



CITY OF BURBANK BURBANK WATER AND POWER STAFF REPORT

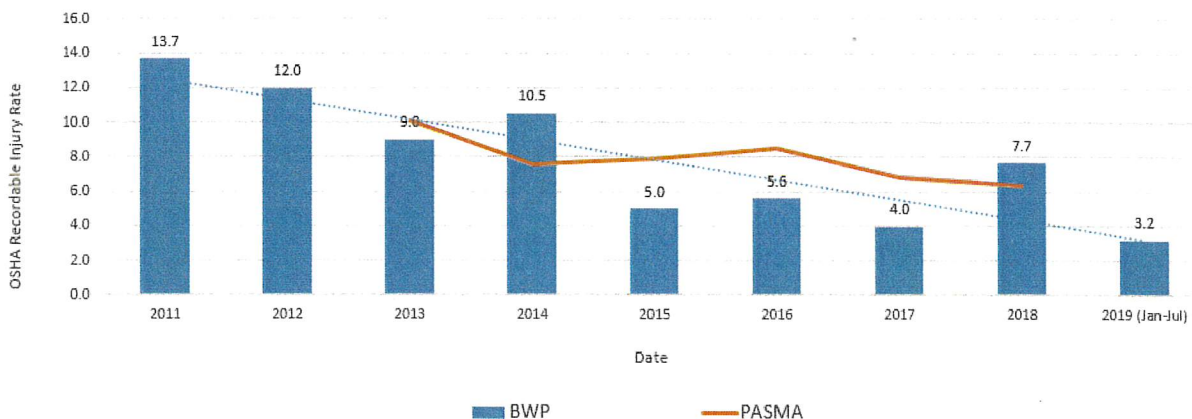
DATE: September 5, 2019
TO: BWP Board
FROM: Jorge Somoano, General Manager, BWP *Jorge Somoano*
SUBJECT: July 2019 Operating Results

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

SAFETY

For the month of July, BWP experienced zero OSHA recordable injuries. BWP's OSHA recordable rate dropped from 3.6 in June to 3.2 for the end of July.

BWP TOTAL RECORDABLE INJURY RATE (TRIR) vs PASMA TRIR



OSHA Recordable Injury Rate = No. of recordable cases per 100 full time employees.
 PASMA - Public Agency Safety Management Association (Utilities only Data)
 2019 Data = 12 month rolling average

Water Financial Results

For the month of July, Potable water usage was 4% (24 million gallons) lower than budgeted and Potable Water Revenues were \$10,000 lower than budgeted. Recycled Water Revenues were \$69,000 lower than budgeted due to the FY 19/20 rate increase going into effect on the August billings. July Water Supply Expenses were \$116,000 lower than budgeted, corresponding to lower demand. July's Gross Margin was \$14,000 lower than budgeted. For July, Other Income/(Expense) includes a one-time payment to CalPERS (for pension) for \$552,896. Net Income was a loss of \$200,000, which was \$14,000 lower than budgeted.

Electric Financial Results

For the month of July, electric loads were 5% lower than budgeted due to conservation. Retail Sales were \$1,463,000 lower than budgeted. July Power Supply Expenses were \$1,438,000 lower than budgeted primarily due to lower energy prices, receiving less renewable energy than planned, lower retail load, and economic dispatch (the managing and optimizing of resources to meet system load). July's wholesale margin was \$141,000 lower than budgeted. July's Gross Margin was \$385,000 lower than budgeted. For July, Other Income/(Expense) includes a one-time payment to CalPERS (for pension) for \$3,434,104. Net Income was a loss of \$2,273,000 which was \$385,000 lower than budgeted.

WATER DIVISION

State Water Project Update

On June 20, 2019, the Department of Water Resources (DWR) increased the State Water Project (SWP) Allocation Table A amounts from 70% to 75%. This is the final allocation for the calendar year. The 2019 allocation of 75% amounts to 3,145,105 acre-feet of water. Reservoir storage, snowpack, precipitation, and releases to meet local deliveries are among several factors used in determining allocations. Even in wet years, a 100% allocation is rare due to Delta pumping restrictions to protect threatened and endangered fish species. The last time the Project was able to allocate 100% was 2006.

Burbank's Water Use

The table below shows water use in Burbank during July 2019 compared to July 2018 measured in gallons per capita per day (gpcd). Also shown is a comparison of Burbank's water use based on a 12-month rolling average.

	Average Monthly Use	Rolling 12-Month Average
July 2018	165 gpcd	137 gpcd
July 2019	154 gpcd	131 gpcd

These figures show annual water use is well below the target yearly average use of 157 gpcd that must be met by the year 2020.

Burbank Operating Unit (BOU) Water Production

The table below provides the operational data for the BOU for the rolling quarter of May through July. The contract operator performed weekly and monthly sampling for the treatment plant and wells.

	Capacity Factor	Average Flow Rate (FY Total)
May-19	71.8%	6,462 gpm
June-19	66.8%	6,008 gpm
July-19	76.0%	6,840 gpm

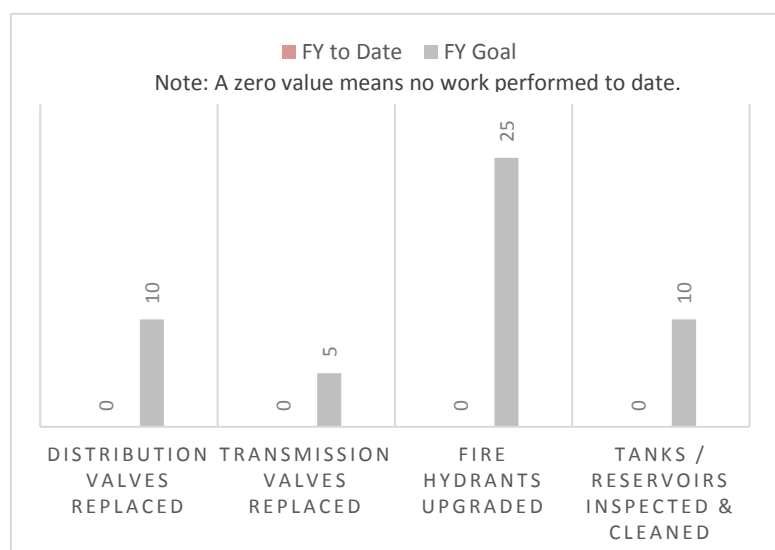
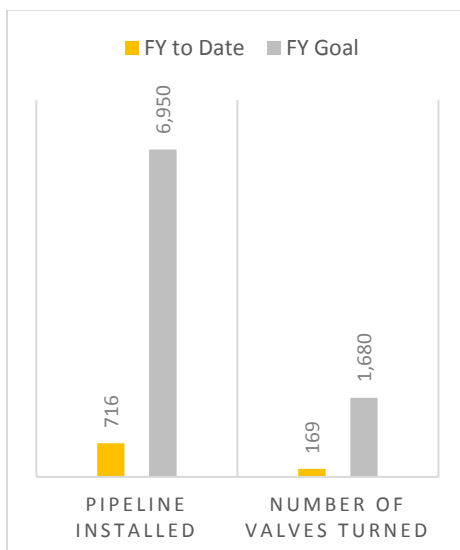
Project Updates

