CITY OF BURBANK
BURBANK WATER AND POWER
STAFF REPORT

DATE: **December 1, 2022**
TO: Burbank Water and Power Board
FROM: Dawn Roth Lindell, General Manager, BWP
SUBJECT: **October 2022** Operating Results

***Please note that changes from last month's report are in BOLD**

SAFETY

As a progressive and proactive utility, BWP tracks all environmental, health, and safety (EHS) related events, such as observations, near misses, and incidents. Staff tracks action items for these events from start to closure in order to avoid injury or damage to the city or public property. BWP continues to exceed its goal of closing 80% of action items. For this reporting period, BWP has closed 86% of corrective and preventative action items.

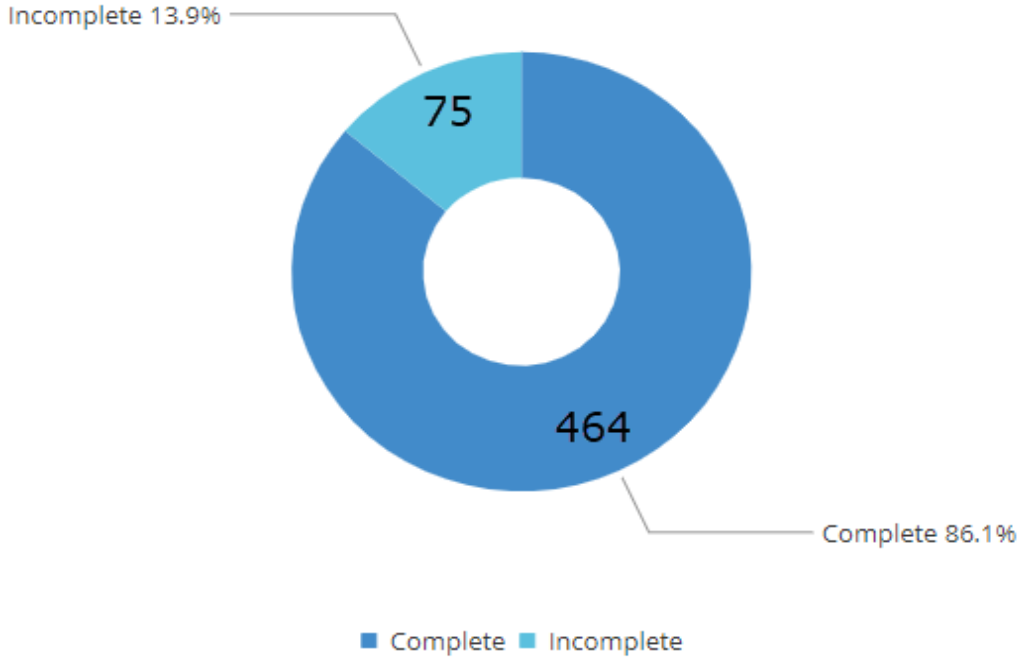
BWP continues to make progress on its efforts to improve employee engagement, as measured by incident, near miss and observation reporting. By reporting these events, we create opportunities to learn and prevent harm to people, the environment and property. For this reporting period, BWP has received 182 EHS-related reports for 2022 to count towards the annual goal of 300.

For October 2022, BWP experienced two OSHA recordable injuries. BWP's 12-month rolling average OSHA total recordable incident rate is 2.1.

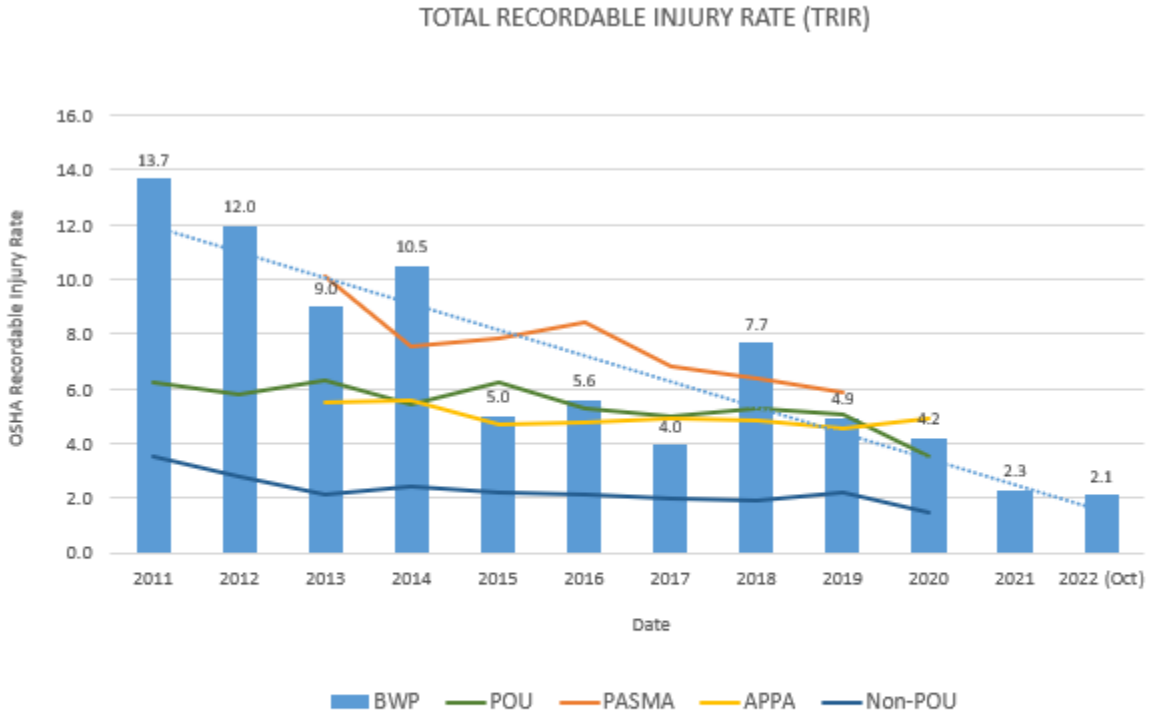
1. **IE-2210-0005 – Line Mechanic Apprentice received cuts and abrasions to his face during pole climbing training.**

2. **IE-2210-0009 – Pipefitter received pinch and laceration to finger on right hand while installing new 8" water line.**

Corrective & Preventative Action Items (80% Goal):



OSHA Total Recordable Incident Rate:



OSHA Recordable Injury Rate = No. of recordable cases per 100 full time employees. Current year expressed as 12 month rolling average
POU - Publicly Owned Utilities - Bureau of Labor Statistics
PASMA - Public Agency Safety Management Association (Local Utilities only Data)
APPA - American Public Power Association - Average recordable injury rate for similar sized organization
Non-POU - Bureau of Labor Statistics, all non-govenrnmental utility services

Electric Financial Results

In **September,** the electric fund energy demand was **9**% **above** budget, primarily driven by hotter than normal weather. **Net loss** was **$306,000**, which was **$700,000 worse** than budgeted. The **unfavorable** variance was primarily attributed to higher than planned **retail power supply and transmission expenses,** offset by higher than planned retail sales, **higher than planned wholesale margin, and lower than planned operating expenses. Power supply expenses were higher due to the natural gas and spot power price increases driven by a record-setting heat wave in September.**

Fiscal-year-to-date (FYTD) energy demand was **5%** above budget, primarily due to warmer than normal weather. For FYTD **September**, net income was a gain of **$2,753,000**, which was **$3,458,000 better than budgeted.** The favorable result was primarily attributed to lower than planned operating expenses, **higher than planned retail sales with a favorable wholesale margin, offset by higher than planned retail power supply and transmission expenses.**

For additional details, please see the attached financial statements.

Water Financial Results

In **September,** for the water fund, potable water demand was **21%** lower than budgeted**. This was due primarily to the ongoing response to the Governor's 15% water reduction request and the Metropolitan Water District (MWD) pipeline repair that resulted in no outdoor watering from September 6-20, 2022**. Net income was **$536,000**, which was **$93,000** better than budgeted. The favorable variance was primarily attributed to lower than planned operating and water supply expenses **and higher than planned recycled water sales, offset by lower than planned potable water sales.**

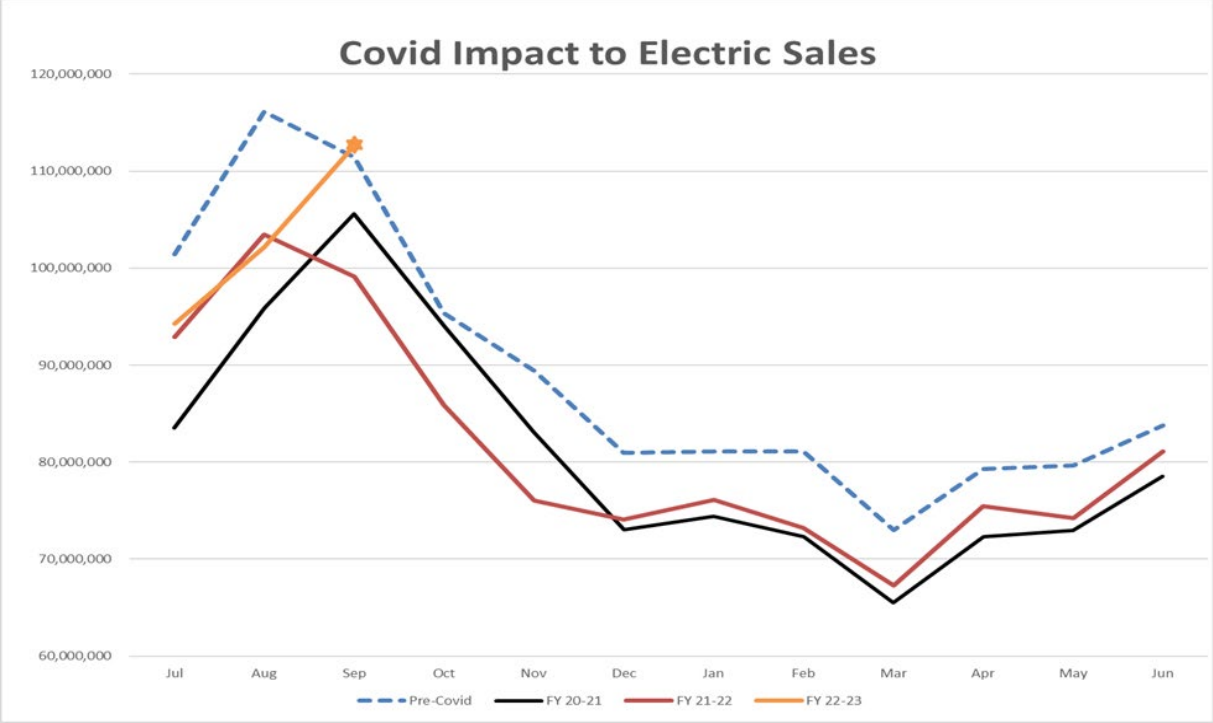
FYTD potable water demand was **6% lower** than budget. For FYTD September, net income was **$1,779,000,** which was **$949,000** better than budgeted. The favorable variance was attributed to lower than planned operating expenses and water supply expense, **offset by lower than planned operating revenues.**

For additional details, please see the attached financial statements.

COVID-19 and Drought Impacts

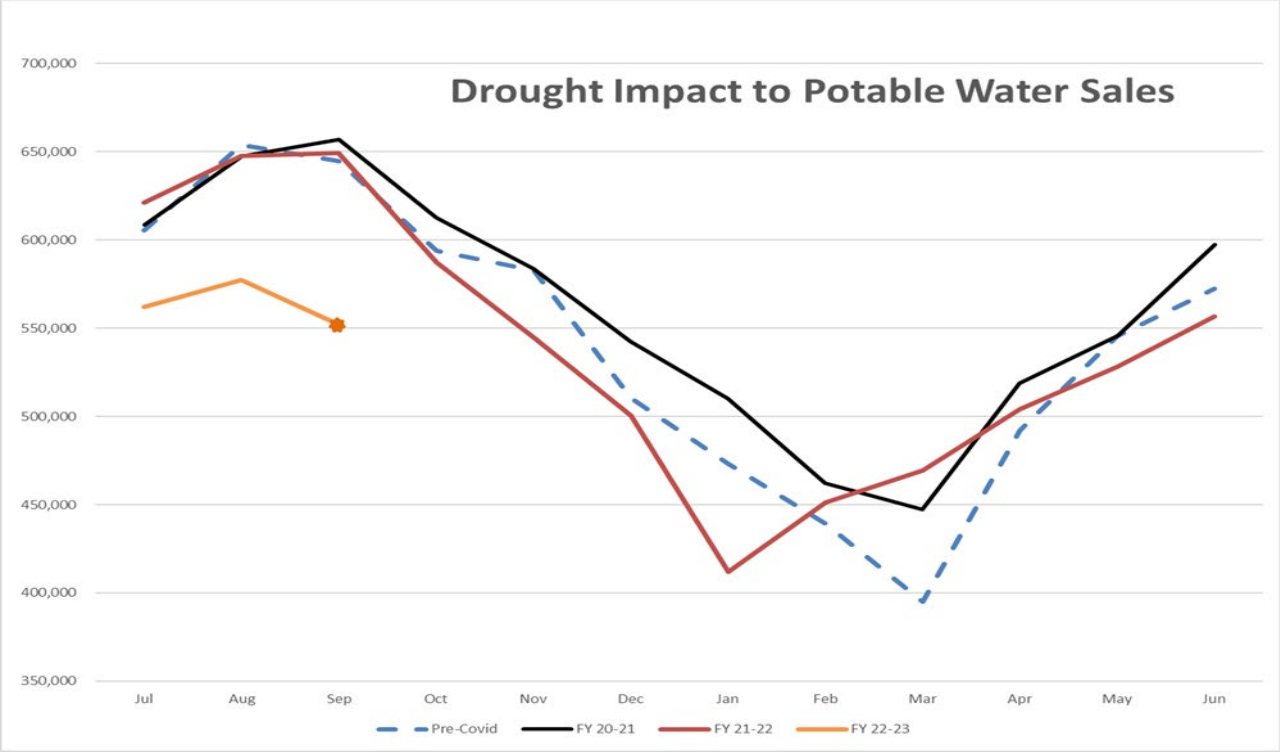
On March 19, 2020, the COVID-19 pandemic impacted the commercial demand for energy in Burbank and has resulted in a continuous reduction of electric demand.

The chart below for the electric fund shows current fiscal year sales compared to prior fiscal years and pre-COVID. **September** sales were **1% higher** compared to September pre-COVID. **However, the increase was primarily driven by an above normal heat wave.** Fiscal year-to-date sales were **6%** lower compared to the same period pre-COVID.



