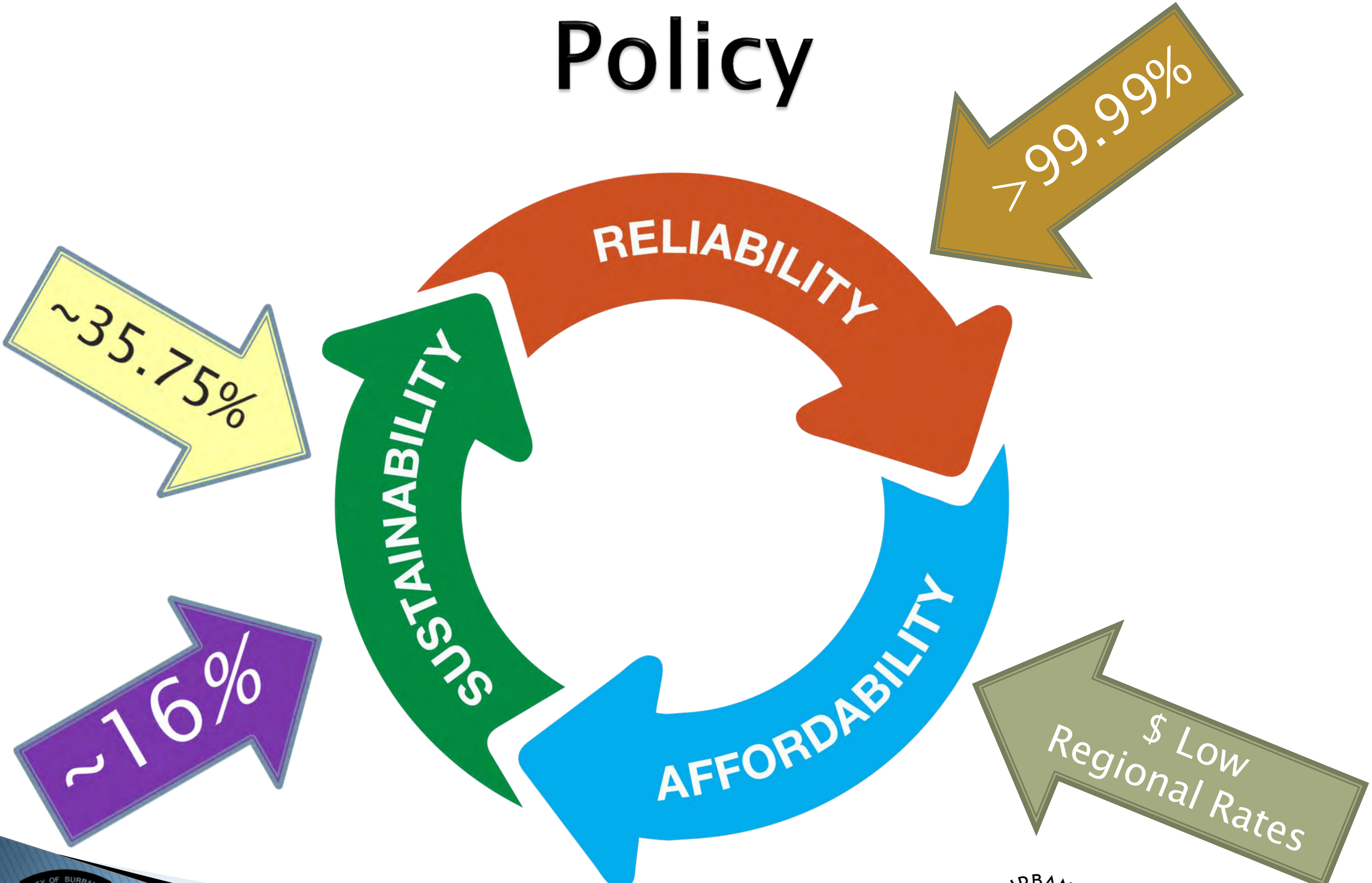
Burbank Water & Power Proposed Budget Fiscal Year 2021-22

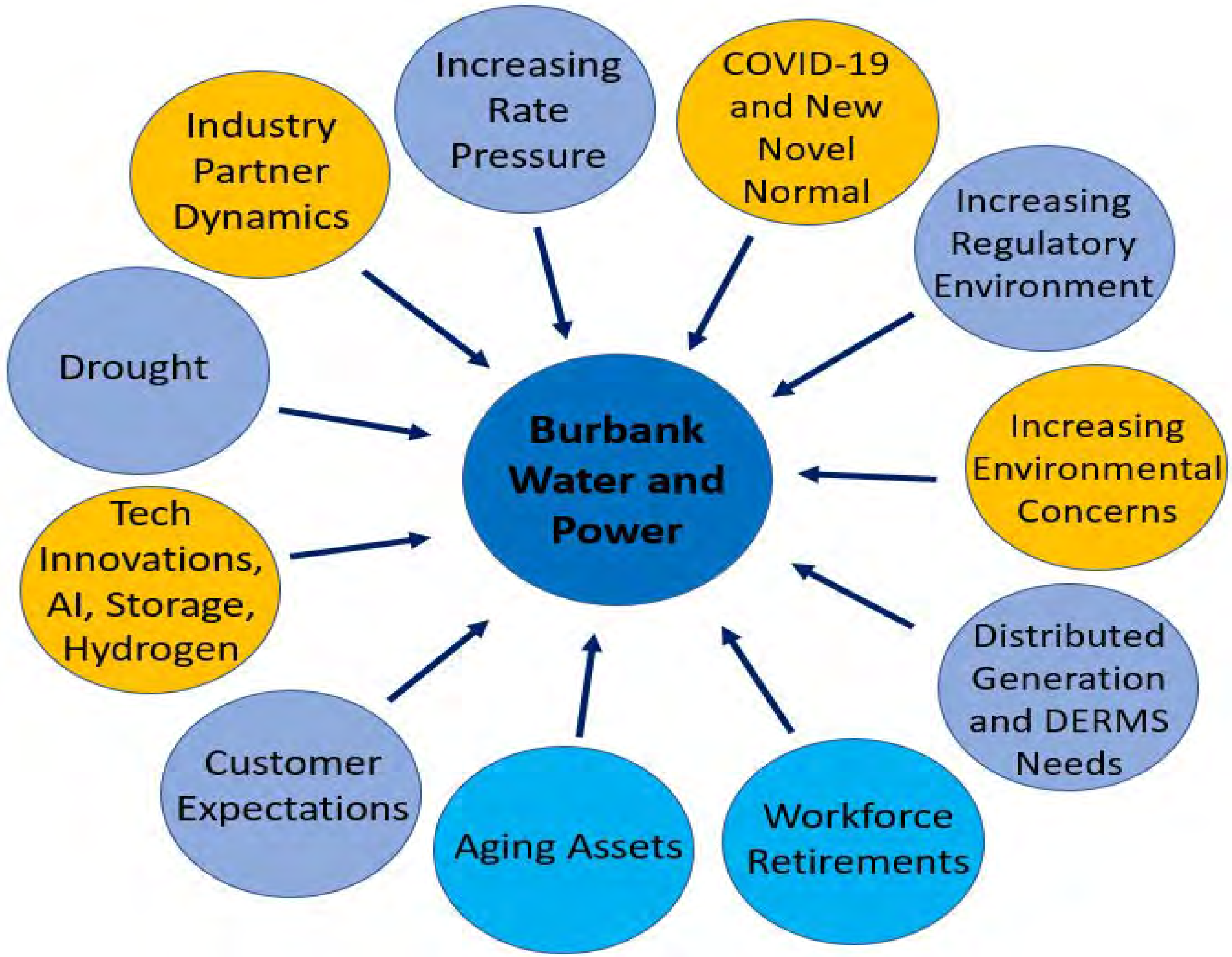
May 4, 2021

Policy



CITY OF BURBANK WATER AND POWER

BWP Challenges



CITY OF BURBANK WATER AND POWER

Budget Authority by Fund

($ in 000's)	FY 2020-21 Adopted	FY 2021-22 Proposed	Decrease / (Increase) in Budget
Electric Fund (496)	$259,911	$270,111	($10,200)
Water Fund (497)	$39,582	$45,813	($6,231)
MPP Operating Fund (483)	$22,713	$22,731	($18)
Tieton Hydro Operating (133)	$3,580	$2,388	$1,192
Street Lighting Fund (129)	$2,841	$2,804	$37
Communications Fund (535)	$3,762	$6,927	($3,165)
Total Authority	$332,390	$350,774	($18,384)

CITY OF BURBANK WATER AND POWER

Proposed Additional Pension Funding Plan

Fund	Electric	Water
Total 4-Year Commitment	$11,685,800	$1,870,000
FY 2019-20	$3,437,000	$550,000
FY 2020-21	$2,749,600	$440,000
FY 2021-22	$2,749,600	$440,000
FY 2022-23	$2,749,600	$440,000
Interest Savings	$12,326,588	$1,972,541
Pay-off Period	20 Years	20 Years

Annual PERS payment is $9.4 million for Electric and $1.6 million for Water

Electric Fund Rate Increases

Historical Rate Increases

Effective Date	Overall System
1/1/2010	5.75%
1/1/2011	2.90%
7/1/2012	1.75%
7/1/2013	1.75%
7/1/2014	2.90%
7/1/2015	2.10%
7/1/2016	2.10%
7/1/2017	0.00%
7/1/2018	0.00%
7/1/2019	1.00%
7/1/2020	0.00%

Projected Rate Increases

Effective Date	Overall System
10/1/2021	1.24%
4/1/2022	1.24%
7/1/2022	2.80%
7/1/2023	2.80%
7/1/2024	2.80%
7/1/2025	2.80%

CITY OF BURBANK WATER AND POWER

Proposed 2.5% Electric Rate Increase


- 1.24% in October
- 1.24% in April

- Apartments/Condos (350 KWh/month) bill impact:
  - $0.65/ per month effective October 1
  - $0.66/ per month effective April 1
  - $1.31/per month in total

- Single family home (550 KWh/month) bill impact:
  - $1.08/ per month effective October 1
  - $1.09/ per month effective April 1
  - $2.17/per month in total

CITY OF BURBANK WATER AND POWER

Water Fund Rate Increases

Historical Rate Increases

Effective Date	Overall System
7/1/2010	13.50%
7/1/2011	4.90%
7/1/2012	4.50%
7/1/2013	4.75%
7/1/2014	4.75%
7/1/2015	3.40%
7/1/2016	3.40%
7/1/2017	3.40%
7/1/2018	4.90%
7/1/2019	4.90%
7/1/2020	0.00%

Projected Rate Increases

Effective Date	Overall System
10/1/2021	1.96%
1/1/2022	1.96%
4/1/2022	1.96%
7/1/2022	6.00%
7/1/2023	6.00%
7/1/2024	6.00%
7/1/2025	6.00%

CITY OF BURBANK WATER AND POWER

Proposed 6.0% Water Rate Increase

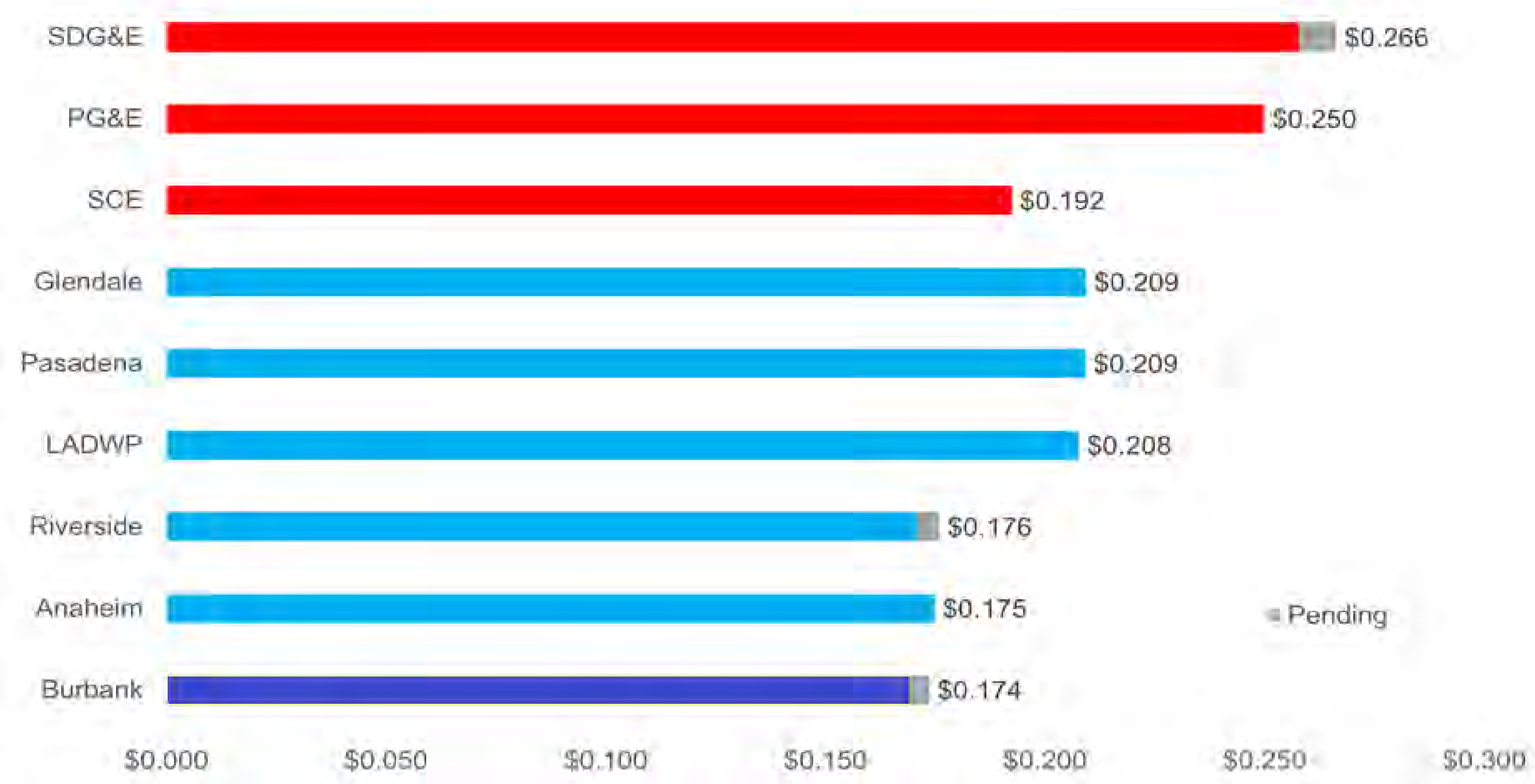
- 1.96% in October
- 1.96% in January
- 1.96% in April

- Small family residential (6,000 gallons) bill impact:
  - $0.81/ per month effective October 1
  - $0.82/ per month effective January 1
  - $0.84/ per month effective April 1
  - $2.47/per month in total

- Medium family residential (12,000 gallons) bill impact:
  - $1.33/ per month effective October 1
  - $1.36/ per month effective January 1
  - $1.39/ per month effective April 1
  - $4.08/per month in total

