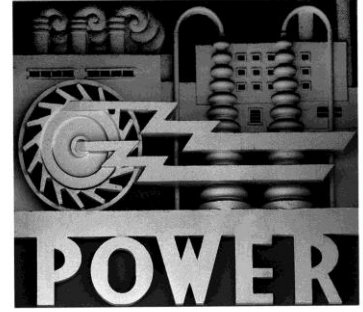


Burbank Water and Power



Estimated Financial Report August-19

UNAUDITED

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

MTD FY 19-20	MTD Aug-19 Budget	\$ Variance ⁽²⁾	% Variance		FYTD FY 19-20	FYTD Aug-19 Budget	\$ Variance ⁽²⁾	% Variance
113,767	117,743	(3,976)	(3%) ^(a)	NEL MWh	221,840	231,765	(9,925)	(4%) ^(A)
				Retail				
\$ 17,379	\$ 17,598	\$ (219)	(1%)	Retail Sales	\$ 33,239	\$ 34,924	\$ (1,685)	(5%)
305	587	(282)	(48%) ^(b)	Other Revenues ⁽³⁾	862	1,174	(312)	(27%) ^(B)
<u>10,712</u>	<u>11,887</u>	<u>1,174</u>	<u>10%</u> ^(c)	Retail Power Supply & Transmission	<u>20,779</u>	<u>23,492</u>	<u>2,713</u>	<u>12%</u> ^(C)
6,972	6,299	673	11%	Retail Margin	13,322	12,606	716	6%
				Wholesale				
1,456	5,212	(3,756)	(72%)	Wholesale Sales	1,946	13,409	(11,463)	(85%)
<u>1,350</u>	<u>5,081</u>	<u>3,731</u>	<u>73%</u>	Wholesale Power Supply	<u>1,774</u>	<u>13,074</u>	<u>11,300</u>	<u>86%</u>
106	130	(25)	(19%)	Wholesale Margin	172	335	(164)	(49%)
<u>7,077</u>	<u>6,429</u>	<u>648</u>	<u>10%</u>	Gross Margin	<u>13,493</u>	<u>12,941</u>	<u>552</u>	<u>4%</u>
				Operating Expenses				
935	935	-	0%	Distribution	1,846	1,896	50	3%
113	113	-	0%	Administration/Safety	192	231	40	17% ^(D)
220	220	-	0%	Finance, Fleet, & Warehouse	414	442	28	6%
507	507	-	0%	Transfer to General Fund for Cost Allocation	1,003	1,015	11	1%
446	446	-	0%	Customer Service, Marketing & Conservation	624	891	267	30% ^(E)
484	484	-	0%	Public Benefits	850	952	103	11% ^(F)
166	166	-	0%	Security/Oper Technology	424	333	(91)	(27%) ^(G)
110	110	-	0%	Telecom	231	254	23	9%
183	183	-	0%	Construction & Maintenance	291	365	74	20% ^(H)
<u>1,575</u>	<u>1,575</u>	<u>-</u>	<u>0%</u>	Depreciation	<u>3,096</u>	<u>3,149</u>	<u>53</u>	<u>2%</u>
<u>4,738</u>	<u>4,738</u>	<u>-</u>	<u>0%</u> ^(d)	Total Operating Expenses	<u>8,970</u>	<u>9,528</u>	<u>558</u>	<u>6%</u>
\$ 2,339	\$ 1,691	\$ 648	(38%)	Operating Income/(Loss)	\$ 4,523	\$ 3,414	\$ 1,109	33%

**Burbank Water and Power
Electric Fund (496)
Estimated Statement of Changes in Net Assets ⁽¹⁾
MTD and FYTD August 2019**

(\$ in 000's)

MTD FY 19-20	MTD Aug-19 Budget	\$ Variance ⁽²⁾	% Variance		FYTD FY 19-20	FYTD Aug-19 Budget	\$ Variance ⁽²⁾	% Variance
\$ 2,339	\$ 1,691	\$ 648	(38%)	Operating Income/(Loss)	\$ 4,523	\$ 3,414	\$ 1,109	33%
				Other Income/(Expenses)				
162	162	-	0%	Interest Income	342	324	17	5%
106	106	-	0%	Other Income/(Expense) ⁽⁴⁾	(3,281)	(3,222)	(59)	2%
(344)	(344)	-	0%	Bond Interest/ (Expense)	(689)	(689)	-	0%
(76)	(76)	-	0%	Total Other Income/(Expenses)	(3,628)	(3,586)	(42)	(1%)
2,263	1,615	648	(40%)	Net Income	895	(173)	1,067	(618%)
112	112	-	0%	Capital Contributions (AIC)	205	224	(19)	(9%)
<u>\$ 2,375</u>	<u>\$ 1,727</u>	<u>\$ 648</u>	<u>(38%)</u>	Net Change in Net Assets (Net Income)	<u>\$ 1,099</u>	<u>\$ 52</u>	<u>\$ 1,048</u>	<u>2034%</u>

1. This report may not foot due to rounding.

2. () = Unfavorable

3. Other Revenues include transmission, telecom and internet revenues as well as other items such as damaged property recovery, connection fees, late fees, and tampering fees.

