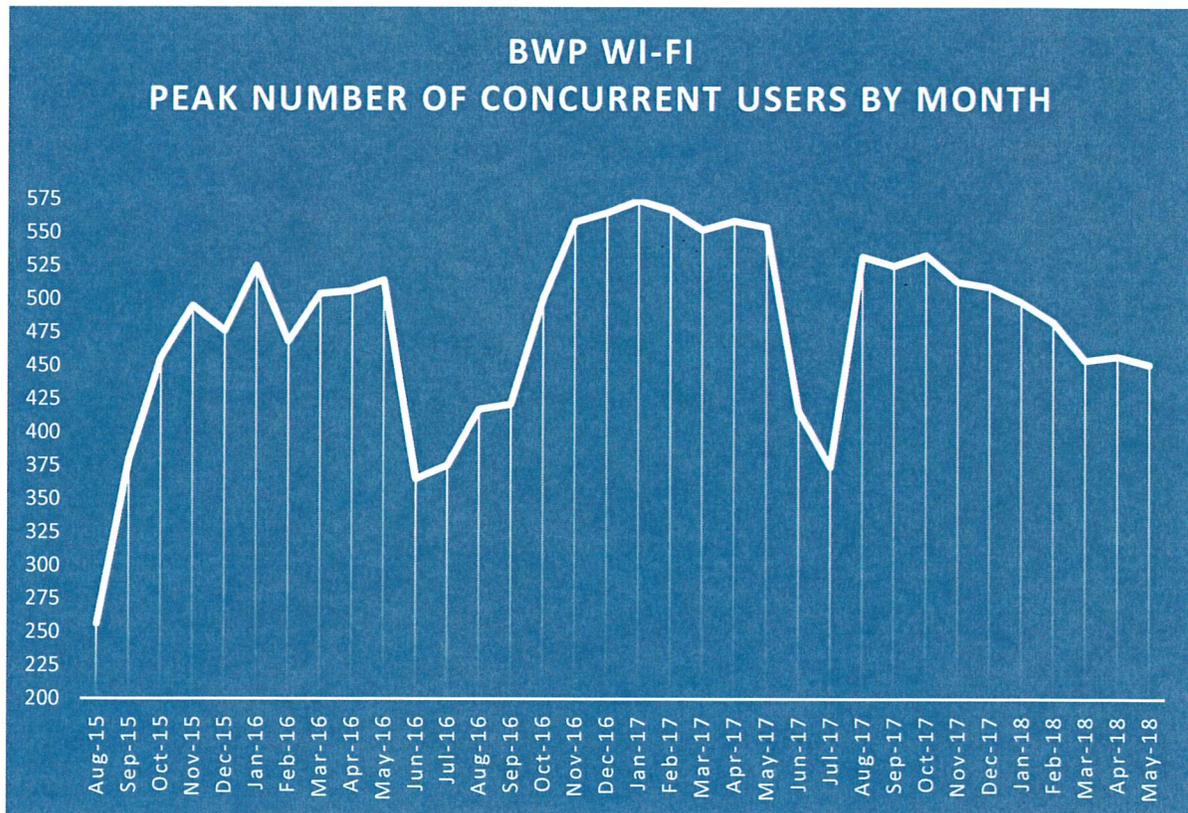
### Broadband Services (ONE Burbank)

	May 2018 New Orders	Revenues for May 2018	FYTD 2017-18 Revenues	FYTD Budget
<b>Lit</b>	1	\$111,071	\$1,177,101	\$1,430,000
<b>Dark</b>	3	\$198,565	\$2,145,410	\$2,145,000
<b>Total</b>	4	\$309,636	\$3,322,511	\$3,575,000

Values in the table above represent invoiced amounts for monthly recurring revenues only. Actual booked revenues through May 2018 are \$3,352,551.