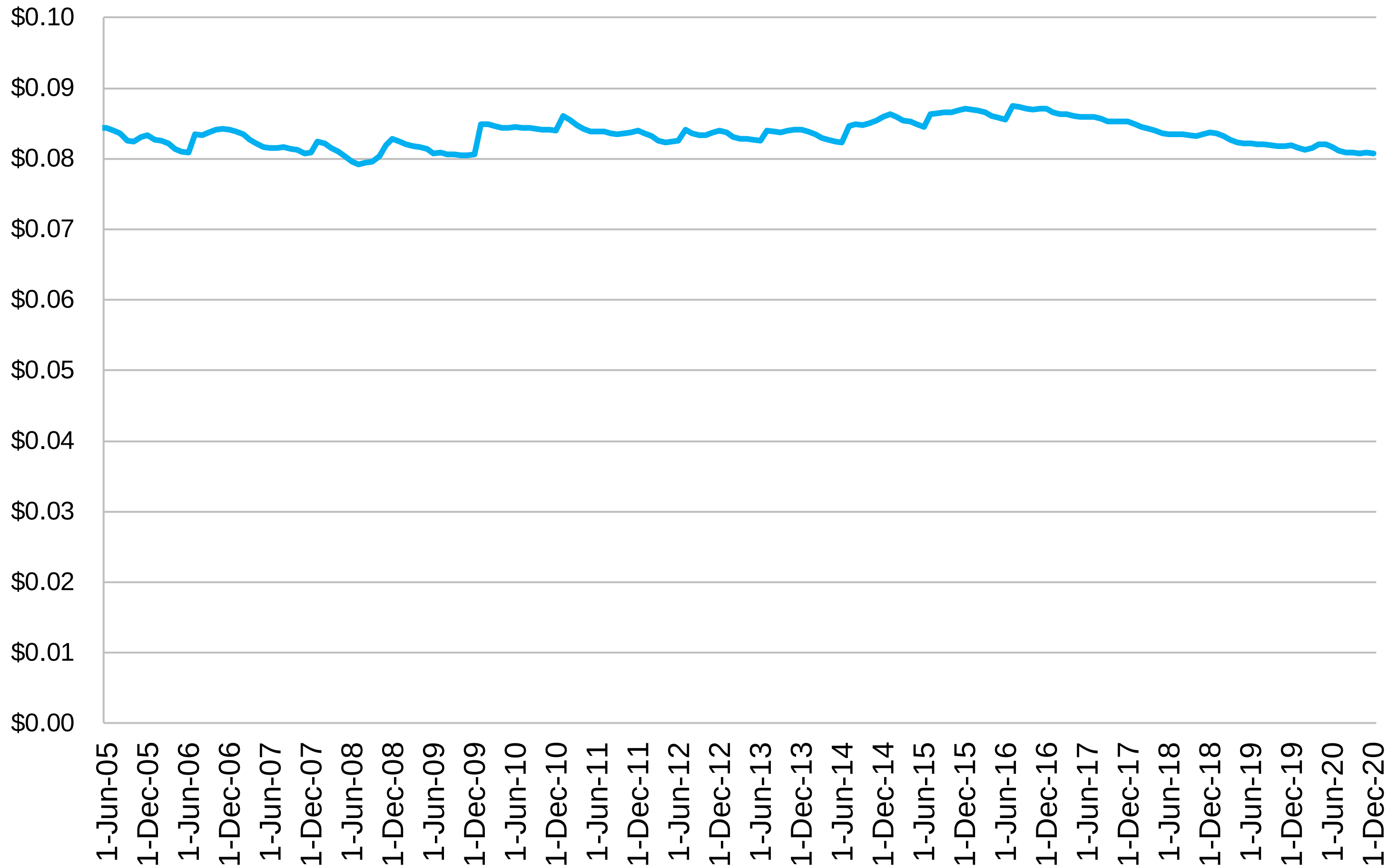
CITY OF BURBANK WATER AND POWER

Affordability: Residential Electric Revenue per kWh



CITY OF BURBANK WATER AND POWER

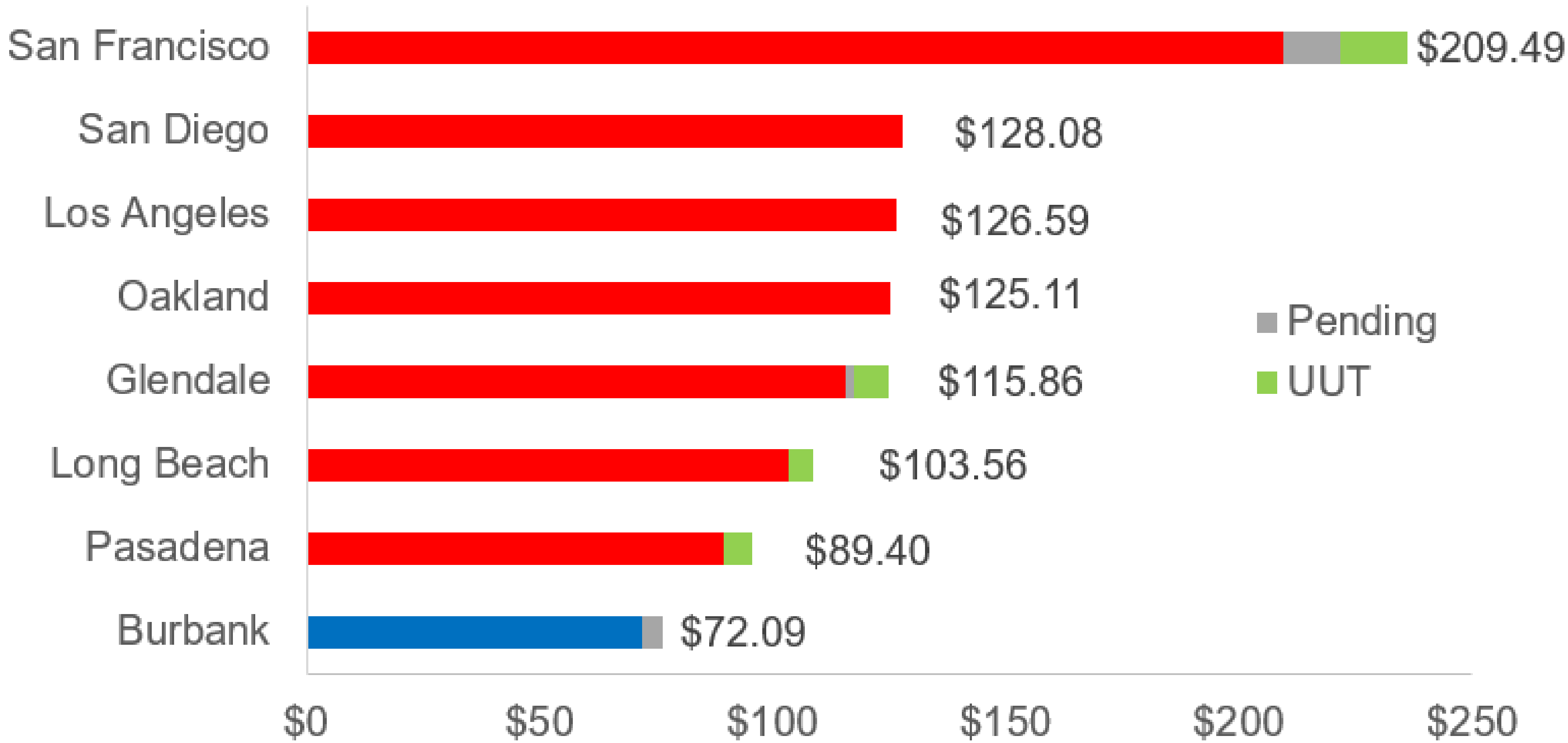
Affordability: Residential Electric Rate Adjusted for Inflation
(in 1990 USD)



CITY OF BURBANK WATER AND POWER

Affordability: Water Bill Comparison

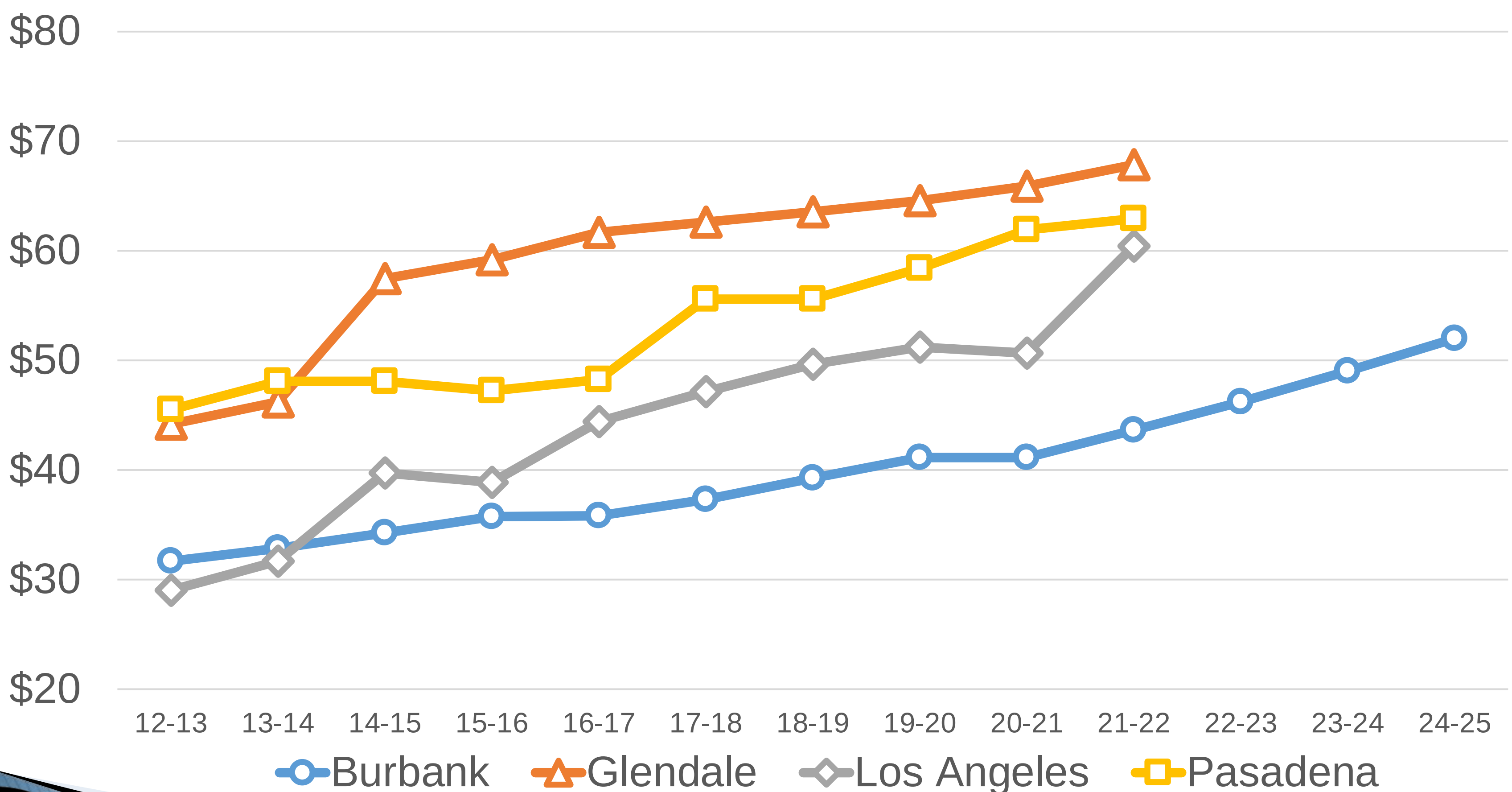
(12,000 gallons)



BURBANK WATER AND POWER

Affordability: Historic Water Bill Comparison

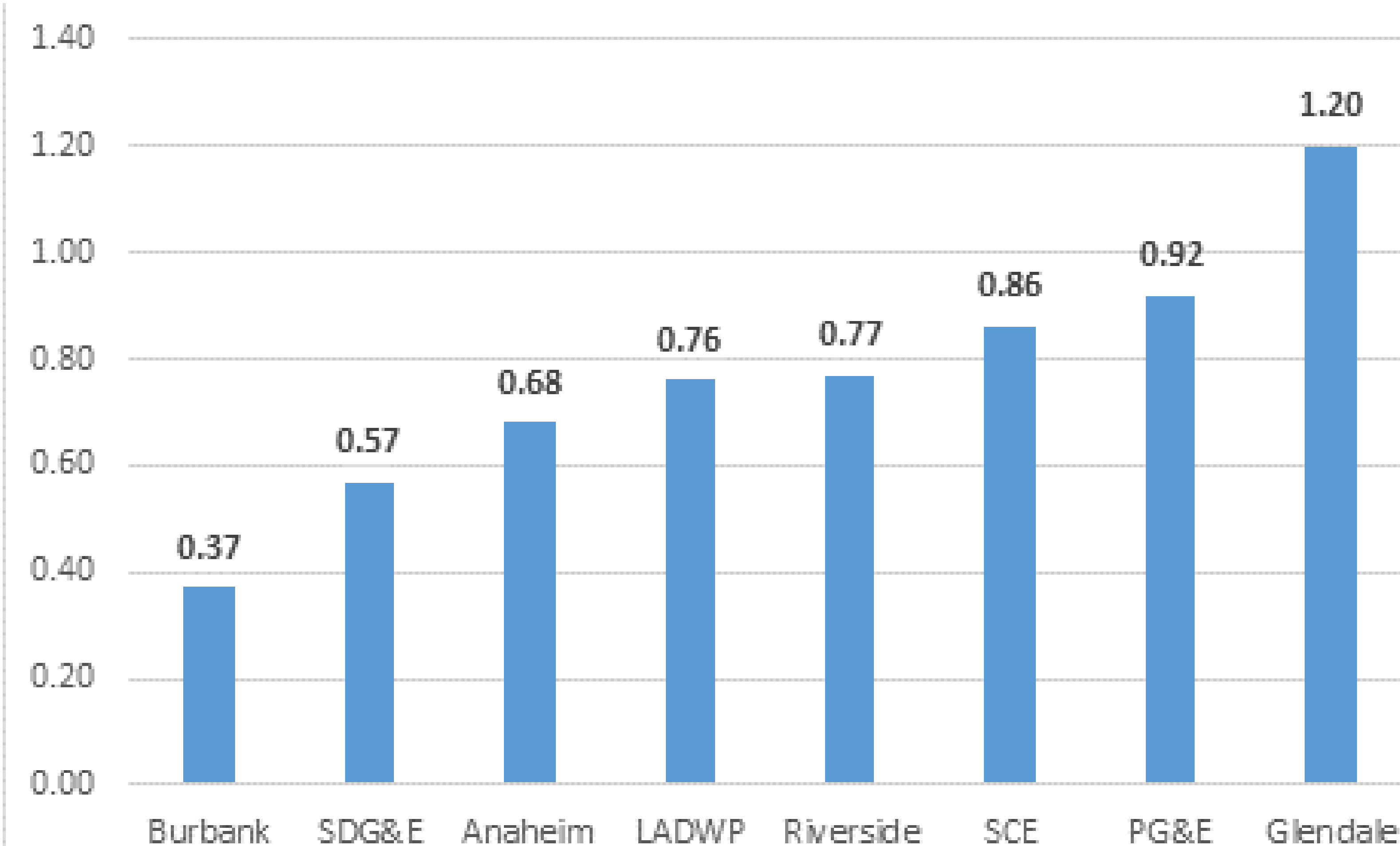
(6,000 gallons)