4. Other Income/(Expense) includes miscellaneous revenue from the sale of scrap materials, inventory, and assets, as well as BABS subsidy. 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 August 2019
(\$ in 000's)**

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
a.	Electric Usage in MWh	113,767	117,743	(3,976)	- NEL is 3% lower than budget due to conservation. For the month of August, average high temperature was 89.2°F, compared to the normal of 88.1°F. MTD CDD were 344 versus the 15 year average of 327.
b.	Other Revenues	305	587	(282)	- Other revenues also include items such as damaged property recovery, connection fees, late fees, and tampering fees which tend to fluctuate.
c.	Retail Power Supply & Transmission	10,712	11,887	1,174	- The favorable variance is attributable to various components within Retail Power Supply & Transmission. Please refer to page 5 for additional details.
d.	Total Operating Expenses	4,738	4,738	-	- Expenses for August 2019 are estimated at budgeted values.

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

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
A.	Electric Usage in MWh	221,840	231,765	(9,925)	- NEL is 4% lower than budget due to conservation. FYTD average high temperature was 88.5.0°F and the 15 year average high temperature was 87.5.8°F. FYTD CDD were 644 versus the 15 year average of 648.
B.	Other Revenues	862	1,174	(312)	- Other revenues also include items such as damaged property recovery, connection fees, late fees, and tampering fees which tend to fluctuate.
C.	Retail Power Supply & Transmission	20,779	23,492	2,713	- The favorable variance is attributable to various components within Retail Power Supply & Transmission. Please refer to page 6 for additional details.
D.	Administration/Safety	192	231	40	- The favorable variance is primarily due to lower than planned spending on professional services.
E.	Customer Service, Marketing & Conservation	624	891	267	- The favorable variance is primarily attributable to lower than planned spending on professional services, and savings on salaries and related benefits due to vacant positions.
F.	Public Benefits	850	952	103	- Lifeline discounts of \$90K YTD are recorded as a reduction to retail sales but are budgeted as an expense. The remaining variance is due to lower revenues than planned.
G.	Security/Oper Technology	424	333	(91)	- The unfavorable variance is primarily attributable to higher than planned spending on software & hardware and membership dues. Also contributing to the unfavorable variance is less work than planned for other groups.
H.	Construction & Maintenance	291	365	74	- The favorable variance is due to lower than planned facility maintenance and service requests.

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

	Variance Month-to-Date		
	<u>Favorable Items</u>	<u>Unfavorable Items</u>	<u>Budget to Actual Variance</u>
<u>MTD NET INCOME/(LOSS): \$2,263</u>	\$ 648		\$ 648
<u>MTD GROSS MARGIN VARIANCE</u>			
Retail Sales		(219)	(219)
Power Supply and Transmission			
- Lower energy prices and economic dispatch	965		965
- Lower retail load	139		139
- Lower than planned renewables	70		70
Other Revenues		(282)	(282)
Wholesale Margin		(25)	(25)
Total	<u>1,174</u>	<u>(526)</u>	<u>648</u>

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

	Footnote	Variance Fiscal Year-to-Date		
		Favorable Items	Unfavorable Items	Budget to Actual Variance
<u>FYTD NET INCOME: \$895</u>		1,067		1,067
<u>FYTD GROSS MARGIN VARIANCE</u>				
Retail Sales			(1,685)	(1,685)
Power Supply and Transmission				
- Lower energy prices and economic dispatch		1,815		1,815
- Lower than planned renewables		527		527
- Lower retail load		371		371
Other Revenues			(312)	(312)
Wholesale Margin			(164)	(164)
Total		<u>2,713</u>	<u>(2,161)</u>	<u>552</u>
<u>FYTD EXPENSE AND OTHER VARIANCES</u>				
Customer Service, Marketing & Conservation		267		267
Public Benefits		103		103
Construction & Maintenance		74		74
Depreciation expense		53		53
Distribution		50		50
Administration/Safety		40		40
Finance, Fleet, & Warehouse		28		28
Telecom		23		23
Security/Oper Technology			(91)	(91)
All other			(32)	(32)
Total		<u>638</u>	<u>(123)</u>	<u>515</u>