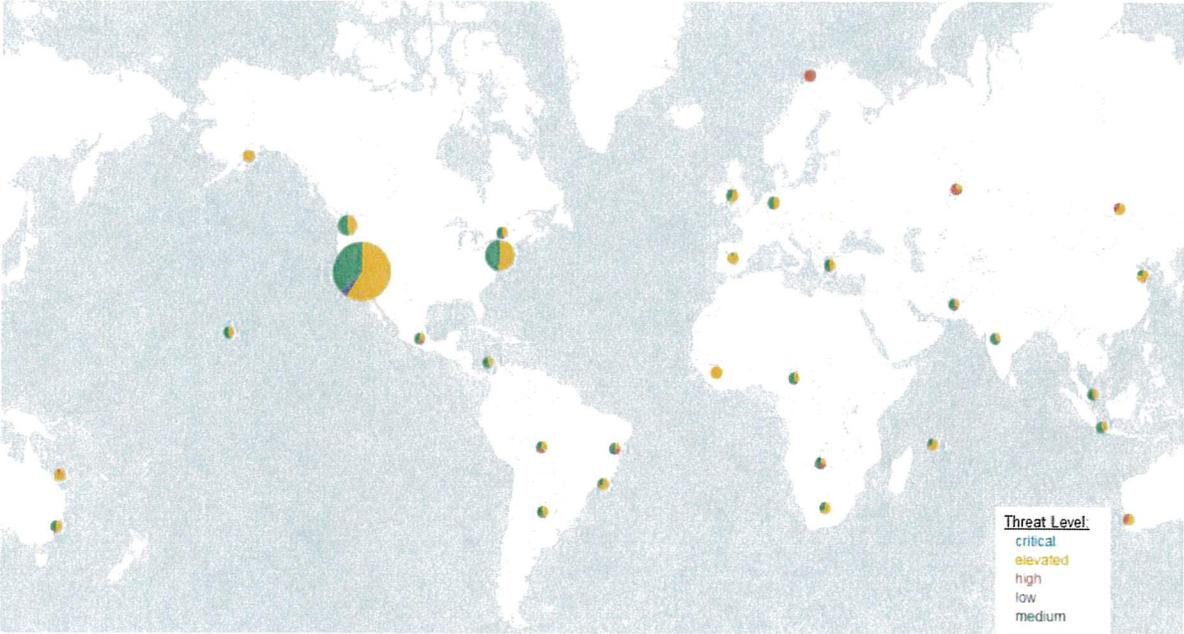
### BWP WiFi

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

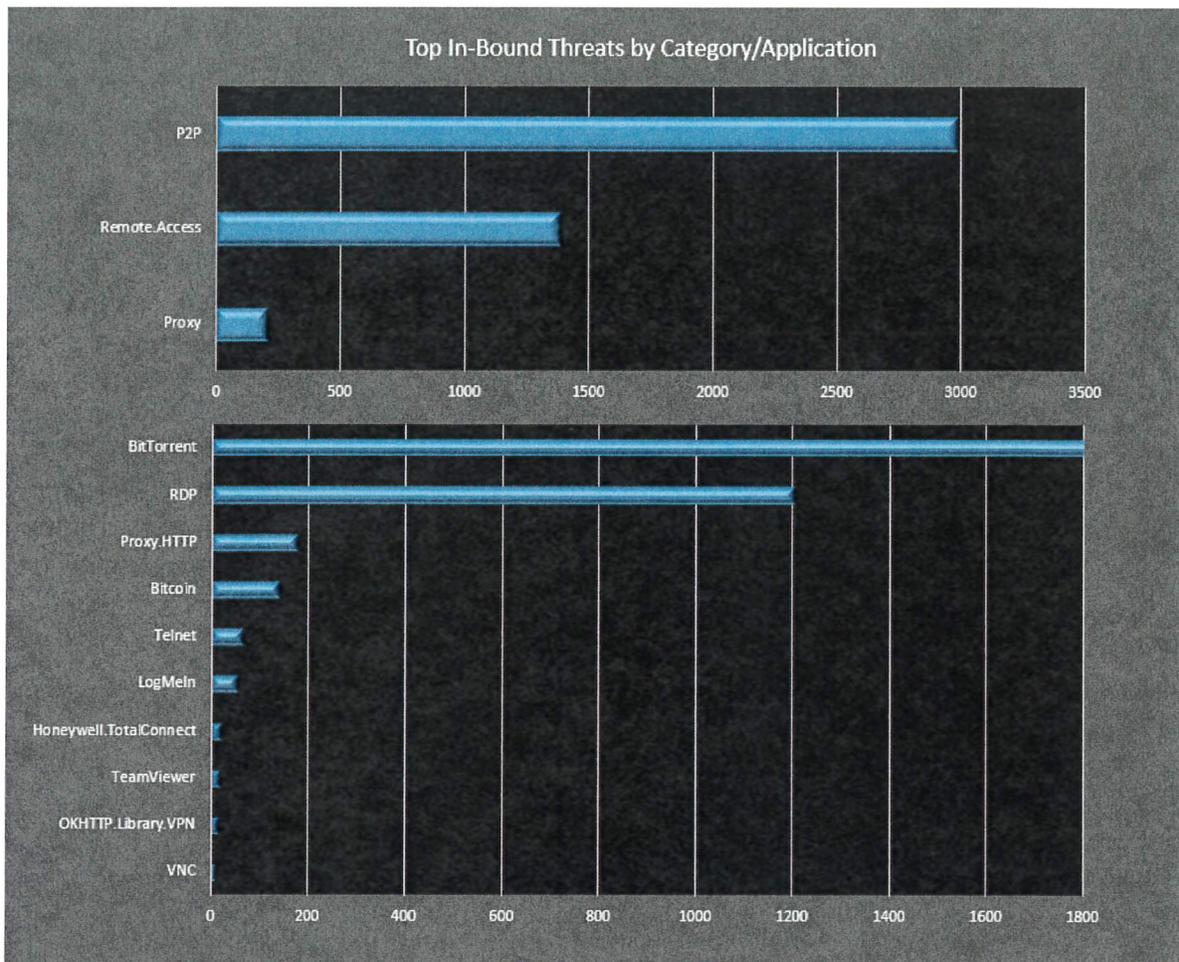


**Cyber Security Update – May 2018**

The BWP cyber security risk factor is 2.5 out of 5.0 for the month of May. Operational Technology successfully prevented over 144 million cyber security threats of which over 55% were elevated or critical.



**In-bound cyber threats by source location**



**Top In-bound cyber threats by category/application**

**RISK FACTOR**



**RISK FACTOR:** The risk levels (1=lowest to 5=highest) indicate the application’s relative security risk based on a variety of factors and criteria such as whether the application can share files, is prone to misuse, or tries to evade firewalls.

## POWER SUPPLY

### Project Updates:

#### Power Resources

#### Los Angeles Department of Water and Power Open Access Transmission Tariff Update

Los Angeles Department of Water and Power (LADWP) has implemented a new Open Access Transmission Tariff (OATT) effective September 1, 2017. The new OATT rates affect BWP's cost for services purchased from LADWP under the Balancing Authority Area Services Agreement (BAASA). Changes to the BAASA's cost of services resulting from the new OATT became effective on February 1, 2018.

