Weekly Management Report
September 21, 2018

1. **Synopsis** — Transportation Commission Meeting of August 20, 2018
   Community Development Department

2. **Staff Report** — July 2018 Operating Results
   Burbank Water and Power Department

city of burbank
community development department

WMR

memorandum

DATE: August 21, 2018

TO: Ron Davis, City Manager

FROM: Patrick Prescott, Community Development Director

SUBJECT: **August 20, 2018 Transportation Commission Meeting Synopsis**

- Staff presented their proposed changes to the Metrolink to Media District Route. The proposed changes would eliminate two little used loops on the current route and add mid-day service, while saving approximately $46,000. The route would be simplified without sacrificing coverage. The Commission was extremely supportive of the changes and adopted a measure that accepted staff's proposal. The Commission asked staff to prepare a report that detailed changes in ridership six months after the proposed changes are implemented.
- Staff provided the City Council's Expectations of Board, Commission, and Committee Members document to the Commission.
- Lynn Shelby of the Senior Citizens Board provided a press release discussing the County of Los Angeles Age Friendly Action Plan.
- A Downtown Burbank Station Metrolink patron sent in a comment asking for better security at the Downtown Burbank Metrolink Station. The Commission asked to address this at a future Commission meeting.

CITY OF BURBANK
BURBANK WATER AND POWER
STAFF REPORT

DATE: September 6, 2018
TO: BWP Board
FROM: Jorge Somoano, General Manager, BWP
SUBJECT: July 2018 Operating Results

SAFETY

Burbank Water and Power had no new reportable lost time injuries during July 2018.

Water Results of Operations

For the month of July, Potable water usage was 6% (30 million gallons) higher primarily because of higher demand for landscaping irrigation, due to warmer than normal temperatures. Potable Water Revenues were $185,000 better than budgeted, due to higher demand. Recycled water usage was 13% (13 million gallons) higher than budget. Recycled Water Revenues were $34,000 better than budgeted. July Water Supply Expenses were $74,000 higher than budgeted, driven by the higher demand. July's Gross Margin was $126,000 higher than budgeted. Net Income was $554,000, which was $126,000 higher than budgeted.

Electric Results of Operations

For the month of July, electric loads were 11% higher than budgeted due to warmer than normal temperatures. Retail Sales were correspondingly $1,776,000 higher than budgeted. July Power Supply Expenses were $2,121,000 higher than budgeted due to higher retail load, higher energy and fuel prices, and a ten day unplanned outage at IPP. July's wholesale margin was $30,000 lower than budgeted. July's Gross Margin was $488,000 lower than budgeted. Net Income was $1,499,000 which was $488,000 lower 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 conducted a revote on the California Water Fix at the July 10 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 the revote eliminated any continuing protests regarding the complaints.

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 is now proposed as a voluntary contribution that may be opted out of by the customer. Final action is pending.

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 July 2018 was 163 GPCD with 133 GPCD for the Fiscal Year ending on June 30. This is an 11 GPCD increase from the year before. Monthly GPCD in July was significantly affected by warm weather. Calendar year 2017 water use was 130 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 in the FY17/18 budget.

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 any 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 92.30% available for service in July 2018. One Liquid Phase Granulated Carbon Filter was offline for carbon change out during July. All wells were in service. 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 and was complete at the beginning of July. This was a 10 week testing program and is showing initial promise. We are awaiting the analysis report.

Availability	Production	Average Flow Rate (gallons per minute)
92.30%	78.12%	7,031

PROJECT UPDATES:

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 early July.

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 was completed in late August.

Work began in June on installing 800 l.f. of 8-inch ductile iron water main in Lincoln Street from San Fernando Blvd. to Kenmere Avenue. Work was completed in mid-August.

Work began in mid- July on installing 2,800 l.f. of 8-inch ductile iron recycled water main in Olive Ave. from Virginia Street to Flower Street. The project is anticipated to be completed by mid- September.

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. Programming is projected to be finished in October.

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 and was completed in mid- July.

Work began in March on replacing plug and pressure reducing valves in the blending facility at the Valley Pumping Plant. The second pressure reducing valve will be installed in late August and the plug valves by the end of October. The extended schedule is due to the long lead time to procure valves.

The Caltrans contractor completed potable and recycled water main relocations in Front Street south of Burbank Blvd as part of the I-5 relocation project at the end of July.

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

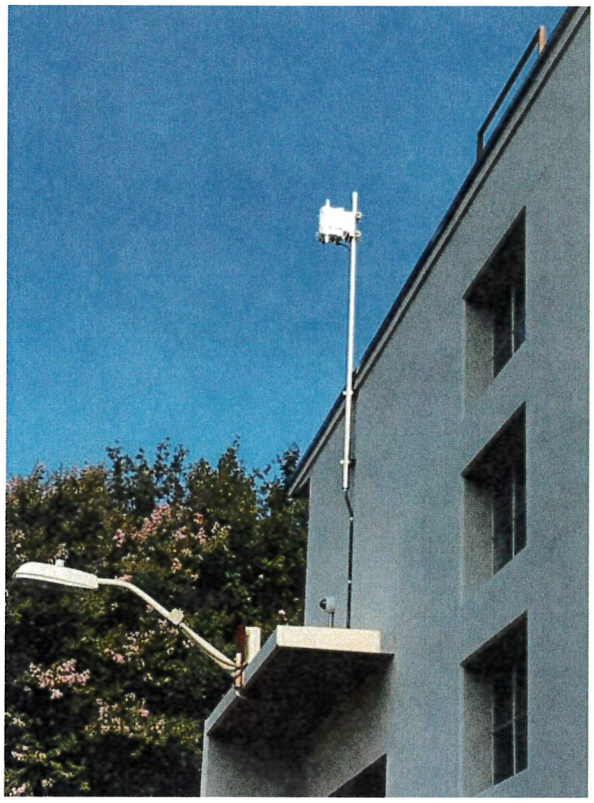
recorded, BWP has paid the retention to the Contractor and is preparing the final invoice to LADWP for reimbursement. LADWP's schedule to activate the mains to deliver recycled water into Los Angeles per our exchange agreement is showing activation of most connections taking place in December of 2018 and going into FY 2019/20.