The Governor called for all Californians to voluntarily reduce water use by 15% from 2020 levels. **September** sales were **14%** lower compared to **September** pre-COVID**.** This is attributable to **the MWD pipeline repair and ongoing drought response** – not due to COVID. Fiscal year-to-date sales were **11.2% lower** compared to the same period pre-COVID. Water sales in general have been minimally impacted by the pandemic, where the decrease in commercial sales was offset by an increase in residential demand.

The chart below shows current fiscal year potable water sales compared to prior fiscal years and pre-COVID.



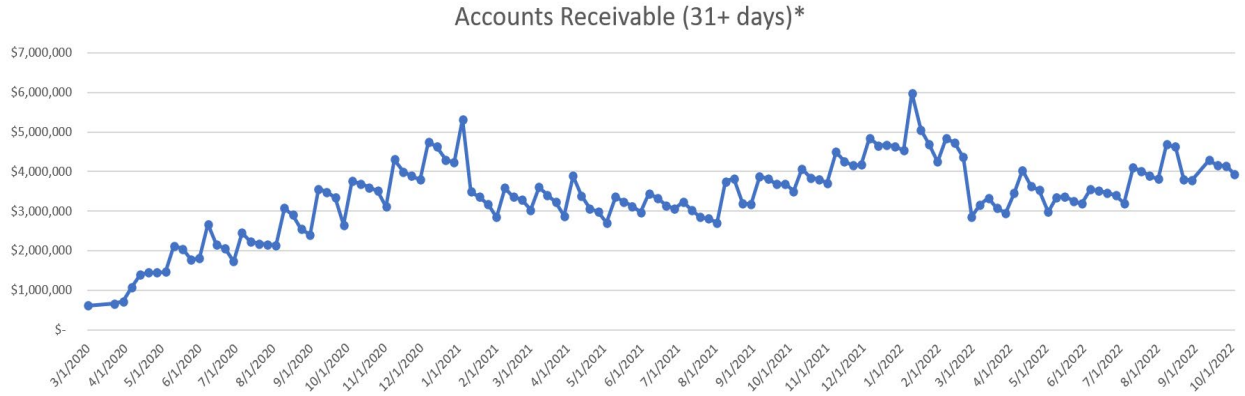
Inflation

In the last year, BWP's net income has been heavily impacted by increasing inflation. U.S. inflation has climbed as high as 9.1%. In many cases, we are seeing expenses for utility-grade items much higher than 9.1%. Below are examples of utility items impacted by inflation:

- Emissions control system upgrade for the Lake One Unit – an increase of 25% from $2 million to $2.5 million
- A renewable solar, plus energy storage project - increase of 71%, from $35/MWh to $60/MWh
- New substation buildout - increase of 47% from ~$17M to ~$25M
- Rebuild substation - increase of 67% from ~$9M to ~$15M
- Copper coils for 1-inch service lines - increase of 64% from $6.09 to $9.98 per foot
- 8-inch ductile iron pipe – increase of 42% from $20.79 to $29.59 per foot
- Other increases in materials:
    - Plastic conduit 125%
    - Chlorine gas **193%**
    - Plastic 57.7%
    - Metals 35.5%
    - Water meter boxes 25%
    - Precast concrete products 12.8%
    - Concrete 9.9%

Accounts Receivables

The chart below shows the change in receivables that are over 30 days old for BWP's electric and water funds.



*Excludes in-lieu and utility users' tax.

WATER DIVISION

Burbank's Water Use

The table below shows water use in Burbank during **October 2022** compared to **October 2020** measured in gallons per capita per day (gpcd). The baseline year of 2020 is used to measure the governor's call for a 15% reduction in monthly water use.

	Average Monthly Use
October 2020	**153 gpcd**
October 2022	**126 gpcd**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	125	126	104	112	141	149	157	162	159	153	136	132
Goal	106	107	88	95	119	127	134	138	135	130	116	112
2022	106	128	127	131	133	145	148	146	123	**126**		
	-15.2%	1.6%	22.1%	17.0%	-5.7%	-2.7%	-5.7%	-9.9%	-22.6%	**-17.6%**		

Water use, in terms of gpcd, during **October 2022** was **17.6%** less than the **October 2020** baseline, which exceeded the Governor's "15%" reduction request. Monthly water use will be tracked and reported versus 2020 values and continue to monitor the response to the Governor's order to reduce water consumption by 15%. All values are compared with the standard of 2020 water consumption.

Burbank Operating Unit (BOU) Water Production

The table below provides the operational data for the BOU for the months of **November** 2021 through **October** 2022.

Month	BOU	BOU	Total System
	Capacity Factor	Ave. Flow Rate	Blend % MWD/BOU
21-Nov	92.51%	8,326 gpm	14% / 86%
21-Dec	86.51%	7,786 gpm	16% / 84%
22-Jan	80.41%	7,237 gpm	20% / 80%
22-Feb	82.55%	7,429 gpm	20% / 80%
22-Mar	84.87%	7,638 gpm	20% / 80%
22-Apr	93.03%	8,373 gpm	12% / 88%
22-May	91.64%	8,247 gpm	15% / 85%
22-Jun	88.89%	8,000 gpm	22% / 78%
22-Jul	89.21%	8,029 gpm	26% / 74%
22-Aug	87.83%	7,199 gpm	24% / 76%
22-Sep	79.99%	7,905 gpm	20% / 80%
22-Oct	88.00%	7920 gpm	14% / 86%
		Ave Blend %-last 12 months	19% / 81%

The total system blend percentage represents the total amount of water that was purchased from the Metropolitan Water District (MWD) vs. the amount treated by the BOU. This, along with the capacity factor, is an important measure of efficiency. The capacity factor may fluctuate based on demand and plant production; the blend percentage measures how much of the total system's demand is made of purchased or produced water. The amount of MWD water needed is determined by demand, availability of BOU water, and O&M outages.

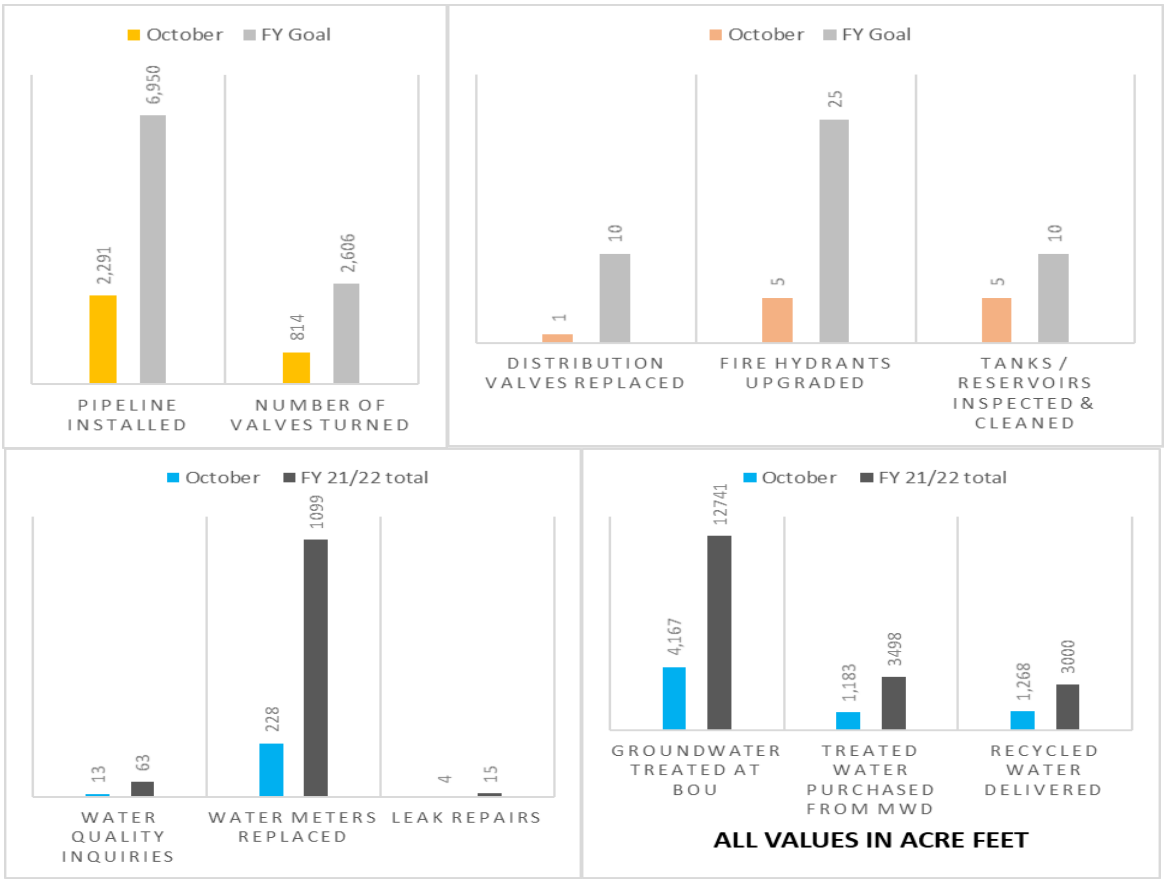
Key Performance Indicators

The graphs below illustrate the progress the water division has made on key performance measures through **October.** Note that the values provided need to be viewed with respect to where we are in the fiscal year. Pipeline installation is **33%** complete, and we are **33%** through the fiscal year.

Chlorine gas deliveries have improved, but the main issue is the availability of truck drivers. To provide a backup to our chlorine gas supplies, staff installed a sodium

hypochlorite tank and related equipment so that we now have two forms of chlorine to use (sodium hypochlorite is liquid chlorine – essentially bleach). This spreads the shortage risk across two forms of chlorine instead of relying on just one. Although the availability has slightly improved, the price of the chemical remains volatile. Since June 2021, the cost of chlorine has increased by **193%.** For this fiscal year, it increased by 25%.

We closely monitor chlorine gas supplies and track them daily.



Leak Alert Notifications

In 2009, BWP began installing an automated metering infrastructure (AMI) system by Itron. Full deployment of the system (approximately 26,000 endpoints for water) was completed in 2011.

The benefits of AMI technology allow data to be collected rapidly and frequently and can be analyzed to find higher than normal usage and alert customers of leaks. BWP began providing leak alert service to residents who registered to receive notifications. This service, called Water Smart, works by receiving hourly water usage from the meter and analyzing this data to determine if a leak might be present based on continuous usage. In

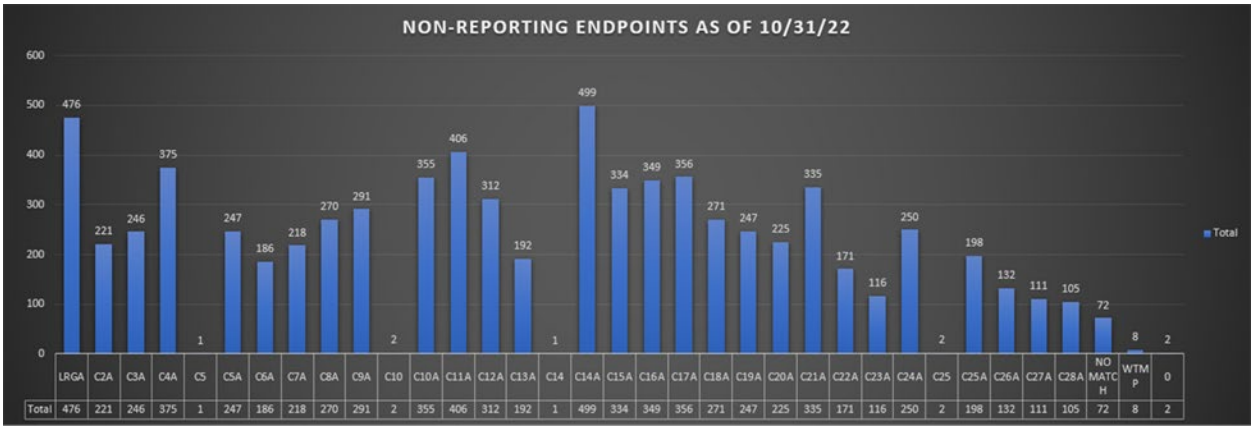
October 2022, WaterSmart sent out **1,174** notifications to customers, including **971** email leak alerts, **188** print leak alerts, **11** text message leak alerts, and **4** voice alerts.

Unfortunately, a high volume of water meter communication modules are not working reliably and replacement units are no longer produced. As of **October 2022,** BWP was not able to receive remote reads for **7,582** water meters out of 27,090 (**28%** of the total) due to failing communications modules and they had to be read manually. In March 2021, staff deployed an interim automatic meter reading (AMR) system to read meters with failed communication modules. However, we cannot receive the continuous communication that enables us to notify these customers of leaks.

BWP notified customers who participate in the leak alert program that the failure of these communication modules prevents the sending of leak alert notifications, and due to the continuing failures, BWP continually notifies the affected customers. The AMR system does not enable BWP to notify customers of leaks at all. This will leave customers vulnerable to unnoticed leaks causing water damage, bills that could reach thousands of dollars as well as unnecessary and significant water waste.

The schedule for the AMI project is provided below:

- September 15, 2022 - Release of Request for Proposals (RFP)
- September 30, 2022 - Pre-proposal meeting (virtual)
- October 3, 2022 - Due date for RFP questions
- October 21, 2022 - Due date for response to RFP 2:00 PM
- **November 7, 2022** - Interview/negotiation dates
- **January 30, 2023 – Tentative notice of award**
- **February 1, 2023 – Tentative notice to proceed (NTP)**



*Based on field orders generated resulting from failed AMI communication.

Burbank's Path to Sustainable Water Use

Burbank Water and Power is committed to facilitating a sustainable community. Our state is currently facing severe drought conditions. The drought makes our water-saving efforts

more critical, and BWP wants to ensure our efforts drive lasting change. We have adopted the ADKAR change management model to help us deliver on this transformation and have been planning efforts to help our community make lasting change. The ADKAR change model describes the steps that need to be taken, starting with awareness, desire, knowledge, ability, and re-enforcement. The table below describes these steps, and the actions BWP has completed and plans on completing.