Annual cost for services				
Service	FY 18/19 Under	FY 18/19 If	Variance	% Increase
	New OATT rates	Old OATT Rates		
BAASA Regulation & Frequency Response	\$871,952	\$604,350	(\$267,602)	44.3%
BAASA Contingency Reserves	\$3,462,962	\$3,224,186	(\$238,776)	7.4%
	\$4,334,914	\$3,828,536	(\$506,378)	13.2%

Staff is currently evaluating the new OATT, its impacts, and what next steps should be taken.

#### Integrated Resource Planning

BWP is planning for its next Integrated Resource Plan (IRP) which, pursuant to new requirements embedded in Senate Bill 350, is due January 1, 2019. As part of these efforts, BWP staff has engaged Ascend Analytics to be its modeling consultant.

Ascend is nearly complete in setting up BWP's modeling parameters, and staff expects to receive output from preliminary simulations by the end of June. Staff expects the draft IRP document to be reviewed by the public and City Council in late 2018.

BWP Customer Service staff are currently evaluating topics and questions for public input. Staff will educate customers on BWP's IRP efforts as well as solicit input and feedback from BWP's customers regarding future power resource options and program offerings. BWP will host public meetings on Saturday, August 4 and Monday, August 6 at the Buena Vista Library.

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

The Intermountain Power Project (IPP) purchasers involved with the repowering project have agreed to resize the proposed project to 840 MW, instead of the 1200 MW contemplated earlier. This is being called the "alternative repowering." This change came about because there is not enough definite interest amongst the renewal participants for

1200 MW of gas-fired capacity. LADWP believes the majority of the renewal project participants will assign their capacity interest back to LA, which would cause LADWP to be left with more generation than it requires. Resizing the project to 840 MW minimizes this risk, while still satisfying the projected needs of the participants. This change requires all existing participants of the renewal power sales agreement to amend both the original power sales agreement and the renewal power sales agreement to reflect the reimagined gas-fired project in Delta, UT.

This resizing of the planned gas-fired power plant does not affect transmission capacity. But because some current IPP participants have chosen not to participate in the renewal project, BWP's potential Southern Transmission System (STS) capacity allocation could increase. If BWP chooses to participate in the repowering at its maximum allowable generation interest of 35 MW, BWP would be entitled to 127 MW of capacity on the STS, up from the 108 MW of STS capacity that BWP currently enjoys. These issues are still subject to negotiation, however.

BWP will go before Council to re-file an emissions compliance finding for the alternative repowering in August. This is a duplicate of the initial filing made in 2015 and is required due to the resized alternative repowering.

## **FLEET SERVICES**

### **PROJECT UPDATE:**

Construction for the Fleet Services Building Modification (FSB) Project began May 2, 2018. CWS, the General Contractor, mobilized on site and began with hazardous materials abatement from selective FSB areas with final clearances obtained May 18. CWS is approximately 95% complete with all interior demolition areas.

The compromised sanitary sewer main is being replaced with final connection to the existing sewer manhole expected in the coming weeks. CWS is nearing completion of the waste and vent system for the new restrooms, break room area, and the new Indirect Evaporative Coolers (Climate Wizard). CWS is nearing completion of conduit runs for the new fire/life/safety system and electrical power.



Backfill completed for underground plumbing at north restroom



Backfill of sanitary sewer main



Sanitary drain line for Climate Wizard Unit #2



Layout for new concrete-masonry wall footing at Light-Vehicle Bay



BWP Water personnel working on the Fleet Building remodel project



BWP Water personnel abandoning a copper water service to the BWP Fleet Building

Attachment:  
Electrical Distribution Asset Inspection Report-2017

# 2017

## 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:**

- Patrol inspections for calendar year 2017 were not completed. Checks have been put into place to eliminate the re-occurrence of this oversight in the future.
- Detailed inspections of underground substructures are on an 8-year cycle. Manhole and primary pull box inspections are on schedule.
- 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 test and review.
- As deteriorated wood poles are discovered, BWP prioritizes and schedules replacement on a regular basis. In 2017, 47 deteriorated wood poles were replaced.
- There were 1564 streetlight operational problems reported or discovered during patrols and all were corrected. BWP Electrical Distribution staff replaced 943 less-efficient streetlight luminaires with high efficiency LED luminaires.
- BWP implements an aggressive line clearance tree trimming program that minimizes vegetation caused outages.

# 2017

## 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 18/19; final application development and complete records transfer will likely extend to FY 20/21. 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 2017:*

33 assets were assigned a Condition Level 1; all 33 were repaired or replaced.

There are four remaining 2016 assigned Condition Level 1 underground substructure assets which are part of a replacement project which requires significant planning and coordination. Where needed, reinforcement methods were utilized to prevent performance issues until replacement can be scheduled and completed.

103 assets were assigned a Condition Level 2.1; 8 were repaired or replaced.

The balance, 95 Condition Level 2.1 assets, consists of deteriorated poles 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, 72 assets assigned a Condition Level 1 or 2.1 were replaced in 2017.

## **INSPECTION RESULTS**

### **Underground**

BWP performs detailed inspections of the utility's 773 manholes on an 8-year cycle. To remain on schedule, crews need to complete an average of 96 manhole inspections per year. In 2017, 91 detailed manhole inspections were completed.

BWP performs detailed inspections of the utility's 733 primary pull boxes on an 8-year cycle. To remain on schedule, crews need to complete an average of 92 inspections per year. In 2017, 129 detailed primary pull box inspections were completed. This places BWP on schedule.