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 cooling tower at Building 38 Warner Brothers Studio was converted in July. Pending conversions to recycled water in the latter part of 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. 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. 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. However, BWP is adding potable water to the recycled system to prevent loss of delivery to customers. From April thru June, we have added 44 acre-feet (14.5 Million Gallons) of potable water to the recycled system. This demand is increasing with the onset of summer. BWP is also bringing recycled water down from the upper zone reservoirs to feed Zone One when the potable water makeup at the Pump Station 1 wet well can't keep up with demand. That pumping energy has then been sacrificed in order to meet Zone 1 demand.

Pictured below are the new Connected Grid Routers (CGR) for a pilot test of a replacement water AMI system. CGR's provide a communications platform for smart metering. Pilot testing will test effectiveness of radio transmissions and read rate. Replacement of current AMI system is budgeted and is implemented along with meter box replacement.



Hydrant maintenance is always a top priority for BWP. In the photo below a hydrant was impacted by the slough of hillside making the valve inoperable. Crews cleaned around the hydrant in case it needs to be utilized. Proper maintenance includes painting, operating the hydrant machinery and valves, and inspecting for problems. BWP maintains 1,902 hydrants in the potable and recycled water systems. Each hydrant gets inspected and serviced every 2 years.

Work continues on Lincoln Street, between San Fernando Road and Kenmere Avenue to replace 800 feet of 2-inch galvanized pipe with 8-inch ductile iron pipe. The new main is in place and crews are working to transfer all services to the new main. Pictured below are workers compacting the backfilled trench for a water service.

720

DISTRIBUTION

ELECTRIC RELIABILITY

In July 2018, BWP experienced no sustained feeder outages. In the past twelve months, automatic reclosing has reduced customer outage time by approximately 856,037 customer minutes.

Reliability Measurement	August 2016-July 2017	August 2017-July 2018
Average Outages Per Year (SAIFI)	0.5303	0.3034
Average Outage Duration (CAIDI)	21.32 minutes	37.81 minutes
Average Service Availability	99.998%	99.998%
Average Momentary Outages Per Year (MAIFI)	0.1213	0.2045
No. of Sustained Feeder Outages	9	9
No. of Sustained Outages by Mylar Balloons	2	3
No. of Sustained Outages by Animals	0	1
No. of Sustained Outages by Palm Fronds	5	0

PROJECT UPDATES

Electric Vehicle Charger Installation on Campus

In July, BWP installed below grade infrastructure and energized two level 2 dual charging stations on campus. While the chargers allow for charging three electric vehicles (EVs) simultaneously, the infrastructure was designed and constructed to accommodate future expansion of charging up to 12 EVs underneath the photovoltaic canopy. The remainder of the chargers will be installed as the utility's fleet vehicles transition to EVs consistent with BWP's policy goal of supporting the electrification of the transportation industry.

Intrusive Pole Inspections

As part of its pole inspection program, BWP utilized a least cost approach by using Osmose Utilities Services, an expert in this field, to complete intrusive inspection of over 1,400 power poles. While our own internal BWP field crews visually inspect poles on a normal basis, intrusive inspections provide additional information on the condition of the poles and are replaced based on those that rate worse.

Ontario Substation

In July, concrete work was completed on the floors of the 12kV switchgear and control room portions of the building. Installation of the building and perimeter block walls continued in July.

Concrete completed in 12kV switchgear and control room

Underground construction of the two 69kV lines connecting the new Ontario Substation to Lincoln and Valley Substations continued in July. The last 69kV manhole was installed in a commercial property easement at 3110 W. Empire.

69kV manhole installation and conduit intercept in commercial property (3110 W Empire Ave)

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, 47.90% of the total streetlight luminaires have been converted to LEDs which translates to an annualized energy savings of 2,344MWh or a 25.29% reduction in energy consumption. LED conversions have also reduced evening load by 535kW, 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

26 public EV charging stations are in service, including a DC Fast Charger and 14 curbside stations. As of July 1, 2018, Time of Use (TOU) pricing for public EV charging is 17.36 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 30.39 cents per kWh. For the DC Fast Charger, the charging rate is 28.17 cents per kWh, increasing to 49.31 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
July 2018[3]	19,352	$3,909	8,128	23	19%	28%	24%
Jun 2018[1]	18,561	$3,697	7,796	22	20%	29%	24%
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[2]	21,410	$3,996	8,992	26	21%	29%	24%
Oct 2017	23,000	$4,828	9,660	27	20%	32%	27%
Sep 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[1]	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[2]	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%

[1] The higher $/kWh reflects the start of summer peak pricing for public EV charging.
[2] The lower $/kWh reflects the end of summer peak pricing for public EV charging.
[3] Usage increased despite 2 curbside stations taken offline due to the elimination of street parking.