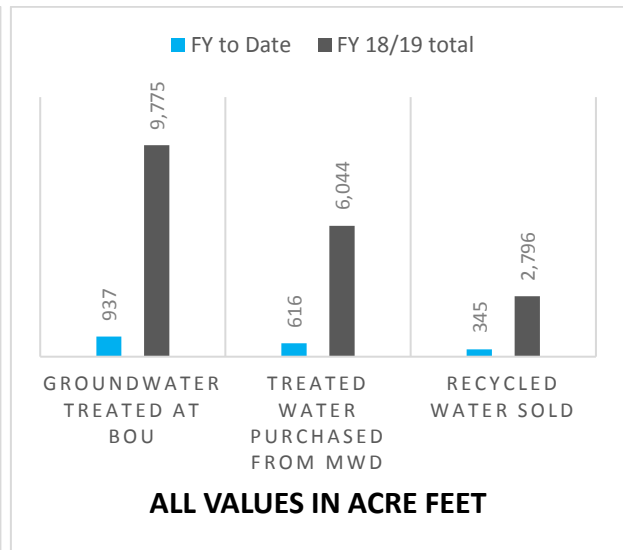
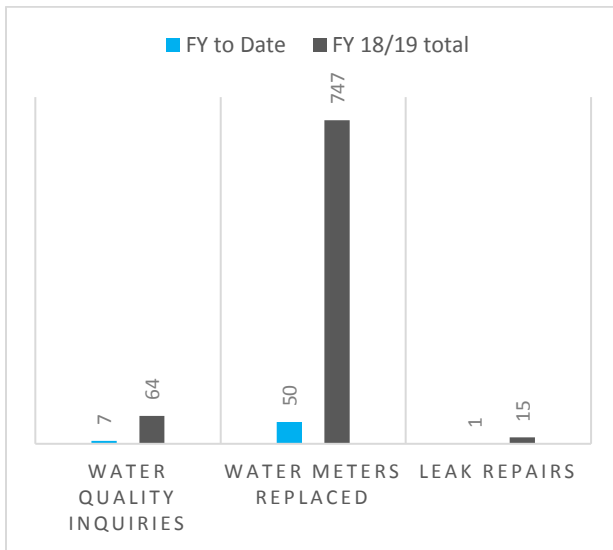
Due to the bountiful 2019 water year, MWD added excess water supply to its storage facilities. The available water exceeded MWD's capacity to place water into its storage facilities so MWD authorized use from the previously created Cyclic Storage Program to allow Member Agencies to store water in their groundwater basins and then pay for the water later.

Burbank agreed to spread up to 14,000 acre-feet of Cyclic Storage Water by the end of this calendar year. BWP spread about 2,230 acre-feet of water in the month of July. At our current spreading rate, BWP will spread 7,000 acre-feet by mid to late August. Most of the spreading occurs at the Pacoima Spreading Grounds (35 cubic feet per second) and the remainder at the Lopez Spreading Grounds (10 cubic feet per second).

Key Performance Indicators

The graphs below illustrate the progress the Water Division has made on key performance measures.





3200 W. Riverside Drive

An eight-inch by two-inch cast iron cross was removed. The two-inch lateral coming off the cross was a dead-end that was leaking. The cross was replaced with a six-foot long section of eight-inch ductile iron pipe.





ELECTRIC RELIABILITY

In July 2019, BWP did not experience any sustained feeder outages. In the past twelve (12) months, automatic reclosing has reduced customer outage time by approximately 1,412,293 customer minutes.

Reliability Measurement	August 2017- July 2018	August 2018 - July 2019
Average Outages Per Year (SAIFI)	0.3034	0.4170
Average Outage Duration (CAIDI)	37.81 minutes	37.56 minutes
Average Service Availability	99.998%	99.997%
Average Momentary Outages Per Year (MAIFI)	0.2045	0.3373
No. of Sustained Feeder Outages	9	13
No. of Sustained Outages by Mylar Balloons	3	1
No. of Sustained Outages by Animals	1	0
No. of Sustained Outages by Palm Fronds	0	3

PROJECT UPDATES

Naomi-15 4-12kV Conversion

On July 24, 2019, construction for Naomi-15 4kV to 12kV rebuild was completed. Work included installation of 103 new poles and accessories and over 16,800 new primary and secondary conductors. In addition, 28 new overhead transformers were installed to replace 25 transformers with new sizing using data analytics. While the construction work has been completed, the process of transferring this feeder from 4 kV to 12kV will be completed by early December 2019.



Completed N-15 12kV Alley Work E/O Catalina St.

Naomi-17 & 18 4-12kV Conversion

Construction for this 12kV rebuild has begun. Work includes the systematic installation of 51 poles and accessories, 12 overhead transformers, over 8,100 feet of overhead primary conductor, and over 6,200 feet of overhead secondary conductor. This feeder will be converted to 12kV by early December 2019.

34.5kV Circuit Breaker Replacement for Victory A-1 Transformer

BWP has 120 substation circuit breakers for its 34.5kV sub-transmission system. These circuit breakers start or interrupt the flow of electricity in a circuit. Circuit breakers are essential in preventing equipment damage when an electrical fault occurs.

BWP has a yearly program to replace circuit breakers in poor condition as identified through condition assessment testing. A large number of BWP's 34.5kV circuit breakers are over the age of 40, exceeding their typical life expectancy. While age is commonly used to identify equipment for replacement, it is not the best method. Performance based testing helps to extend a circuit breaker's useful life, while preventing unnecessary capital costs for replacement. In accordance with the Electric Distribution Master Plan, BWP has budgeted annual funds to replace station circuit breakers as deemed necessary through condition assessment to protect electrical equipment and to maintain system reliability.

The 34.5kV oil-filled circuit breaker (OCB) used for isolating the Victory A-1 transformer was not opening as quickly as designed when it was first installed in the 1960s. After performing additional maintenance on this circuit breaker, it was determined that it could not be brought back to its original design specifications. As such, the circuit breaker was removed and replaced with a new vacuum circuit breaker (VCB). The new VCB opens faster than the original OCB allowing it to better protect equipment and reduce arc flash exposure to personnel.