	Completed	Planned
Increasing drought and water conservation awareness	• Digital Currents (2022: January, March, April, May, June, July, August, September, October. 2021: August, September, October, November, December) • Print Currents (April 2022, November 2021, July 2022) • BWP drought webpages • BWP Online Account Manager banners • Social media (Facebook, Twitter, Instagram) • Flyers with watering schedule and conservation programs information • Bill inserts • Bill graphics • Graphic on bill envelope • MyBurbank advertisement • Burbank Channel advertisement • Educational videos (Burbank's water story, drought and conservation programs, and Stage II rules) • Press release – Stage III • Parks & Recreation newsletter advertisement • Burbank Channel advertisement • Educational video for stage III • Water city hall turf with recycled water • Email and letter to commercial, industrial, and institutional (CII) customers about Emergency Water Regulation • Burbank Bus advertising	• BWP employee efforts for water conservation • Burbank Bulletin advertisement • Other physical advertising options in Burbank

	• HeyBurbank feature – July 2022 https://youtu.be/v6Z2aBQVMCU • Burbank Recycle Center advertisement • Doorhangers for water waste violations • Magnolia Blvd banner • Enforcement notifications via letter for watering violations: Education letter number 1, Education letter number 2, fine of $100, fine of $200, fine of $500 Outreach efforts to notify customers of the MWD pipeline repair that resulted in no outdoor watering from September 6-20, 2022 • Launched temporary Recycled H2O to Go Program • **Updating community of November 1st water schedule change to one day per week, on Saturday from November to March.**	
Increasing the community's desire to make change	• Automated leak alerts to customers • Report water waste online form – Stage II • Report water waste online form – stage III • Targeted communications on irrigation schedule compliance and high-volume users to customers based on WaterSmart AMI information • Home Improvement Program door-to-door outreach • Participated in rain barrel distribution event with other cities, resulting in 17 residents signing up to receive rain barrels • **Updated website and began promoting Turf Removal Rebate Increase to $3 sq. Ft,**	• Exploring community partnerships to create demonstration gardens and signage on drought tolerant landscaping (have received 5 requests to date) • Table tents for restaurants • Exploring options for service-based events for drought • Commercial water-saving rebate promotion. Staff to develop a communication plan to create rebate awareness.

	including video testimonials from BWP customers who participated in the program.	
Customer knowledge on how to make change	• Signage and pool cover rebate applications for local shops • Drought flyer with water conservation programs information • Lobby signage with water conservation programs information • Portable signage with water conservation programs information for local events (National Night Out, Starlight Bowl) • Customers' testimonials and resource recommendations on turf replacement	• Exploring options to offer water conservation and turf replacement classes
Ability to make change	• Increased rebate amounts for: o Flow monitoring device - $150 o High-efficiency clothes washer - $150 o Rotating sprinkler nozzle - $5 o Weather-based irrigation controller - $100 o Soil moisture sensor system - $100 o Premium high-efficiency toilet - $100 • Turf Removal Rebate increased from $2 sq/ft to $3 sq/ft. • Home Improvement Program additions for sprinkler check and controller programming for common areas of multi-family unit buildings • Provide no-cost showerheads, and kitchen and bathroom aerators to customers in the BWP lobby	Reducing the cost for customers to make change • Reinitiate demonstration garden grants • Additional funding for water efficiency rebates • Exploring water conservation giveaway items (buckets, soil moisture sensors, adjustable nozzles for hose, etc.) to encourage water use efficiency

	• Provide no-cost toilet dye tablets to help customers detect toilet leaks • Leak assistance grant for income-qualified households • Conducted social media giveaway to provide collapsible buckets to capture sink water for use on outdoor plants. • Provided soil moisture sensors daily to first two Recycled H2O to Go participants. • Innovative Conservation Program (ICP) pilot project enables water usage monitoring and leak detection services for multi-family property owners and tenants	
Reinforcement, including progress updates and recognition	• Fill the "Burbank Tank" graphic that staff will update monthly on the BWP website and in Digital Currents • **Finalized design of lawn signs and will work to distribute in November 2022.**	• Customer recognition program • Lawn signs

Projects

Leaking Water Service:
2511 N. Myers St. – Small water leak coming up from cracks in the asphalt. After excavation, we were able to see that the leak was coming from a small split in a plastic service lateral that had been installed in the mid-1960s. The plastic service lateral was removed, and a new copper service lateral was installed from the water main to the city valve in the parkway.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ELECTRIC DISTRIBUTION

ELECTRIC RELIABILITY

In **October** 2022, BWP did not experience any sustained feeder outages. In the past 12 months, automatic reclosing has reduced customer outage time by approximately **1,062,430** customer minutes.

Reliability Measurement	November 2020 – October 2021	November 2021 – October 2022
Average Outages Per Customer Per Year (SAIFI)	**0.2006**	**0.2949**
Average Outage Time Experienced Per Year (SAIDI)	**6.92 minutes**	**11.73 minutes**
Average Restoration Time (CAIDI)	**34.48 minutes**	**39.79 minutes**
Average Service Availability	**99.999%**	**99.998%**
Average Momentary Outages Per Customer Per Year (MAIFI)	**0.3149**	**0.2538**
No. of Sustained Feeder Outages	**7**	13
No. of Sustained Outages by Mylar Balloons	3	2
No. of Sustained Outages by Animals	0	0
No. of Sustained Outages by Palm Fronds	0	2

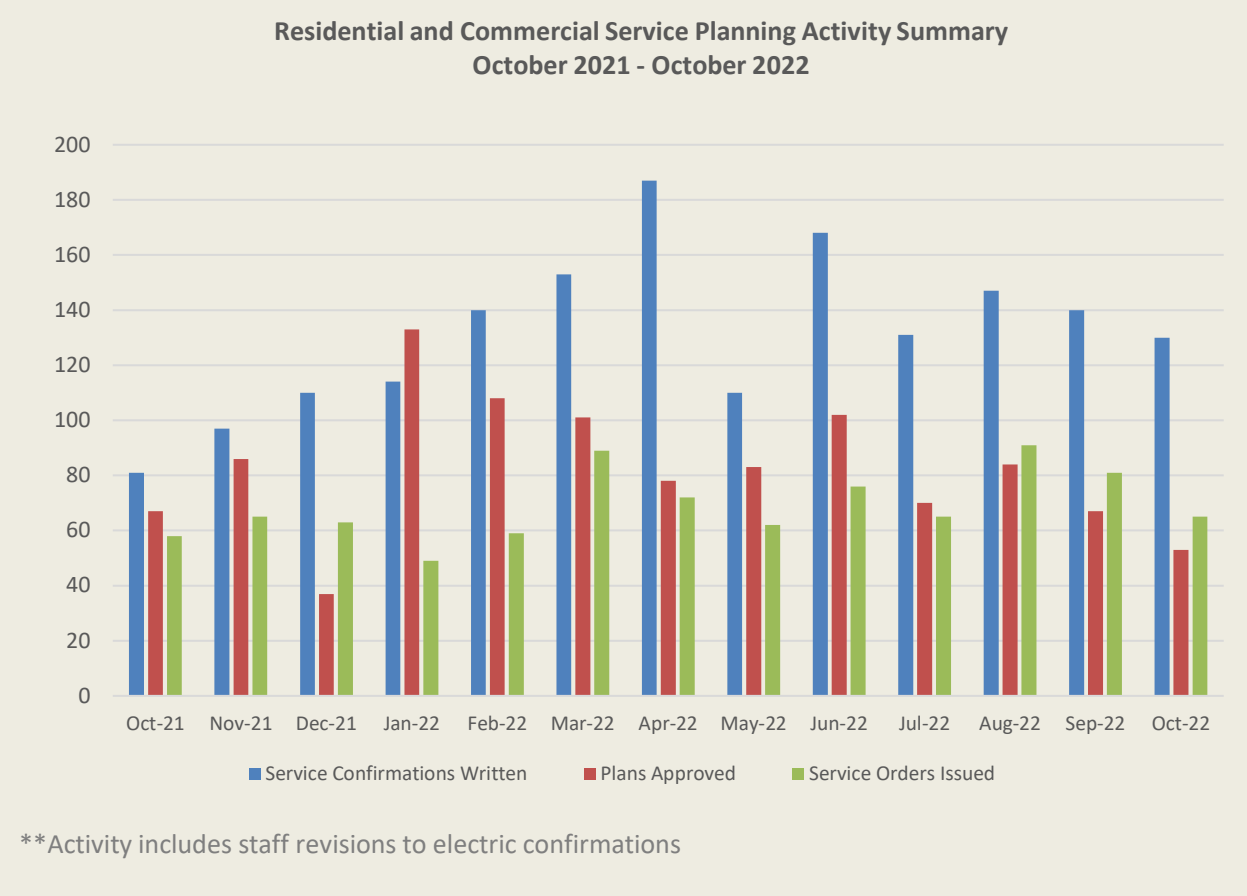
PROJECT UPDATES

Residential and Commercial Service Planning Activities

BWP provides our residential and commercial customers with the electrical power they need for new services or upgrades to their existing services. In order for a customer to obtain a building permit for their construction, BWP service planners must visit the customer's facility and fill out an electric service confirmation form which details what type of service is required and how it will be served. After reviewing and approving a customer's electrical plans, BWP service planners issue service orders to our field crews to carry out the inspections and electrical service work. The graph below summarizes the monthly activity for our residential and commercial service planning group within the T&D engineering section.

The electrical engineering section is seeing an unprecedented amount of development requests including large site developments, major housing developments, and accessory dwelling units. In the last decade, BWP has energized about 400 new residential units. Based on the current proposed development, BWP is on the path to energizing more than 2,000 new residential units in the next three to four years. This is a tenfold increase in the amount of development. If this level of work is to continue, the electrical

engineering section will need to staff accordingly to be able to keep up with the maintenance work that is currently being placed on hold to accommodate the development work and resulting capital projects.



Ground Grid Improvements at McCambridge, Victory, and Winona Substations

The substation ground grid is composed of several electrical conductors meshed together and placed underground at the substation. Their purpose is to ensure that personnel in the vicinity are not exposed to severe electric shock and that protective relay equipment properly operates and isolates electrical faults. As years pass by and the system configuration changes, the ground grid might need to be altered to comply with the new system configuration. As a result, BWP performed ground grid studies at the McCambridge, Victory, and Winona substations, which resulted in mitigation recommendations.

The BWP electric equipment section completed the ground grid mitigation measures at the McCambridge, Victory, and Winona substations in October 2022.

The mitigation measures included ground grid conductor and asphalt addition near substation gates and access doors.

Ground Grid Work at Victory Substation

Asphalt Addition Work at McCambridge Substation

Circuit Breaker Replacement at Receiving Station "E"

Receiving station "E" (RSE) is a station that interconnects BWP with Los Angeles Department of Water and Power (LADWP). As part of the interconnection agreement with LADWP, BWP owns the 69 kV equipment at the station and LADWP maintains most of the equipment. During a routine maintenance cycle, one of the thirteen 69 kV circuit breakers at RSE failed testing and was taken out of service for replacement. Circuit breakers are critical parts of a substation as they interrupt the flow of electricity in a circuit, hence preventing equipment damage by isolating electrical faults.

LADWP personnel completed the replacement and tested the circuit breaker in October 2022. BWP's electrical equipment section tested the protective relays connected to the circuit breaker. In addition, BWP's electrical engineering section is coordinating the procurement of spare circuit breakers for RSE and is planning to replace about eleven additional circuit breakers which are over 50 years old and may not meet BWP's design specifications.

New Circuit Breaker Picture at RSE

Alternate Station Service Power Source at Olive Switching Substation

Station service power is required for lighting, heating and air conditioning, and auxiliary control power in substation control buildings. It is also used to operate auxiliary equipment inside a substation, including transformer fans, circuit breaker charging motor circuits, and other miscellaneous items. Because both the primary and backup sources of station service power to the Olive switching substation needed to be de-energized in order to perform some protective relay testing, an alternate station service source was needed. As a result, BWP planned to install an alternate station service power source from the existing pad-mount transformers feeding the Burbank station. In October 2022, BWP's electrical equipment crews installed new conduits, cables, fused disconnects, and an automatic transfer switch for the new alternate station service power source.

Conduit Work for the AC Power at Olive Sw. Substation

New Fused Disconnect Switch at Olive Sw. Substation

<u>Lincoln-Valley #2 Sub-Transmission Line Relay Replacement at Lincoln & Valley Substations</u>

BWP is in the process of replacing its older electromechanical sub-transmission line relays with modern microprocessor relays. These older relays take about 6 times longer to isolate the electrical system from a fault, resulting in higher arc flash levels and a higher risk of additional equipment failure. Some of these older line relays currently installed in BWP's system have exceeded their typical life expectancy of 40 years. Pursuant to the Electric Distribution Master Plan, BWP has targeted to budget CIP funding to replace all of its older line relays by fiscal year 2022-2023.

BWP's electrical equipment section completed the installation and testing of the new relays for the Lincoln-Valley #2 line in October 2022. The new relaying improves personnel and equipment safety by isolating faults much more quickly, increasing reliability through their ability to self-diagnose, improving maintenance by reducing the number of relays by roughly 1/3, increasing the routine testing interval from 3 to 5 years, and logging digital event records which aides in troubleshooting.

Panel Work at Lincoln for the Lincoln-Valley Relay Upgrade

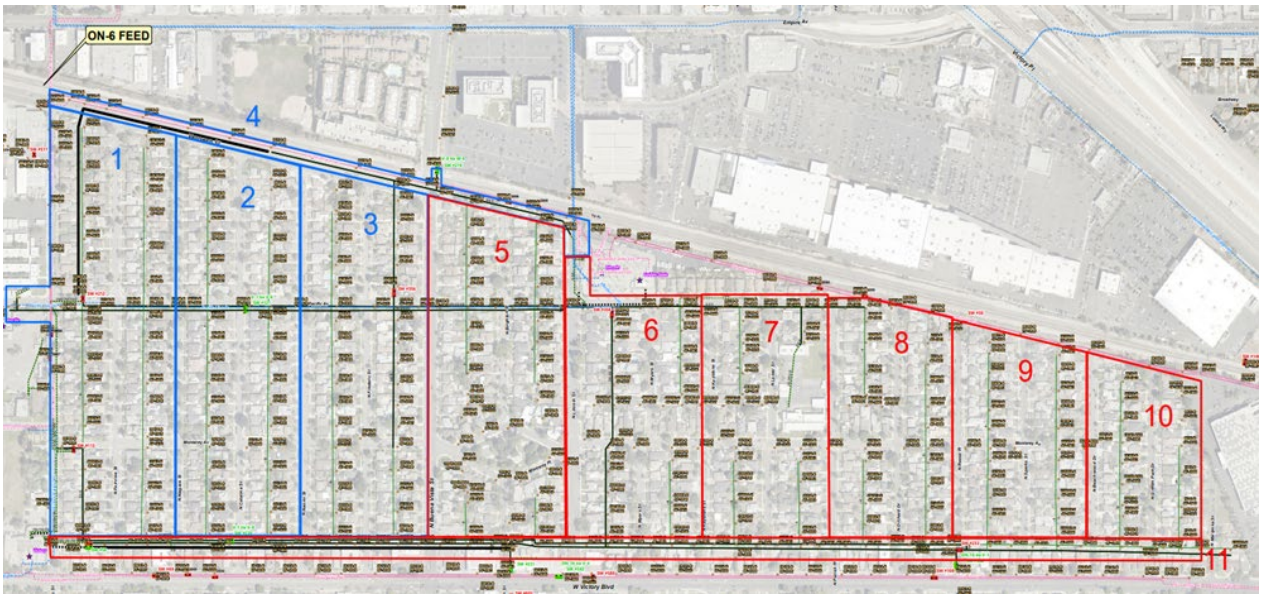
Old Relay Panel & New Relay Panel at Lincoln

4-12kV Pole Line Rebuild of V-8/V-1 Circuits

In alignment with the Electric Distribution Master Plan goals, BWP is managing its aging infrastructure through the strategic replacement of assets by converting its circuits from 4 kV to 12 kV. Performing these conversions improves system efficiency and replaces deteriorated poles, worn distribution transformers, and conductors with new ones. Additionally, it transfers electrical load from BWP's oldest 4 kV electrical substations. This also allows for the timely retirement of BWP's older 4 kV stations, which enables BWP to avoid costly upgrades to its large power transformers, power circuit breakers, voltage regulators, disconnect switches, and other station components.