Rooftop Solar
The table below tracks the total number and capacity of installed customer owned rooftop solar photovoltaic systems in Burbank.

Month	Number of Solar Systems Installed This Month	Number of Solar Systems Installed FYTD	Total Solar Systems in Burbank	Total Solar Kilowatts
July 2018*	4	4	703	7,227
June 2018	8	99	699	7,112
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

* Start of new fiscal year.

TECHNOLOGY

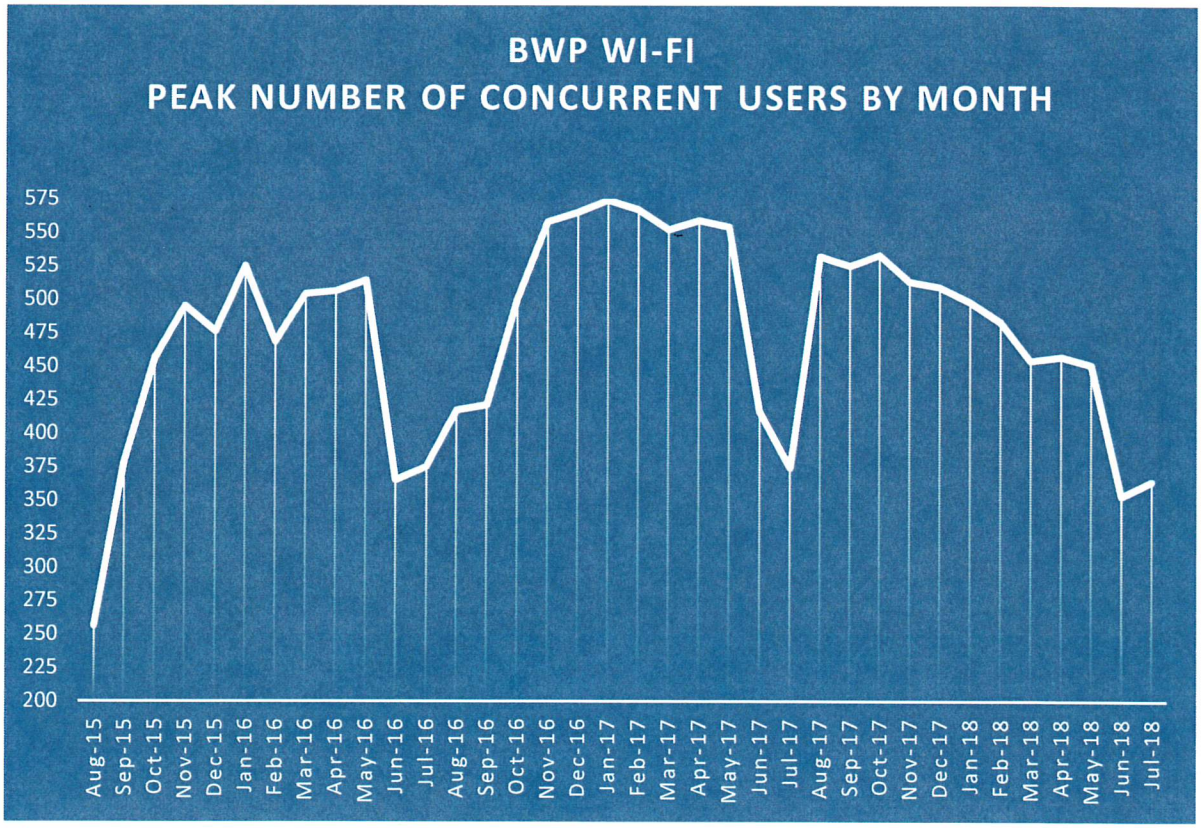
Broadband Services (ONE Burbank)

	July 2018 New Orders	Revenues for July 2018	FYTD 2017-18 Revenues	FYTD Budget
Lit	1	$104,121	$104,121	$135,000
Dark	1	$199,465	$199,465	$202,500
Total	2	$303,586	$303,586	$337,500

Values in the table above represent invoiced amounts for monthly recurring revenues only. Actual booked revenues through July 2018 are $314,758.