CITY OF BURBANK WATER AND POWER

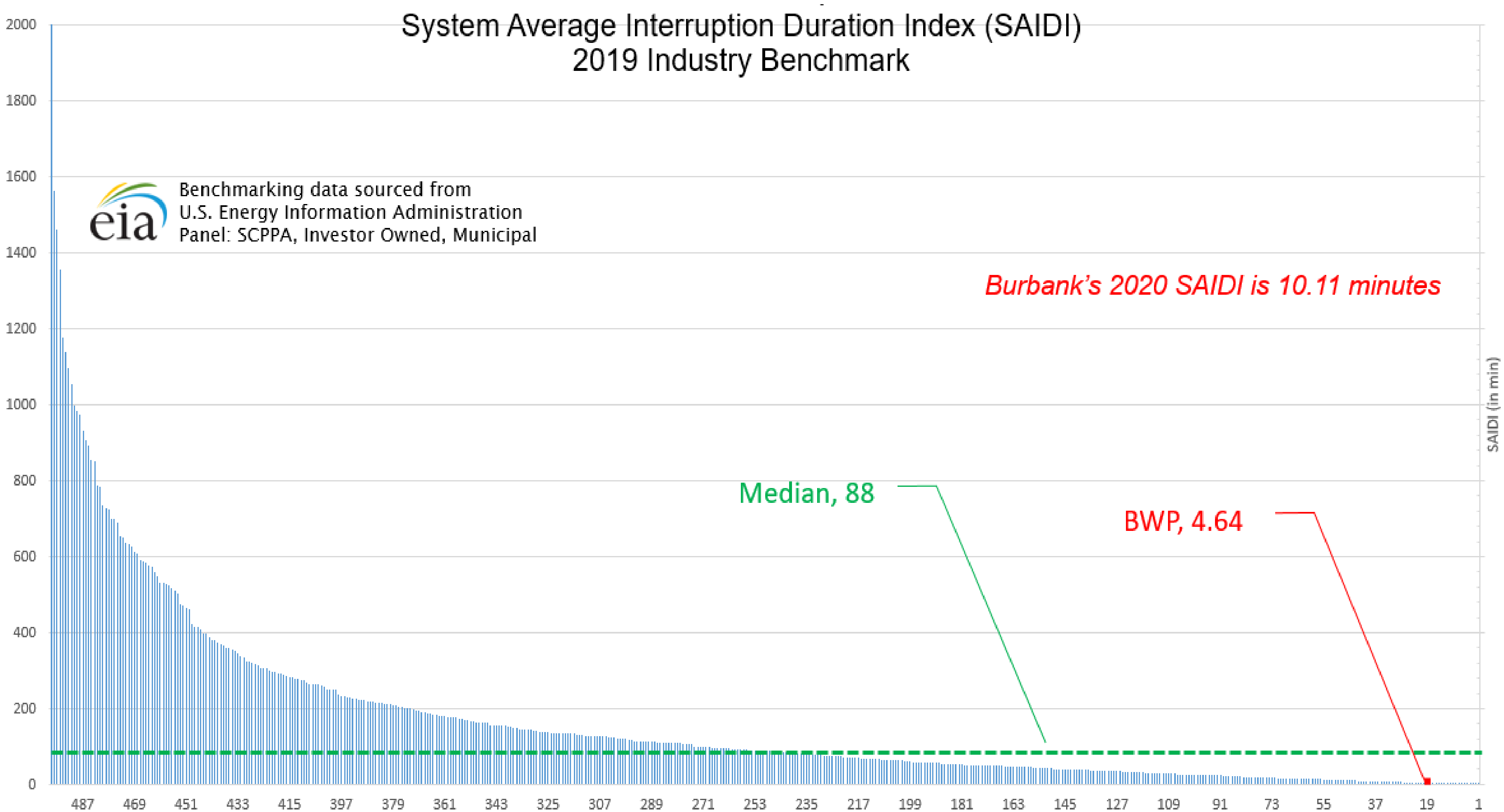
Reliability: Electric Outages per Year

5 Year Average 2015-2019



CITY OF BURBANK WATER AND POWER

Reliability



CITY OF BURBANK WATER AND POWER

Reliability: Water

- 99.999% reliable
- Asset management required
  - Valley Pumping plant – pump replacement
    - In use since WWII
    - Maintained impeccably
  - 30 miles of pipe > 100 years old
    - In use before the Great Depression
    - Well maintained

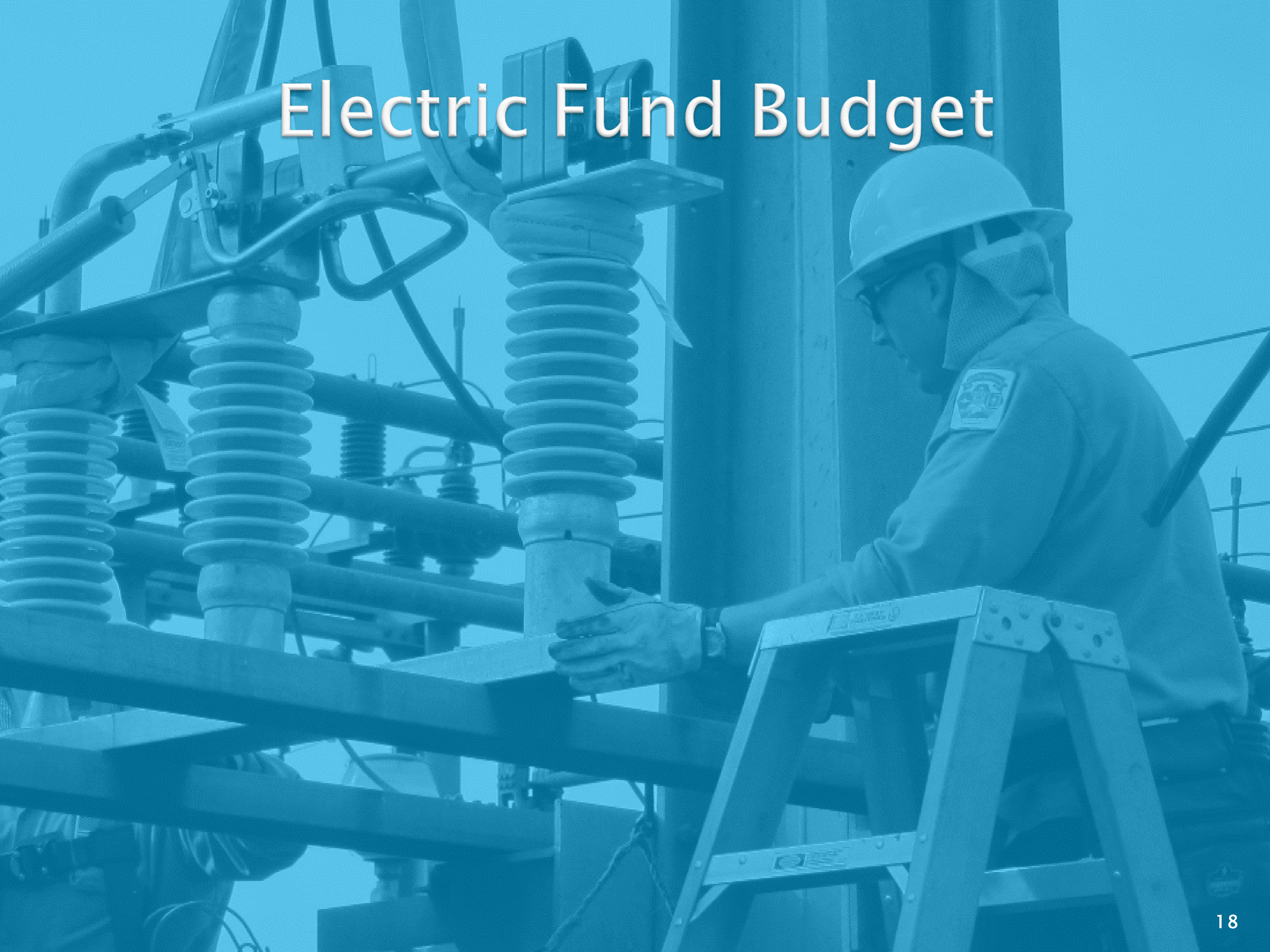
WATER AND POWER

Sustainability

- Electric Vehicle (EV) charging stations
- Planning for solar+storage installations
- Be at or ahead of state guidelines on renewables
- Recycled water
- Ground water contamination clean up
- Automated meter infrastructure
  - Electric– demand response and time of use rates
  - Water – leak prevention = decreased water waste

WATER AND POWER

Electric Fund Budget



Electric Rate Drivers (21-22)

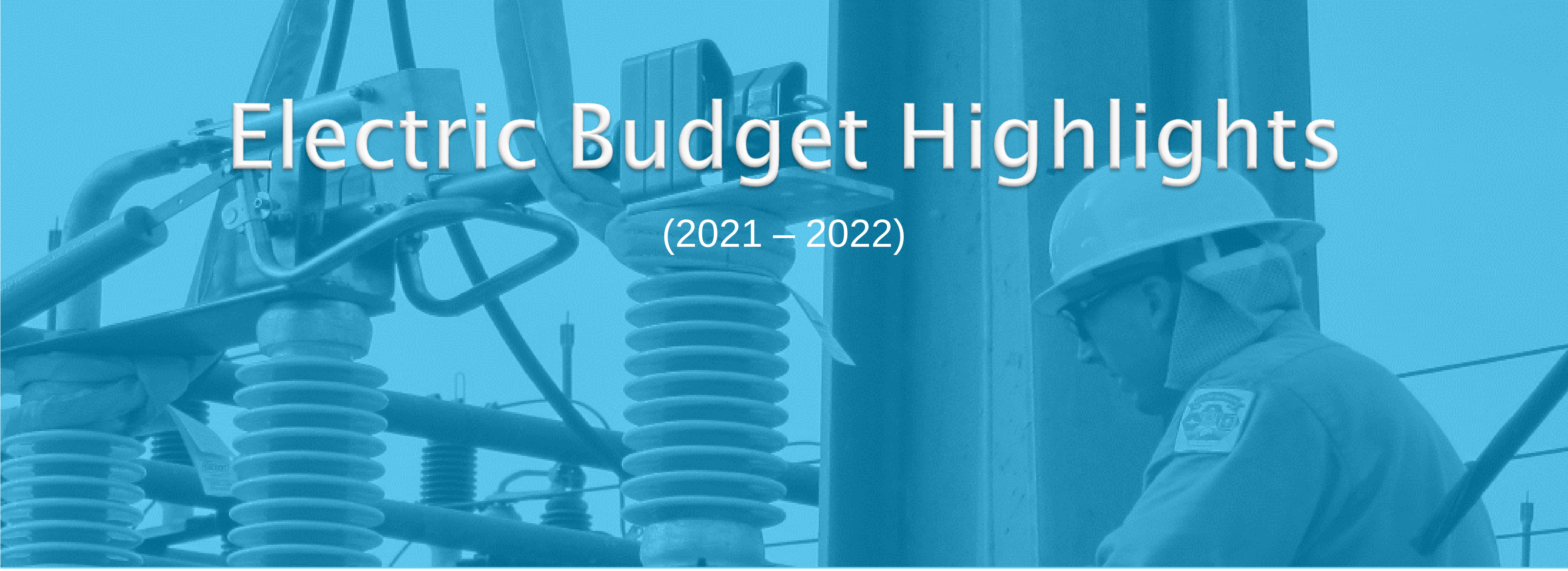
($ in 000's)

	$	% of Oper. Rev.
2020-21 Carry-over to 2021-22	$9,687	5.84%
Higher Operating Expenses	$4,358	2.63%
IPP demolition and hydrogen betterment funding plan	$2,250	1.36%
2021-22 Rate requirement	$16,295	9.82%
Lower Power Supply	($6,522)	-3.93%
Higher retail load	($1,470)	-0.89%
2021-22 Rate increase	($1,212)	-0.73%
2021-22 Carry-over to 2022-23	$7,091	4.27%

CITY OF BURBANK WATER AND POWER

Electric Budget Highlights

(2021 – 2022)



Maintain low rates

Maintain excellent reliability

Meet RPS requirements

WATER AND POWER

Electric Budget Assumptions

(2021 – 2022)

1.2% load growth

RPS at 35.75%

Continue capital replacement plan and preventative maintenance program

Strategic maintenance planning

Unfunded pension liability

CITY OF BURBANK WATER AND POWER

Electric Budget Assumptions

(2021 – 2022)

Increased cost of natural gas

MPP operational flexibility

Investments in a sustainable future

Utilizing cash reserves to stabilize rates

Phased rate increase

CITY OF BURBANK WATER AND POWER

Electric Forecast Assumptions

(Years 2 – 5)

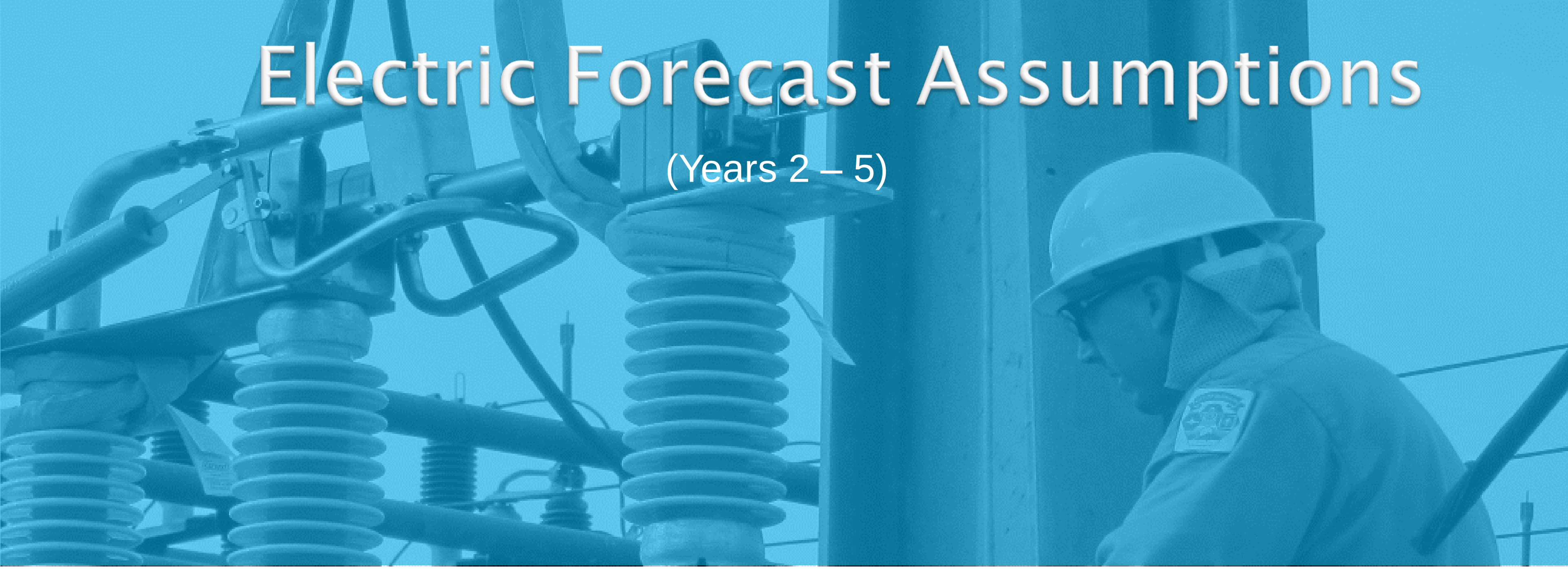
Unfunded pension liability

Renewable energy up to 47%

Rate plan that balances affordability, reliability, and sustainability

Electric Forecast Assumptions

(Years 2 – 5)



Continue strategic maintenance planning

Investments in a sustainable future

Increase in substation capacity

Maintain a sustainable work force

Electric Forecast Assumptions

- FY 21/22 load reduced by 2% from pre-COVID-19 forecast, offset by new developments.

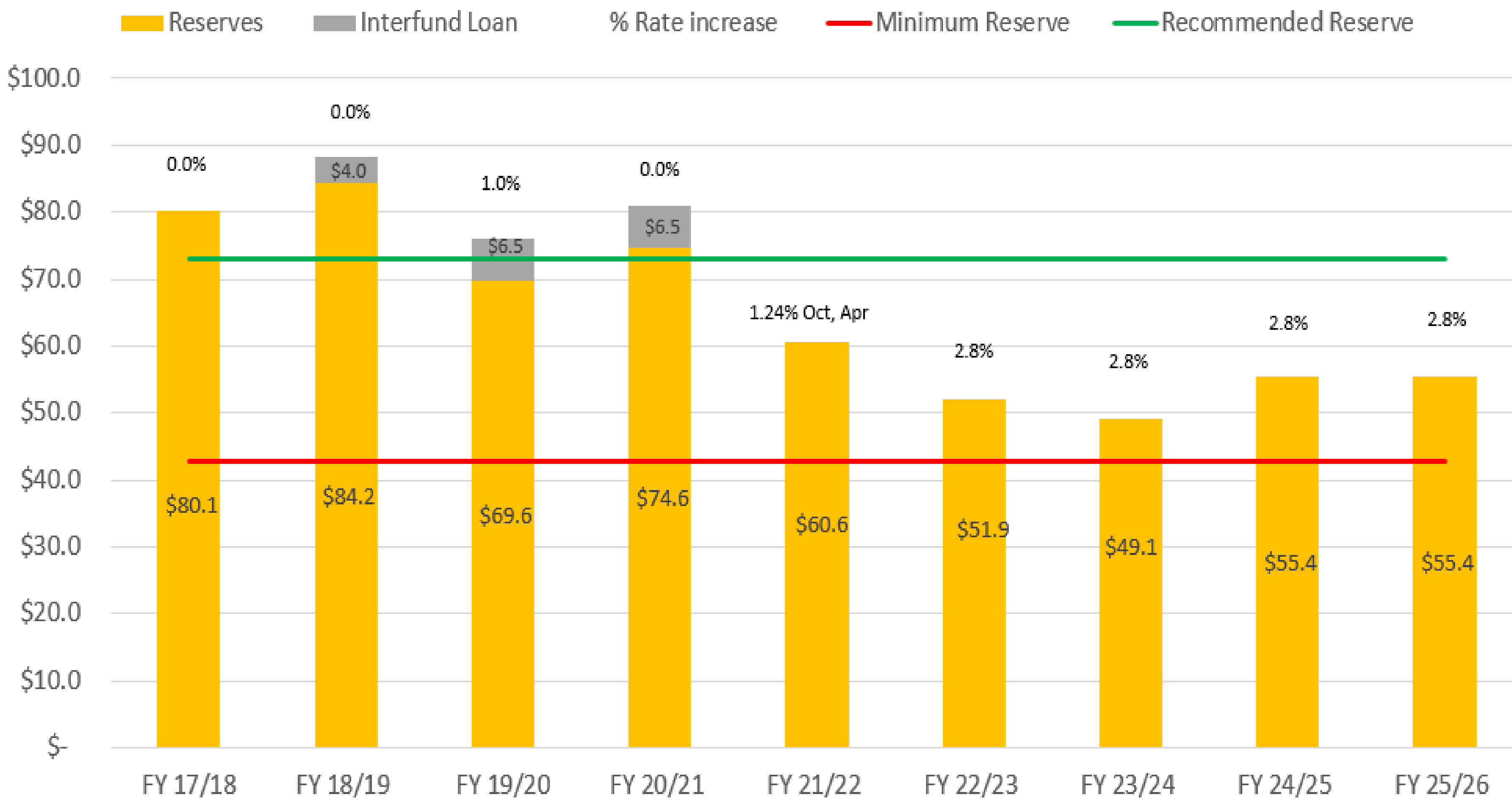
- FY 21/22 based on the year prior to COVID-19.