Old 34.5kV OCB



New 34.5kV VCB

STREET LIGHTING

LED Replacement Program

In accordance with the Street Lighting Master Plan, BWP is replacing high-pressure sodium (HPS) streetlight luminaires with light-emitting diode (LED) luminaires. Replacement is carried out on a maintenance basis, and LEDs are installed daily as the HPS luminaires burn out. The LED replacements consume approximately 60% less energy. To date, 57.48% of the total streetlight luminaires have been converted to LEDs, which translates to an annualized energy savings of 2,965MWh or a 31.99% reduction in energy consumption. LED conversions have also reduced evening load by 677kW, which shortens the “neck of the duck curve” and reduces the amount of energy generation that BWP needs.

CUSTOMER SERVICE

Online Account Manager

The month of July brought the total number of subscribers of the Online Account Manager (OAM) to the 30k mark. Adoption of the OAM continues to be over 50% of all active accounts. Of all registered accounts, over 90% are paperless customers helping BWP reduce costs and reduce carbon emissions. BWP will continue its efforts to drive customers to the OAM, paperless, and auto pay. These initiatives will continue to drive down costs. BWP's second milestone is to have 80% of all active accounts registered on the OAM by 2021.

Call volume levels are now returning to normal. Through customer feedback, BWP is looking for ways to make improvements that will be part of the next phase of the OAM project including usage data and outage notifications.

Below is the chart outlining activity for the Online Account Manager:

	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Total	% of Total*
Registered Accounts	18,498	6,317	3,052	1,742	1,294	30,903	53%
Paperless	17,047	5,704	3,045	1,729	1,288	25,796	49%
Autopay	2,354	2,376	1,170	985	614	13,318	25%

* Percent as compared to all active BWP accounts.

Below is the chart outlining call volume since the launch of the Online Account Manager:

	Mar-19	Apr-19	May-19	Jun-19	Jul-19	% Inc/Dec
Call Volume	7227	5740	6310	5029	5507	10%

Call Types	% of Calls
Balance	36%
Account/PIN #	11%
Credit Card line	8%
Payment Extension	7%
Other	37%

Electric Vehicle (EV) Charging Program

45 public EV charging stations are in service, including 2 DC Fast Chargers and 18 curbside stations. As of June 1, 2019, Time of Use (TOU) pricing for public EV charging is 17.36 cents per kilowatt-hour (kWh) for Level 1 and Level 2 off-peak and \$.3069 per kWh on-peak. For the DC Fast Chargers, the charging rate is 28.17 cents per kWh off-peak and \$0.4980 per kWh on-peak. Staff continues to monitor usage and maintenance issues. July revenue is down due to maintenance issues with the DC Fast Charger at the Lakeside Shopping Center, as well as maintenance issues with the network for legacy Chargepoint chargers. The maintenance on the DC Fast Charger is scheduled for the week of August 25, and replacement chargers are being procured for the legacy Chargepoint chargers.

Month of usage	Usage in kWh	Gross Revenue	GHG reduced in kg	kWh/ Station/ Day	% Peak Sessions	Parking Occupancy	Charging Occupancy
July 2019	19,804	\$3,765	8,318	14.9	22%	19%	16%
June 2019	24,374	\$4,303	10,237	18.9	21%	26%	23%
May 2019	25,756	\$4,783	10,818	19.3	21%	26%	22%
April 2019	26,501	\$4,981	11,131	20.5	21%	25%	20%
Mar 2019	24,810	\$4,507	10,420	18	20%	21%	17%
Feb 2019 ⁵	20,127	\$3,277	8,453	17	23%	21%	17%
Jan 2019	20,706	\$3,511	8,696	16	22%	22%	18%
Dec 2018	22,889	\$3,991	9,613	18	21%	24%	19%
Nov 2018 ⁴	22,145	\$3,879	9,301	18	20%	25%	20%
Oct 2018 ³	23,141	\$3,957	9,719	18	20%	24%	21%
Sep 2018 ³	18,592	\$3,665	7,809	17	18%	23%	20%
Aug 2018	18,613	\$3,757	7,818	23	21%	27%	23%
July 2018	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%
July 2017	22,981	\$4,845	9,652	27	22%	30%	25%

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 Includes 16 new public Level 2 chargers installed mid-September.

⁴ Includes the new DC Fast Charger and the removal of 2 chargers due to the Burbank Town Center project.

⁵ Includes 4 new Ontario Substation curbside chargers installed mid-February.

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 2019*	6	6	805	8,012
June 2019	12	100	799	7,962
May 2019	10	88	787	7,889
April 2019	8	78	777	7,833
March 2019	11	70	769	7,788
February 2019	5	59	758	7,707
January 2019	15	54	753	7,677
December 2018	10	39	738	7,530
November 2018	6	29	728	7,375
October 2018	9	23	722	7,351
September 2018	5	14	713	7,289
August 2018	5	9	708	7,256
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

* Start of new fiscal year.

TECHNOLOGY

Broadband Services (ONE Burbank)

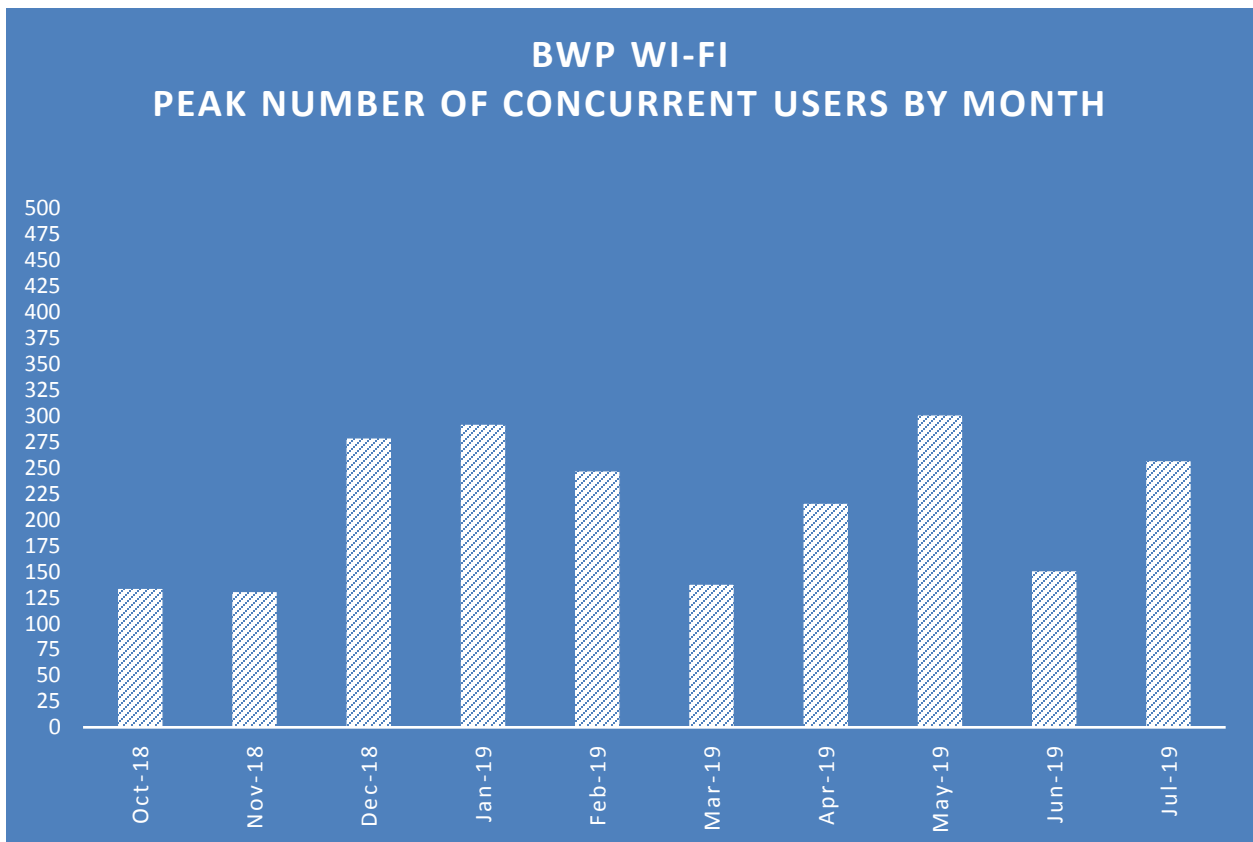
	July 2019 New Orders	Revenues for July 2019	FYTD 2019-20 Revenues	FYTD Budget
Lit	2	\$116,419	\$116,419	\$128,333
Dark	1	\$191,015	\$191,015	\$192,500
Total	3	\$307,434	\$307,434	\$320,833