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

	Aug-19	Jul-19	Jun-19	Mar-19	Dec-18	Jun-18	Recommended Reserves	Minimum Reserves
Cash and Investments								
General Operating Reserve	\$ 59,128	\$ 57,852 ^(f)	\$ 67,320 ^(b)	\$ 71,956	\$ 76,141	\$ 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	16,871	16,831	16,817	16,713	16,648	16,492		
Sub-Total Cash and Investments	<u>85,999</u>	<u>84,684</u>	<u>94,137</u>	<u>98,669</u>	<u>102,789</u>	<u>105,485</u>	<u>73,010</u>	<u>42,770</u>
Capital Commitments				-	(266)	(6,740) ^(c)		
Customer Deposits	(4,268)	(4,109)	(5,641)	(5,471)	(5,266)	(5,432)		
Public Benefits Obligation	(6,535)	(6,535)	(6,069)	(6,408)	(6,359)	(5,549)		
Pacific Northwest DC Intertie	(1,410)	(1,410)	(2,218)	(3,175)	(5,113)	(7,455)		
Low Carbon Standard Fuel ^(d)	(2,267)	(2,267)	(2,267) ^(e)	(1,140)	(1,242)	(1,251)		
Cash *	<u><u>71,520</u></u>	<u><u>70,364</u></u>	<u><u>77,942</u></u>	<u><u>82,474</u></u>	<u><u>84,542</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) (2)}
MTD and FYTD August 2019
(\$ in 000's except Gallons)**

MTD FY 19-20	MTD Aug-19 Budget	\$ Variance ⁽²⁾	% Variance		FYTD FY 19-20	FYTD Aug-19 Budget	\$ Variance ⁽²⁾	% Variance
526	535	(9)	(2%) ^(a)	Water put into the system in Millions of Gallons	1,033	1,065	(32)	(3%) ^(A)
104	116	(12)	(11%)	Metered Recycled Water in Millions of Gallons	215	228	(13)	(6%) ^(B)
				Operating Revenues				
2,958	2,866	\$ 92	3% ^(b)	Potable Water	5,783	5,701	\$ 82	1% ^(C)
575	477	98	20% ^(c)	Recycled Water	961	933	28	3% ^(D)
47	62	(15)	(24%) ^(d)	Other Revenue ⁽³⁾	78	124	(46)	(37%) ^(E)
<u>3,580</u>	<u>3,405</u>	<u>175</u>	<u>5%</u>	Total Operating Revenues	<u>6,822</u>	<u>6,758</u>	<u>65</u>	<u>1%</u>
1,312	1,331	19	1% ^(e)	Water Supply Expense	2,505	2,641	135	5% ^(F)
<u>2,268</u>	<u>2,074</u>	<u>194</u>	<u>9%</u>	Gross Margin	<u>4,317</u>	<u>4,117</u>	<u>200</u>	<u>5%</u>
				Operating Expenses				
689	689	-	0%	Operations & Maintenance - Potable	1,273	1,379	106	8% ^(G)
137	137	-	0%	Operations & Maintenance - Recycled	259	274	15	6%
206	206	-	0%	Allocated O&M	355	414	59	14% ^(H)
172	172	-	0%	Transfer to General Fund for Cost Allocation	350	345	(5)	(1%)
<u>370</u>	<u>370</u>	<u>-</u>	<u>0%</u>	Depreciation	<u>701</u>	<u>739</u>	<u>39</u>	<u>5%</u>
1,574	1,574	-	0% ^(f)	Total Operating Expenses	2,937	3,152	214	7%
				Other Income/(Expenses)				
21	21	-	0%	Interest Income	43	42	0	0%
39	39	0	0%	Other Income/(Expense) ⁽⁴⁾	(579)	(475)	(104)	(22%) ^(I)
(159)	(159)	-	0%	Bond Interest/(Expense)	(315)	(317)	2	1%
<u>(98)</u>	<u>(99)</u>	<u>0</u>	<u>0%</u>	Total Other Income/(Expenses)	<u>(851)</u>	<u>(750)</u>	<u>(101)</u>	<u>(14%)</u>
<u>595</u>	<u>401</u>	<u>194</u>	<u>48%</u>	Net Income/(Loss)	<u>528</u>	<u>215</u>	<u>313</u>	<u>145%</u>
40	40	-	0%	Aid in Construction	50	81	(30)	(38%) ^(J)
<u>\$ 636</u>	<u>\$ 442</u>	<u>\$ 194</u>	<u>44%</u>	Net Change in Net Assets (Net Income)	<u>\$ 578</u>	<u>\$ 296</u>	<u>\$ 282</u>	<u>95%</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 August 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	526	535	(9)	- Potable water sales are lower due to lower demand. Burbank received no rainfall in August as compared to the monthly normal of 0.08 inches. Average high temperature was 89.2°F, compared to the normal of 88.1°F. MTD CDD were 344 versus the 15 year average of 327.	
b.	Potable Water Revenue	2,958	2,866	92	- The WCAC impact increased potable water revenues by \$70k MTD. Without this adjustment, potable water revenues would be favorable by 0.78%.	
						MTD Actual
					WCAC Revenue	\$1,242
					WCAC Expenses	\$1,312
					WCAC revenue deferral/(accrual)	<u>(\$70)</u>
c.	Recycled Water Revenue	575	477	98	- Recycled water revenue is higher due to a May and June 2019 billing adjustment of \$103K. The Recycled Water revenue without this adjustment would be 1% below budget, and corresponds to lower demand.	
d.	Other Revenue	47	62	(15)	- Other revenues include items such as damaged property recovery, connection fees, late fees, and tampering fees, which tend to fluctuate.	
e.	Water Supply Expense	1,312	1,331	19	- Water supply expense corresponds with lower demand.	
f.	Total Operating Expenses	1,574	1,574	-	- Expenses for August 2019 are at budgeted values.	