- Next ten years assumes slight growth due to new commercial and housing developments.

CITY OF BURBANK WATER AND POWER

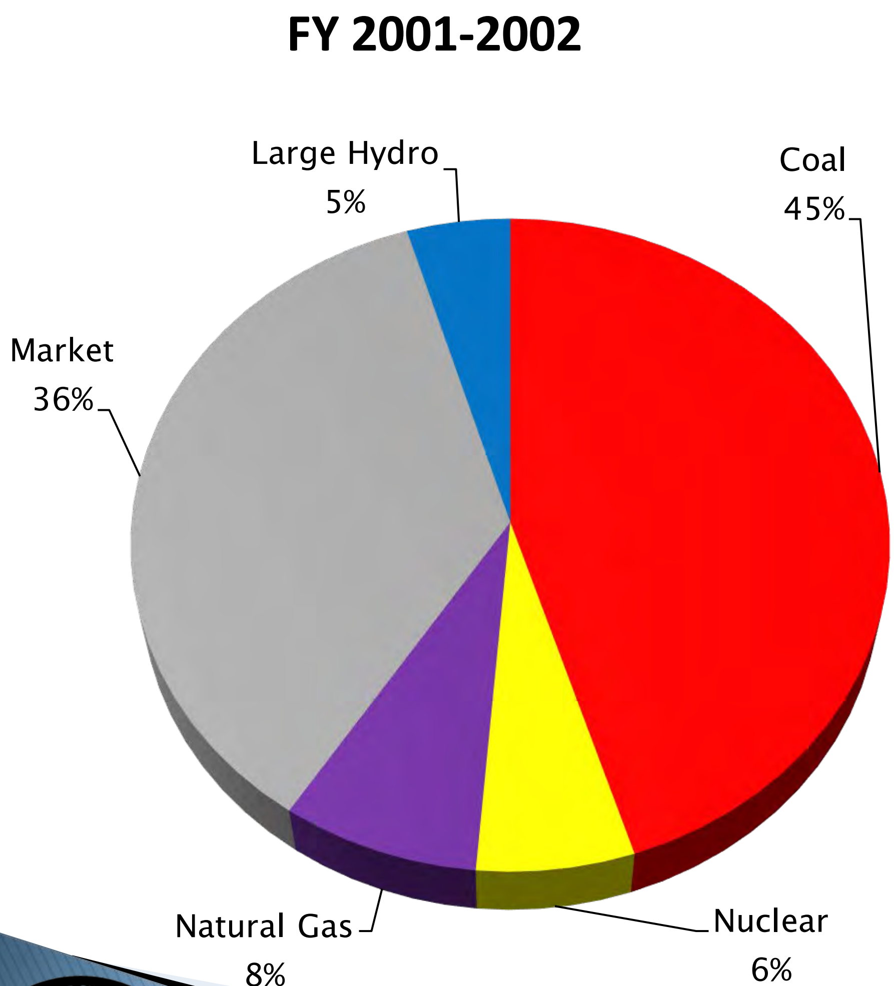
Electric Cash Reserves

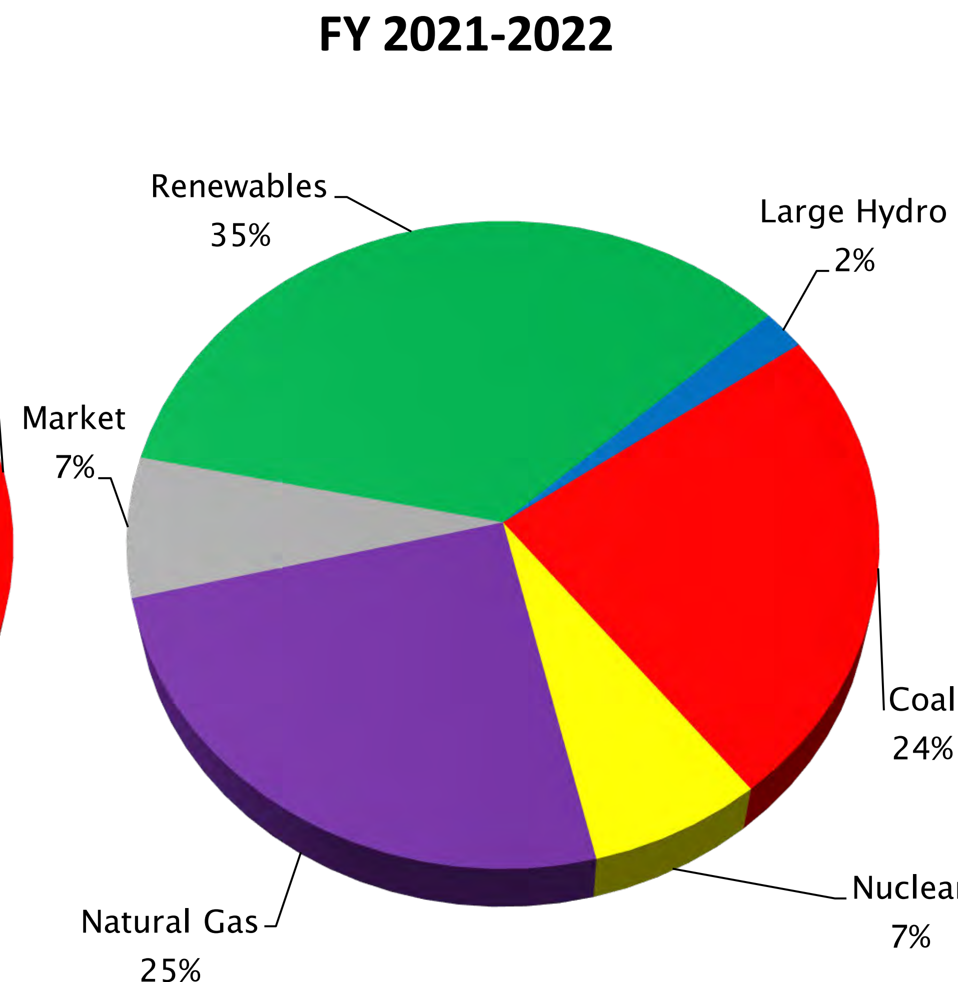
($ in millions)



CITY OF BURBANK WATER AND POWER

Energy Planning





Electric Income Statement

($ in thousands)	Adopted Budget FY 20-21		Proposed Budget FY 21-22 4.1.2021	
Total Operating Revenues	$	220,780	$	222,795
Total Power Expenses	$	161,650	$	158,040
Gross Margin	**$**	**59,130**	**$**	**64,755**
Total Operating Expenses (incl. Depreciation)	$	60,644	$	64,021
Operating Income/(Loss)	**$**	**(1,514)**	**$**	**734**
Other Income / (Expense)	$	(2,852)	$	(3,699)
Net Income (before AIC)	**$**	**(4,366)**	**$**	**(2,965)**

CITY OF BURBANK WATER AND POWER

Electric Fund 5 Year Capital Plan

	2021-22 Proposed	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast	2025-26 Forecast	FY 2021-22 to FY 2025-26 Forecast	
Power Supply Improvement Projects	3,712,526	240,000	1,250,000	3,850,000	1,800,000	10,852,526	
Operations Technology	1,400,000	-	-	-	-	1,400,000	
Distribution Expansion Projects	2,528,725	6,121,839	7,315,760	9,384,524	4,953,313	30,304,162	
Distribution Replacement Projects	18,378,987	26,150,002	11,659,322	9,409,213	9,544,053	75,141,578	
Facility Renovations	340,600	583,400	344,100	343,900	320,610	1,932,610	
ONE Burbank	1,360,194	462,803	408,748	414,693	419,852	3,066,290	
Finance, Warehouse and Fleet Facility	-	200,000	123,750	600,000	-	923,750	
Customer Service	-	600,000	950,000	-	8,000,000	9,550,000	
Security	-	75,000	100,000	-	100,000	275,000	
Water Fund's share of common projects	(200,169)	(119,466)	(184,053)	(39,549)	(735,870)	(1,279,106)	(A)
Total CIP	**$ 27,520,863**	**$ 34,313,578**	**$ 21,967,628**	**$ 23,962,782**	**$ 24,401,958**	**$ 132,166,809**	
New Customer Projects/AIC	11,164,153	3,581,413	2,583,855	2,569,712	2,594,191	22,493,324	
Total AIC	**11,164,153**	**$ 3,581,413**	**$ 2,583,855**	**$ 2,569,712**	**$ 2,594,191**	**$ 22,493,324**	
Total	**$ 38,685,016**	**$ 37,894,991**	**$ 24,551,483**	**$ 26,532,494**	**$ 26,996,149**	**$ 154,660,133**	

Note:
(A) Includes 20% for Safety, 12.5% for Customer Service, and 11.5% for Operations Technology, Facilities, and Finance when applicable.

CITY OF BURBANK

CITY OF BURBANK WATER AND POWER

Electric Fund Capital Improvements (21-22)

Project (In 000's)	**FY 21-22 Proposed**
Media District 12kV Capacity	$4,725
4 kV to 12 kV Conversions	$4,683
Golden State Substation Rebuild	$3,786
Lake NOx Emission System Retrofit	$2,000
Replace Deteriorated Overhead Electrical Dist. Lines	$1,569
Replace Deteriorated Underground Electrical Dist. Lines	$1,015
Ethernet Switched Services Network Infrastructure Replacement	$704
Electric Vehicle Charging Program	$702
Data Center Hardware	$550
Upgrade Circuit M-2 Overhead Lines	$542
Replace Burbank Station Distribution Getaways	$536
Other Remaining Projects	$6,709
Sub Total Electric Fund CIP Projects	$27,521

CITY OF BURBANK WATER AND POWER

Electric Fund Capital Improvements (21-22) (cont.)

Project (In 000's)	FY 21-22 Proposed
Media District 12kV Capacity	$5,614
Build Service to Large Project Over 1 MVA	$2,514
Build Facilities for Avion Burbank Development	$2,000
Build New Customer Transformer Stations, 750 kVA & Under	$821
Other Remaining Projects	$215
Sub Total Electric Fund AIC Projects	$11,164
Grand Total Electric Fund CIP Projects	$38,685

CITY OF BURBANK WATER AND POWER

Electric Fund 5 Year Capital Outlay

	2021-22 Proposed	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast	2025-26 Forecast	FY 2021-22 to FY 2025-26 Forecast
Capital Outlay	2,514,480	1,888,020	1,925,780	1,964,296	2,003,582	10,296,158
Information Technology	197,000	64,605	177,000	154,875	150,000	743,480
Master Fleet Plan	643,550	3,119,650	2,849,750	1,894,500	1,503,025	10,010,475
Total Capital Outlay	**$ 3,355,030**	**$ 5,072,275**	**$ 4,952,530**	**$ 4,013,671**	**$ 3,656,607**	**$ 21,050,113**

CITY OF BURBANK WATER AND POWER

Electric Fund

Staffing Summary

Division	FY 2020-21 Approved Staffing Plan	FY 2020-21 Mid-year Adjustments	FY 2021-22 Proposed Adjustments		FY 2021-22 Proposed Staffing Plan
Administration and Safety	6	0	3	(a), (h)	9
Customer Service, Electric and Water Public Benefits, and Marketing	50	0	-1	(a), (b), (c), (d)	49
Electric Distribution	100	0	-1	(b), (d), (h)	99
Power Systems, and Construction and Maintenance	85	0	0	(f)	85
Operations Technology and Security	17.5	0	0.5	(g)	18
Finance, Fleet and Materials	27.5	0	0		27.5
Total - Electric Fund	286	0	1.5		287.5

(a) Transfer of two Field Service Rep II's from Customer Service to Admin / Safety for upgrades to an Environmental, Health & Safety Officer and a Senior Administrative Analyst (Z).

(b) Transfer of a Redevelopment Project Manager from Electric Distribution for a downgrade to a Marketing Associate in Public Benefits.

(c) New Sustainability Coordinator position in Customer Service with 25% funding from Community Development Department, Public Works and Parks & Recreation.

(d) Transfer of a Customer Service Rep II from Customer Service for an upgrade to an Electric Engineering Associate II in Electric Distribution.

(f) Upgrade of a Metal Worker to a Power Production Engineer.

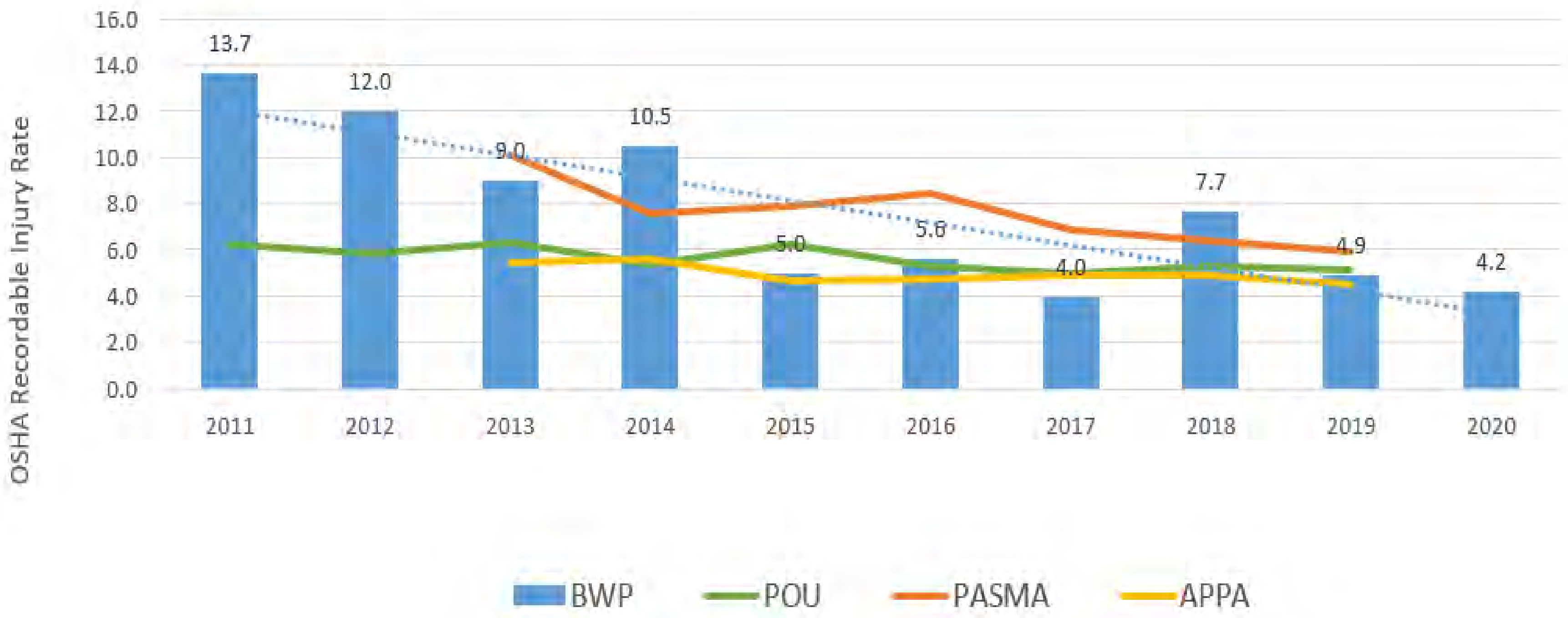
(g) Upgrade of an Administrative Technician to an Administrative Analyst II (M). Increase of an Engineering Aide from PT to FTE, funded by the revenue growth of ONEBurbank.