BWP WiFi

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

BWP recently implemented new network security measures to safeguard and improve the reliability of BWP WiFi. These measures streamline overhead traffic and help to eliminate nefarious traffic. End users will experience a more robust, secure network, while BWP's metering assets that use the wireless networks will also be more secure.

Before these improvements, the number of peak users reported included active users as well as user devices that had disconnected from the network. Now, BWP is able to report just the number of users that are truly active and communicating to the internet (email, browsing, streaming, etc.) The reports going forward will provide a clearer and more accurate picture to gauge actual usage of BWP WiFi.



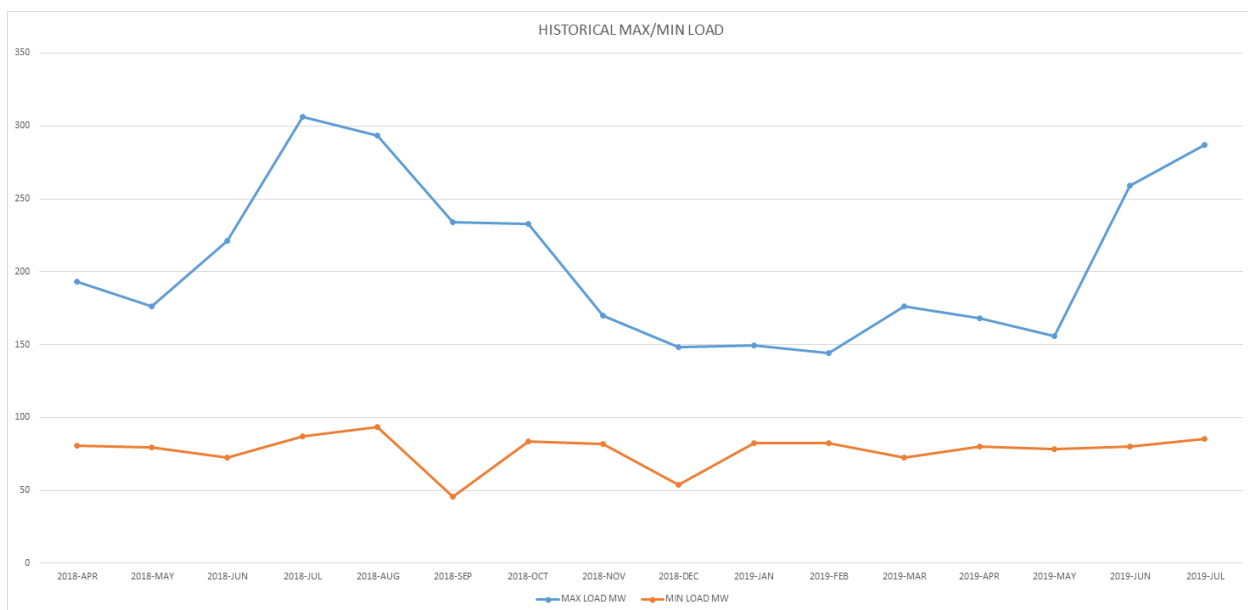
Cyber Security Update – July 2019

BWP is currently implementing technology improvements which will impact the way cyber security data is gathered and metrics are reported going forward. BWP will make every effort to provide accurate and relevant data within these reports, however, as necessary technology improvements are required, these reports and the data referenced within them may change.

POWER SUPPLY

BWP SYSTEM OPERATIONS:

The maximum load for July 2019 was 286.8 MW at 4:06 PM on Wednesday, July 24, and the minimum load was 85.5 MW at 4:41 AM on Sunday, July 7.



YEAR	MAX LOAD	MAX DATE
2018	306.3 MW	06-Jul-18 16:41:28
2017	322.1 MW	31-Aug-17 16:02:52
2016	308.52 MW	20-Jun-16 16:46:20
2015	306.23 MW	09-Sep-15 15:42:00
2014	316.68 MW	16-Sep-14 15:52:04

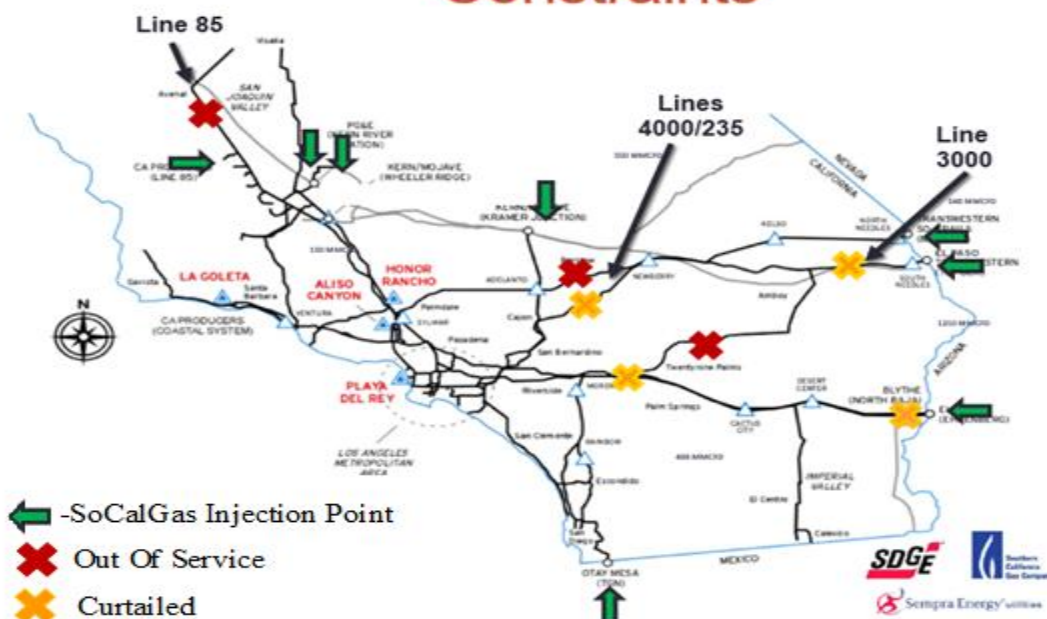
The Burbank power system did experience higher than average temperatures July 23-26 and did not experience any natural gas supply issues for July 2019.