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 and all 5 of the underground switches currently remaining in the BWP system have been inspected within the current 3-year cycle ending in 2017.

BWP maintains underground distribution cable circuits totaling 125 circuit miles. Due to observed condition or system needs, BWP proactively replaced 4475 circuit feet of high voltage cable in

2016. Additionally, 169 feet of 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 932 padmounted switches, transformers, and regulators, and also performs detailed inspections on a 5-year cycle.

In 2017, as an oversight, no patrol inspections of padmounted equipment were completed. Checks have been put into place to eliminate the re-occurrence of this oversight in the future.

To remain on schedule, crews need to complete an average of 186 padmounted equipment detailed inspections per year. Detailed inspections of all padmounted equipment were completed within the 5-year cycle ending in 2014. Since 2014, 528 detailed inspections, including 202 in 2017, have been completed. This places BWP slightly behind schedule. With increased inspections planned for 2018, we anticipate getting back on schedule to complete detailed inspections of all padmounted equipment within the 5-year cycle period ending in 2019.

### **Overhead Facilities**

The BWP overhead electrical distribution system consists of 10,649 poles, approximately 205 circuit miles of conductor, 4654 transformers, 395 switches, and 54 capacitor banks. In 2017, as an oversight, no patrol inspections of overhead facilities were completed. Checks have been put into place to eliminate the re-occurrence of this oversight in the future.

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 2017, 47 deteriorated poles were replaced, and 174 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 2017, 24 high priority pole replacements were identified and staff actively created work orders, scheduled, and performed the pole replacements, completing all by year end. Additionally, 17 high priority poles which were identified late in calendar year 2016, were completed by the end of March 2017. Staff is working diligently to schedule replacements

of CL-2.1 wood poles and effectively manage the manpower and available budget required to perform the efforts necessary to ensure safety and reliability.

### **Street Lighting**

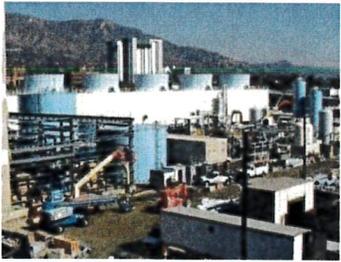
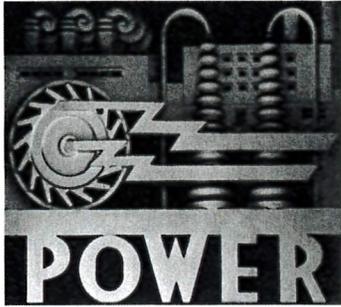
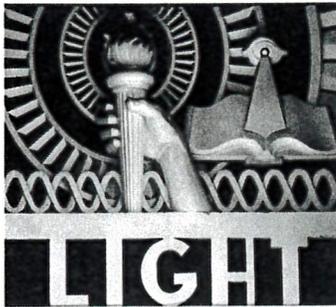
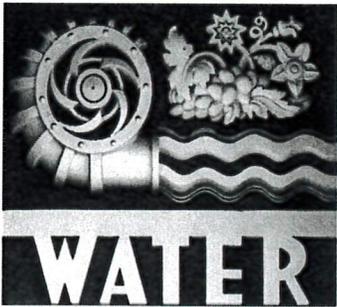
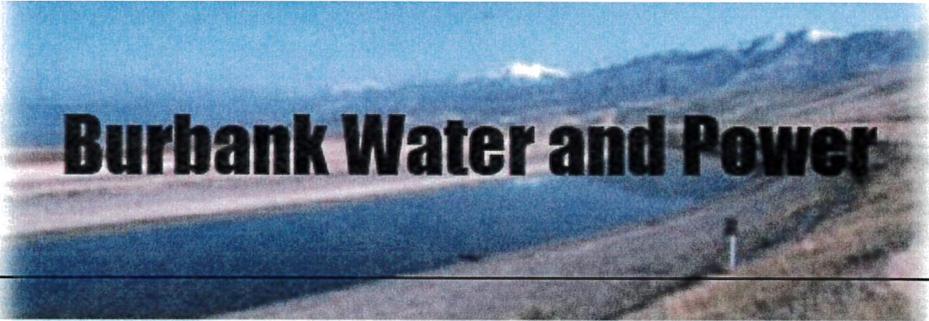
There are 6363 streetlight standards in BWP's street lighting system. A staff person conducts a nightly patrol of the streetlights. However, it was identified that the records for the inspections were not recorded. Corrections of this oversight has been implemented to ensure this will not be repeated going forward.

BWP has a stated goal of addressing all streetlight complaints within one working day of notification received by Electrical Distribution staff. In 2017, BWP Electrical Distribution staff received 371 streetlight complaints and 100% were addressed in compliance with the stated goal. There are 9363 streetlight luminaires in the BWP street lighting system. Among those, 1564 streetlight operational problems were reported or discovered during patrols and all were corrected.

In 2017, BWP Electrical Distribution staff replaced 943 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, 2017, the crews had completed trimming in each of the 19 zones within the last 26 months. Additionally, in 2017, 52 "problem" trees were removed to eliminate future growth and repeated interference with power lines.



**Estimated Financial Report  
May 2018**





**Burbank Water and Power**  
**Electric Fund (496)**  
**Estimated Statement of Changes in Net Assets - Footnotes**  
**MTD May 2018**  
**(\$ in 000's)**

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
a.	Electric Usage in MWh	85,099	94,052	(8,953)	NEL is 10% lower than budget due to conservation.
b.	Retail Sales	13,173	14,636	(1,463)	Retail sales correspond with the demand.
c.	Other Revenues	587	587	-	Other revenues have not closed for May 2018 and are estimated at budgeted values.
d.	Retail Power Supply & Transmission	8,681	9,688	1,007	The favorable variance is attributable to various components within Retail Power Supply & Transmission. Please refer to page A-6 for additional details.
e.	Total Operating Expenses	4,474	4,474	-	Expenses have not closed for May 2018 and are estimated at budgeted values.