(h) Transfer of a Utility Line Mechanic - G from Electric Distribution to Safety.

CITY OF BURBANK WATER AND POWER

Safety

Total Recordable Injury Rate (TRIR)

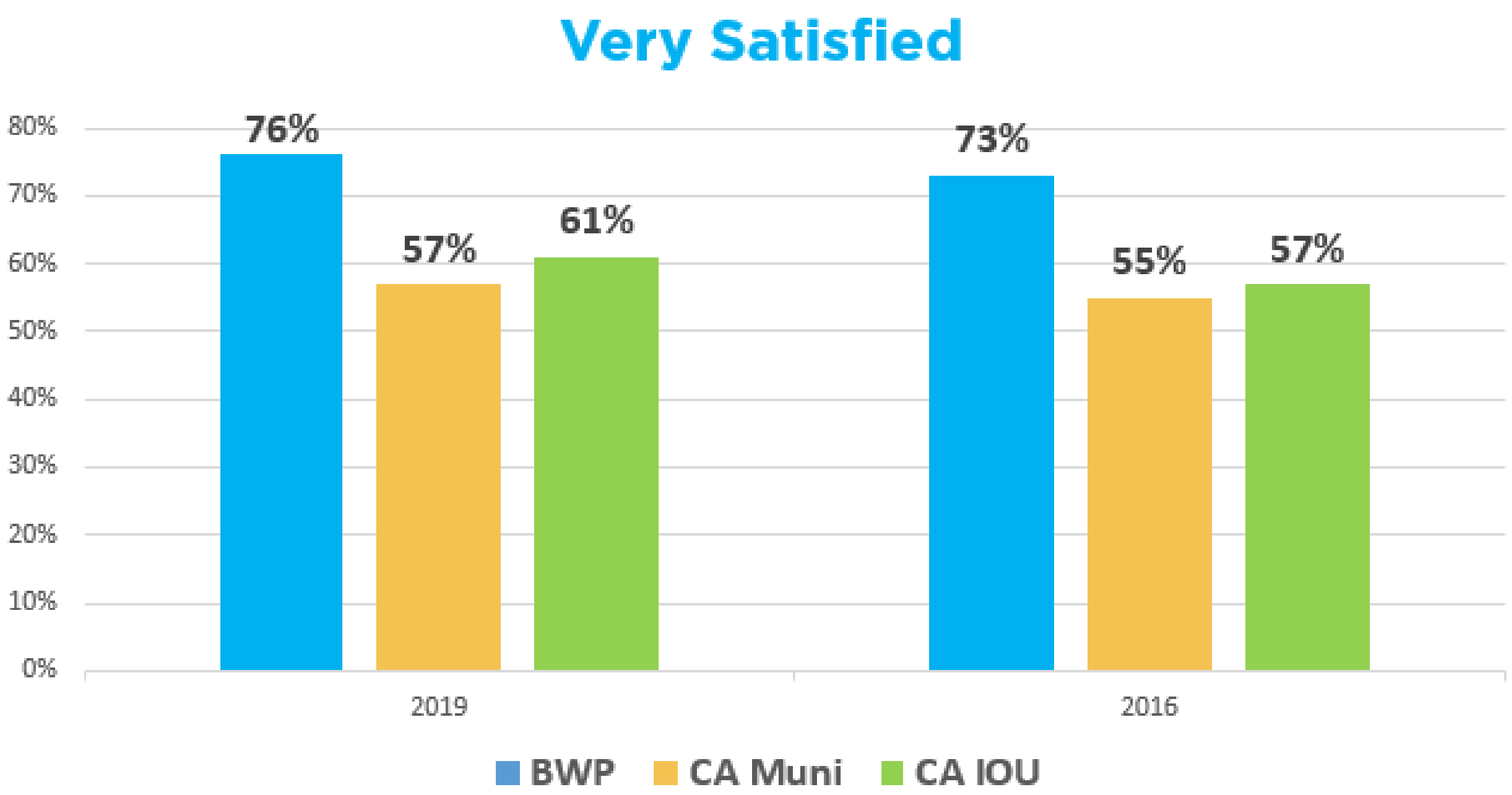


- OSHA Recordable Injury Rate = No. of recordable cases per 100 full time employees. Current year expressed as 12 month rolling average
- PASMA - Public Agency Safety Management Association (Utilities only Data)
  POU - Publicly Owned Utilities - Bureau of Labor Statistics
- APPA - American Public Power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

WATER AND POWER

Residential Customer Satisfaction

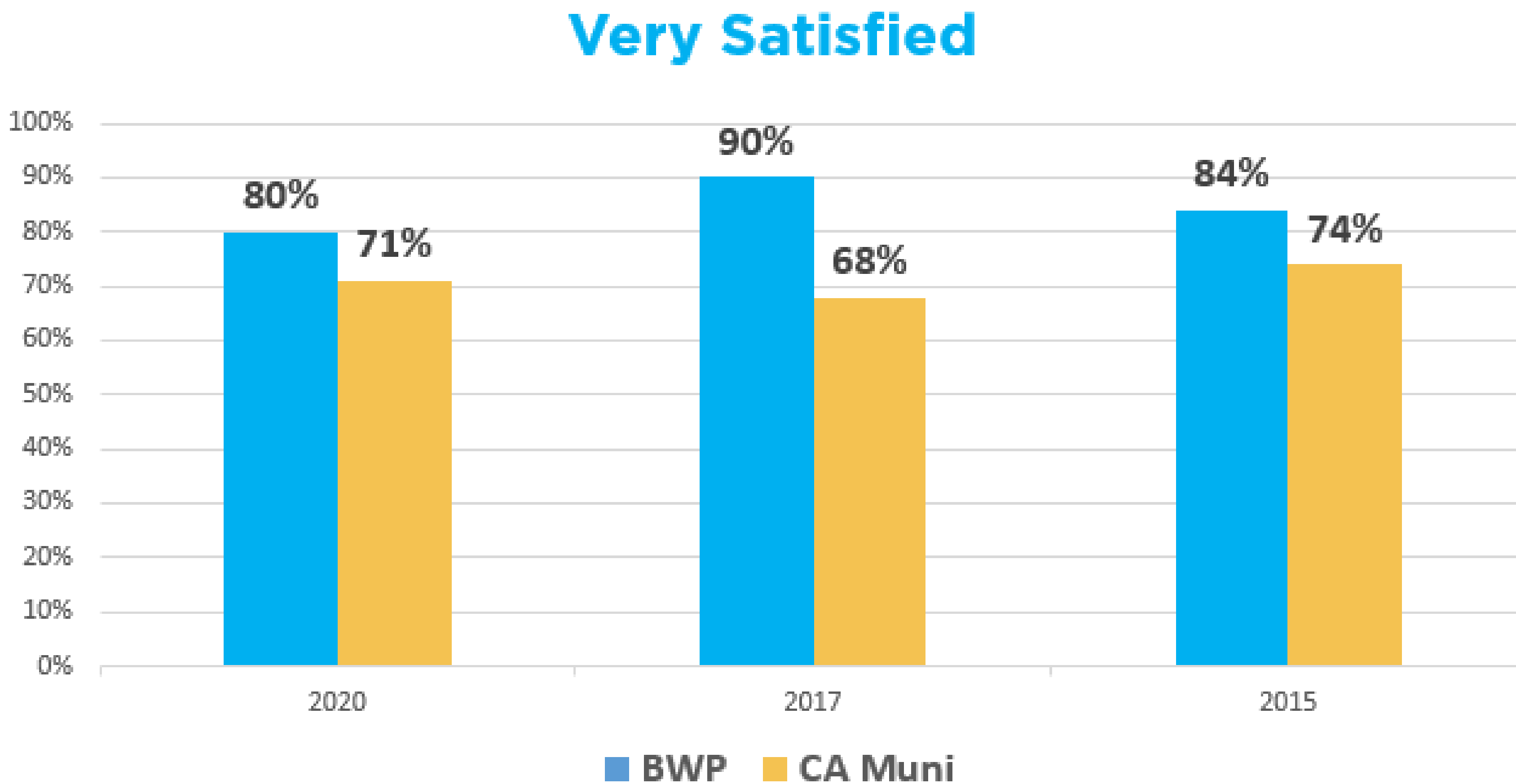
2019 Independent Survey of Residential Customer Satisfaction



WATER AND POWER

Commercial Customer Satisfaction

2020 Independent Survey of Commercial Customer Satisfaction



WATER AND POWER

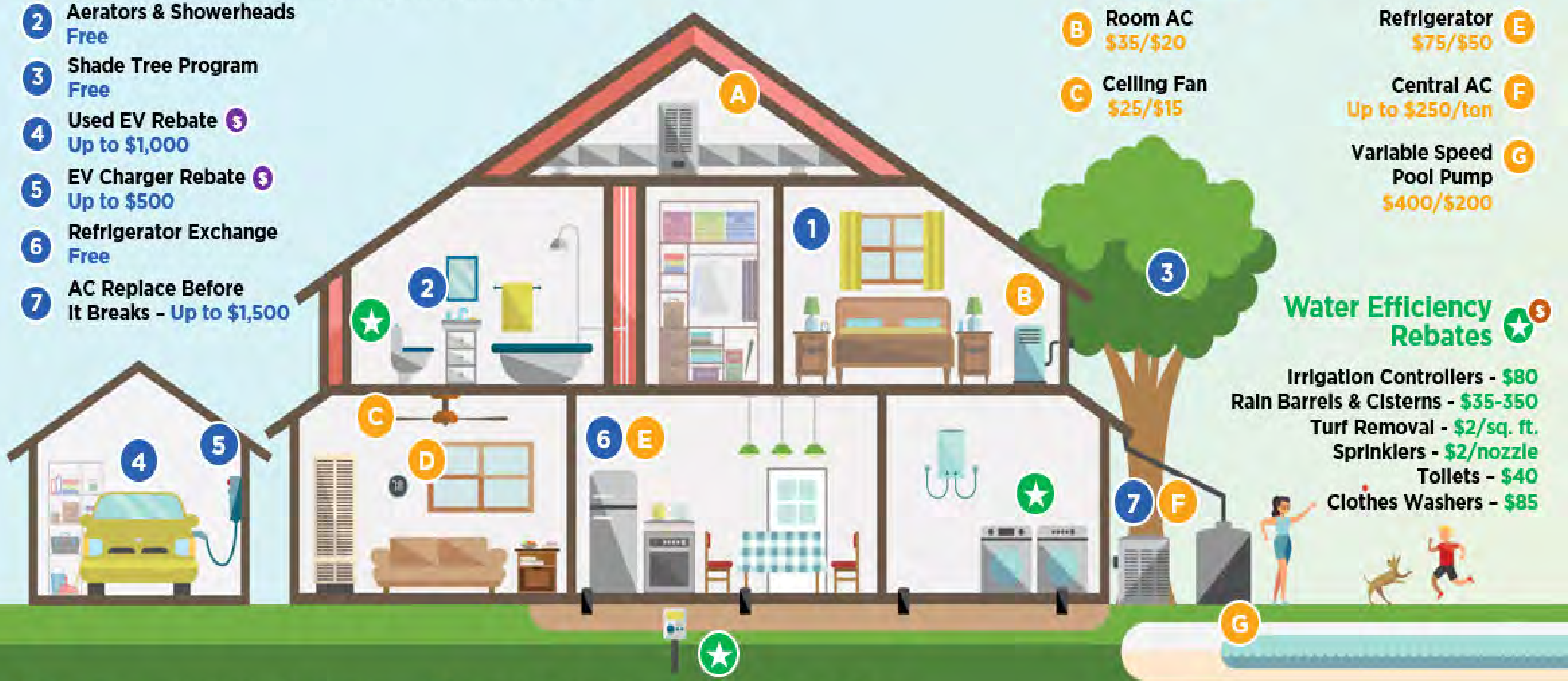
BWP's Residential Programs

Programs

1. **Home Improvement Program** ($)
   Free - Attic insulation, duct sealing, LED lightbulbs, showerheads, etc.
2. **Aerators & Showerheads**
   Free
3. **Shade Tree Program**
   Free
4. **Used EV Rebate** ($)
   Up to $1,000
5. **EV Charger Rebate** ($)
   Up to $500
6. **Refrigerator Exchange**
   Free
7. **AC Replace Before It Breaks** - Up to $1,500

Energy Efficiency Rebates

- A. **Attic/Wall Insulation** $0.15/$0.10 sq. ft.
- B. **Room AC** $35/$20
- C. **Ceiling Fan** $25/$15
- D. **Smart Thermostat** $75/$50
- E. **Refrigerator** $75/$50
- F. **Central AC** Up to $250/ton
- G. **Variable Speed Pool Pump** $400/$200



Water Efficiency Rebates ($)

- Irrigation Controllers - $80
- Rain Barrels & Cisterns - $35-350
- Turf Removal - $2/sq. ft.
- Sprinklers - $2/nozzle
- Toilets - $40
- Clothes Washers - $85

($) Partially Funded by MWD/SoCalGas ($) Funded by Low Carbon Fuel Standards (LCFS)

CITY OF BURBANK WATER AND POWER

BWP's Commercial Programs

Programs

1. **Business Bucks**
   Up to $5,000 in Retrofits
2. **Shade Tree Program**
   Free
3. **EV Charger Rebates** (\$)
   Up to $2,000/charger
   Four charger maximum
4. **LEED Incentive**
   Up to $30,000
5. **Commercial Landscape Battery Rebate**
   Up to $475

Energy Efficiency Rebates

Rebate amount varies, capped at 25% of the installed cost or $100,000 annually, whichever is less

- HVAC Retrofits (A)
- Heat Pump & Chiller Retrofits, Motor Replacements (B)
- New Construction & Major Tenant Renovation (C)
- LED/Lighting Retrofits (D)
- PC Network Power Management Software (E)
- Exit Signs (F)

Water Efficiency Rebates (\$)

- Plumbing Fixtures - $40-$200
- Landscaping Equipment – Varies
- Medical/Dental Equipment – $10-$125
- Food Equipment - $485-$1,000
- HVAC Equipment - $625-$1,750
- Turf Removal - $2/sq. ft.