BWP WiFi

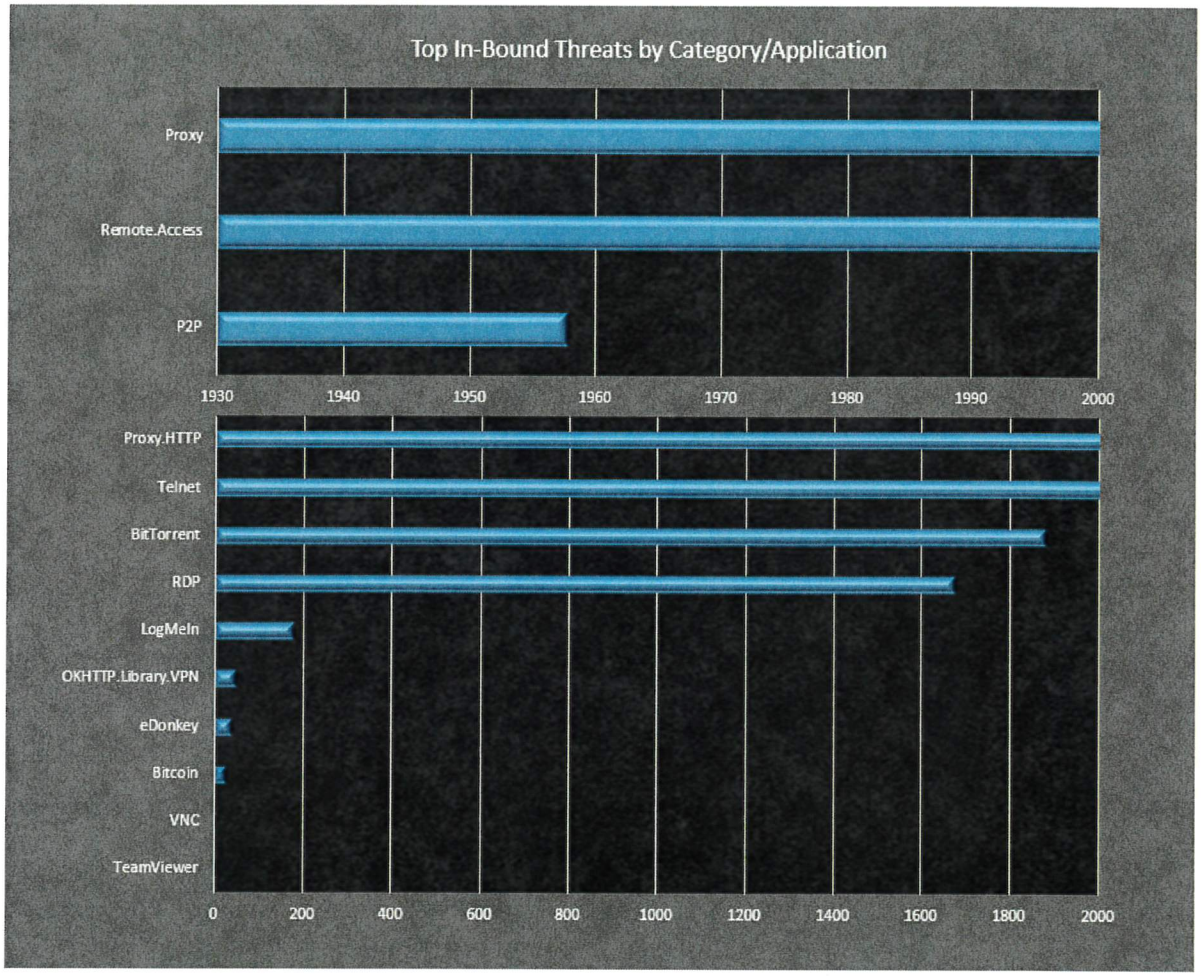
On August 17, 2015, BWP WiFi launched throughout the City of Burbank as a free citywide wireless community broadband service.



Cyber Security Update – July 2018

The BWP cyber security risk factor is 2.5 out of 5.0 for the month of July. Operational Technology successfully prevented over 304 million cyber security threats of which over 79% 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 New OATT rates	FY 18/19 If Old OATT Rates	Variance	% Increase
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 is working with modeling consultant Ascend Analytics and staff expects to receive output from preliminary simulations shortly. Staff expects the draft IRP document to be available for review by BWP's Board, the public, and City Council in late 2018. In this connection, staff currently expects to bring the proposed IRP to BWP's Board at its November meeting and then to the Council later in that same month; these dates are subject to change, however. Per SB 350, the IRP must be approved by the City Council by that January 1, 2019 due date.

Concurrently, on August 4 and 6, BWP staff held two public "town hall" meetings to 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. These meetings were well-attended and featured vigorous discussion of ideas for Burbank's energy future. BWP also launched an online survey in parallel with these town hall meetings, featuring the same explanatory videos and questions as were presented in the town halls. BWP has so far received over 1,200 responses to this online survey, which was closed on August 31.

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.