Los Angeles Department of Water and Power (LADWP) joined the Reliability Coordinator (RC) West on July 1, 2019. As part of LADWP's Balancing Authority

area, BWP is part of this switch. BWP has fulfilled all of LADWP's requests for the additional information that LADWP requires to make this change and there is no reliability impact to BWP from the change in Reliability Coordinators.

Southern California continues to experience natural gas reliability and affordability challenges because of supply and demand mismatches. SoCal Gas' 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 resulting from the CPUC's July 23, 2019 Aliso Canyon Withdrawal Protocol restricting the use of the Aliso Canyon. The CUPC's updated withdrawal protocol is still restrictive, but is less restrictive than the previous protocol, in that Aliso Canyon was only allowed to be withdrawn from it if curtailment was imminent, but now can occur at a much lower OFO order. This will likely reduce the number and severity of single day gas price blowouts.

SoCalGas System Receipt Points and Constraints



Line 235-2

Line 235-2 (largely a 1957 vintage pipeline) has been out of service for assessment and remediation since a rupture occurred on the pipeline on October 1, 2017. SoCal Gas has remediated and repaired the ruptured segment, but, as detailed below, SoCal Gas has also initiated additional work to assess, analyze, and repair other segments on Line 235-2 that are of the same "family" of pipeline.

During additional progressive restorations of pressure and the associated leak surveys, non-hazardous leaks were detected on July 15, 2019 (leak #11) and two leaks on July 18, 2019 (leaks #12 and #13) in remote areas of the desert, which

requires additional remediation on Line 235-2. The required authorizations are in process for the Bureau of Land Management and California Department of Fish and Wildlife for the leak repair work sites.

The latest preliminary estimated return to service date is August 29, 2019 at a reduced pressure. This date is preliminary, and it may change as more information is obtained. Once Line 235-2 is returned to service, SoCalGas will inspect Line 235-2 again.

Line 4000

Following the Line 235-2 rupture, SoCal Gas reduced the pressure of Line 4000 (largely a 1960 vintage pipeline) because it is in the same “family” of pipelines as Line 235-2. SoCal Gas lowered the pressure to increase the factor of safety on the pipeline until SoCal Gas can conduct further analysis of Line 4000 based on what is learned from Line 235-2. In addition, this increased safety margin reduced the safety risk to employees working on Line 235-2, which is in close proximity to Line 4000 for the first 5-6 miles. Line 4000 will continue operating at reduced pressure until testing and maintenance work is complete to mitigate potential pipeline anomalies, like those found on Line 235-2.

Line 3000

Line 3000 (largely a 1957 vintage pipeline) returned to service at reduced operating pressure on September 17, 2018, allowing receipts from the Topock area. The full scope of the Line 3000 project to date included more than 10 miles of non-consecutive pipeline replacements, coating remediation, and cathodic protection insulator installations at more than 246 job sites that span approximately 125 miles, traversing challenging terrain and overcoming significant environmental challenges.

SoCal Gas Storage Capacity

With regard to Aliso Canyon, there were 22 days of withdrawal from January through March 2019. SoCalGas only gives a total storage inventory report. Over the spring and into the early summer, they have been injecting into all of their storage facilities including Aliso Canyon.

ELECTRICITY GENERATION:

BWP Generating Facilities

Unit	Availability	Operating Hrs	MWH (Net)	NO_x, lbs.
Olive 1	0%	0	0	0
Olive 2	0%	0	0	0
Lake 1	100%	102	3,410	669
MPP	100%	744	144,499	5,575

Olive 1 and 2 remained in dry storage, with a 45-day notice required to restart. Olive 1 and 2 have been in dry storage since 2011 and 2012, respectively. Lake One was placed online thirteen times during the month of July 2019, which is an average number of runs for this unit during the month of July.

Magnolia Power Project (MPP)

	July	FYTD	YTD
Availability	100%	100%	96%
Unit Capacity Factor (240 MW)	81%	81%	74%

There were no plant trips or other outages at MPP during July 2019.

SoCal Gas issued a natural gas curtailment for MPP beginning August 16 at 6:00 am and concluded August 19 at 6:00 pm. This was to perform a mandatory pipeline integrity inspection of Line 3000 West. This curtailment coincides with a scheduled MPP maintenance outage, however results in a 24-hour extension of the MPP outage. BWP has planned for this curtailment and does not expect any impact to electric reliability in Burbank.

Tieton Hydropower Project (Tieton)

Tieton's annual generation season began on March 22 with limited water flow provided by the United States Bureau of Reclamation (USBR), which carried out "fish pulse" operations designed to encourage upward spawning migration of spring salmon. Fish pulsing was conducted until March 27 when water flow was reduced and generation was no longer possible until later in April. **Tieton generated 4,046 MWhs in July, which is below the average of 7,580 MWhs for July. This is due to a low snow pack season last winter, which is the snow melt water source for Rimrock Reservoir that supplies Tieton.**

ENVIRONMENTAL

Air Quality

On June 28, 2019, BWP submitted two application packages to the Southern Coast Air Quality Management District (SCAQMD) in order to renew the two existing Title V Operating Permits; one is for Lake One and the other is for MPP. Once the SCAQMD reviews the application packages and issues draft permits, the draft permits will go to the Environmental Protection Agency (EPA) for a 45-day review period. After the 45-day review period is completed, final permits will be issued to BWP for Lake One and MPP to continue operations. The permits will cover another five-year operating period.

On July 17, 2019 another application package was submitted to the SCAQMD to revise MPP's Title V Operating Permit. This application is to approve and include general electric upgrades to the combustion turbine, which will allow MPP to operate at a lower minimum load output (MW) while still complying with existing requirements. Upgrades cannot be installed until a revised permit is approved and this process is being managed independently of the five-year permit renewal.