(\$) Partially Funded by MWD/SoCalGas (\$) Funded by Low Carbon Fuel Standards (LCFS)

City of Burbank Water and Power

Financial Assistance Programs

BWP COVID-19 Job Loss Bill Credit Program

- Provides four equal bill credits to residents totaling $200 (multi-family) or $300 (single-family)

Low Income Home Energy Assistance Program (LIHEAP)

- Federally funded program that provides low-income households with a one-time financial credit towards their utility bill annually
- Free energy-efficiency upgrades
- Administered by PACE and Maravilla Foundation depending on the applicant's customer's ZIP code

Pandemic Unemployment Assistance (PUA)

- Helps unemployed Californians who are not usually eligible for regular unemployment insurance benefits

BWP Project Share

- Payment assistance of up to $100 in the form of a bill credit to income-qualified customers

BWP Lifeline Program

- Offers income-qualified customers a reduced rate as well as exemptions from the monthly customer service charge and the Utility Users Tax (about a 40% discount)

CITY OF BURBANK WATER AND POWER

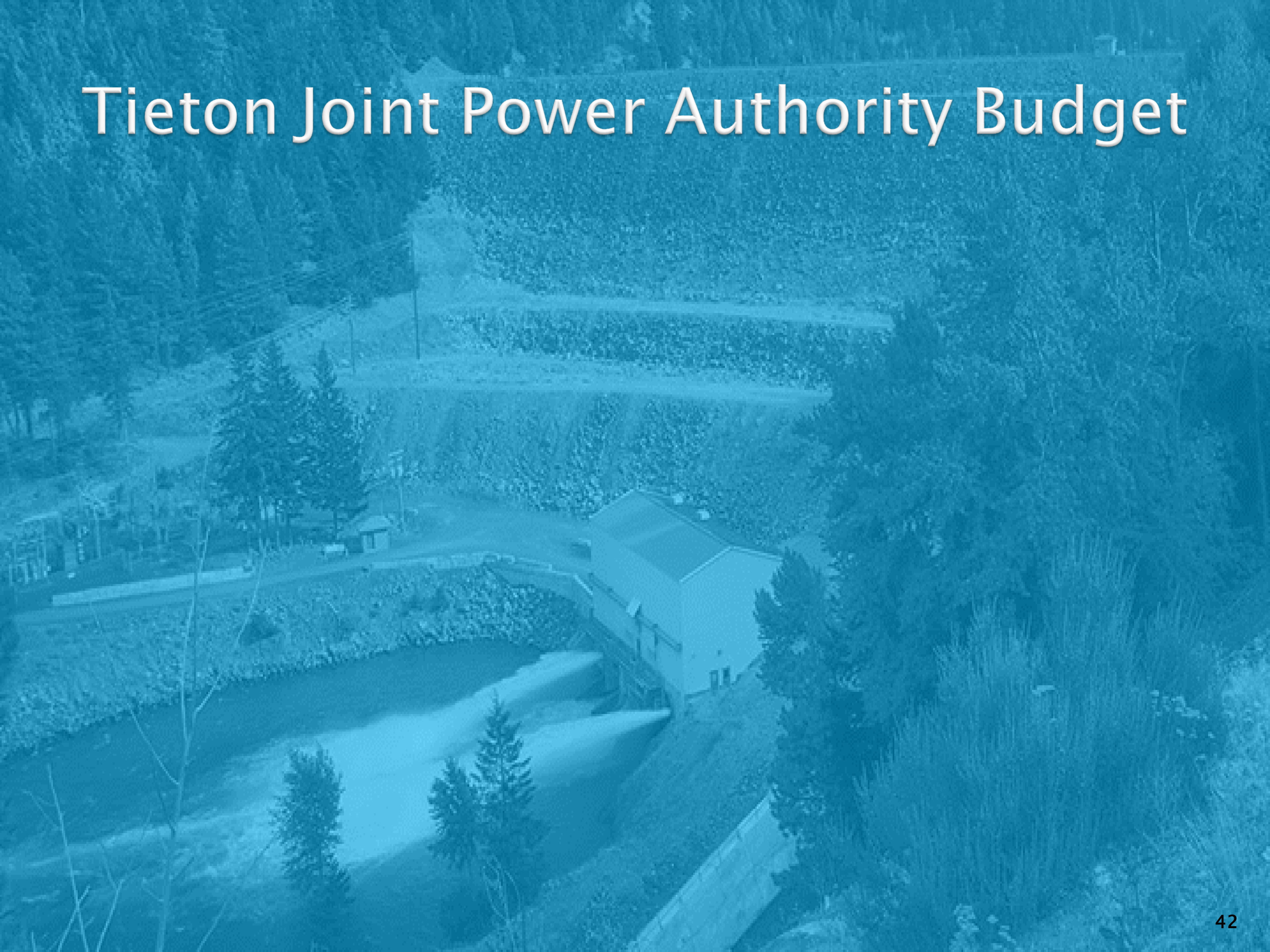
MPP Joint Power Authority Budget

MPP Joint Power Authority Budget

($ in 000's) Description	FY 20-21 Adopted Budget	FY 21-22 Proposed Budget
Est. Net Generation in MWh	1,231,200	1,362,424
Operating and Maintenance Expenses	$21,838	$22,591
Capital Expenditures	$875	$140
Operating Agent Budget (Fund 483)	**$22,713**	**$22,731**

CITY OF BURBANK WATER AND POWER

Tieton Joint Power Authority Budget



Tieton Joint Power Authority Budget

($ in 000's) Description	FY 20-21 Adopted Budget	FY 21-22 Proposed Budget
Est. Generation in MWh	48,400	47,612
Operating and Maintenance Expenses	$3,264	$2,094
Transmission Expenses	$93	$93
Capital Expenditures	$224	$202
Operating Agent Budget (Fund 133)	$3,580	$2,388

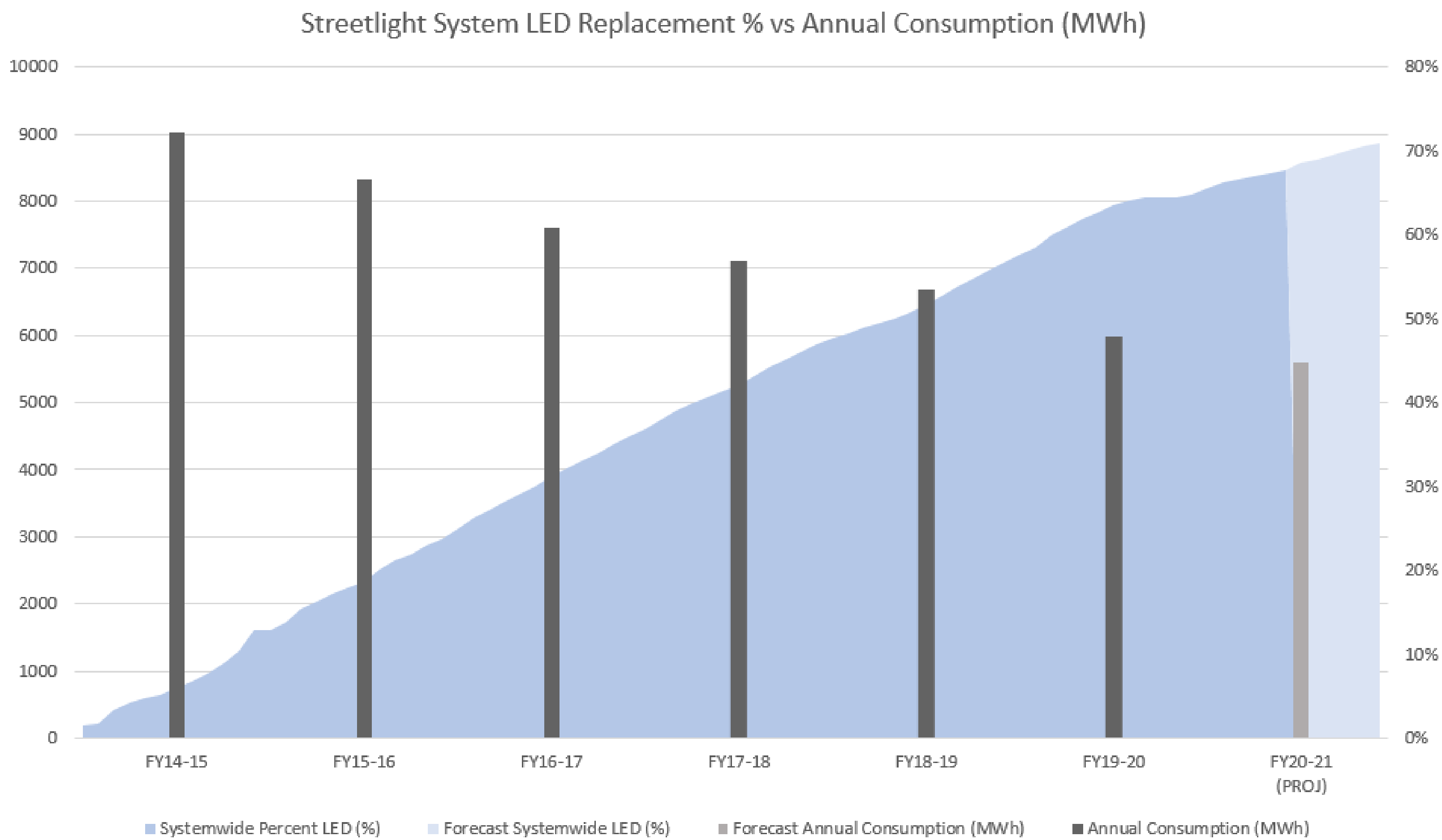
CITY OF BURBANK WATER AND POWER

Street Lighting (Fund 129) Budget

Street Lighting (Fund 129)

($ in 000's)	Adopted Budget FY 20-21	Proposed Budget FY 21-22
Transfers	$ 2,515	$ 2,556
Transfers	$ 2,515	$ 2,556
Operating Expenses		
Utilities	$ 1,078	$ 1,006
Street Light Maintenance	$ 495	$ 495
Other Operating Expenses	$ 214	$ 189
Total Operating Expenses	$ 1,787	$ 1,690
Other Income	$ 728	$ 866
Interest / Other Income and (Expense)	$ 45	$ 66
Aid in Construction	$ 185	$ 285
Total Other Income	$ 230	$ 351
Net Change in Net Assets (Net Income)	$ 958	$ 1,217
Capital Expenditures	$ 1,054	$ 1,114
Cash Balance at June 30	$ 834	$ 937

LED Conversions



WATER AND POWER

ONE Burbank

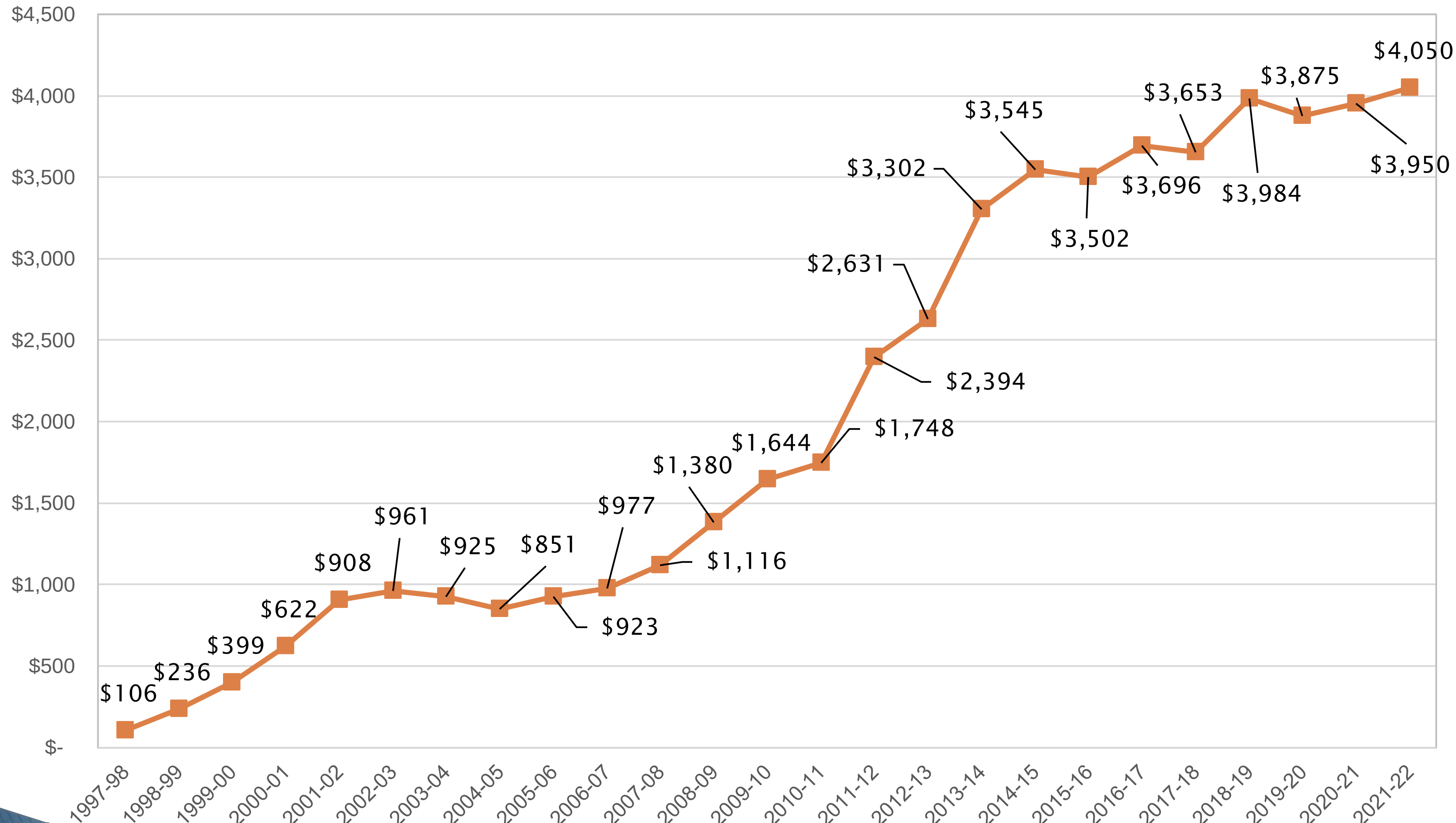
ONE Burbank Customers

- Animation Guild
- Buddy's All Stars
- Burbank Studios
- BUSD
- Cast & Crew
- Catalina Media
- CBS
- Century Link
- Critical Content
- Deluxe
- Digital Preservation Labs
- Disney
- Entertainment Partners
- Estrella Media
- FotoKem
- Hasbro
- Keycode Media
- Mobeon Media
- Moviola
- Music Express
- NBC Universal
- New Wave Entertainment
- Ole Music Publishing
- Pixelogic Media
- Producers/Writers Guild
- SAG
- Sohonet
- Technicolor
- Viacom Inc. (Nickelodeon)
- Warner Brothers
- Worthe Real Estate

CITY OF BURBANK WATER AND POWER

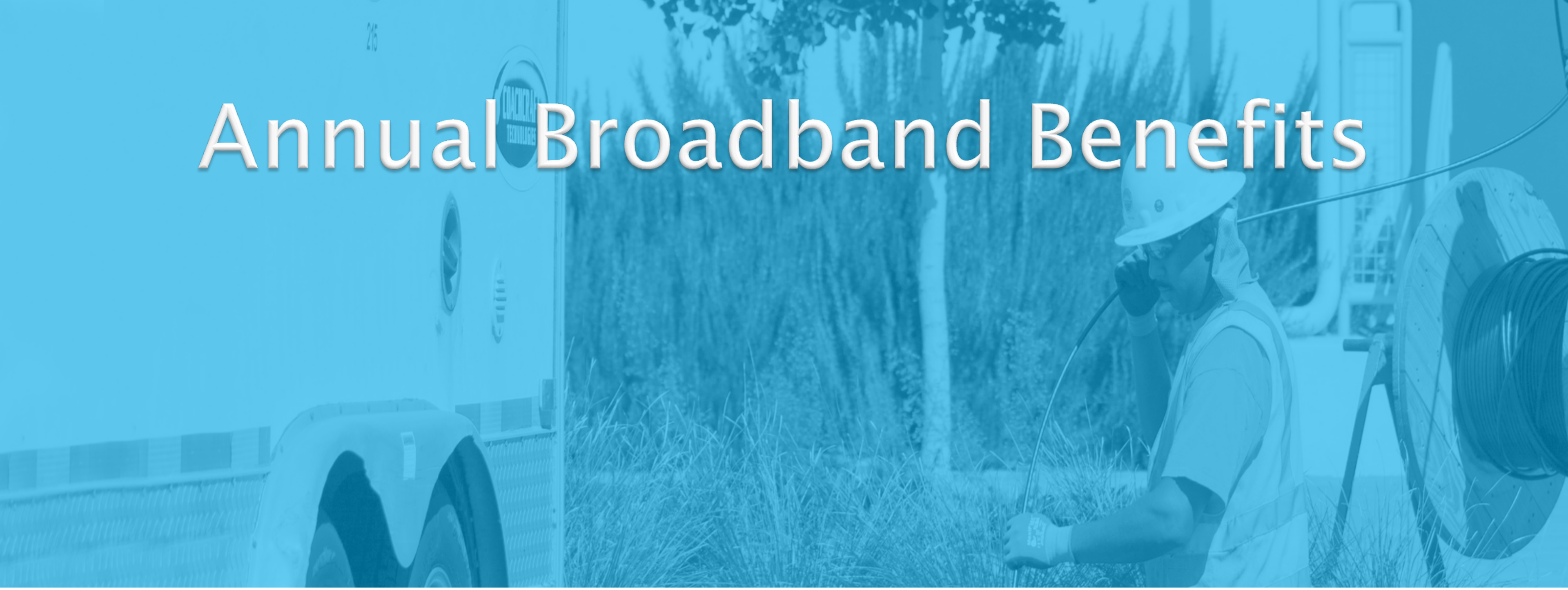
ONE Burbank Revenues

($ in 000's)