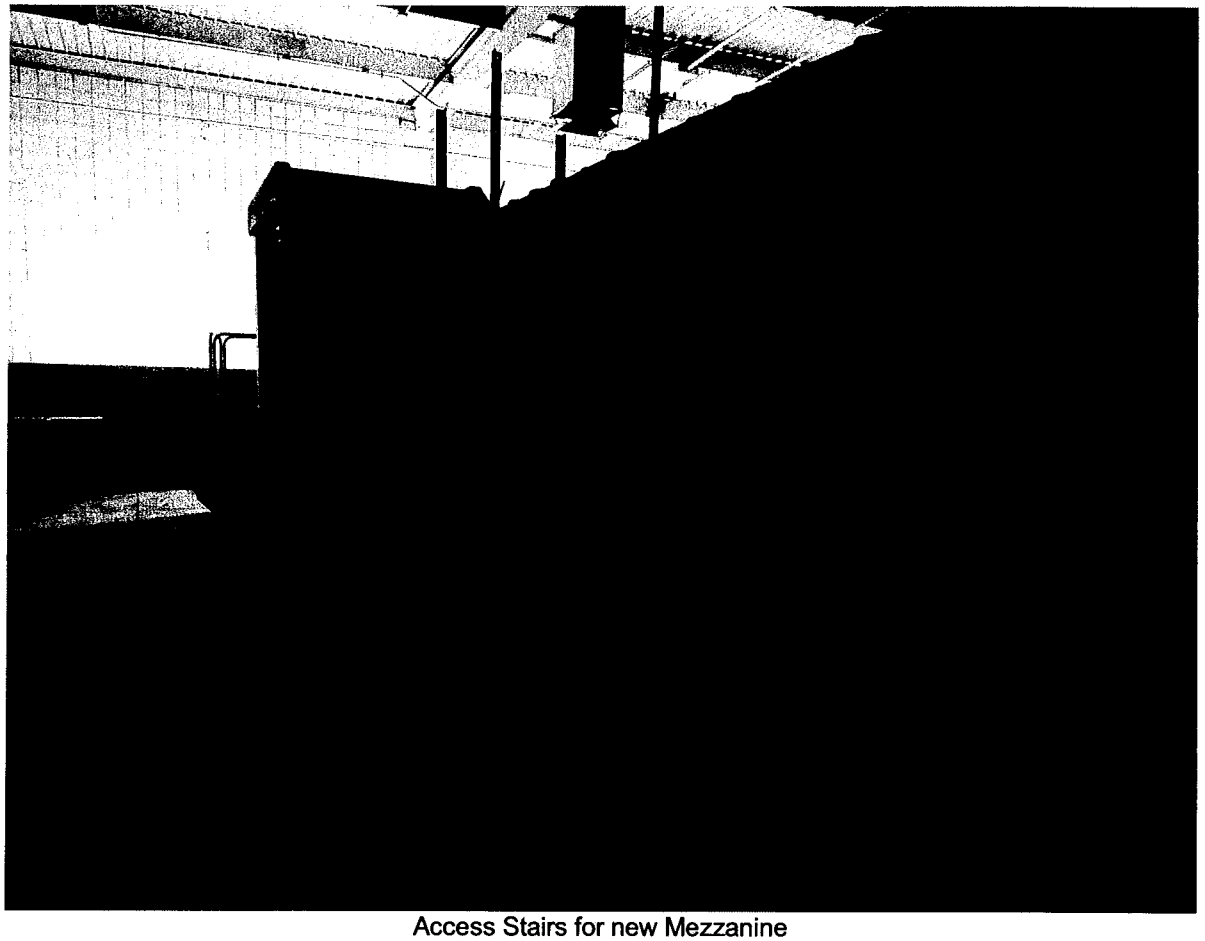
This resizing of the planned gas-fired power plant does not affect the transmission capacity associated with the project. But because some current IPP participants have chosen not to participate in the renewal project, BWP's potential Southern Transmission System (STS) capacity allocation (i.e. between Delta and Southern California) could potentially 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.

In this connection, BWP went before Council on August 14 to seek approval to re-file with the California Energy Commission an emissions compliance finding for the alternative repowering. This re-filing was approved. This re-filing is a duplicate of the initial filing made in 2015 and is required due to the resized alternative repowering.

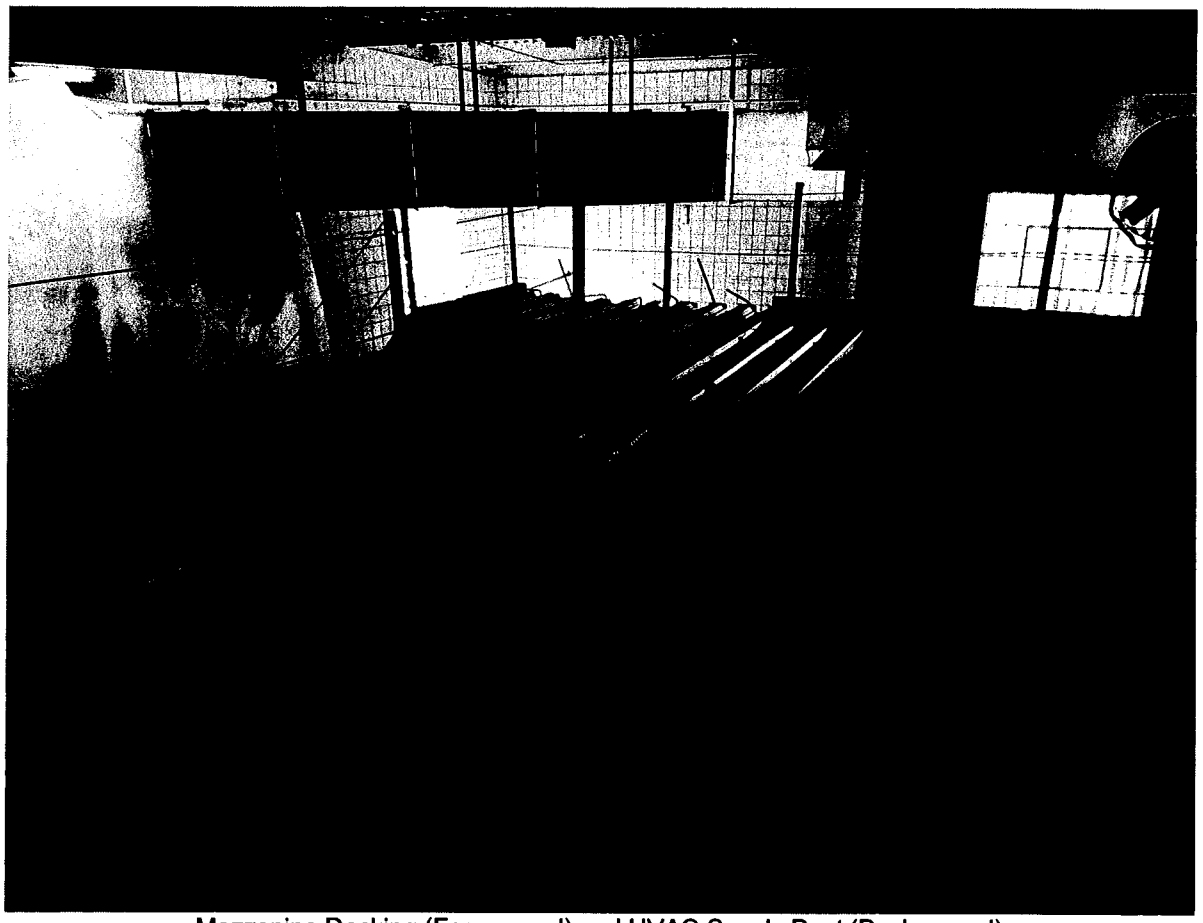
FLEET SERVICES

PROJECT UPDATE:

Construction for the Fleet Services Building (FSB) Modification project is progressing well and remains on schedule. The sanitary sewer main replacement is complete and will be backfilled during the first week of August. Electrical conduit feeds for power and fire systems are 90% and 55% complete, respectively. The fire suppression line has been flush and pressure tested and passed Burbank Fire Department inspection. Structural steel, access stairs and decking is complete for the new mezzanine in the Light Vehicle Bay (LVB). Installation of the HVAC main supply duct lines for the new indirect evaporative cooling system has begun and is expected to be complete next month. The main overhead feeds for the new potable water system is complete, and rebar and forming for new equipment pads is also complete. Substantial completion of construction efforts is scheduled for December 2018, with final project close-out in January 2019.

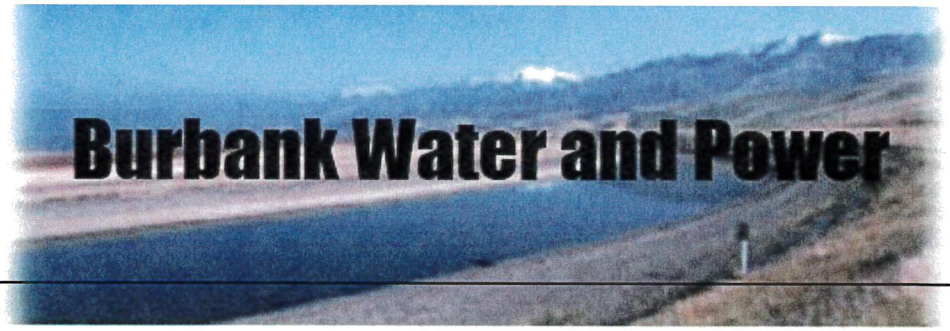


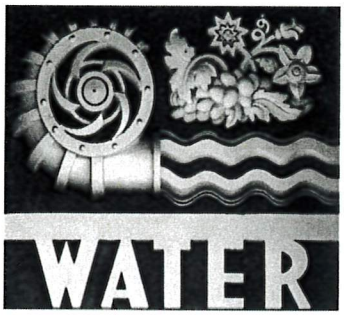
Access Stairs for new Mezzanine

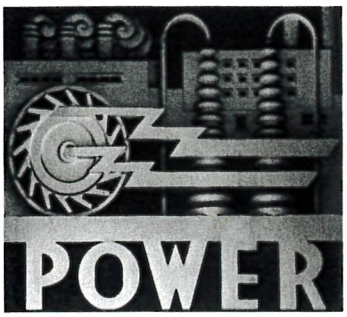


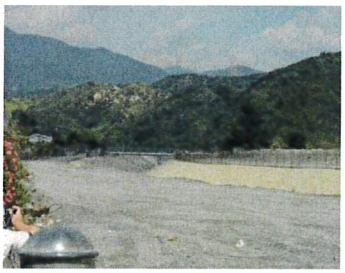
Mezzanine Decking (Foreground) and HVAC Supply Duct (Background)

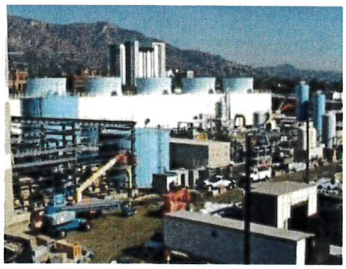
Rebar for new Equipment Pad (South Elevation)











Estimated Financial Report
July 2018

UNAUDITED

Electric Fund (496)
Estimated Statement of Changes in Net Assets [1]
MTD and FYTD July 2018
($ in 000's except MWh Sales)

MTD FY 18-19	MTD Jul-18 Budget	$ Variance [2]	% Variance		FYTD FY 18-19	FYTD Jul-18 Budget	$ Variance [2]	% Variance
126,772	114,022	12,750	11% [a]	NEL MWh	126,772	114,022	12,750	11% [a]
				Retail				
$ 18,659	$ 16,883	$ 1,776	11% [b]	Retail Sales	$ 18,659	$ 16,883	$ 1,776	11% [b]
482	595	(113)	(19%) [c]	Other Revenues [3]	482	595	(113)	(19%) [c]
12,941	10,820	(2,121)	(20%) [d]	Retail Power Supply & Transmission	12,941	10,820	(2,121)	(20%) [d]
6,200	6,658	(458)	(7%)	**Retail Margin**	6,200	6,658	(458)	(7%)
				Wholesale				
1,687	8,820	(7,133)	(81%)	Wholesale Sales	1,687	8,820	(7,133)	(81%)
1,497	8,600	7,103	83%	Wholesale Power Supply	1,497	8,600	7,103	83%
190	221	(30)	(14%)	**Wholesale Margin**	190	221	(30)	(14%)
6,390	6,879	(488)	(7%)	**Gross Margin**	6,390	6,879	(488)	(7%)
				Operating Expenses				
934	934	-	0%	Distribution	934	934	-	0%
113	113	-	0%	Administration/Safety	113	113	-	0%
273	273	-	0%	Finance, Fleet, & Warehouse	273	273	-	0%
499	499	-	0%	Transfer to General Fund for Cost Allocation	499	499	-	0%
629	629	-	0%	Customer Service, Marketing & Conservation	629	629	-	0%
387	387	-	0%	Public Benefits	387	387	-	0%
161	161	-	0%	Security/Oper Technology	161	161	-	0%
109	109	-	0%	Telecom	109	109	-	0%
165	165	-	0%	Construction & Maintenance	165	165	-	0%
1,567	1,567	-	0%	Depreciation	1,567	1,567	-	0%
4,837	4,837	-	0% [e]	Total Operating Expenses	4,837	4,837	-	0% [e]
$ 1,554	$ 2,042	$ (488)	(24%)	**Operating Income/(Loss)**	$ 1,554	$ 2,042	$ (488)	(24%)