**Burbank Water and Power  
Electric Fund (496)  
Estimated Statement of Changes in Net Assets - Footnotes  
FYTD May 2018  
(\$ in 000's)**

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
A.	Electric Usage in MWh	1,021,901	1,055,873	(33,971)	- NEL is 3% lower than budget due to conservation, offset in part by warmer than normal summer temperatures. FYTD CDD were 1,324 versus the 30 year average of 1,217.
B.	Other Revenues	5,363	6,457	(1,094)	- Other revenues include items such as damaged property recovery, connection fees, late fees, and tampering fees which tend to fluctuate.
C.	Retail Power Supply & Transmission	92,104	104,550	12,446	- The favorable variance is attributable to various components within Retail Power Supply & Transmission. Please refer to page A-7 for additional details.
D.	Distribution	8,610	10,976	2,366	- The favorable variance is primarily attributable to salary savings due to vacant positions and receiving credit for higher than planned O&M work performed for MPP.
E.	Finance, Fleet, & Warehouse	2,410	2,950	539	- The favorable variance is primarily attributable to salary savings due to vacant positions within Fleet and Warehouse, lower than planned expenditures for aerial truck overhauls, and lower than planned fuel usage.
F.	Telecom	1,017	1,234	218	- The favorable variance is primarily attributable to lower than planned costs for private contractual services and professional services.
G.	Construction & Maintenance	1,800	1,586	(214)	- The unfavorable variance is primarily attributable to the higher than planned costs for the maintenance and repairs on the facility HVAC and UPS systems, as well as higher than planned work performed by other departments.
H.	Interest Income	1,542	1,029	513	- The favorable variance is attributable primarily to higher cash on hand than planned and higher actual return.
I.	Other Income / (Expense)	1,297	985	312	- The favorable variance is primarily attributable to higher than planned miscellaneous revenue from the sale of scrap materials and obsolete inventory and assets.
J.	Capital Contributions (AIC)	5,653	7,117	(1,464)	- 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)**

	May-18	Apr-18	May-18	Dec-17	Sep-17	Jun-17	Jun-16	Recommended Reserves	Minimum Reserves
<b>Cash and Investments</b>									
General Operating Reserve	\$ 84,218	\$ 83,755	\$ 84,326	\$ 84,114	\$ 77,668	\$ 70,626	\$ 58,277	\$ 52,010	\$ 37,570
Capital & Debt Reduction Fund	10,000	10,000	10,000	10,000	10,000	10,000	10,000	21,000	5,200
BWP Projects Reserve Deposits at SCPPA	15,977	15,928	15,917	15,879	15,833	15,787	15,482		
Sub-Total Cash and Investments	<u>110,195</u>	<u>109,682</u>	<u>110,243</u>	<u>109,994</u>	<u>103,500</u>	<u>96,412</u>	<u>83,759</u>	<u>73,010</u>	<u>42,770</u>
Capital Commitments	(9,195) <sup>(b)</sup>	(10,231)	(11,096)	(14,072)	(16,221)	(16,450)	(17,000)		
Customer Deposits	(5,325)	(5,581)	(5,750)	(8,573)	(8,425) <sup>(c)</sup>	(4,885)	(3,186)		
Public Benefits Obligation	(5,767)	(5,767)	(5,799)	(5,705)	(5,270)	(4,520)	(4,721)		
Biogas Commitment	-	-	-	-	-	-	(7,751)		
Pacific Northwest DC Inter tie	(7,455)	(7,455)	(7,842)	(8,646)	(8,765)	(9,569)	-		
Cash and Investments (less Commitments)	<u>82,454</u>	<u>80,649</u>	<u>79,756</u>	<u>72,997</u>	<u>64,819</u>	<u>60,988</u>	<u>51,101</u>	<u>73,010</u>	<u>42,770</u>

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

<sup>(b)</sup> Denotes capital commitment for the Ontario Distribution Station and 4KV to 12KV conversion of circuits.

<sup>(c)</sup> Included in the balance is a customer deposit received in May 2017 and July 2017 for \$2.7M and \$3.7M respectively for the Ontario Distribution Station (Avion Burbank Development).

**Estimated May 2018 Budget to Actual P&L Variance Highlights - Electric Fund**

(in 000's)

	Variance Month-to-Date		Budget to Actual Variance
	Favorable Items	Unfavorable Items	
<b><u>MTD NET INCOME/(LOSS): \$(105)</u></b>		\$ (102)	\$ (102)
<b><u>MTD GROSS MARGIN VARIANCE</u></b>			
Retail Sales		(1,463)	(1,463)
Power Supply and Transmission			
- Lower usage of biomethane gas than planned and savings from biomethane restructuring	380		380
- Lower load and economic dispatch, the managing and optimizing of resources by taking advantage of lower energy prices to meet system load	325		325
- Renegotiation of a current renewables agreement	255		255
- Lower than planned transmission expenses	47		47
Wholesale Margin	260		260
<b>Total</b>	<b>1,267</b>	<b>(1,463)</b>	<b>(196)</b>
<b><u>MTD EXPENSE AND OTHER VARIANCES</u></b>			
In lieu and Street lighting	94		94
<b>Total</b>	<b>94</b>	<b>-</b>	<b>94</b>