CITY OF BURBANK WATER AND POWER

Annual Broadband Benefits



BWP cost savings

$450k

City departments cost savings

$642k

BUSD cost savings

$396k

WATER AND POWER

Communications (Fund 535)

Communications (Fund 535)

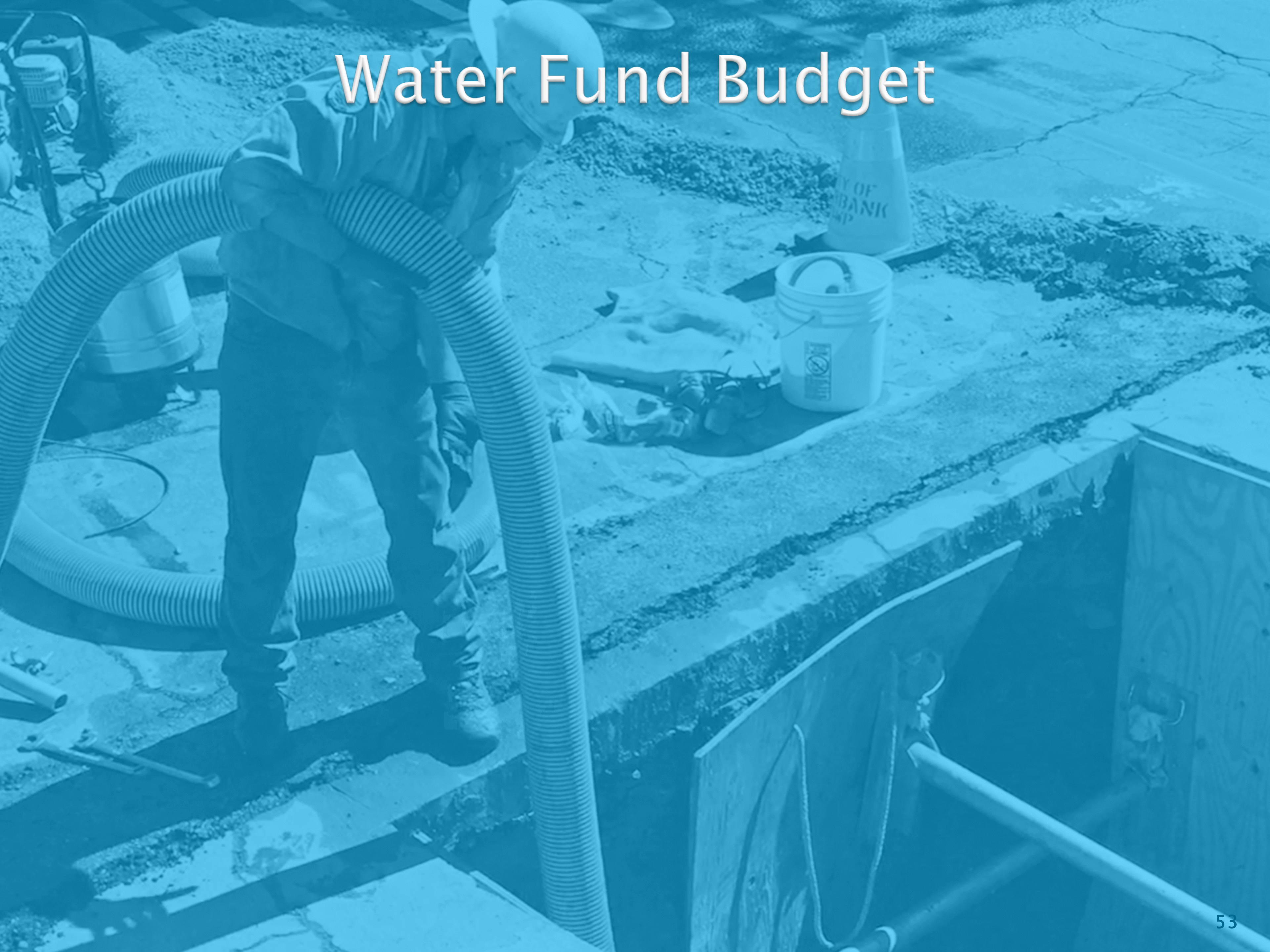
($ in 000's)	Adopted Budget FY 20-21	Proposed Budget FY 21-22
Revenues		
Charges for Services	$ 3,065	$ 3,063
Total Operating Revenues	$ 3,065	$ 3,063
Operating Expenses		
Operations and Maintenance	$ 2,660	$ 2,767
Depreciation	$ 896	$ 839
Total Operating Expenses	$ 3,556	$ 3,607
Operating Income (Loss)	$ (491)	$ (544)
Interest & Other Income	$ 142	$ 70
Total Operating Income (Loss)	$ (349)	$ (473)
Extraordinary Expenses		
Pension Repayment Plan	$ (56)	$ (56)
Net Change in Net Assets (Net Income)	$ (405)	$ (529)
Capital Expenditures	$ 150 [a]	$ 3,264 [b]

[a] Fire Department portable radio lifecycle replacement

[b] P-25 Phase II Infrastructure Lifecycle Replacement @ $2,650k; Fire Department UHF radio lifecycle replacement @ $350k; Phone system resiliency @ $250k; miscellaneous @ $14k.

CITY OF BURBANK WATER AND POWER

Water Fund Budget



Water Rate Drivers (21-22)

($ in 000's)

	$	% of Oper. Rev.
2020-21 Carry-over to 2021-22	$2,808	9.74%
Higher operating expenses	$215	0.75%
Higher water supply costs	$706	2.45%
Infrastructure modernization	$1,224	4.25%
2021-22 Rate requirement	$4,953	17.19%
Higher water sales	($117)	-0.41%
2021-22 Rate increase	($997)	-3.46%
2021-22 Carry-over to 2022-23	$3,839	13.32%

CITY OF BURBANK WATER AND POWER

Water Income Statement

($ in thousands)	Adopted Budget FY 20-21		Proposed Budget FY 21-22 4.1.2021	
Total Operating Revenues	$	33,216	$	34,276
WCAC Expense	$	12,324	$	13,030
Gross Margin	**$**	**20,892**	**$**	**21,246**
Total Operating Expenses (incl. Depreciation)	$	19,339	$	19,764
Operating Income/(Loss)	**$**	**1,553**	**$**	**1,482**
Other Income / (Expenses)	$	(1,639)	$	(2,362)
Net Income (before AIC)	**$**	**(86)**	**$**	**(880)**

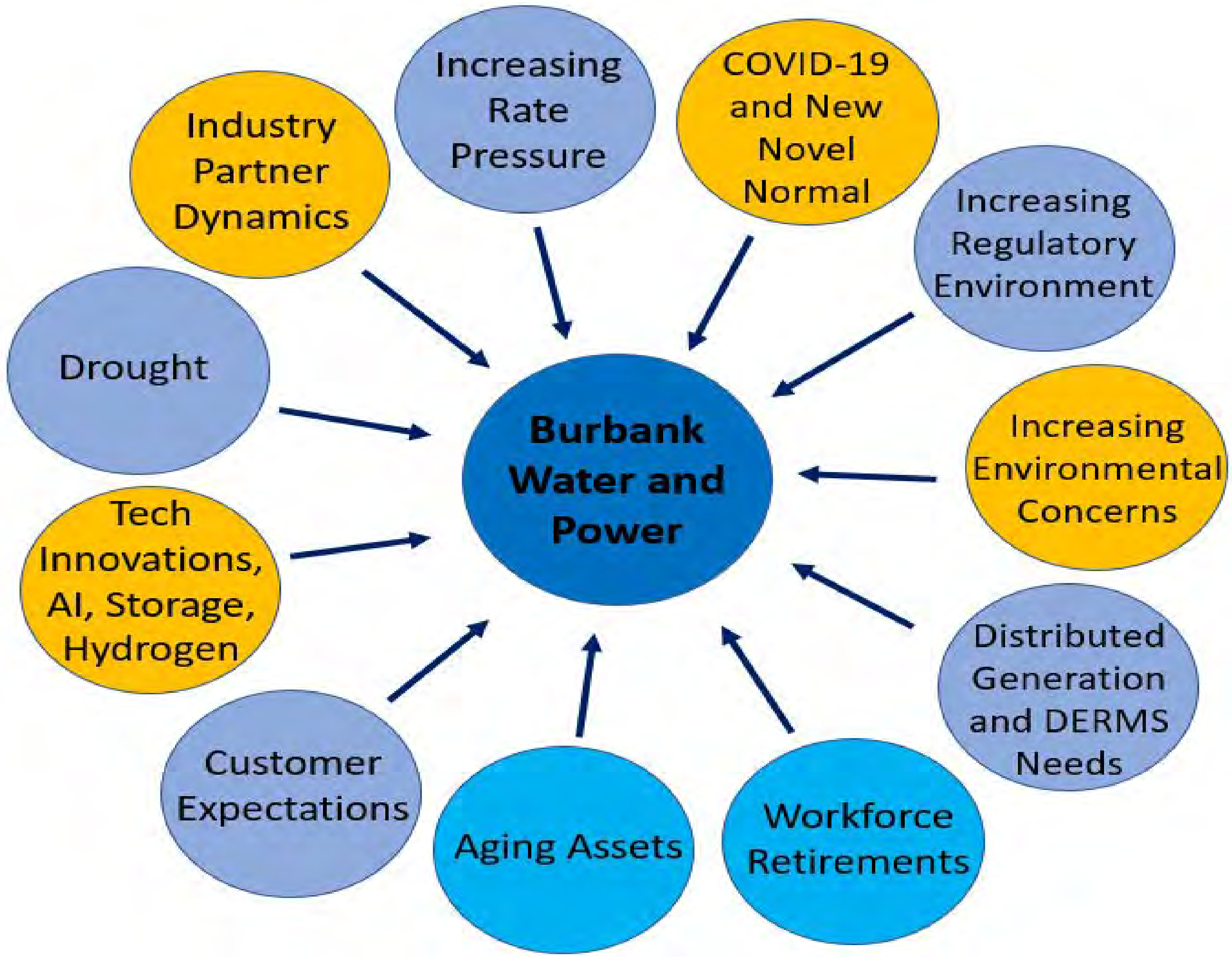
CITY OF BURBANK WATER AND POWER

Reliability: Water

- 99.999% reliable
- Asset management required
  - Valley Pumping plant – pump replacement
    - In use since WWII
    - Maintained impeccably
  - 30 miles of pipe > 100 years old
    - In use before the Great Depression
    - Well maintained

WATER AND POWER

BWP Challenges



CITY OF BURBANK WATER AND POWER

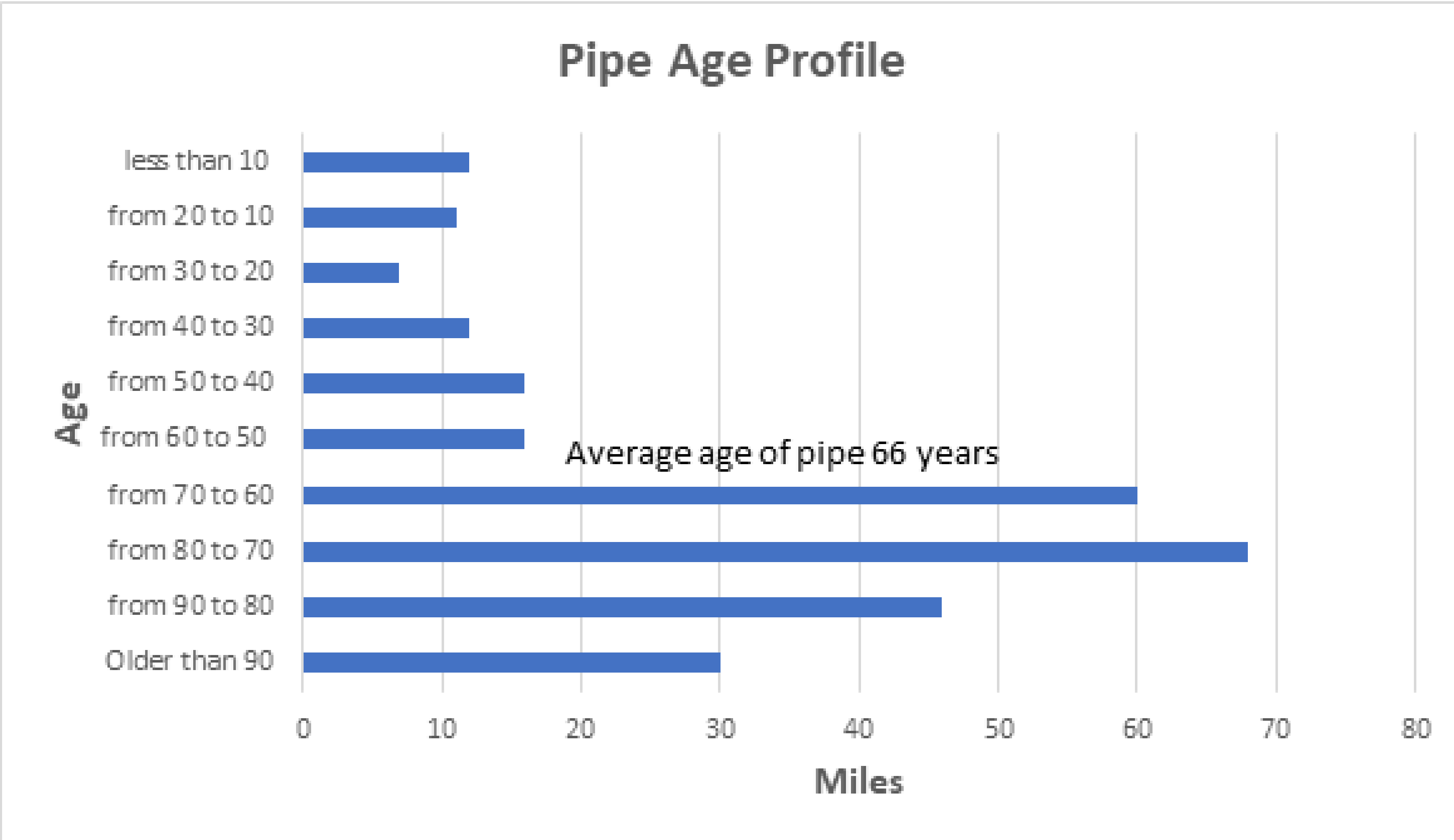
Pipe Age & Break History

- There are 278 miles of pipe in Burbank; 30 miles are approximately 100 years old
- All of the aged pipe is cast iron

Break/Leak History (by Calendar Year)

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
6	23	27	27	13	16	23	25	16	17	5

CITY OF BURBANK WATER AND POWER



CITY OF BURBANK WATER AND POWER

Pipe Age Profile

- With a replacement rate of 1 mile per year, there will be a "wave" of aging pipe, most of it cast iron:
    - In 2031 there will be 61 miles of pipe over 90 years old
    - In 2041 there will be 125 miles of pipe over 90 years old
    - In 2051 there will be 176 miles of pipe over 90 years old
- However, cast iron pipe can last well over 100 years, even 140 years
- But, the rate at which pipes are aging underscores the need to use a tool box consisting of physical strength tests, non-invasive condition assessments, and risk/consequence analysis. Due to the quantity of pipe getting older, we need to step up our focus on planning for the future.

CITY OF BURBANK WATER AND POWER

Valley Pumping Plant Booster Upgrade

- 70+ year old facility that has reached the end of its life and can no longer be maintained.
- Pumps and motors not only need to be replaced, but appropriately sized for the future.
- Failure of this facility would disrupt our ability to treat groundwater at the BOU.

CITY OF BURBANK WATER AND POWER

Reservoir Number 2 Replacement

- Reservoir 2 leaks when it is half full
- Unstable slope surrounds reservoir, a constant threat and O&M issue

CITY OF BURBANK WATER AND POWER

Reservoir Number 2 Replacement

the reservoir during storm runoff events to verify the runoff is not entering the reservoir overflow vents. Reservoir 2 was constructed in 1930 and is still functional; however, its design is outdated, and the Division encourages the City to begin making plans on replacing the reservoir with one that meets current Waterworks Standards.