Burbank Water and Power
Electric Fund (496)
Estimated Statement of Changes in Net Assets [1]
MTD and FYTD July 2018

($ in 000's)

MTD FY 18-19	MTD Jul-18 Budget	$ Variance [2]	% Variance		FYTD FY 18-19	FYTD Jul-18 Budget	$ Variance [2]	% Variance
$ 1,554	$ 2,042	$ (488)	(24%)	**Operating Income/(Loss)**	$ 1,554	$ 2,042	$ (488)	(24%)
				Other Income/(Expenses)				
181	181	-	0%	Interest Income	181	181	-	0%
125	125	-	0%	Other Income/(Expense) [4]	125	125	-	0%
(361)	(361)	-	0%	Bond Interest/ (Expense)	(361)	(361)	-	0%
(55)	(55)	-	0%	Total Other Income/(Expenses)	(55)	(55)	-	0%
1,499	1,987	(488)	(25%)	**Net Income**	1,499	1,987	(488)	(25%)
148	148	-	0%	Capital Contributions (AIC)	148	148	-	0%
$ 1,647	$ 2,135	$ (488)	(23%)	**Net Change In Net Assets (Net Income)**	$ 1,647	$ 2,135	$ (488)	(23%)

1. This report may not foot due to rounding.
2. ( ) = Unfavorable
3. Other Revenues include transmission, telecom and internet revenues as well as other items such as damaged property recovery, connection fees, late fees, and tampering fees.
4. Other Income/(Expense) includes miscellaneous revenue from the sale of scrap materials, inventory, and assets, as well as BABS subsidy.

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

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget		Explanation
a.	Electric Usage in MWh	126,772	114,022	12,750	-	NEL is 11% higher than budget due to warmer than normal temperatures. For the month of July average high temperature was 92.0°F and the 15 year average high temperature was 86.7°F. MTD CDD were 461 versus the 30 year average of 305.
b.	Retail Sales	18,659	16,883	1,776	-	Retail sales correspond with higher NEL (demand).
c.	Other Revenues	482	595	(113)	-	Other revenues include items such as damaged property recovery, connection fees, late fees, and tampering fees which tend to fluctuate.
d.	Retail Power Supply & Transmission	12,941	10,820	(2,121)	-	The favorable variance is attributable to various components within Retail Power Supply & Transmission. Please refer to page A-5 for additional details.
e.	Total Operating Expenses	4,837	4,837	-	-	Expenses have not closed for July 2018 and are estimated at budgeted values.

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

	Jul-18	Jun-18	Mar-18	Dec-17	Jun-17	Recommended Reserves	Minimum Reserves
Cash and Investments							
General Operating Reserve	$ 78,482	$ 80,526	$ 84,326	$ 84,114	$ 70,572	$ 52,010	$ 37,570
Capital & Debt Reduction Fund	10,000	10,000	10,000	10,000	10,000	21,000	5,200
BWP Projects Reserve Deposits at SCPPA	16,496	16,492	15,917	15,879	15,787		
Sub-Total Cash and Investments	104,979	107,019	110,243	109,994	96,358	73,010	42,770
Capital Commitments	(6,014) [b]	(6,740)	(11,448)	(14,950)	(16,446)		
Customer Deposits	(5,186)	(5,432)	(5,750)	(7,691) [c]	(4,533)		
Public Benefits Obligation	(6,694)	(6,243)	(5,799)	(5,705)	(4,520)		
Pacific Northwest DC Intertie	(7,455)	(7,455)	(7,842)	(8,646)	(8,765)		
Low Carbon Standard Fuel [d]	(1,251)	(1,251)	-	-	-		
Cash and Investments (less Commitments)	**78,379**	**79,898**	**79,404**	**73,001**	**62,095**	**73,010**	**42,770**

[a] The Statement of Cash Balances may not add up due to rounding.

[b] Denotes capital commitment for the Ontario Distribution Station and 4kV to 12kV conversion of circuits.

[c] 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).

[d] Denotes funds reserved related to the sale of Low Carbon Standard Fuel (LCSF) credits.