Construction is in progress for the pole line rebuild of the V-8 and V-1 circuits. The project was broken down into 11 zones for construction. Zone 2, which included 27 pole replacements, was completed on September 20, 2022. Zones 1 and 3, which include sixty-one pole replacements, are currently in progress.

Engineering work orders for one hundred forty-five poles in the remaining zones 4-11 are complete and ready to be issued to the field crews. This project is anticipated to be completed by June 2023.



V-8, V-1 Conversion Zone Map

Electric Distribution Master Plan Update

BWP engineering staff has been working on an update to the Electric Distribution Master Plan (EDMP). The master plan typically analyzes short and long-range system planning for the next 5, 10, and 20 years. The EDMP will analyze the state of our current electric system, and the potential load increases in the system due to upcoming plans to increase housing developments and EV charging within the City of Burbank. It will also forecast the electric needs for the planned

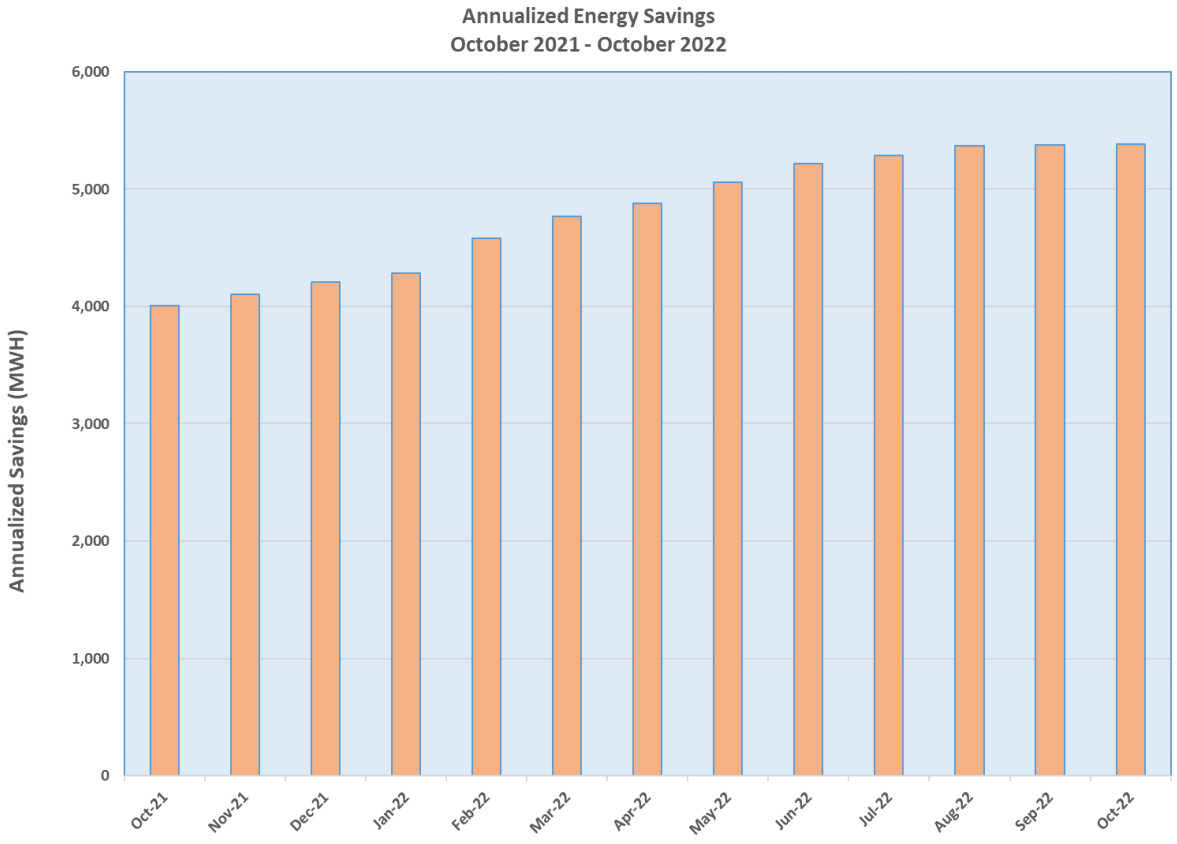
developments, determine the impacts on existing infrastructure, identify any issues, and propose capital projects to mitigate the issues.

Work on the EDMP update is expected to conclude by the end of this year, and it will be presented to the BWP Board early next year.

STREET LIGHTING

LED Replacement Program

In accordance with the Street Lighting Master Plan, BWP is replacing high-pressure sodium (HPS) street light luminaires with light-emitting diodes (LED) luminaires. Replacement is carried out on a maintenance basis, and LEDs are installed daily as the HPS luminaires burn out. LED replacements consume approximately 60% less energy. To date, **91.49%** of the total street light luminaires have been converted to LEDs, which translates to an annualized energy savings of **5,385** MWh or a **58.11%** reduction in energy consumption. LED conversions have also reduced the evening load by **1,248** kW**,** which shortens the "neck of the duck curve" and reduces the amount of energy generation that BWP needs. The graph below shows the annualized energy savings in MWh for the past 13 months.



*** Note: Starting in October 2021, staff started tracking LED installations based on a more reliable source (GIS database). This change resulted in a savings correction of 156 MWh (increase) in annualized savings; previous months have been adjusted accordingly.

Wireless Telecom Attachments

BWP has entered into four master license agreements to allow communication carriers to attach, install, operate, and maintain communication facilities on street light poles with the public right-of-way.

For the communication carriers to build a new location for a wireless telecom attachment, BWP must first provide an electric service confirmation, which details how the location will be served. Each design must meet the city's aesthetic requirements as well as BWP's design guidelines. Once BWP approves the plans and a Public Works permit is issued, BWP issues work orders to our field crews to carry out inspection as well as the electrical and street lighting work. The table below summarizes the activity that has taken place to date:

	Confirmations in Progress	Written Confirmations	Plan Signoffs	WTA Work Orders Issued	WTA Sites Energized
Total	0	256	**12**	**17**	**39**

CUSTOMER SERVICE OPERATIONS

BWP continues to assist customers through the COVID-19 pandemic. Customer Service Representatives (CSR) assist customers by making payment arrangements to reduce the amount in arrears and provide additional resources to help customers manage their finances related to their utility bill. BWP staff continue to proactively engage customers to reduce their arrears by encouraging payment arrangements to any customer they interact with that has a 60-day or greater past due balance. We currently have **251** customers who have an active payment arrangement, resulting in a reduction of arrears by **$616,104.** BWP will continue to encourage payment arrangements to assist our customers to manage their outstanding arrears.

On October 27, 2020, the Burbank City Council approved disconnections to resume for non-payment of medium, large, and extra-large commercial customers. Disconnections were discontinued once California Arrearage Payment Program (CAPP) was announced, due to the prohibition of disconnections for 90 days after applying CAPP funds to customer accounts in May **2022**. Thereafter, BWP began notifying medium, large, and extra-large commercial customers via letter and personal phone calls that disconnection for non-payment would resume as of July 6, 2022 and encouraged payment arrangements. In addition, several communications were sent to customers subject to disconnection including letters, e-mails, and automated phone calls. Since beginning disconnections, a total of **4** medium, large, or extra-large commercial customers have been disconnected for non-payment, resulting in a reduction in arrears by **$5,618.53**. Customers are making their payments and/or entering into a payment arrangement.

In late June 2022, we received notification that the legislature and Governor had approved a new round of funding for unpaid electric bills resulting from the COVID pandemic. There is $239.4 million available for publicly owned utility (POU) accounts. This new program, known informally as CAPP 2.0, will operate in a similar fashion as CAPP 1.0 with a few key differences. CAPP 2.0 will have a longer COVID-19 pandemic relief period that extends from June 16, 2021, through December 31, 2021 and will only benefit active residential customers. **On October 25, 2022, BWP submitted an application to apply for the CAPP 2.0 program. Once funding is received in January 2023, 1,393 customers will receive a credit on their utility bill totaling $637,838.06.** Since CAPP 2.0 will not be applied to commercial customers, on August 4, 2022, the BWP Board reviewed and passed the proposal to resume disconnections for small commercial customers beginning September 1, 2022 with a 7-0 vote. On August 23, 2022, City Council voted 3-1 to approve resuming power disconnections for small commercial customers effective September 1, 2022. After receiving approval from City Council, BWP immediately began notifying all small commercial customers via letter, e-mail, and automated phone calls. Small commercial customers who are eligible for disconnection, began receiving an official notice as of September 6, 2022. BWP began disconnecting small commercial customers for non-payment effective September 29, 2022. From September 29, 2022 through **November 2**, **2022**, **30** small commercial customers have been disconnected for non-payment, resulting in a reduction in arrears of **$37,878.21 and two customers establishing payment arrangements totaling $26,893.12. As of September 1, 2022, 223 small commercial customers had arrears over 60 days and were eligible for disconnection. As of November 2, 2022, that number has dropped to 159. This indicates that small commercial customers are making payments or enrolling in payment arrangements to avoid disconnections.**

As of November 21, 2022, there are 3,326 residential customers with at least 60 plus days of arrears. Of the 3,326 residential customers, 31 receive the Lifeline rate for low-income seniors over the age of 62 and disabled customers, and 26 customers receive the Burbank Utility Service Subsidy (BUSS). 994 customers who have 60 plus days arrears received assistance from the State's California Arrearage Assistance Program in 2021. In 2022, the State reestablished the CAPP program and 609 customers who received assistance in 2021 will receive assistance again.

Staff has been reaching out to all 3,326 customers monthly advising them of BWP's various payment assistance programs. Staff is increasing our efforts to reach these customers by beginning to contact them by phone and by promoting payment assistance programs via social media communication channels.

Outstanding Debt

As of **October 31, 2022**, the following is the current outstanding debt by commodity:

Aging By Service Type					
Service Type	**31-60**	**61-90**	**91+**	**Total**	**% of Total**
ELECTRIC	**$ 1,329,193**	**$ 615,271**	**$ 2,194,483**	**$ 4,138,946**	**58%**
WATER	**$ 226,440**	**$ 107,464**	**$ 518,421**	**$ 852,325**	**12%**
SEWER	$ 163,456	$ 92,948	$ 498,980	$ 755,384	11%
SOLID WASTE	$ 175,011	$ 101,687	$ 701,582	$ 978,280	14%
FIBER OPTIC	$ 181,260	$ 136,043	$ 55,935	$ 373,238	5%
GENERAL SERVICE	$ 1,468	$ 575	$ 3,697	$ 5,740	0%
MISCELLANEOUS	$ -	$ -	$ 38	$ 38	0%
Grand Total	**$2,076,828**	**$1,053,988**	**$3,973,135**	**$7,103,950**	**100%**

BWP Call Center Call Types & Volume

Customer Contact Types	% of Calls
Update Customer Account Info	15.5%
Balance	13.2%
Autopay	3.7%
High Bill/Usage Review	3.5%
Conservation Programs & Rebates	3.4%

	Oct - 21	Nov - 21	Dec - 21	Jan - 22	Feb - 22	Mar - 22	Apr - 22	May - 22	Jun - 22	Jul - 22	Aug - 22	Sep - 22	Oct - 22	% Inc/Aug
Call Volume	3,235	2,845	3,102	3,234	2,833	3,340	3,148	3,314	3,311	3,220	4,001	4,436	**3,983**	**-10.2%**

Call volume **decreased** by approximately 10 percent in **October. Customers continued to contact BWP for information related to the sustainable water use ordinance and for assistance updating their online account payment information. BWP recently made some changes with the online payment vendor to improve online payment security, and some customers called for help to re-register for autopay within the online account manager.**

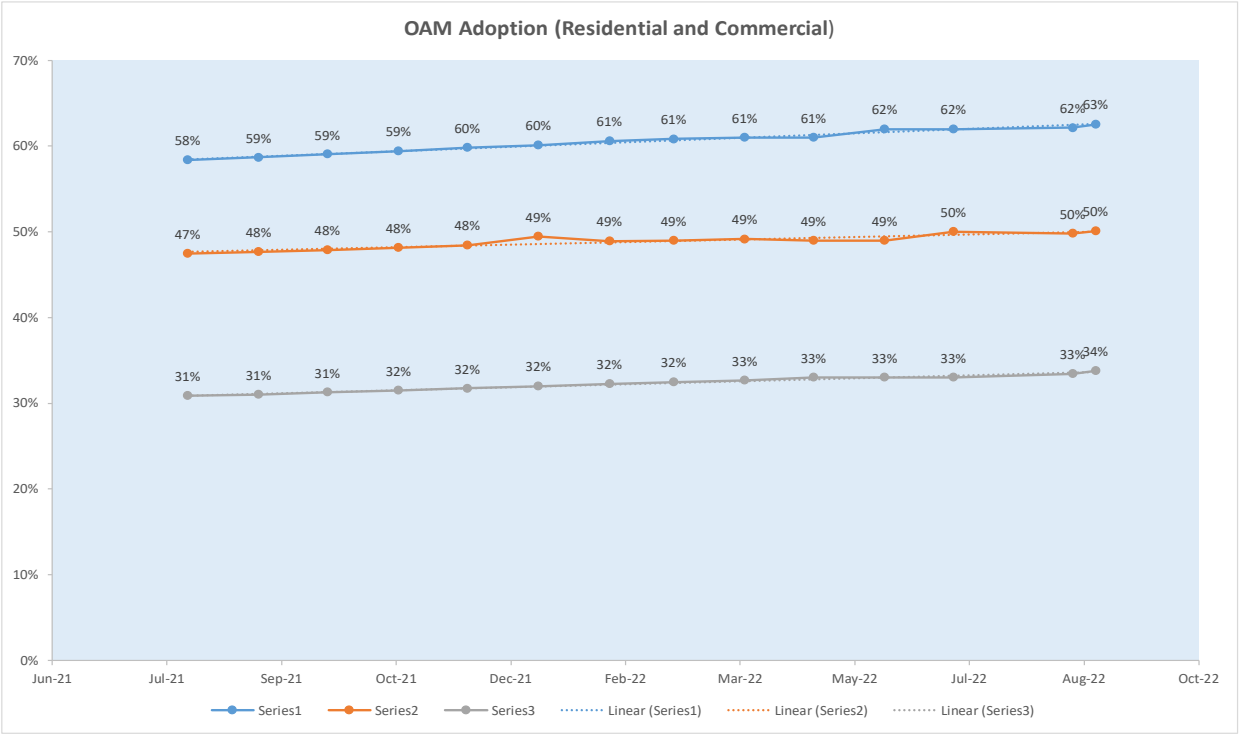
Online Account Manager

The Online Account Manager (OAM) is BWP's online customer portal. Customers can view their utility bills, make payments, change addresses, and enroll in automated bill and payment notifications. The enrollment in the online account manager (OAM) is currently **at 63% of all active accounts**; increases in enrollments have been on the rise since the COVID-19 pandemic. Of the 37% of customers who are not currently enrolled in OAM, 86% of those customers are residential. Of all registered OAM accounts, about 82% are paperless customers helping BWP reduce costs, save trees and reduce carbon emissions. BWP will continue its efforts to drive customers to the OAM, paperless, and autopay. These initiatives will continue to drive down costs.