Storm Water

The Stormwater Resources Control Board, Industrial General Permit, requires industrial facilities to collect, at a minimum, four storm water samples per reporting year (July 1- June 30) and compare them to statewide regulatory limits. **BWP has not taken any storm water samples during the current reporting year of 2019-2020 (began in July 2019) due to a lack of rain. The analytical results from the storm water samples taken during the 2018-2019 reporting year continue to indicate elevated levels of metals (specifically iron, copper and zinc). Therefore, BWP continues to investigate additional best management practices to enhance storm water quality.**

PROJECT UPDATES:

Power Resources

Transmission Update

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

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

Staff is currently evaluating the new OATT, its impacts, and next steps.

Negotiations with LADWP, for several existing Transmission Service Agreements, including those associated with Hoover Dam and IPP generation resources are ongoing.

Integrated Resource Planning

BWP's 2019 Integrated Resource Plan (IRP) was adopted by the City Council on December 11, 2018 in accordance with the requirements of Senate Bill 350. In conjunction with its adoption of the 2019 IRP, Council also established 1) a SB350-compliant process to update the BWP IRP at least every five years and 2) an aspirational goal to achieve a 100% greenhouse gas-free power supply for Burbank by 2040 or sooner, consistent with reliability and affordability.

Pursuant to SB350, BWP filed the 2019 IRP with the California Energy Commission (CEC) on April 2, 2019, in advance of the April 30 deadline. **The CEC is required to make two separate findings on IRPs: first, that the IRP is complete (i.e., all required components were included) and second, that the IRP is consistent with the requirements of SB350. The CEC confirmed that BWP's 2019 IRP is complete on May 14, 2019. On July 29, the Executive Director of the CEC filed a determination**

finding that BWP's 2019 IRP to be consistent with the requirements of SB350. The CEC plans to bring the determination to its November 2019 business meeting for adoption, which will formally close the 2019 IRP filing process for BWP.

Intermountain Power Project (Delta, UT) Renewal Progress

BWP communicated our recommendation for a path forward regarding IPP repowering on June 20 to the BWP Board. The Board voted 7-0 to recommend that City Council 1) authorize and direct the BWP General Manager to reduce Burbank's participation in the renewal of the Intermountain Power Project from 35 megawatts (MW) to 28 MW (a 20% reduction) and 2) approve and authorize the BWP General Manager to execute each of the Entitlement Assignment Agreement (Southern Transmission System) and the Entitlement Assignment Agreement (Northern Transmission System) together with all ancillary documents necessary to effectuate the foregoing.

BWP presented these recommendations to the City Council on July 23; Council approved, with a vote of 4-1.

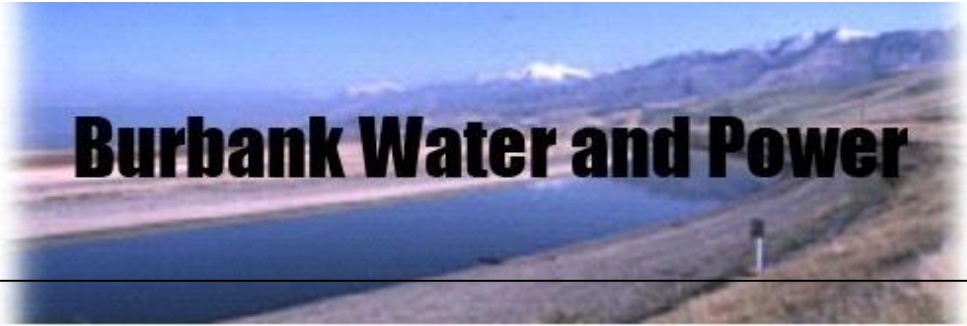
BWP informed the Intermountain Power Agency (IPA) and LADWP, in its capacity as IPP Operating Agent, of our decision to participate in the repowering project at a reduced level, in advance of the August 3, 2019 deadline.

The Entitlement Assignment Agreements are pending approval by LADWP's governing bodies.

Power Generation

Landfill Gas to Energy Project

The project remains on schedule and within budget. On July 8, 2019, the air permit was received from the SCAQMD. The permit conditions were found to be consistent with BWP's expectations. Engineering work is nearing completion, as the final mechanical and electrical designs were approved by the City Building and Safety Division. Approval of the civil/structural plans and calculations is still pending. New electrical switchgear has been delivered to the site, so underground electrical work and switchgear replacement work will proceed ahead of schedule along with foundation work, once all permits are received.



**Estimated Financial Report
July-19**

**Burbank Water and Power
Electric Fund (496)
Estimated Statement of Changes in Net Assets ^{(1) (2)}
MTD and FYTD July 2019
(\$ in 000's except MWh Sales)**

MTD FY 19-20	MTD Jul-19 Budget	\$ Variance ⁽³⁾	% Variance		FYTD FY 19-20	FYTD Jul-19 Budget	\$ Variance ⁽³⁾	% Variance
108,073	114,022	(5,949)	(5%) ^(a)	NEL MWh	108,073	114,022	(5,949)	(5%) ^(a)
				Retail				
\$ 15,862	\$ 17,326	\$ (1,463)	(8%)	Retail Sales	\$ 15,862	\$ 17,326	\$ (1,463)	(8%)
368	587	(219)	(37%)	Other Revenues ⁽⁴⁾	368	587	(219)	(37%)
<u>10,345</u>	<u>11,783</u>	<u>1,438</u>	<u>12% ^(b)</u>	Retail Power Supply & Transmission	<u>10,345</u>	<u>11,783</u>	<u>1,438</u>	<u>12% ^(b)</u>
5,886	6,130	(244)	(4%)	Retail Margin	5,886	6,130	(244)	(4%)
				Wholesale				
490	8,198	(7,708)	(94%)	Wholesale Sales	490	8,198	(7,708)	(94%)
<u>426</u>	<u>7,993</u>	<u>7,567</u>	<u>95%</u>	Wholesale Power Supply	<u>426</u>	<u>7,993</u>	<u>7,567</u>	<u>95%</u>
64	205	(141)	(69%)	Wholesale Margin	64	205	(141)	(69%)
<u>5,950</u>	<u>6,335</u>	<u>(385)</u>	<u>(6%)</u>	Gross Margin	<u>5,950</u>	<u>6,335</u>	<u>(385)</u>	<u>(6%)</u>
				Operating Expenses				
961	961	-	0%	Distribution	961	961	-	0%
118	118	-	0%	Administration/Safety	118	118	-	0%
222	222	-	0%	Finance, Fleet, & Warehouse	222	222	-	0%
507	507	-	0%	Transfer to General Fund for Cost Allocation	507	507	-	0%
446	446	-	0%	Customer Service, Marketing & Conservation	446	446	-	0%
392	392	-	0%	Public Benefits	392	392	-	0%
166	166	-	0%	Security/Oper Technology	166	166	-	0%
144	144	-	0%	Telecom	144	144	-	0%
183	183	-	0%	Construction & Maintenance	183	183	-	0%
<u>1,575</u>	<u>1,575</u>	<u>-</u>	<u>0%</u>	Depreciation	<u>1,575</u>	<u>1,575</u>	<u>-</u>	<u>0%</u>
4,713	4,713	-	0% ^(c)	Total Operating Expenses	4,713	4,713	-	0% ^(c)
<u>\$ 1,237</u>	<u>\$ 1,622</u>	<u>\$ (385)</u>	<u>24%</u>	Operating Income/(Loss)	<u>\$ 1,237</u>	<u>\$ 1,622</u>	<u>\$ (385)</u>	<u>(24%)</u>