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

(in 000's)

	Variance Month-to-Date		
	Favorable Items	Unfavorable Items	Budget to Actual Variance
MTD NET INCOME/(LOSS): $1,499		$ (488)	$ (488)
MTD GROSS MARGIN VARIANCE			
Retail Sales	1,776		1,776
Power Supply and Transmission			
- Higher retail load		(955)	(955)
- Higher energy and fuel prices		(686)	(686)
- Ten day unplanned outage at IPP		(630)	(630)
- Receiving less renewable energy than planned	150		150
Other Revenues		(113)	(113)
Wholesale Margin		(30)	(30)
Total	1,926	(2,414)	(488)

Burbank Water and Power
Water Fund (497)
Estimated Statement of Changes in Net Assets [1]
MTD and FYTD July 2018
($ in 000's except Gallons)

MTD FY 18-19	MTD Jul-18 Budget	$ Variance [2]	% Variance		FYTD FY 18-19	FYTD Jul-18 Budget	$ Variance [2]	% Variance
541	511	30	6% [a]	Water put into the system in Millions of Gallons	541	511	30	6% [a]
114	101	13	13% [b]	Metered Recycled Water in Millions of Gallons	114	101	13	13% [b]
				Operating Revenues				
$ 2,927	$ 2,742	$ 185	7% [c]	Potable Water	$ 2,927	$ 2,742	$ 185	7% [c]
438	404	34	8%	Recycled Water	438	404	34	8%
37	56	(19)	(34%) [d]	Other Revenue [3]	37	56	(19)	(34%) [d]
3,402	3,202	200	6%	Total Operating Revenues	3,402	3,202	200	6%
1,249	1,175	(74)	(6%) [e]	Water Supply Expense	1,249	1,175	(74)	(6%) [e]
2,153	2,027	126	6%	**Gross Margin**	2,153	2,027	126	6%
				Operating Expenses				
603	603	-	0%	Operations & Maintenance - Potable	603	603	-	0%
147	147	-	0%	Operations & Maintenance - Recycled	147	147	-	0%
232	232	-	0%	Allocated O&M	232	232	-	0%
169	169	-	0%	Transfer to General Fund for Cost Allocation	169	169	-	0%
348	348	-	0%	Depreciation	348	348	-	0%
1,499	1,499	-	0% [f]	Total Operating Expenses	1,499	1,499	-	0% [f]
				Other Income/(Expenses)				
16	16	-	0%	Interest Income	16	16	-	0%
44	44	-	0%	Other Income/(Expense) [4]	44	44	-	0%
(160)	(160)	-	0%	Bond Interest/(Expense)	(160)	(160)	-	0%
(100)	(100)	-	0%	Total Other Income/(Expenses)	(100)	(100)	-	0%
554	428	126	29%	**Net Income/(Loss)**	554	428	126	29%
28	28	-	0%	Aid in Construction	28	28	-	0%
$ 582	$ 456	$ 126	28%	**Net Change in Net Assets (Net Income)**	$ 582	$ 456	$ 126	28%

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 July 2018
($ in 000's except Gallons)

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
a.	Potable Water Usage in Millions of Gallons	541	511	30	- Potable water sales are higher primarily because of higher demand for landscaping irrigation, due to warmer than normal temperatures in the month of July 2018. For the month of July, average high temperature was 92.0°F and the 15 year average high temperature was 86.7°F.
b.	Recycled Water Usage in Millions of Gallons	114	101	13	- Recyled water sales are higher due to warmer than normal temperatures in the month of July 2018. For the month of July, average high temperature was 92.0°F and the 15 year average high temperature was 86.7°F.
c.	Potable Water Revenue	2,927	2,742	185	- MTD Potable water revenues are higher due to higher demand.
d.	Other Revenue	37	56	(19)	- Other revenues include items such as damaged property recovery, connection fees, late fees, and tampering fees, which tend to fluctuate.
e.	Water Supply Expense	1,249	1,175	(74)	- Water supply expense corresponds with higher demand.
f.	Total Operating Expenses	1,499	1,499	-	- Expenses, other than water supply expense, have not closed for July 2018 and are estimated at budgeted values.

Burbank Water and Power
Water Fund (497)
Estimated Statement of Cash Balances [a]
($ in 000's)

	Jul-18	Jun-18	Mar-18	Dec-17	Jun-17	Recommended Reserves	Minimum Reserves
Cash and Investments							
General Operating Reserves	$ 11,494	$ 11,488	$ 11,111	$ 11,791	$ 9,542	$ 12,630	$ 8,070
Capital Reserve Fund	2,220	2,220	2,220	2,220	2,220	5,200	1,300
Sub-Total Cash and Investments	13,714	13,708	13,331	14,011	11,762	17,830	9,370
Customer Deposits	(1,056)	(1,015)	(963)	(968)	(786)		
Capital Commitments	(140) [b]	(140)	(140)	(186)	(228)		
Water Purchase Commitments [c]	-	-	-	(2,743)	-	-	-
Cash and Investments (less commitments)	**12,518**	**12,554**	**12,228**	**10,113**	**10,749**	**17,830**	**9,370**

[a] The Statement of Cash Balances may not add up due to rounding.

[b] Capital commitment for the recycled water I-5 Freeway second tie crossing project.

[c] 7200 Acre Feet of untreated water was purchased from the Metropolitan Water District, with final payment made in February 2018.

Estimated July 2018 Budget to Actual P&L Variance Highlights - Water Fund

(in 000's)

	Variance Month-to-Date		
	Favorable Items	Unfavorable Items	Budget to Actual Variance
MTD NET INCOME (LOSS): $554	126		126
MTD GROSS MARGIN VARIANCE			
Potable Revenues	185		185
Recycled Revenues	34		34
Other Revenue		(19)	(19)
Water Supply Expense		(74)	(74)
Total	219	(93)	126