BWP continues to market and promote general OAM outreach campaign utilizing every owned channel, including on-bill messaging, *Digital Currents*, print *Currents*, social

media, and BWP's website. Last fiscal year BWP set a target to reach 66% OAM adoption. This last 3% has proven to be challenging. In Q4 for FY 22/23 BWP will again try a targeted marketing campaign to increase enrollment.

Below is the chart outlining activity for the OAM:



	Active	% of Total Active Accounts
Active Users	32,824	63%
Paperless	26,277	50%
Autopay	17,741	34%

SUSTAINABILITY, MARKETING, AND STRATEGY

BWP'S Energy Efficiency and Water Savings – Fiscal Year to October 31, 2022

BWP manages a comprehensive portfolio of resource efficiency programs for residential and commercial customers focusing on energy efficiency, peak load reduction, water conservation, transportation electrification, and greenhouse gas savings.

BWP is currently at 5% of our demand energy efficiency and 4% of our energy efficiency savings target. We have established plans to make up ground by the end of the fiscal year. The strategies include filling vacant positions which will help us

in driving program enrollment, including a key accounts manager to promote commercial rebates, and an enhancement of the Home Improvement Program's scope of services with direct outreach to the Burbank Housing Corporation to retrofit and electrify multiple housing units.

BWP's Refrigerator Exchange Program offers income-qualified customers a new Energy Star certified refrigerator in exchange for their old, inefficient refrigerator. The Refrigerator Exchange Program has had **26 refrigerators exchanged** since the beginning of the fiscal year.

BWP's Shade Tree Program provides an arborist visit and delivers shade trees to help customers shade their properties, reduce A/C usage, and clean the air. The program has **delivered 38 trees** since the beginning of the fiscal year**.**

In addition, the *Home Improvement Program (HIP)* offers energy-water surveys and efficiency measure installations to all Burbank single-family residential, multi-family residential, and multi-family common area customers. Some of the HIP's services include direct installation services of weather-based irrigation controllers, high-efficiency sprinkler heads, soil moisture sensors for low-income single-family and multi-family common area customers, and properties within the disadvantaged community areas of Burbank. Furthermore, the program offers energy-water surveys and the installation of efficiency measures for multi-family common area customers. **This month 55 households participated in HIP, a total of 184 customers have participated in the HIP since the beginning of the fiscal year.**

Some additional energy efficiency programs include residential and commercial rebates for the purchase and installation of high-efficiency measures, AC Replace Before It Breaks, and LivingWise.

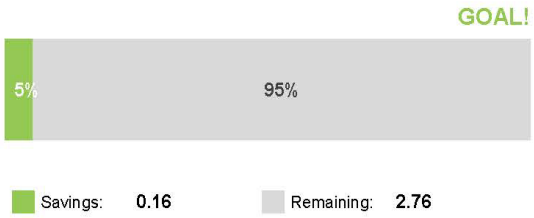
BWP continues to offer various water conservation programs and incentives to the community. In addition to giveaways of low-flow showerheads and aerators at no cost and direct installation of water efficiency measures delivered through the HIP, Burbank residents and businesses are eligible for various water-saving technology rebates funded and administered by the Metropolitan Water District's (MWD) Regional Incentive Program. Starting in August, BWP used its water public benefits charge fund this fiscal year to establish additional incentive levels to help its residential and commercial customers reduce their water use during the ongoing drought. BWP increased turf replacement rebates by 50%. Residential customers have been particularly responsive and the program and within 2 and a half months the rebates have been fully subscribed. BWP is currently in the process of shifting funds into the residential turf replacement program to support 100,000 square feet of turf to be replaced in Burbank.

BWP recently **relaunched** the Hydration Station Program for commercial customers. The program offers rebates for water filling stations to provide the community with access to safe and reliable tap water while also helping reduce plastic bottle waste. MWD funds the Hydration Station Program.

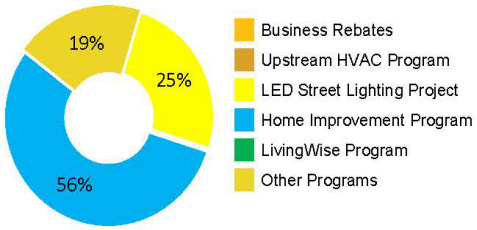
Energy Efficiency Savings FYTD 2022-2023 Period ending on 10/31/2022

1% Demand Goal = 2.92 MW

Demand Savings to Date

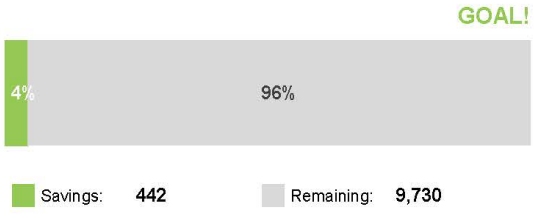


Savings by Program

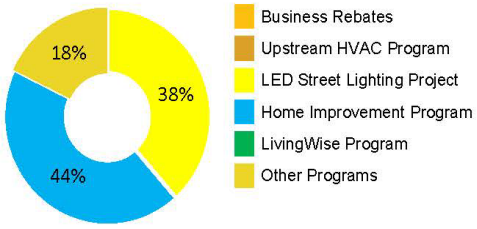


1% Consumption Savings Goal = 10,172 MWh

Savings to Date



Savings by Program



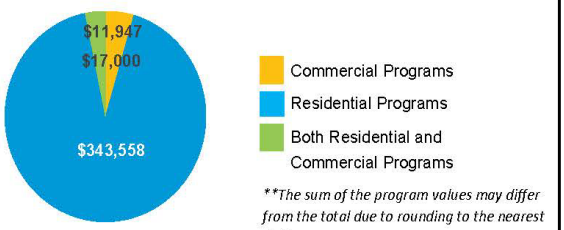
Water Efficency Program Savings

Gallons of Potable Water

24,035,922 Gallons of Water Saved for FY 22/23

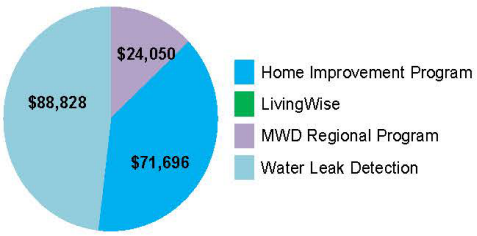
Efficiency Direct Program Costs* FYTD 2022-2023

****Electric Programs: $372,504**



***The sum of the program values may differ from the total due to rounding to the nearest dollar.*

Water Programs: $184,573



*Direct program costs reflect rebates and payments to program implementers, they do not include marketing and administration costs

Electric Vehicle (EV) Charging Program

BWP plays a key role in facilitating the adoption of transportation electrification through education and the development of programs and initiatives.

The city now has seventy-three public EV charging ports, including two DC fast chargers and 24 curbside ports. As of **November** 1, the public charging rate is **$0.18** per kWh for all hours. The public charging rate is **$0.29** per kWh for DC fast chargers for all hours.

Public Charging Energy Delivery

In **October,** the per-port average revenue was **$167,** which is an increase from prior months.

Period	Average Usage	Average Total Revenue	Average Per Port Revenue	Notes
Dec 2019 - Feb 2020	28,047 kWh	$4,779	$101	Pre-COVID, all units operational
March 2020 - Feb 2021	14,211 kWh	$2,724	$60	COVID downturn
March 2021 - May 2021	23,889 kWh	$4,299	$91	COVID recovery period
June 2021 – September 2022	**45,150**kWh	**$7,995**	**$110**	Post-installation of new ports
October 2022	**57,243**kWh	**$12,167**	**$167**	Most recent month

New Public EV Charging Station Construction

Due to supply chain issues for electric metering cabinets, the energization of all charging ports has been delayed. In the current fiscal year, BWP will be able to energize at least two projects: stations near John Burroughs High School and Theodore Roosevelt. These are the first of 8 projects that were delayed to fiscal year 2022/2023 from fiscal year 2021/2022 due to supply chain issues. These 8 projects were planned to install 31 new level 2 ports and one new DC fast charging station. **Construction for the final curbside site, Verdugo and Lake, started in November. Meter service cabinets are arriving in November to energize the projects currently in construction. The EV charging stations will be installed and energized for these projects in November for a total of 12 ports (4 ports each at 3 sites).** BWP is still looking for alternative solutions to complete these projects. For the projects not in the right of way, we are exploring options that would use panels similar to house panels, mounted on H frames, that may have shorter delivery timelines. For the right of way, this would not be acceptable, and we would need to wait for the appropriate cabinets.

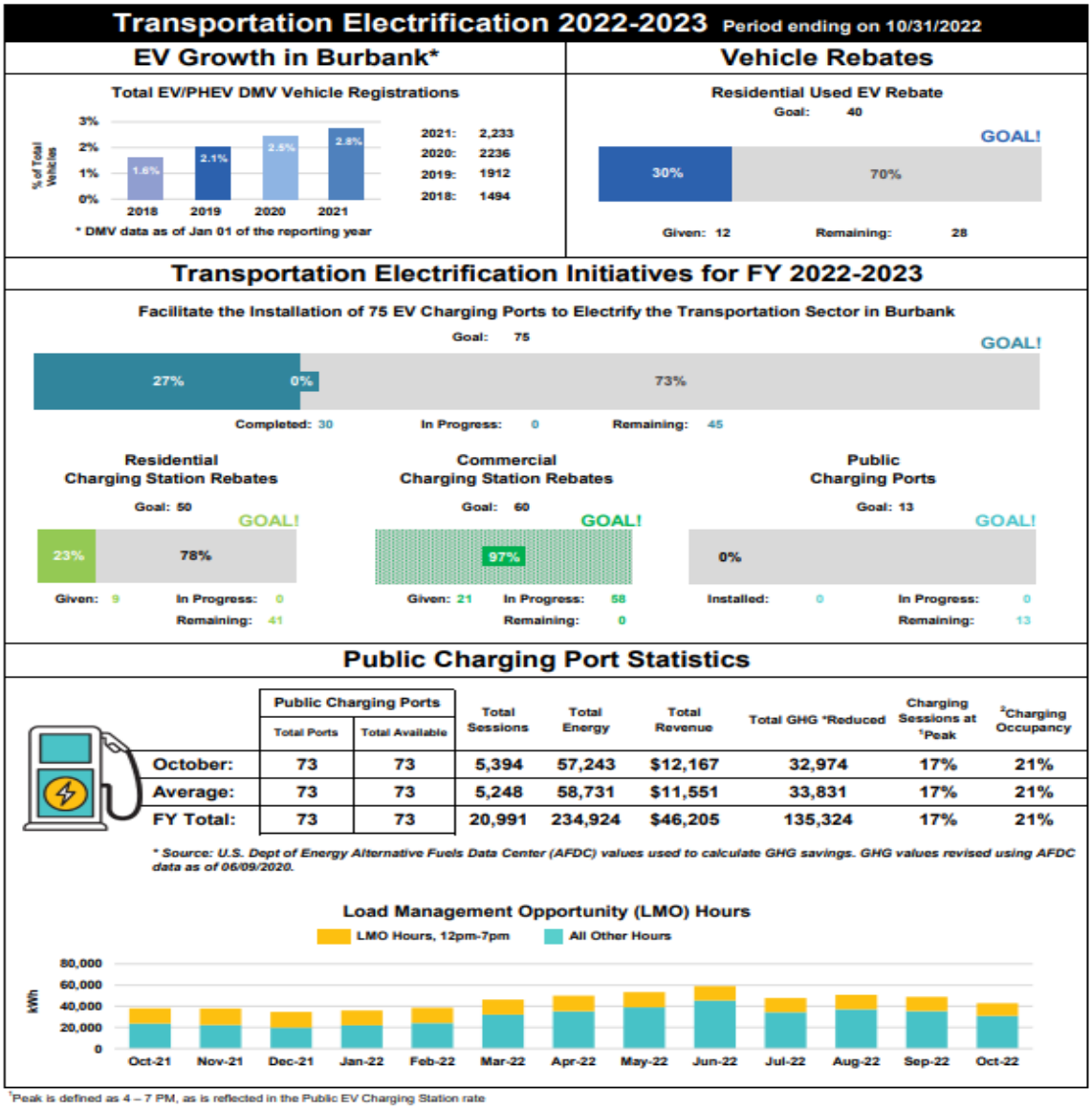
Commercial Rebate Program

BWP currently has reservations for 58 commercial EV charging ports – 18 at one site, and 40 at another site that are planned to be installed this fiscal year. An application is under review for 40 additional ports that have been installed.

A rebate was issued to IKEA for the 21 ports installed to support their local electric delivery fleet.