## Estimated May 2018 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: \$19,250</u></b>	14,056		14,056
<b><u>FYTD GROSS MARGIN VARIANCE</u></b>			
Retail Sales		(3,120)	(3,120)
Power Supply and Transmission			-
- Prior period true-up credits	4,852		4,852
- Lower usage of biomethane gas than planned and savings from biomethane restructuring	3,925		3,925
- Lower than planned O&M expenses	1,348		1,348
- Renegotiation of a current renewables agreement	787		787
- Receiving less renewable energy than planned	717		717
- Higher IPP true up credits than planned	405		405
- Lower load and economic dispatch, the managing and optimizing of resources by taking advantage of lower energy prices to meet system load	350		350
- Lower than planned transmission expenses	62		62
Wholesale Margin	748		748
Other Revenues		(1,094)	(1,094)
<b>Total</b>	<b><u>13,194</u></b>	<b><u>(4,214)</u></b>	<b><u>8,980</u></b>
<b><u>FYTD EXPENSE AND OTHER VARIANCES</u></b>			
Distribution	2,366		2,366
Finance, Fleet, & Warehouse	539		539
Telecom	218		218
Construction & Maintenance		(214)	(214)
In lieu and street lighting	204		204
Depreciation expense	321		321
All other	1,642		1,642
<b>Total</b>	<b><u>5,290</u></b>	<b><u>(214)</u></b>	<b><u>5,076</u></b>

Burbank Water and Power  
Water Fund (497)

Estimated Statement of Changes in Net Assets <sup>(1)</sup>  
MTD and FYTD May 2018  
(\$ in 000's except Gallons)

MTD FY 17-18	MTD May-18 Budget	\$ Variance <sup>(2)</sup>	% Variance	FYTD FY 17-18	FYTD May-18 Budget	\$ Variance <sup>(2)</sup>	% Variance
468	384	84	22% <sup>(a)</sup>	4,827	4,413	414	9% <sup>(A)</sup>
88	88	(0)	(0%)	969	911	59	6% <sup>(B)</sup>
\$ 2,233	\$ 1,898	\$ 335	18% <sup>(b)</sup>	\$ 24,320	\$ 23,118	\$ 1,202	5% <sup>(C)</sup>
371	335	36	11%	3,646	3,462	184	5% <sup>(D)</sup>
43	49	(6)	(12%)	586	543	44	8%
2,647	2,282	365	16%	28,551	27,122	1,429	5%
1,044	883	(161)	(18%) <sup>(c)</sup>	10,932	10,114	(818)	(8%) <sup>(E)</sup>
1,603	1,399	204	15%	17,619	17,008	612	4%
589	589	-	0%	5,640	6,568	928	14% <sup>(F)</sup>
112	112	-	0%	1,580	1,247	(333)	(27%) <sup>(G)</sup>
188	188	-	0%	1,977	2,186	209	10%
146	146	-	0%	1,598	1,605	7	0%
335	335	-	0%	3,385	3,683	297	8%
1,369	1,369	-	0% <sup>(d)</sup>	14,181	15,289	1,108	7%
12	12	-	0%	190	131	58	44% <sup>(H)</sup>
47	47	-	0%	419	513	(93)	(18%) <sup>(I)</sup>
(163)	(163)	-	0%	(1,791)	(1,795)	4	0%
(105)	(105)	-	0%	(1,182)	(1,151)	(31)	(3%)
129	(75)	204	272%	2,256	567	1,689	298%
31	31	(0)	(0%)	305	343	(37)	(11%)
\$ 160	\$ (44)	\$ 204	466%	\$ 2,561	\$ 910	\$ 1,651	181%

Water put into the system in Millions of Gallons

Metered Recycled Water in Millions of Gallons

Operating Revenues

Potable Water

Recycled Water

Other Revenue <sup>(3)</sup>

Total Operating Revenues

Water Supply Expense

Gross Margin

Operating Expenses

Operations & Maintenance - Potable

Operations & Maintenance - Recycled

Allocated O&M

Transfer to General Fund for Cost Allocation

Depreciation

Total Operating Expenses

Other Income/(Expenses)

Interest Income

Other Income/(Expense) <sup>(4)</sup>

Bond Interest/(Expense)

Total Other Income/(Expenses)

Net Income/(Loss)

Aid in Construction

Net Change in Net Assets (Net Income)

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 May 2018  
(\$ in 000's except Gallons)

Foot- note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
a.	Potable Water Usage in Millions of Gallons	468	384	84	- Potable water sales are higher primarily because of higher than planned demand for landscaping irrigation. The higher demand is likely related to the easing of landscape watering restrictions from two to three days per week. In May 2018, Burbank received 0.11 inches of rainfall, compared to the average precipitation of 0.35 inches.
b.	Potable Water Revenue	2,233	1,898	335	- MTD Potable water revenue corresponds with the demand.
c.	Water Supply Expense	1,044	883	(161)	- Water supply expense corresponds with higher demand.
d.	Total Operating Expenses	1,369	1,369	-	- Expenses, other than water supply expense, have not closed for May 2018 and are estimated at budgeted values.