**Burbank Water and Power
Electric Fund (496)
Estimated Statement of Changes in Net Assets ^{(1) (2)}
MTD and FYTD July 2019**

(\$ in 000's)

MTD FY 19-20	MTD Jul-19 Budget	\$ Variance ⁽³⁾	% Variance		FYTD FY 19-20	FYTD Jul-19 Budget	\$ Variance ⁽³⁾	% Variance
\$ 1,237	\$ 1,622	\$ (385)	24%	Operating Income/(Loss)	\$ 1,237	\$ 1,622	\$ (385)	(24%)
				Other Income/(Expenses)				
162	162	-	0%	Interest Income	162	162	-	0%
(3,328)	(3,328)	-	0%	Other Income/(Expense) ⁽⁵⁾	(3,328)	(3,328)	-	0%
(344)	(344)	-	0%	Bond Interest/ (Expense)	(344)	(344)	-	0%
(3,510)	(3,510)	-	0%	Total Other Income/(Expenses)	(3,510)	(3,510)	-	0%
(2,273)	(1,888)	(385)	(20%)	Net Income	(2,273)	(1,888)	(385)	20%
112	112	-	0%	Capital Contributions (AIC)	112	112	-	0%
<u>\$ (2,161)</u>	<u>\$ (1,776)</u>	<u>\$ (385)</u>	<u>(22%)</u>	Net Change in Net Assets (Net Income)	<u>\$ (2,161)</u>	<u>\$ (1,776)</u>	<u>\$ (385)</u>	<u>22%</u>

1. After the passing of Measure T in June 2018, electric utility bills now reflect a separate line item in the amount of the utility transfer to the City. Reported electric retail revenues and expenses on the utility's financial statements do not reflect the transfer; and the transfer no longer impacts the utility's financial results. This change in financial reporting took effect with July 2018 financial reporting and should be taken into account when comparing results to prior periods.
2. This report may not foot due to rounding.
3. () = Unfavorable
4. 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.
5. Other Income/(Expense) includes miscellaneous revenue from the sale of scrap materials, inventory, and assets, as well as BABS subsidy. For July 2019, includes one-time payment to CalPERS (for pension) in the amount of \$3,434,104.

Burbank Water and Power
Electric Fund (496)
Estimated Statement of Changes in Net Assets - Footnotes
MTD July 2019
(\$ in 000's)

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
a.	Electric Usage in MWh	108,073	114,022	(5,949)	- NEL is 5% lower than budget due to conservation. For the month of July, average high temperature was 86.9°F, compared to the normal of 87.0°F. MTD CDD were 300 versus the 30 year average of 305.
b.	Retail Power Supply & Transmission	10,345	11,783	1,438	- The favorable variance is attributable to various components within Retail Power Supply & Transmission. Please refer to page A-4 for additional details.
c.	Total Operating Expenses	4,713	4,713	-	- Expenses for July 2019 are estimated at budgeted values.

Estimated July 2019 Budget to Actual P&L Variance Highlights - Electric Fund
(in 000's)

	Variance Month-to-Date		
	Favorable Items	Unfavorable Items	Budget to Actual Variance
<u>MTD NET INCOME/(LOSS): (\$2,273)</u>		\$ (385)	\$ (385)
 <u>MTD GROSS MARGIN VARIANCE</u>			
Retail Sales		(1,463)	(1,463)
Power Supply and Transmission			
- Lower energy prices	619		619
- Lower than planned renewables	356		356
- Lower retail load	232		232
- Economic dispatch, the managing and optimizing of resources to meet system load	231		231
Other Revenues		(219)	(219)
Wholesale Margin		(141)	(141)
Total	1,438	(1,823)	(385)

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

	<u>Jul-19</u>	<u>Jun-19</u>	<u>Mar-19</u>	<u>Dec-18</u>	<u>Sep-18</u>	<u>Jun-18</u>	<u>Recommended Reserves</u>	<u>Minimum Reserves</u>
Cash and Investments								
General Operating Reserve	\$ 57,389 ^(f)	\$ 65,284 ^(b)	\$ 71,956	\$ 76,141	\$ 75,814	\$ 78,993	\$ 52,010	\$ 37,570
Capital & Debt Reduction Fund	10,000	10,000	10,000	10,000	10,000	10,000	21,000	5,200
BWP Projects Reserve Deposits at SCPPA	16,817	16,817	16,713	16,648	16,541	16,492		
Sub-Total Cash and Investments	<u>84,206</u>	<u>92,101</u>	<u>98,669</u>	<u>102,789</u>	<u>102,355</u>	<u>105,485</u>	<u>73,010</u>	<u>42,770</u>
Capital Commitments			-	(266)	(5,530)	(6,740) ^(c)		
Customer Deposits	(5,522)	(5,641)	(5,471)	(5,266)	(3,339)	(5,432)		
Public Benefits Obligation	(6,468)	(6,069)	(6,408)	(6,359)	(6,341)	(5,549)		
Pacific Northwest DC Intertie	(2,198)	(2,218)	(3,175)	(5,113)	(6,406)	(7,455)		
Low Carbon Standard Fuel ^(d)	(2,267)	(2,267) ^(e)	(1,140)	(1,242)	(1,242)	(1,251)		
Cash and Investments (less Commitments)	<u><u>67,751</u></u>	<u><u>75,906</u></u>	<u><u>82,474</u></u>	<u><u>84,542</u></u>	<u><u>79,496</u></u>	<u><u>79,059</u></u>	<u><u>73,010</u></u>	<u><u>42,770</u></u>

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

^(b) Includes a \$3.95M loan to the Water Fund for the purchase of cyclic storage water.

^(c) Denotes capital commitment for the Ontario Distribution Station and 4kV to 12kV conversion of circuits.

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

^(e) Includes the sale of \$1.146M of LCFS credits.

^(f) Includes one-time payment to CalPERS (for pension) in the amount of \$3,434,104, and payment of annual required contribution of \$5,704,748.