Residential Rebate Program

One residential rebate was distributed in **October 2022.**



	Public Charging Ports		Total Sessions	Total Energy	Total Revenue	Total GHG *Reduced	Charging Sessions at [1]Peak	[2]Charging Occupancy
	Total Ports	Total Available						
October:	73	73	5,394	57,243	$12,167	32,974	17%	21%
Average:	73	73	5,248	58,731	$11,551	33,831	17%	21%
FY Total:	73	73	20,991	234,924	$46,205	135,324	17%	21%

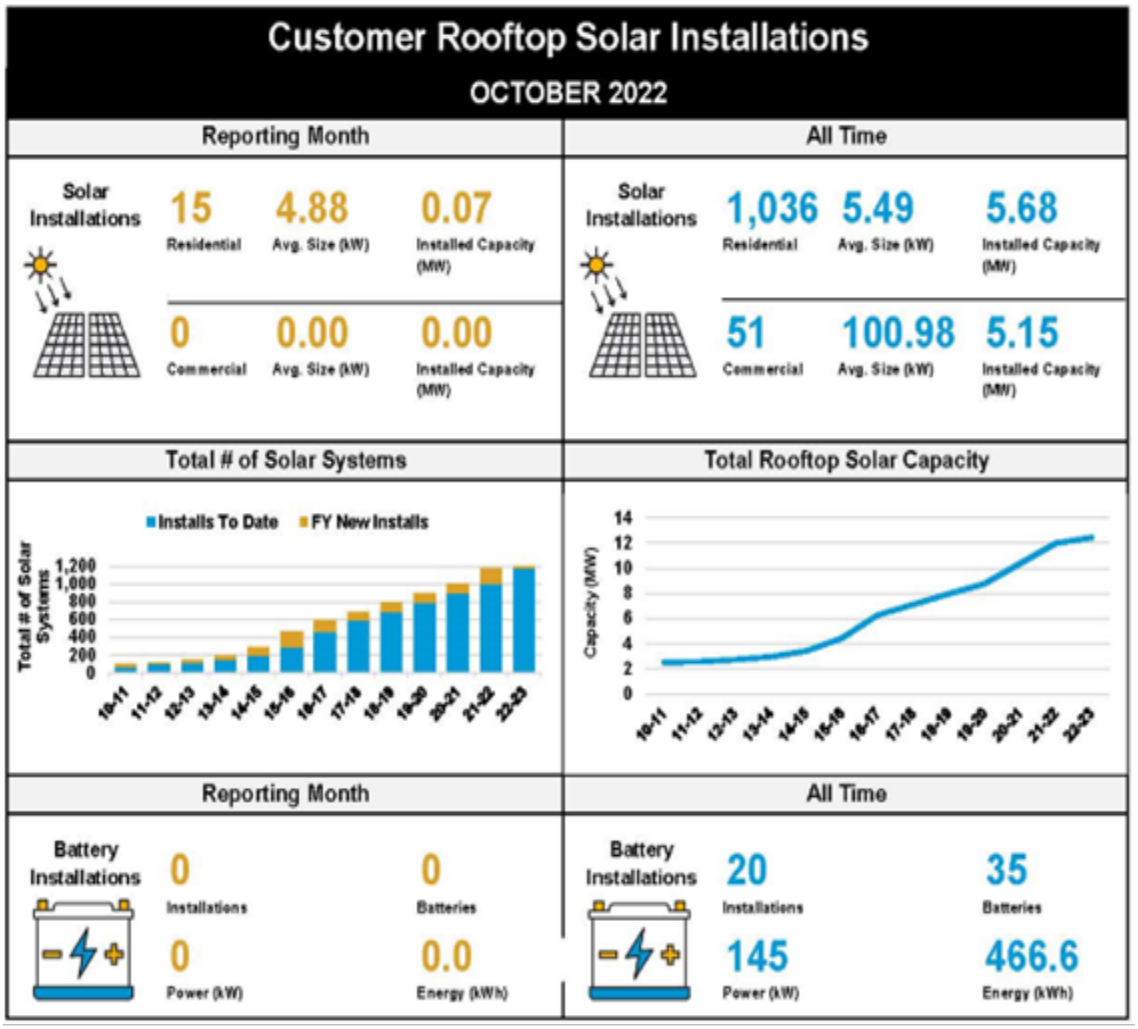
** Source: U.S. Dept of Energy Alternative Fuels Data Center (AFDC) values used to calculate GHG savings. GHG values revised using AFDC data as of 06/09/2020.*

[1]Peak is defined as 4 – 7 PM, as is reflected in the Public EV Charging Station rate

[2]Charging Occupancy is defined as the percentage of time EV's are charging at stations for all available hours in a given month across all charging stations

Rooftop Solar and Battery Installations

Customer-owned rooftop solar system installations continue to grow. Burbank Water and Power does not provide rebates for installing these systems. However, the 26% Federal Investment Tax Credit in 2020-2022 makes purchasing solar and/or battery systems more accessible. The tax credit expires starting in 2024 unless renewed by Congress.



TECHNOLOGY

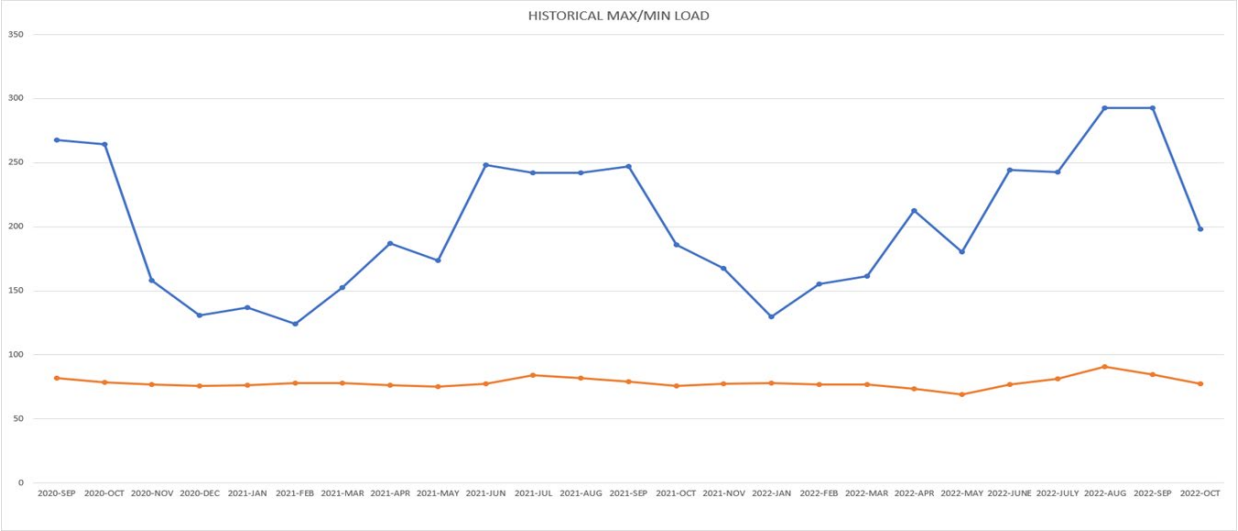
Broadband Services (ONEBurbank)

	October 2022 New Orders	Revenues for October 2022	FYTD 2022-23 Revenues	FYTD Budget
Lit	**1**	**$163,390**	**$649,793.**	**$533,333**
Dark	**0**	**$183,940**	**$755,410**	**$800,000**
Total	**1**	**$347,330**	**$1,405,203**	**$1,333,333**

POWER SUPPLY

BWP SYSTEM OPERATIONS:

The maximum load for **October 2022** was **198.2 MW** at **3:30 PM** on **October 04, 2022,** and the minimum load was **77.3 MW at 4:15 AM** on **October 30, 2022.**



YEAR	MAX LOAD	MAX DATE
2022	292.8 MW	06-September-22 15:58
2021	248.5 MW	15-June-21 14:57
2020	292.3 MW	18-Aug-20 15:22
2019	282.66 MW	04-Sep-19 15:31
2018	306.3 MW	06-Jul-18 16:41

The Burbank power system did not experience any natural gas supply issues for **October 2022.**

Southern California continues to experience natural gas reliability and affordability challenges because of supply and demand mismatches. SoCalGas' system capacity and supply are primarily a function of two components: (1) transmission pipelines, which bring gas into and then transport it throughout the system; and (2) underground natural gas storage connected to transmission pipelines near system load. While one component of the system's limited supply is the transmission pipeline reductions and outages, the other critical component is storage operating constraints from the CPUC restricting the use of the Aliso Canyon Storage Facility. The current effective withdrawal protocol is restrictive but is less restrictive than the previous protocol, in that Aliso Canyon was only allowed to be withdrawn from if curtailment was imminent, but now can occur under less acute circumstances. As a result, BWP has not had issues with obtaining adequate gas supplies

to operate its natural gas fired generators; however the supplies have been at a much higher price than normal due to national and global issues and increases in demand.

Following the Russia and Ukraine conflict, Russia implemented sharp reductions in exports of natural gas to Europe. According to the Energy Information Administration (EIA) report, US liquefied natural gas exports to Europe exceeded Russia's exports in third quarter. This is the first time this has occurred in history. For the first eight months of 2022, US gas exports were 14% higher than 2021. For the first 8 months of 2022, power generation, residential and commercial sectors demand caused US demand to increase by 4%. US storage levels were well below the 5 year average at the end of September 2022. US natural gas prices reached their highest level since summer 2008, due to tight supply-demand balance and low storage levels. LNG exports are expected to increase another 4% next year, adding to the current US supply/demand issue.

From the Federal Energy Regulatory Commission (FERC) October 2022 West Natural Gas Market Report, the table (below) shows that natural gas prices in 2022 are about three times higher than they were in 2019 and 2020. The price of natural gas jumped due to extreme winter (2021) weather followed by the Russia-Ukraine conflict and these higher prices are expected to continue into 2023 and will continue to have a negative impact on BWP's budget. BWP continues to hedge (procure natural gas at fixed prices for future delivery) to minimize the risk and exposure to extreme pricing, however, the higher prices increase BWP's cost of generation, impact market prices for power and have negative impacts on the budget.

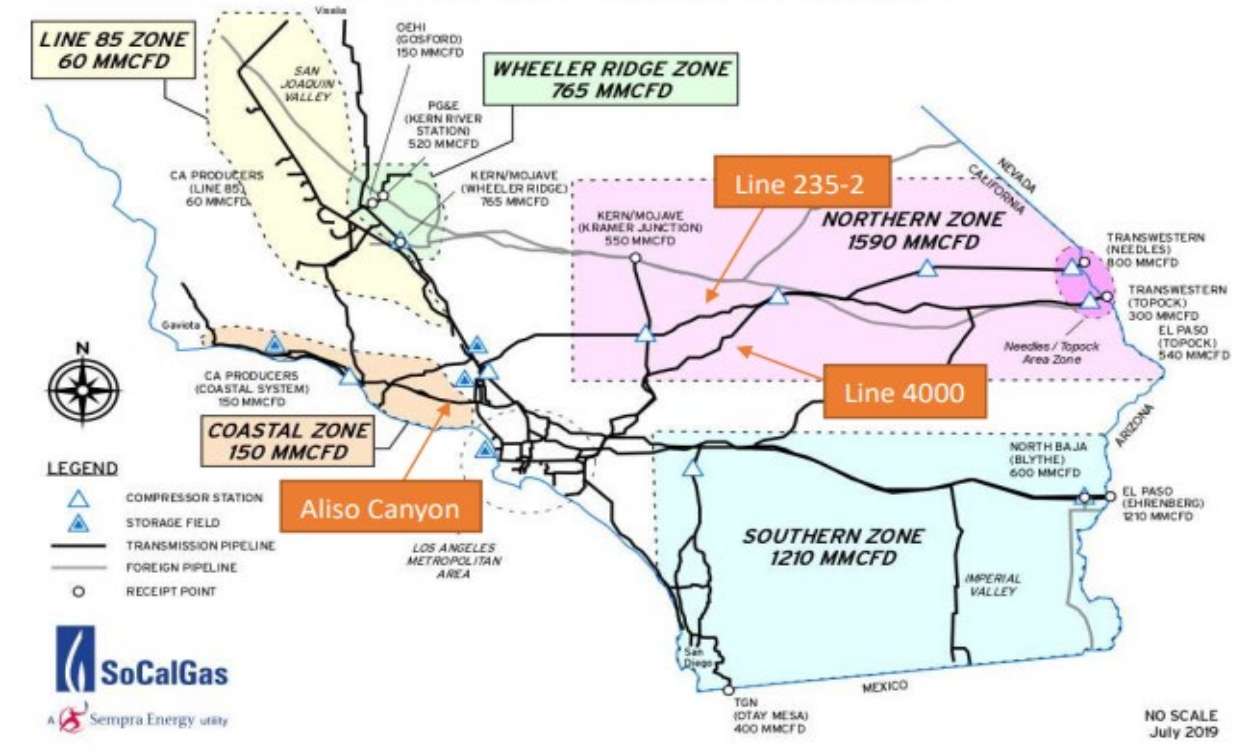
West Day-Ahead Natural Gas Prices
Averaged Annually/Seasonally

Federal Energy Regulatory Commission Market Assessments

	Average Day Ahead Prices ($/MMBtu)	SoCal Border	Opal Wyoming Plant	El Paso Permian	PG&E Malin Oregon	Henry Hub
2019	Annual	2.67	2.78	1.11	2.83	**2.51**
	Summer	2.10	1.97	0.79	2.02	**2.39**
	Winter 2019/2020	2.17	2.23	1.06	2.27	**2.07**
2020	Annual	2.17	2.03	1.32	2.06	**1.99**
	Summer	2.07	1.81	1.24	1.83	**1.88**
	Winter 2020/2021	7.44	7.06	7.96	3.29	**3.08**
2021	Annual	6.11	5.52	5.67	4.01	**3.84**
	Summer	4.47	3.83	3.58	3.91	**3.87**
	Winter 2021/2022	5.05	4.88	4.05	4.88	**4.50**
2022 YTD	Annual	6.89	6.34	5.89	6.40	**6.67**
	Summer	7.96	7.20	6.76	7.30	**7.68**
	Winter 2022/2023					

We are keeping a close eye on labor issues and inflationary pressures and will provide an update as we get more information. We are also monitoring Senate Bill 1486, which would limit operations at Aliso Canyon, post 2027. BWP is a member of Southern California Generation Coalition (SCGC) which continues to follow and participate in the CPUCs efforts to evaluate alternatives that would minimize or eliminate the use of Aliso Canyon. SCGC's (including Burbank) continues to express concerns about reliability and the need to maintain Aliso Canyon storage facility unless or until an alternative is identified that can supply the product and services that it provides.

Image 1: Receipt Points & Transmission Zone Firm Capacities



ELECTRICITY GENERATION:

BWP Generating Facilities

Unit	Availability	Operating Hrs	MWH (Net)	Net Heat Rate (Btu/kWh)	Number of Starts
Olive 1	0%	0	0	0	0
Olive 2	0%	0	0	0	0
Lake 1	**100%**	**19**	**606**	**11,546**	**2**
MPP	**99%**	**731**	**136,675**	**7,492**	**1**

Olive 1 and 2 remained in dry storage, with a 120-day notice required to restart. Olive 1 and 2 have been in dry storage since 2011 and 2012, respectively.

Lake 1 was placed online **two** times during the month of **October.**

Magnolia Power Project (MPP)

	October	FYTD	YTD
Availability	**99%**	**97%**	**95%**
Unit Capacity Factor (240 MW)	**77%**	**79%**	**71%**

MPP was shut down on October 24, 2022, to replace a failed voltage transformer fuse at the combustion turbine generator. The fuse was replaced, and the plant was successfully restarted the same day.