**Burbank Water and Power  
Water Fund (497)  
Estimated Statement of Changes in Net Assets - Footnotes  
FYTD May 2018  
(\$ 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	4,827	4,413	414	- FYTD Potable water sales are higher due to higher than planned demand for landscaping irrigation, which is driven by warmer than normal summer temperatures and lower than normal rainfall in the current fiscal year, and is likely related to easing of landscape watering restrictions from two to three days per week. FYTD CDD were 1,324 versus the 30 year average of 1,217. FYTD Burbank received 6.39 inches of rainfall as compared to average precipitation of 17.2 inches.
B.	Recycled Water Usage in Millions of Gallons	969	911	59	- FYTD Recycled water sales are higher due to higher than planned demand for landscaping irrigation, which is driven by warmer than normal summer temperatures and lower than normal rainfall in the current fiscal year. FYTD CDD were 1,324 versus the 30 year average of 1,217. FYTD Burbank received 6.39 inches of rainfall as compared to average precipitation of 17.2 inches.
C.	Potable Water Revenue	24,320	23,118	1,202	FYTD Potable water revenue corresponds with the demand.
D.	Recycled Water Revenue	3,646	3,462	184	- FYTD Recycled water revenue corresponds with the demand.
E.	Water Supply Expense	10,932	10,114	(818)	Water supply expense corresponds with demand.
F.	Operations & Maintenance - Potable	5,640	6,568	928	- The favorable variance is attributable to lower than planned spending on professional services, special departmental supplies and street & pavement repair, private contractual services, utilities, receiving higher credit for O&M work performed for Recycled Water as well as salary savings due to vacant positions.
G.	Operations & Maintenance - Recycled	1,580	1,247	(333)	- The unfavorable variance is attributable to higher than planned O&M work performed by Potable water staff, and legal work on Water Rights Petition.
H.	Interest Income	190	131	58	The favorable variance is attributable primarily to higher cash on hand than planned and higher actual return.
I.	Other Income/Expense	419	513	(93)	The unfavorable variance is primarily attributable to the unpredictability of miscellaneous income.

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

	May-18	Apr-18	Mar-18	Dec-17	Sep-17	Jun-17	Jun-16	Recommended Reserves	Minimum Reserves
<b>Cash and Investments</b>									
General Operating Reserves	\$ 11,508	\$ 11,447	\$ 11,111	\$ 11,791	\$ 10,842	\$ 9,851	\$ 9,547	\$ 12,630	\$ 8,070
Capital Reserve Fund	2,220	2,220	2,220	2,220	2,220	2,220	2,220	5,200	1,300
Sub-Total Cash and Investments	<u>13,728</u>	<u>13,667</u>	<u>13,331</u>	<u>14,011</u>	<u>13,062</u>	<u>12,071</u>	<u>11,767</u>	<u>17,830</u>	<u>9,370</u>
Customer Deposits	(977)	(1,049)	(963)	(968)	(857)	(788)	(1,764)		
Capital Commitments	(186) <sup>(b)</sup>	(186)	(186)	(186)	(227)	(227)	(553)		
Water Purchase Commitments <sup>(c)</sup>	-	-	-	(2,743)	-	-	-		
Cash and Investments (less commitments)	<u>12,565</u>	<u>12,432</u>	<u>12,181</u>	<u>10,114</u>	<u>11,978</u>	<u>11,055</u>	<u>9,450</u>	<u>17,830</u>	<u>9,370</u>

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

<sup>(b)</sup> Capital commitment for the recycled water I-5 Freeway second tie crossing project.

<sup>(c)</sup> 7200 Acre Feet of untreated water was purchased from the Metropolitan Water District, with final payment made in February 2018.

**Estimated May 2018 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): \$129</u></b>	204		204
<b><u>MTD GROSS MARGIN VARIANCE</u></b>			
Potable Revenues	335		335
Recycled Revenues	36		36
Other Revenue		(6)	(6)
Water Supply Expense		(161)	(161)
<b>Total</b>	<b><u>371</u></b>	<b><u>(167)</u></b>	<b><u>204</u></b>

**Estimated May 2018 Budget to Actual P&L Variance Highlights - Water Fund**  
(in 000's)

	<b>Variance Fiscal Year-to-Date</b>		
	<b>Favorable Items</b>	<b>Unfavorable Items</b>	<b>Budget to Actual Variance</b>
<b><u>FYTD NET INCOME: \$2,256</u></b>	1,689		1,689
<b><u>FYTD GROSS MARGIN VARIANCE</u></b>			
Potable Revenues	1,202		1,202
Recycled Revenues	184		184
Other Revenue	44		44
Water Supply Expense		(818)	(818)
<b>Total</b>	<b>1,430</b>	<b>(818)</b>	<b>612</b>
<b><u>FYTD O&amp;M AND OTHER VARIANCES</u></b>			
Potable Water O&M	928		928
Recycled Water O&M		(333)	(333)
Allocated O&M	209		209
Depreciation Expense	297		297
All Other		(24)	(24)
<b>Total</b>	<b>1,434</b>	<b>(357)</b>	<b>1,077</b>





July 12, 2018

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, July 16, 2018, at 9:00 a.m., in the Airport Skyroom of 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, July 16, 2018

9.00 A.M.

*The public comment period is the opportunity for members of the public to address the Commission on agenda items and on airport-related non-agenda matters that are within the Commission's subject matter jurisdiction. At the discretion of the presiding officer, public comment on an agenda item may be presented when that item is reached.*



*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 Board Secretary.*
- *Confine remarks to agenda items or to airport-related non-agenda matters that are within the Commission's subject matter jurisdiction.*
- *Limit comments to five minutes or to such other period of time as may be specified by the presiding officer.*



*The following activities are prohibited:*

- *Allocation of speaker time to another person.*
- *Video presentations requiring use of Authority equipment.*