**Burbank Water and Power
Water Fund (497)
Estimated Statement of Changes in Net Assets ⁽¹⁾
MTD and FYTD July 2019
(\$ in 000's except Gallons)**

MTD FY 19-20	MTD Jul-19 Budget	\$ Variance ⁽²⁾	% Variance		FYTD FY 19-20	FYTD Jul-19 Budget	\$ Variance ⁽²⁾	% Variance
506	530	(24)	(4%) ^(a)	Water put into the system in Millions of Gallons	506	530	(24)	(4%) ^(a)
111	111	(1)	(0%)	Metered Recycled Water in Millions of Gallons	111	111	(1)	(0%)
Operating Revenues								
2,825	2,835	\$ (10)	(0%) ^(b)	Potable Water	2,825	2,835	\$ (10)	(0%) ^(b)
386	456	(69)	(15%) ^(c)	Recycled Water	386	456	(69)	(15%) ^(c)
11	62	(51)	(82%) ^(d)	Other Revenue ⁽³⁾	11	62	(51)	(82%) ^(d)
<u>3,223</u>	<u>3,353</u>	<u>(130)</u>	<u>(4%)</u>	Total Operating Revenues	<u>3,223</u>	<u>3,353</u>	<u>(130)</u>	<u>(4%)</u>
1,194	1,310	116	9% ^(e)	Water Supply Expense	1,194	1,310	116	9% ^(e)
<u>2,029</u>	<u>2,043</u>	<u>(14)</u>	<u>(1%)</u>	Gross Margin	<u>2,029</u>	<u>2,043</u>	<u>(14)</u>	<u>(1%)</u>
Operating Expenses								
691	691	-	0%	Operations & Maintenance - Potable	691	691	-	0%
137	137	-	0%	Operations & Maintenance - Recycled	137	137	-	0%
207	207	-	0%	Allocated O&M	207	207	-	0%
172	172	-	0%	Transfer to General Fund for Cost Allocation	172	172	-	0%
<u>370</u>	<u>370</u>	<u>-</u>	<u>0%</u>	Depreciation	<u>370</u>	<u>370</u>	<u>-</u>	<u>0%</u>
1,577	1,577	-	0% ^(f)	Total Operating Expenses	1,577	1,577	-	0% ^(f)
Other Income/(Expenses)								
21	21	-	0%	Interest Income	21	21	-	0%
(514)	(514)	-	0%	Other Income/(Expense) ⁽⁴⁾	(514)	(514)	-	0%
(159)	(159)	-	0%	Bond Interest/(Expense)	(159)	(159)	-	0%
<u>(651)</u>	<u>(651)</u>	<u>-</u>	<u>0%</u>	Total Other Income/(Expenses)	<u>(651)</u>	<u>(651)</u>	<u>-</u>	<u>0%</u>
<u>(200)</u>	<u>(186)</u>	<u>(14)</u>	<u>(7%)</u>	Net Income/(Loss)	<u>(200)</u>	<u>(186)</u>	<u>(14)</u>	<u>(7%)</u>
40	40	-	0%	Aid in Construction	40	40	-	0%
<u>\$ (159)</u>	<u>\$ (146)</u>	<u>\$ (14)</u>	<u>(9%)</u>	Net Change in Net Assets (Net Income)	<u>\$ (159)</u>	<u>\$ (146)</u>	<u>\$ (14)</u>	<u>(9%)</u>

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. For July 2019, includes one-time payment to CalPERS (for pension) in the amount of \$552,896.

**Burbank Water and Power
Water Fund (497)
Estimated Statement of Changes in Net Assets - Footnotes
MTD July 2019
(\$ 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	506	530	(24)	- Potable water sales are lower due to lower demand. Burbank received no rainfall in July, as compared to the monthly normal of 0.04 inches. For the month of July, average high temperature was 86.9°F, compared to the normal of 87.0°F. MTD CDD were 300 versus the 30 year average of 305.	
b.	Potable Water Revenue	2,825	2,835	(10)	- The WCAC impact increased potable water revenues by \$128k MTD. Without this adjustment, potable water revenues would be unfavorable by 5%.	
						MTD Actual
					WCAC Revenue	<u>\$1,065</u>
					WCAC Expenses	\$1,194
					WCAC revenue deferral/(accrual)	<u>(\$128)</u>
c.	Recycled Water Revenue	386	456	(69)	- Recycled Water Revenue is lower due to the FY 19/20 rate increase going into effect on the August billings.	
d.	Other Revenue	11	62	(51)	- Other revenues include items such as damaged property recovery, connection fees, late fees, and tampering fees, which tend to fluctuate.	
e.	Water Supply Expense	1,194	1,310	116	- Water supply expense corresponds with lower demand.	
f.	Total Operating Expenses	1,577	1,577	-	- Expenses for July 2019 are at budgeted values.	

Estimated July 2019 Budget to Actual P&L Variance Highlights - Water Fund
(in 000's)

	Variance Month-to-Date		Budget to Actual Variance
	Favorable Items	Unfavorable Items	
<u>MTD NET INCOME (LOSS): (\$200)</u>		(14)	(14)
 <u>MTD GROSS MARGIN VARIANCE</u>			
Recycled Revenues		(69)	(69)
Other Revenue		(51)	(51)
Potable Revenues		(10)	(10)
Water Supply Expense	116		116
Total	116	(130)	(14)

Water Fund (497)
Estimated Statement of Changes in Cash and Investment Balances ^(a)

	<u>Jul-19</u>	<u>Jun-19</u>	<u>Mar-19</u>	<u>Dec-18</u>	<u>Sep-18</u>	<u>Jun-18</u>	<u>Recommended Reserves</u>	<u>Minimum Reserves</u>
Cash and Investments								
General Operating Reserves	\$ 11,030 ^(d)	\$ 11,248 ^(b)	\$ 5,800	\$ 12,471	\$ 12,419	\$ 10,925	\$ 12,630	\$ 8,070
Capital Reserve Fund	2,220	2,220	2,220	2,220	2,220	2,220	5,200	1,300
Sub-Total Cash and Investments	<u>13,250</u>	<u>13,468</u>	<u>8,020</u>	<u>14,691</u>	<u>14,639</u>	<u>13,145</u>	<u>17,830</u>	<u>9,370</u>
Customer Deposits	(31)	(12)	(1,266)	(1,170)	(1,084)	(607)		
Capital Commitments ^(c)	-	-	-	-	(140)	(140)		
Cash and Investments (less commitments)	<u><u>13,219</u></u>	<u><u>13,456</u></u>	<u><u>6,754</u></u>	<u><u>13,521</u></u>	<u><u>13,415</u></u>	<u><u>12,397</u></u>	<u><u>17,830</u></u>	<u><u>9,370</u></u>

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

^(b) Includes a \$3.95M loan from the Electric Fund for the purchase of cyclic storage water.

^(c) Capital commitment for the recycled water I-5 Freeway second tie crossing project paid in October.

^(d) Includes one-time payment to CalPERS (for pension) in the amount of \$552,896, and payment of annual required contribution of \$912,149.