Tieton Hydropower Project (Tieton)

Tieton began generation on March 31, 2022, when sufficient water flow provided by the United States Bureau of Reclamation became available. **Generation ended on October 19, 2022 when water flow was no longer available. A total of 54,011 MWh were generated this year which is above the annual average of 48,000 MWh. Maintenance inspections have since begun and will proceed until the next generation season begins in 2023.**

ENVIRONMENTAL

Air Quality

There are no air quality updates at this time.

Storm Water

The State Water Resources Control Board Industrial General Permit requires industrial facilities to collect, at a minimum, four stormwater samples per reporting year and compare them to statewide regulatory limits. No samples have been collected yet for the current reporting year of July 1, 2022 to June 30, 2023. BWP will collect the required samples over the course of the year. The results from previous samples continue to indicate ongoing compliance issues with metals, specifically zinc and copper. Samples were also collected from the offsite influent that commingles with BWP's stormwater discharge. The offsite samples also exceeded the limits for metals.

In order to address the stormwater compliance issues, BWP is in the process of implementing a campus stormwater improvement project. BWP initially completed the proposed project's California Environmental Quality Act (CEQA) Initial Study/Mitigated Negative Declaration in 2019. However, recent amendments to the CEQA guidelines now require an update to the CEQA Initial Study/Mitigated Negative Declaration. The updated Initial Study/Mitigated Negative Declaration CEQA public review period ended on July 22, 2022 and responses to comments on the document are being prepared. The environmental review was expected to be finalized when the project was approved by the Burbank City Council. However, the engineering design and permitting phase have taken longer than originally expected due to the complexity of the project as well as other factors, including the onset of a pandemic. MNS Engineers was contracted to prepare the final design plans, as well as provide engineering support and permitting support for the project. The project's final design is complete and bid specifications will be prepared, and a request for proposals (RFP) will be issued for the construction activities. As an interim measure, BWP has also applied for time schedule orders (TSOs) that include interim limits, which are achievable for this site. The final TSOs were approved by the Los

Angeles Regional Water Quality Control Board (LAWQCB) on June 7, 2021. These TSOs and interim limits will apply until the improvement project is complete. Milestone achievements are required, and project completion must be achieved by November 17, 2023. BWP submitted a TSO amendment request to the LAWQCB. The amendment consists of consolidating the BWP and MPP facilities into one TSO, requesting coverage for copper and updating the project schedule. The TSO amendment public review process ended on July 21, 2022 and no comments were received. The amended TSO was finalized on July 31, 2022 and was received in August.

PROJECT UPDATES:

Power Resources

Renewable Portfolio Standard (RPS) Compliance

BWP continues to be on track to meet RPS compliance requirements for the calendar year 2022. The calendar year 2022 goal is 38.5% RPS. BWP staff continues to evaluate renewable resources in order to meet future compliance requirements. Staff updated the RPS Procurement Plan and Enforcement Program in December 2021, which shows BWP's path forward with RPS compliance. Staff recently purchased Portfolio Content Category (PCC) 3 RPS products and PCC 2 RPS products to meet CY2022 regulatory compliance at least cost. Staff is currently working on three new renewable contracts, in order to maintain RPS compliance for future years. Prices for long term renewables has increased approximately 20-30% due to supply chain issues as well an increase in demand as load serving entities try to procure renewable resources to meet the state's RPS targets.

Integrated Resource Plan (IRP) Update

BWP has selected a vendor for the IRP and a stakeholder team **has been selected. BWP has selected stakeholders that are representative of its ratepayers. The stakeholders will serve in an advisory role on the development of the IRP.** The IRP is due to the CEC in 2024. Stakeholder engagement efforts, compliance, and costs will be some of the major factors in the 2024 IRP. The IRP development and stakeholder engagement process is expected to take 6-12 months to complete.

BWP plans to hold six stakeholder meetings from December – June and three community meetings in 2023. The tentative start date for the stakeholder meeting is mid-December 2022.

Transmission Update

BWP is partnering with LADWP on additional renewable contracts and opportunities. BWP will continue to meet with LADWP monthly to discuss transmission needs. BWP is working with LADWP on the update to the Open Access Transmission Tariff (OATT) process. LADWP has delayed the implementation of new rates by 2-3 months, with an

implementation date in early calendar year 2023. The rates are expected to increase significantly, and final numbers will not be known until 2023.

Intermountain Power Project (Delta, UT) Renewal Progress

LADWP, BWP, and GWP (the IPP repowering participants) are working together to create a detailed roadmap for green hydrogen production and power generation at IPP. In the medium-term, the IPP renewal participants are targeting 30% green hydrogen combustion by July 2025, when the IPP repower project is scheduled to come online. On a monthly basis, IPP participants continue to meet to discuss the IPP renewal, including concerns on facilities development and potential additional resources at the site. An update on the IPP renewal project will be provided in the summer.

Staff continues to actively work with Intermountain Power Agency (IPA) on cost increases due to the Hydrogen Betterments Project and coal supply issues. The cost of the IPP renewal project has increased significantly, from $2.5 billion in 2019 to $3.6 billion in August 2022. BWP's share was $86.5 million in 2019 and is now $141 million (this does not include interest). Staff will continue to track costs and report on them, as new data becomes available.

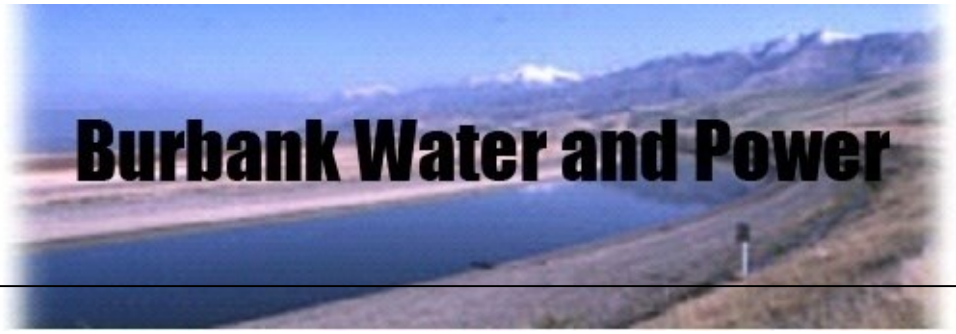
In regard to the coal supply concerns, IPP participants agreed to limit the output of the IPP units, , to maintain a minimum megawatt supply sufficient to preserve the integrity of the Southern Transmission System direct current lines and meet the participants' minimal needs during the less critical times of the year. **For the future, we will continue to see limitations with the IPP coal supply. Per discussions with IPA, IPP will only run on one unit from November 2022-June 2023, allowing the coal pile to grow. IPP will then run on two units from July 2023 – September 2023, during the critical summer peak months.**

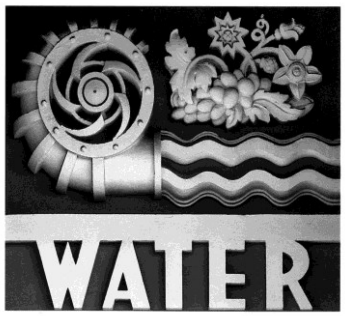
Power Production

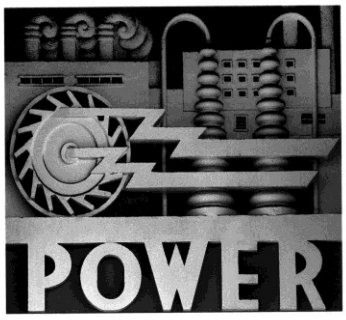
Lake One Power Plant Emissions Retrofit Project

The computational fluid dynamics (CFD) modeling for this project was received on October 21, 2022. BWP is in the process of reviewing and providing comments for incorporation into the overall project design. BWP is also in the process of providing information related to the electrical supply for the new tempering air system. Procurement is ongoing and expected to increase as the engineering work is completed. Substantial completion of the project is expected on or before April 1, 2023.

The new emissions control system will allow Lake One to remain in compliance with upcoming air quality requirements. The project consists of designing, engineering, permitting, constructing/installing, commissioning, and testing the new emissions system. This project is planned to conclude in the first half of 2023.







Financial Report
September-22

UNAUDITED

Burbank Water and Power
Electric Fund (496)
Statement of Changes in Net Assets [1] [2]
MTD and FYTD September 2022
($ in 000's except MWh Sales)

MTD Actual FY 22-23	MTD Budget FY 22-23	$ Variance	% Variance			YTD Actual FY 22-23	YTD Budget FY 22-23	$ Variance	% Variance	
112,139	102,614	9,525	9%	[a]	NEL MWh	329,477	313,344	16,133	5%	[A]
					Retail					
$ 19,112	$ 17,093	$ 2,019	12%		Retail Sales	$ 54,390	$ 52,161	$ 2,229	4%	
408	573	(165)	(29%)	[b]	Other Revenues [3]	1,233	1,718	(485)	(28%)	[B]
15,306	11,661	(3,646)	(31%)	[c]	Retail Power Supply & Transmission	38,468	35,343	(3,125)	(9%)	
4,213	6,005	(1,792)	(30%)		**Retail Margin**	17,156	18,537	(1,381)	(7%)	
					Wholesale					
4,817	3,499	1,318	38%		Wholesale Sales	12,738	18,677	(5,940)	(32%)	
4,149	3,429	(721)	(21%)		Wholesale Power Supply	10,863	18,304	7,440	41%	
667	70	598	854%		**Wholesale Margin**	1,874	374	1,501	402%	
4,881	6,075	(1,195)	(20%)		**Gross Margin**	19,030	18,910	120	1%	
					Operating Expenses					
883	1,086	203	19%	[d]	Distribution	2,379	3,284	906	28%	[C]
113	132	19	14%	[e]	Administration/Safety	331	409	78	19%	[D]
355	345	(10)	(3%)		Finance, Fleet, & Warehouse	856	1,052	196	19%	[E]
538	538	-	0%		Transfer to General Fund for Cost Allocation	1,615	1,615	-	0%	
695	581	(113)	(20%)	[f]	Customer Service	1,248	1,568	320	20%	[F]
57	219	163	74%	[g]	Marketing & Sustainability	192	657	464	71%	[G]
123	398	275	69%	[h]	Public Benefits	290	1,193	903	76%	[H]
392	145	(246)	(169%)	[i]	Security/Oper Technology	839	437	(402)	(92%)	[I]
166	130	(36)	(28%)	[j]	Telecom	329	418	88	21%	[J]
181	225	44	19%	[k]	Construction & Maintenance	482	679	197	29%	[K]
1,639	1,831	192	11%		Depreciation	4,944	5,494	550	10%	
5,142	5,631	489	9%		Total Operating Expenses	13,504	16,805	3,301	20%	
$ (261)	$ 444	$ (705)	(159%)		**Operating Income/(Loss)**	$ 5,526	$ 2,105	$ 3,421	162%	

Burbank Water and Power
Electric Fund (496)
Statement of Changes in Net Assets [1] [2]
MTD and FYTD September 2022

($ in 000's)

MTD Actual FY 22-23	MTD Budget FY 22-23	$ Variance	% Variance		YTD Actual FY 22-23	YTD Budget FY 22-23	$ Variance	% Variance
$ (261)	$ 444	$ (705)	(159%)	**Operating Income/(Loss)**	$ 5,526	$ 2,105	$ 3,421	162%
				Other Income/(Expenses)				
105	87	18	21%	Interest Income	291	260	30	12%
129	138	(9)	(6%)	Other Income/(Expense) [4]	(2,226)	(2,246)	20	(1%)
(279)	(275)	4	(2%)	Bond Interest/ (Expense)	(838)	(825)	-13	2%
(45)	(50)	5	(11%)	Total Other Income/(Expense)	(2,773)	(2,811)	38	(1%)
(306)	394	(700)	(178%)	**Net Income**	2,753	(705)	3,458	(490%)
(74)	601	(675)	(112%) [I]	Capital Contributions (AIC)	48	1,803	(1,756)	(97%) [L]
$ (380)	$ 995	$ (1,375)	(138%)	**Net Change in Net Assets**	$ 2,801	$ 1,098	$ 1,703	155%

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 a one-time payment to CalPERS (for pension), revenues and expenses related to Low Carbon Fuel Standard credits, and miscellaneous revenue from the sale of scrap materials, inventory, and assets, as well as BABS subsidy.

Burbank Water and Power
Electric Fund (496)
Statement of Changes in Net Assets - Footnotes
MTD September 2022
($ in 000's)

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
(a)	Electric Usage in MWh	112,139	102,614	9,525 -	NEL is 9% higher than budget due primarily to warmer weather. The average high temperature in Sep was 91°F, compared to the 15-year average high temperature of 88°F. The average low temperature was 65°F, compared to the 15-year average low temperature of 61°F. MTD CDD were 407 versus the 15-year average of 289.
(b)	Other Revenues	408	573	(165) -	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 which tend to fluctuate. The unfavorable variance is also attributable to the moratorium on fees in light of the COVID-19 pandemic.
(c)	Retail Power Supply & Transmission	15,306	11,661	(3,646) -	The unfavorable variance is attributable to various components within Retail Power Supply & Transmission. Please refer to page 5 for additional details.
(d)	Distribution	883	1,086	203	The favorable variance is primarily attributable to vacancies, the timing of other professional services and higher than planned capital work.
(e)	Administration/Safety	113	132	19 -	The favorable variance is primarily attributable to the timing of private contractual services, software & hardware expenses, travel and unplanned safety work for electric distribution.
(f)	Customer Service	695	581	(113)	The unfavorable variance is primarily attributable to the timing of software & hardware support and maintenance, offset by vacancies and the timing of other professional services.
(g)	Marketing & Sustainability	57	219	163	The favorable variance is primarily attributable to vacancies and the timing of private contractual services, other professional services and office supplies.
(h)	Public Benefits	123	398	275 -	The favorable variance is attributable to vacancies and lower than planned programs spending.
(i)	Security/Oper Technology	392	145	(246) -	The unfavorable variance is primarily attributable to lower than planned work for others, the timing of spending in software & hardware and private contractual services.
(j)	Telecom	166	130	(36) -	The unfavorable variance is primarily attributable to the timing of private contractual services.
(k)	Construction & Maintenance	181	225	44 -	The favorable variance is attributable to vacancies and the timing of private contractual services, custodial services, special departmental supplies, and grounds maintenance and repair.
(l)	Capital Contributions (AIC)	(74)	601	(675) -	The unfavorable variance is attributable to adjustments to AIC billings from the prior fiscal year.