*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.*

## AGENDA

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. PUBLIC COMMENT
5. CONSENT CALENDAR
  - a. Committee Minutes  
(For Note and File)
    - 1) Finance and Administration Committee
      - (i) June 4, 2018 **[See page 1]**
  - b. Commission Minutes  
(For Approval)
    - 1) June 18, 2018 **[See page 5]**
  - c. Treasurer's Report
    - 1) April 2018 **[See page 11]**
  - d. Award of Ground Lease – Vehicle Effects, Inc. **[See page 34]**
6. ITEMS FOR COMMISSION ACTION
  - a. Election of Officers **[See page 36]**
  - b. Appointment of Committees **[No Staff Report]**
7. ITEM FOR COMMISSION APPROVAL
  - a. Award of Professional Services Agreement  
Phase Four Airport Branding Consultant Services  
Anyone Collective LLC **[See page 37]**
8. ITEMS FOR COMMISSION INFORMATION
  - a. May 2018 Passenger/Cargo and Regional Airport  
Passenger Statistics **[See page 40]**
  - b. May 2018 Parking Revenue Statistics **[No Staff Report]**

c. May 2018 Transportation Network Companies ("TNC")

***[No Staff Report]***

9. CLOSED SESSION

a. THREAT TO PUBLIC SERVICES OR FACILITIES  
(California Government Code Section 54957(a))

Consultation with Director, Operations and Safety Management Systems

10. COMMISSIONER COMMENTS  
(Updates and information items, if any)

11. ADJOURNMENT

COMMISSION NEWSLETTER  
July 16, 2018

*[Regarding agenda items]*

5. CONSENT CALENDAR

*(Consent Calendar items may be enacted by one motion. There will be no separate discussion on these items unless a Commissioner so requests, in which event the item will be removed from the Consent Calendar and considered in its normal sequence on the agenda.)*

- a. COMMITTEE MINUTES. Approved minutes of the June 4, 2018, Finance and Administration Committee meeting are included in the agenda packet for information purposes.
- b. COMMISSION MINUTES. Draft minutes of the June 18, 2018, meeting are attached for the Commission's review and approval.
- c. TREASURER'S REPORT – The Treasurer's Report for April 2018 is contained in the agenda packet. At the June 18, 2018, Finance and Administration Committee ("Committee") meeting, the Committee voted (3–0) to recommend that the Commission note and file the report.
- d. AWARD OF GROUND LEASE – VEHICLE EFFECTS, INC. A staff report is included in the agenda packet. At the June 18, 2018, meeting of the Finance and Administration Committee ("Committee"), the Committee voted unanimously (3–0) to recommend that the Commission approve a Ground Lease, copy attached, between Vehicle Effects, Inc. ("Vehicle Effects") and the Burbank-Glendale-Pasadena Airport Authority. Vehicle Effects seeks to lease a 5,000 sq. ft. lot on the west side of the Airport located at 7604 N. Wheatland Avenue in Sun Valley, for the purpose of storing vehicles used in motion picture and television productions.

6. ITEMS FOR COMMISSION ACTION

- a. ELECTION OF OFFICERS – A staff report is included in the agenda packet. The joint powers agreement requires the Commission to elect or re-elect a President, Vice President and a Secretary at the first meeting of July every year. Although not required to do so, the Commission traditionally also has chosen an Assistant Secretary, Treasurer and Auditor at the first July meeting. Staff recommends that the Commission elect or re-elect all of its officers, including an Assistant Secretary, Treasurer and Auditor.
- b. APPOINTMENT OF COMMITTEES - No staff report is attached. This item is included in the agenda to provide the Commission President the opportunity to make any standing committee appointments that he or she may wish to make.

7. ITEM FOR COMMISSION APPROVAL

- a. **AWARD OF PROFESSIONAL SERVICES AGREEMENT – PHASE FOUR AIRPORT BRANDING CONSULTANT SERVICES - ANYONE COLLECTIVE, LLC.** A staff report is included in the agenda packet. Subject to the recommendation of the Operations and Development Committee immediately preceding the Commission meeting, this item has been placed on the Commission agenda for its consideration due to the time sensitivity of the marketplace environment.

Staff seeks the Commission's approval to award a Professional Services Agreement to Anyone Collective, LLC, for consulting services and marketing media purchases to implement Phase IV of the Airport branding program. The total proposed expenditure for the Phase IV Airport branding program is a not-to-exceed amount of \$570,000 to be completed by the end of Fiscal Year 2019.

## 8. ITEMS FOR COMMISSION INFORMATION

- a. **MAY 2018 PASSENGER/CARGO AND REGIONAL AIRPORT PASSENGER STATISTICS.** A staff report is included in the agenda packet. The May 2018 passenger count of 451,343 was up 11.85% compared to the May 2017 tally of 403,522. The calendar year-to-date total for the first four months is up 13.67% at 2,055,885 compared to 1,808,628 through May 2017. Air carrier aircraft operations increased by 4.44% and cargo volume increased for the month by 16.7% to fractionally more than 10 million pounds in May 2018, bringing the year-to-date total of 45.2 million pounds to an increase of 1.35% as compared to the same period in 2017.

In May 2018 compared to May 2017, passenger numbers were up at LAX, Long Beach, and John Wayne Airports, at 5.26%, 7.75%, and 4.2%, respectively.

- b. **MAY 2018 PARKING REVENUE STATISTICS.** No staff report attached. Staff will present parking revenue data for the month of May 2018.
- c. **MAY 2018 TRANSPORTATION NETWORK COMPANIES ("TNC") SUMMARY OF ACTIVITIES.** No staff report attached. Staff will update the Commission on TNC activity for the month of May 2018.