WATER AND POWER

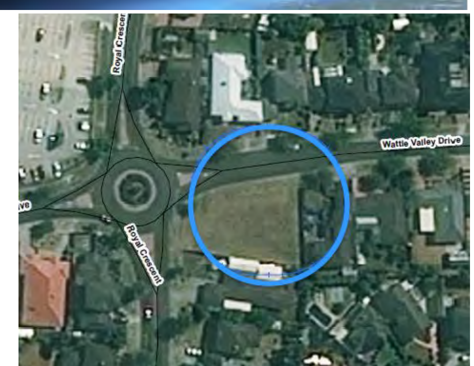
MWD B-1 Booster Station Improvements

- Identified as a critical facility in our Risk and Resiliency Assessment (RRA) for the purpose of providing a backup/supplementary water source.
- Electrical and mechanical equipment have reached the end of life.

Tool Box

<u>Above Ground Assets – Reservoirs, Pumping Plants, BOU, SCADA</u>

- BWP Staff
  - Hydraulic Modeling
  - Asset Management
  - Operational Technology and Electrical Engineering
- Consultants
  - Risk and Resiliency Analysis
  - Water Quality Studies
  - Seismic and Structural Engineering
  - Master Planning



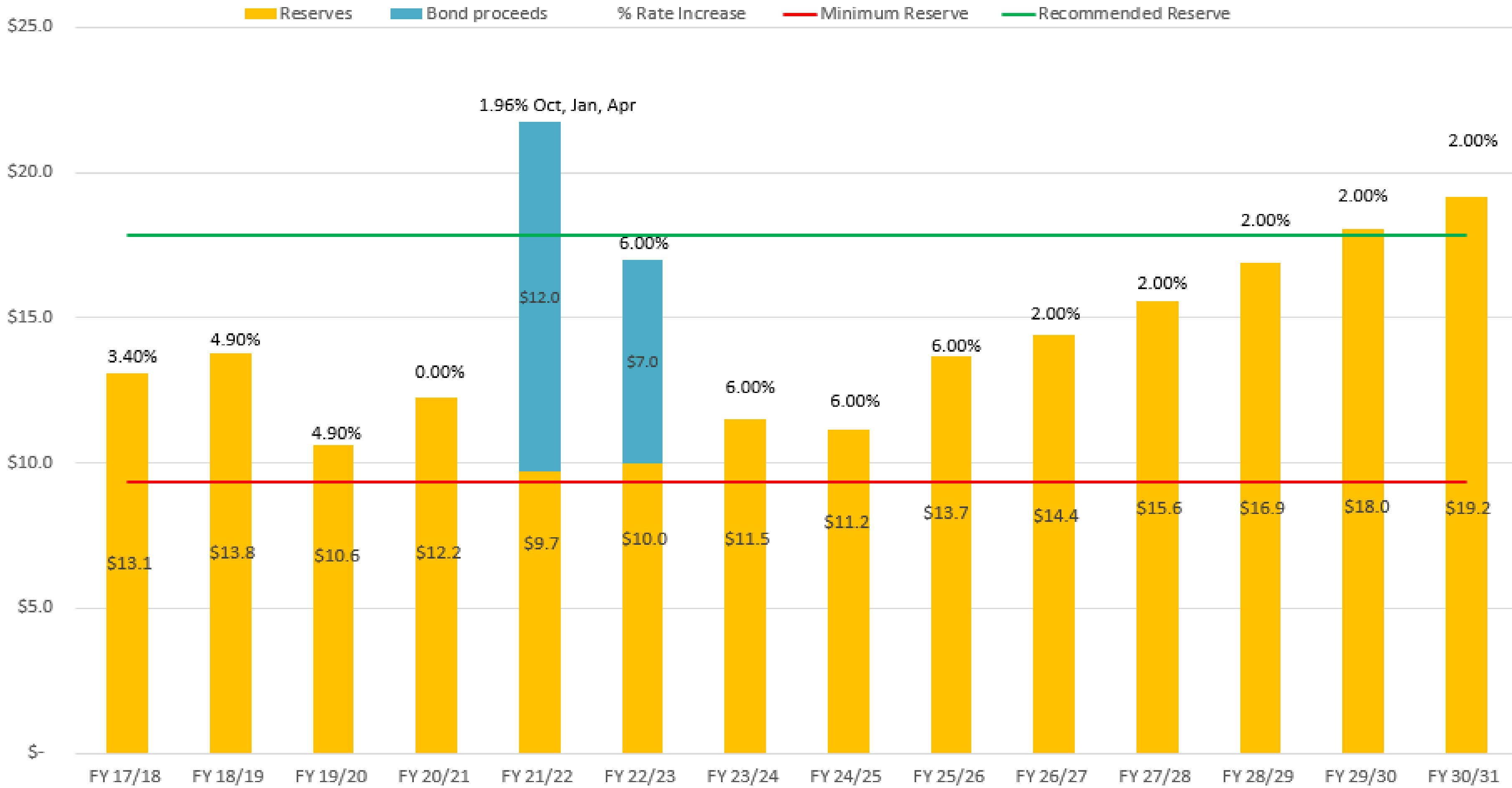
<u>Below Ground Assets – Pipelines</u>

- Ultrasonic Technology and Satellite Imaging
  - Non-Invasive Condition Assessment
  - Leak Detection

CITY OF BURBANK WATER AND POWER

Water Cash Reserves

($ in millions)



$24 M bond issuance with $12 M drawdown in FY 21/22, $5 M in FY 22/23, and $7 M in FY 23-24

CITY OF BURBANK WATER AND POWER

Cost of Water Bonds

- $24 million bond financing in FY 2021-22
- Interest rate of 3% for 30 years
- Annual debt service of $1.2 million

Alternative Scenario

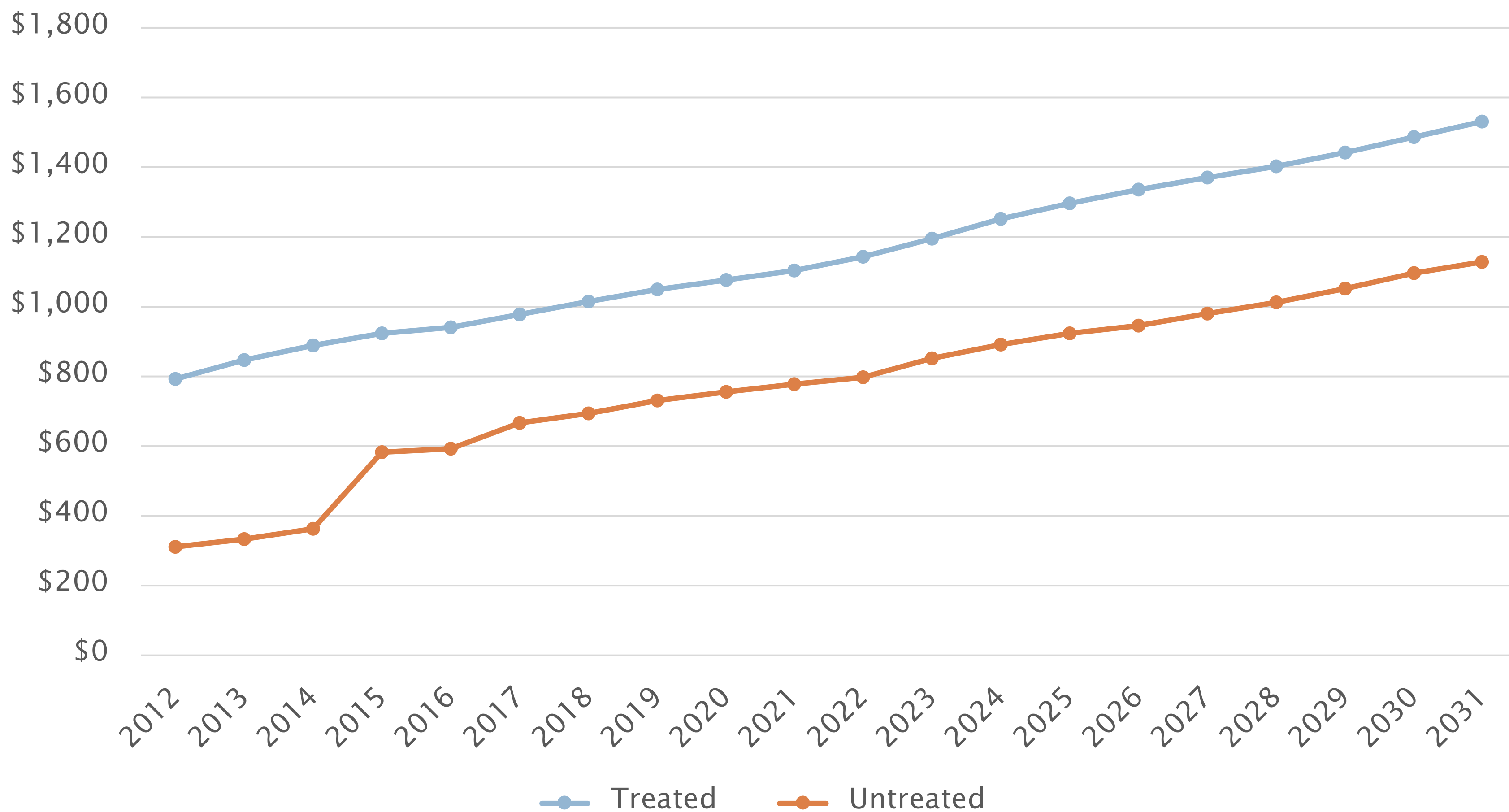
		FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Apr-21	**$24 Mil financing - Proposed**						
Rate increase		0.00%	1.96% Oct,Jan,Apr	6.00%	6.00%	6.00%	6.00%
Cash balance		$ 12,233	$ 21,722	$ 16,975	$ 11,516	$ 11,159	$ 13,689
Mar-21	**$24 Mil financing - target recommended reserves**						
Rate increase		0.00%	1.96% Oct,Jan,Apr	7.25%	7.25%	7.25%	7.25%
Cash balance		$ 12,233	$ 21,722	$ 17,346	$ 12,679	$ 13,594	$ 17,935
Mar-21	**No financing - B**						
Rate increase		0.0%	35%	0%	0%	0%	0%
Cash balance		$ 12,233	$ 12,210	$ 12,963	$ 10,713	$ 13,992	$ 18,101

	Minimum	Recommended
Reserve Policy	$ 9,370	$ 17,830

WATER AND POWER

MWD Rate Outlook

Treated Water Costs and Untreated Water Costs Per AF



WATER AND POWER

Proposed 6.0% Water Rate Increase

- 1.96% in October
- 1.96% in January
- 1.96% in April

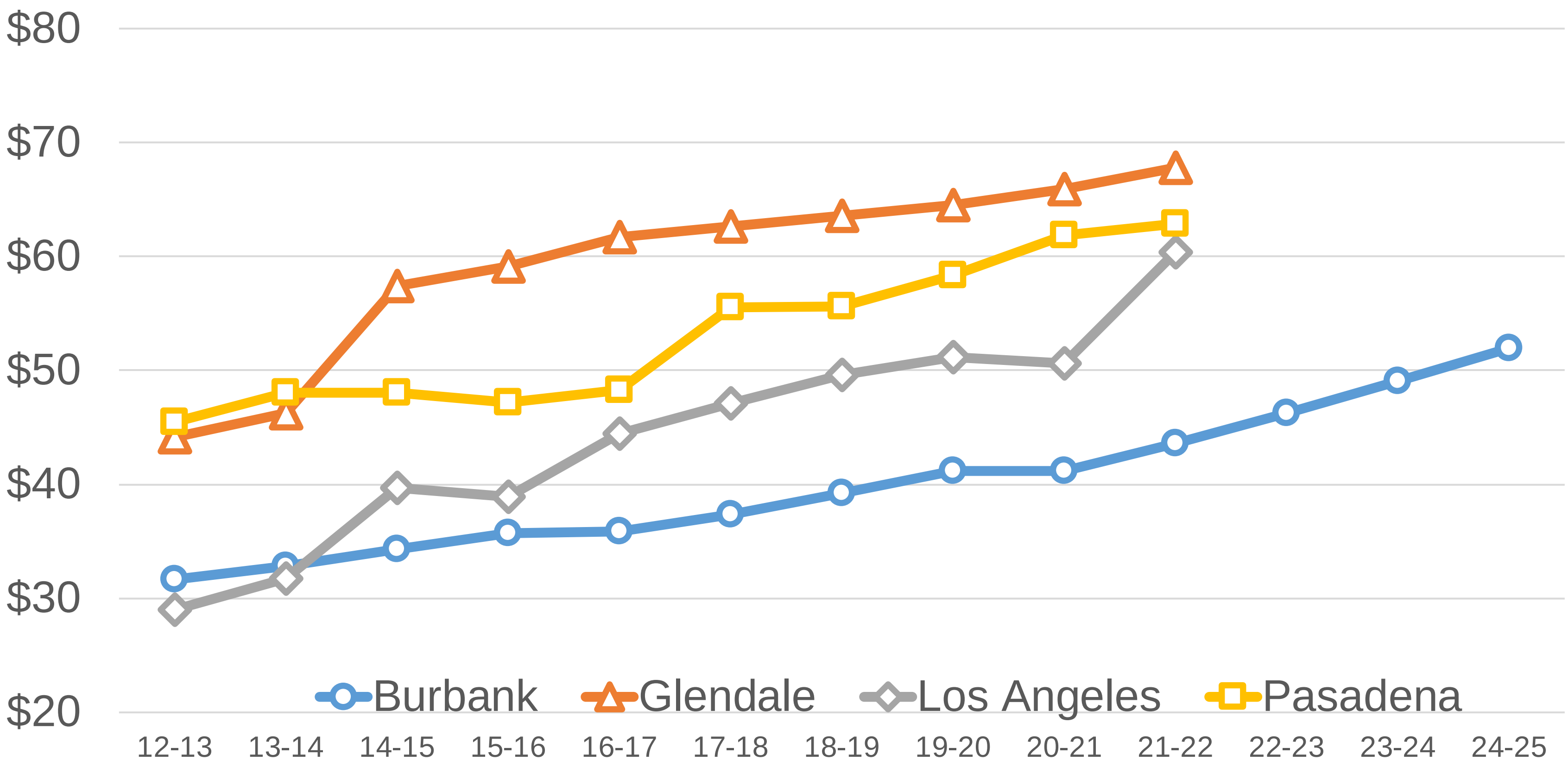
- Small family residential (6,000 gallons) bill impact:
  - $0.81/ per month effective October 1
  - $0.82/ per month effective January 1
  - $0.84/ per month effective April 1
  - $2.47/per month in total

- Medium family residential (12,000 gallons) bill impact:
  - $1.33/ per month effective October 1
  - $1.36/ per month effective January 1
  - $1.39/ per month effective April 1
  - $4.08/per month in total

CITY OF BURBANK WATER AND POWER

Affordability: Historic Water Bill Comparison

(6,000 gallons)



WATER AND POWER

Financial Assistance Programs

BWP COVID-19 Job Loss Bill Credit Program

- Provides four equal bill credits to residents totaling $200 (multi-family) or $300 (single-family)

Low Income Home Energy Assistance Program (LIHEAP)

- Federally funded program that provides low-income households with a one-time financial credit towards their utility bill annually
- Free energy-efficiency upgrades
- Administered by PACE and Maravilla Foundation depending on the applicant's customer's ZIP code

Pandemic Unemployment Assistance (PUA)

- Helps unemployed Californians who are not usually eligible for regular unemployment insurance benefits

BWP Project Share

- Payment assistance of up to $100 in the form of a bill credit to income-qualified customers

BWP Lifeline Program

- Offers income-qualified customers a reduced rate as well as exemptions from the monthly customer service charge and the Utility Users Tax (about a 40% discount)

CITY OF BURBANK WATER AND POWER

BWP Staffing Summary for FY 2021-22

FY 2020-21 Approved Staffing Plan	FY 2021-22 Proposed Adjustments	FY 2021-22 Proposed Staffing Plan
345	1.5	346.5

- Adding 1.0 FTE for a new Sustainability Coordinator position in Customer Service to help manage the 23+ new projects for BWP in the Burbank's new Greenhouse Gas Reduction Plan.

- Adding 0.5 FTE for an Engineering Aide position in Operations Technology, funded by the revenue growth of ONEBurbank, to help manage the rapidly growing fiber and ONEBurbank business.

CITY OF BURBANK

WATER AND POWER