Burbank Water and Power
Electric Fund (496)
Statement of Changes in Net Assets - Footnotes
FYTD September 2022
($ in 000's)

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
(A)	Electric Usage in MWh	329,477	313,344	16,133	- NEL is 5% higher than budget due primarily to warmer weather. The YTD average high temperature was 90°F, compared to the 15-year average high temperature of 88°F. The YTD average low temperature was 64F, compared to the 15-year average low temperature of 62°F. YTD CDD were 1,139 versus the 15-year average of 939.
(B)	Other Revenues	1,233	1,718	(485)	- 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 which tend to fluctuate. The unfavorable variance is also attributable to the moratorium on fees in light of the COVID-19 pandemic.
(C)	Distribution	2,379	3,284	906	- The favorable variance is primarily attributable to vacancies, the timing of private contractual services, other professional services, and higher than planned capital work.
(D)	Administration / Safety	331	409	78	- The favorable variance is primarily attributable to the timing of private contractual service and other professional services.
(E)	Finance, Fleet, & Warehouse	856	1,052	196	- The favorable variance is primarily attributable to vacancies, work for others and the timing of other professional services, private contractual services and software & hardware support and maintenance.
(F)	Customer Service	1,248	1,568	320	- The favorable variance is primarily attributable to vacancies, work for others and the timing of other professional services, offset by software & hardware support and maintenance.
(G)	Marketing & Sustainability	192	657	464	- The favorable variance is primarily attributable to vacancies and the timing of private contractual services, other professional services and office supplies.
(H)	Public Benefits	290	1,193	903	- The favorable variance is attributable to vacancies and lower than planned programs spending.
(I)	Security/Oper Technology	839	437	(402)	- The unfavorable variance is primarily attributable to lower than planned work for others and the timing of software and hardware spending, offset by the timing of spending in other professional services.
(J)	Telecom	329	418	88	- The favorable variance is primarily attributable to the timing of private contractual services and other professional services.
(K)	Construction & Maintenance	482	679	197	- The favorable variance is primarily attributable to the timing of private contractual services, custodial services, special departmental supplies and building ground maintenance & repair.
(L)	Capital Contributions (AIC)	48	1,803	(1,756)	- The unfavorable variance is attributable to the timing of AIC projects and adjustments to AIC billings from the prior fiscal year.

September 2022 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): $(306)	$ -	$ (700)	$ (700)
MTD GROSS MARGIN VARIANCE			
Retail Sales	2,019	-	2,019
Power Supply and Transmission:			
- Higher retail load	-	(737)	(737)
- Higher than planned renewables cost and other	-	(30)	(30)
- Lower transmission	48	-	48
- Higher energy prices	-	(3,365)	(3,365)
- Lower O&M	438	-	438
Other Revenues	-	(165)	(165)
Wholesale Margin	598	-	598
Total	3,102	(4,297)	(1,195)
MTD O&M AND OTHER VARIANCES			
Distribution	203	-	203
Administration/Safety	19	-	19
Finance, Fleet, & Warehouse	-	(10)	(10)
Customer Service	-	(113)	(113)
Marketing & Sustainability	163	-	163
Public Benefits	275	-	275
Security/Oper Technology	-	(246)	(246)
Telecom	-	(36)	(36)
Construction & Maintenance	44	-	44
Depreciation expense	192	-	192
All other	5	-	5
Total	901	(406)	495

September 2022 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
FYTD NET INCOME/(LOSS): $2,753	$ 3,458	-	$ 3,458
FYTD GROSS MARGIN VARIANCE			
Retail Sales	2,229	-	2,229
Power Supply and Transmission			
- Higher retail load	-	(1,312)	(1,312)
- Lower than planned renewables cost and other	330	-	330
- Lower transmission	60	-	60
- Higher energy prices	-	(4,243)	(4,243)
- New minimum for IPP and Hydrogen Betterment	-	(669)	(669)
- Lower O&M	1,746	-	1,746
- Retail load management and economic dispatch	310	-	310
- SCPPA True-up and prior period adjustments	653	-	653
Other Revenues	-	(485)	(485)
Wholesale Margin	1,501	-	1,501
Total	$ 6,829	$ (6,709)	$ 120
FYTD O&M AND OTHER VARIANCES			
Distribution	906	-	906
Administration/Safety	78	-	78
Finance, Fleet, & Warehouse	196	-	196
Customer Service	320	-	320
Marketing & Sustainability	464	-	464
Public Benefits	903	-	903
Security/Oper Technology	-	(402)	(402)
Telecom	88	-	88
Construction & Maintenance	197	-	197
Depreciation expense	550	-	550
All other	38	-	38
Total	$ 3,740	$ (402)	$ 3,339

Electric Fund (496)
Statement of Changes in Cash and Investment Balances [a]
($ in 000's)

	Sep-22	Aug-22	Jul-22	Jun-22	Mar-22	Dec-21	Sep-21	Jun-21	Recommended Reserves	Minimum Reserves
Cash and Investments										
General Operating Reserve	$ 58,435 [e]	$ 59,132 [c],[d]	$ 55,407	$ 69,212	$ 79,152	$ 78,621	$ 70,437	$ 73,156	$ 52,010	$ 37,570
Capital & Debt Reduction Fund	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	21,000	5,200
BWP Projects Reserve Deposits at SCPPA	4,459	4,456	4,452	3,794	3,792	3,771	3,762	3,740		
Sub-Total Cash and Investments	72,894	73,588	69,859	83,007	92,944	92,392	84,199	86,896	73,010	42,770
Customer Deposits	(9,906)	(10,003)	(9,867)	(9,939)	(10,297)	(10,762)	(7,870)	(4,245)		
Public Benefits Obligation	(10,258)	(9,965)	(9,211)	(9,315)	(9,065)	(8,883)	(8,584)	(8,128)		
Low Carbon Fuel Standard [b]	(3,451)	(3,454)	(3,460)	(3,464)	(3,786)	(2,767)	(2,855)	(2,999)		
IPP Decommission [f]	-	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)		
Cash and Investments (less Commitments)	**49,279**	**48,165**	**45,320**	**58,288**	**67,796**	**67,980**	**62,889**	**69,523**	**73,010**	**42,770**

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

[b] Denotes funds reserved related to the sale of Low Carbon Fuel Standard (LCFS) credits, net of Electric Vehicle charger infrastructure expenditures.

[c] Includes a one-time paydown of the unfunded pension liability to CalPERS in the amount of $2.75M.

[d] Includes an annual payment to CalPERS of $6.59M to paydown the Electric unfunded liability.

[e] Results of higher demand and favorable operating results.

[f] Reversal of IPP decommission reserve.

Burbank Water and Power
Water Fund (497)
Statement of Changes in Net Assets [1] [2]
MTD and FYTD September 2022
($ in 000's except Gallons)

MTD Actual FY 22-23	MTD Budget FY 22-23	$ Variance	% Variance			YTD Actual FY 22-23	YTD Budget FY 22-23	$ Variance	% Variance	
389	491	(101)	(21%)	[a]	Water put into the system in Millions of Gallons	1,351	1,444	(93)	(6%)	
114	100	14	14%	[b]	Metered Recycled Water in Millions of Gallons	309	319	(10)	(3%)	
					Operating Revenues					
$ 2,547	$ 3,199	$ (652)	(20%)	[c]	Potable Water	$ 8,448	$ 9,444	$ (996)	(11%)	[A]
724	468	257	55%	[d]	Recycled Water	1,655	1,493	162	11%	
165	113	53	47%	[e]	Other Revenue [3]	514	338	176	52%	[B]
3,436	3,779	(342)	(9%)		Total Operating Revenues	10,616	11,275	(658)	(6%)	
964	1,339	375	28%		Water Supply Expense	3,310	3,917	607	16%	
2,473	2,440	33	1%		**Gross Margin**	7,307	7,357	(51)	(1%)	
					Operating Expenses					
756	840	84	10%	[f]	Operations & Maintenance - Potable	2,017	2,520	504	20%	[C]
199	145	(54)	(37%)	[g]	Operations & Maintenance - Recycled	493	434	(59)	(13%)	
343	336	(7)	(2%)		Operations & Maintenance - Shared Services	620	1,016	397	39%	[D]
148	148	-	0%		Transfer to General Fund for Cost Allocation	444	444	-	0%	
368	370	2	1%		Depreciation	1,091	1,111	20	2%	
1,814	1,840	25	1%		Total Operating Expenses	4,664	5,526	862	16%	
659	600	58	10%		**Operating Income/(Loss)**	2,643	1,832	811	44%	
					Other Income/(Expenses)					
61	13	48	354%	[h]	Interest Income	139	40	98	244%	[E]
32	45	(13)	(29%)	[i]	Other Income/(Expense) [4]	(356)	(395)	39	10%	
(216)	(216)	0	0%		Bond Interest/(Expense)	(647)	(647)	0	0%	
(123)	(157)	34	22%		Total Other Income/(Expenses)	(864)	(1,002)	138	14%	
536	443	93	21%		**Net Income/(Loss)**	1,779	830	949	114%	
0	57	(57)	(100%)	[j]	Capital Contributions (AIC)	19	171	(152)	(89%)	[F]
$ 536	$ 500	$ 36	7%		**Net Change in Net Assets**	$ 1,798	$ 1,001	$ 797	80%	

1. This report may not foot due to rounding.
2. ( ) = Unfavorable
3. Other Revenue includes items such as fire protection services, damaged property recovery, connection fees, late fees, and tampering fees.
4. Other Income/(Expense) includes a one-time payment to CalPERS (for pension) and miscellaneous revenue from the sale of scrap materials, inventory, and assets.

Burbank Water and Power
Water Fund (497)
Statement of Changes in Net Assets - Footnotes
MTD September 2022
($ 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	389	491	(101)	- Water use during September 2022 was 21% lower due to the two-week moratorium on all outdoor watering related to a shutdown for repair of MWD's Colorado River pipeline.
(b)	Recycled Water Usage in Millions of Gallons	114	100	14	- Recycled water usage increased primarily by the Valhalla Extension.
(c)	Potable Water Revenue	2,547	3,199	(652)	- The unfavorable variance is attributable to the two-week moratorium on all outdoor watering related to a shutdown for repair of MWD's Colorado River pipeline.
(d)	Recycled Water Revenue	724	468	257	- The favorable variance is due to MPP using GAC (granular activated carbon) water as a replacement, since the recycled water system has been experiencing failures. The unbudgeted FYTD GAC revenue was recorded in September 2022. In addition, recycled water revenues increased due to a billing adjustment (per the agreement) for the Valhalla Extension as FYTD usage exceeded 300 AF for the calendar year.
(e)	Other Revenue	165	113	53	- Other revenues include items such as fire protection services, damaged property recovery, connection fees, late fees, and tampering fees, which tend to fluctuate.
(f)	Operations & Maintenance - Potable	756	840	84	- The favorable variance is primarily attributable to vacancies and the timing of professional services.
(g)	Operations & Maintenance - Recycled	199	145	(54)	- The unfavorable variance is primarily attributable to higher than planned work from other departments.
(h)	Interest Income	61	13	48	- The favorable variance is attributable to 2021 Water Bond Project Fund Interest, based on higher than planned balances related to the timing of bond drawdowns.
(i)	Other Income/(Expense)	32	45	(13)	- Other Income/(Expense) includes miscellaneous revenue from the sale of scrap materials, inventory, and assets, which tend to fluctuate.
(j)	Capital Contributions (AIC)	-	57	(57)	- The unfavorable variance is attributable to the timing of AIC projects.

Burbank Water and Power
Water Fund (497)
Statement of Changes in Net Assets - Footnotes
FYTD September 2022
($ in 000's except Gallons)

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
(A)	Potable Water Revenue	8,448	9,444	(996)	- The unfavorable variance is attributable to the two-week moratorium on all outdoor watering in September 2022 related to a shutdown for repair of MWD's Colorado River pipeline.
(B)	Other Revenue	514	338	176	- Other revenues include items such as damaged property recovery, connection fees, late fees, and tampering fees, which tend to fluctuate.
(C)	Operations & Maintenance - Potable	2,017	2,520	504	- The favorable variance is attributable primarily to vacancies and lower than planned other professional services.
(D)	Operations & Maintenance - Shared	620	1,016	397	- The favorable variance is attributable to lower than planned shared expenses (Customer Service, Finance and Administration) from the Electric Fund.
(E)	Interest Income	139	40	98	- The favorable variance is attributable to 2021 Water Bond Project Fund Interest, based on higher than planned balances related to the timing of bond drawdowns.
(F)	Capital Contributions (AIC)	19	171	(152)	- The unfavorable variance is attributable to the timing of AIC projects.

September 2022 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): $536	$ 93	$ -	$ 93
MTD GROSS MARGIN VARIANCE			
Potable Revenues	-	(652)	(652)
Recycled Revenues	257	-	257
Other Revenue	53	-	53
Water Supply Expense	375	-	375
Total	685	$ (652)	$ 33
FYTD O&M AND OTHER VARIANCES			
Potable O&M	84	-	84
Recycled Water O&M	-	(54)	(54)
Allocated O&M	-	(7)	(7)
Depreciation Expense	2	-	2
All Other	34	-	34
Total	$ 121	$ (61)	$ 60

September 2022 Budget to Actual P&L Variance Highlights - Water Fund
($ in 000's)

	Variance Fiscal Year-to-Date		
	Favorable Items	Unfavorable Items	Budget to Actual Variance
FYTD NET INCOME: $1,779	$ 949	$ -	$ 949
FYTD GROSS MARGIN VARIANCE			
Potable Revenues	-	(996)	(996)
Recycled Revenues	162	-	162
Other Revenue	176	-	176
Water Supply Expense	607	-	607
Total	$ 945	$ (996)	$ (51)
FYTD O&M AND OTHER VARIANCES			
Potable O&M	504	-	504
Recycled Water O&M	-	(59)	(59)
Allocated O&M	397	-	397
Depreciation Expense	20	-	20
All Other	138	-	138
Total	$ 1,058	$ (59)	$ 1,000

Water Fund (497)
Statement of Changes in Cash and Investment Balances [a]
($ in 000's)

	Sep-22	Aug-22	Jul-22	Jun-22	Mar-22	Dec-21	Sep-21	Jun-21	Recommended Reserves	Minimum Reserves
Cash and Investments										
General Operating Reserves	$ 13,615	[d] $ 13,175	[b], [c] $ 11,294	$ 12,759	$ 12,544	$ 11,294	$ 14,287	$ 12,181	$ 12,630	$ 8,070
Capital Reserve Fund	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220	5,200	1,300
Sub-Total Cash and Investments	15,835	15,395	13,514	14,979	14,764	13,514	16,507	14,401	17,830	9,370
Customer Deposits	(397)	(397)	(477)	(1,052)	(1,013)	(1,002)	(1,021)	(1,125)		
Cash and Investments (less commitments)	**$ 15,438**	**$ 14,997**	**$ 13,037**	**$ 13,927**	**$ 13,751**	**$ 12,512**	**$ 15,487**	**$ 13,276**	**$ 17,830**	**$ 9,370**

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

[b] Includes a one-time paydown of the unfunded pension liability to CalPERS in the amount of $440k.

[c] Includes an annual payment to CalPERS of $1.12M to paydown the Electric unfunded liability.