Burbank Water and Power
Water Fund (497)
Estimated Statement of Changes in Net Assets - Footnotes
FYTD August 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	1,033	1,065	(32)	- FYTD Potable water sales are lower due to lower demand. Rainfall season-to-date was .09 inches less than the season normal of 0.07 inches. FYTD CDD were 644 versus the 15 year average of 648.
B.	Metered Recycled Water in Millions of Gallons	215	228	(13)	- FYTD Recycled sales are lower due to lower demand. Rainfall season-to-date was .09 inches less than the season normal of 0.07 inches. FYTD CDD were 644 versus the 15 year average of 648.
C.	Potable Water	5,783	5,701	82	- The WCAC impact increased potable water revenues by \$198k YTD. Without this adjustment, potable revenues would be unfavorable by 2%.
					FYTD Actual
					WCAC Revenue
					<u>\$2,307</u>
					WCAC Expenses
					<u>\$2,505</u>
					WCAC revenue deferral/(accrual)
					<u><u>(\$198)</u></u>
D.	Recycled Water	961	933	28	- Recycled water revenue is higher due to a May and June 2019 revenue adjustment of \$103K billed in August 2019. The Recycled Water revenue without this adjustment would be 8% below budget, and corresponds to lower demand.
E.	Other Revenue	78	124	(46)	- Other revenues include items such as damaged property recovery, connection fees, late fees, and tampering fees, which tend to fluctuate.
F.	Water Supply Expense	2,505	2,641	135	- Water supply expense corresponds with lower demand.
G.	Operations & Maintenance - Potable	1,273	1,379	106	- The favorable variance is primarily attributable to budgetary savings on salaries and related benefits due to vacant positions, and lower than planned spending on professional services.
H.	Allocated O&M	355	414	59	- The favorable variance is attributable to lower than planned allocated expenses (Customer Service, Admin & Safety, Facilities and Conservation) from the Electric Fund.
I.	Other Income / (Expense)	(579)	(475)	(104)	- 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; and CalPERS one-time payment for Electric (allocation to Water) of \$118,152.
J.	Aid in Construction	50	81	(30)	- The unfavorable variance is attributable to the timing of AIC projects.

**Estimated August 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): \$595</u>	194		194
<u>MTD GROSS MARGIN VARIANCE</u>			
Recycled Revenues	98		98
Potable Revenues	92		92
Water Supply Expense	19		19
Other Revenue		(15)	(15)
Total	<u>209</u>	<u>(15)</u>	<u>194</u>
<u>MTD O&M AND OTHER VARIANCES</u>			
Operating expenses		-	-
Other income/expenses	-		-
Total	<u>-</u>	<u>-</u>	<u>-</u>

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

	Variance Fiscal Year-to-Date		Budget to Actual Variance
	Favorable Items	Unfavorable Items	
<u>FYTD NET INCOME: \$528</u>	313		313
<u>FYTD GROSS MARGIN VARIANCE</u>			
Potable Revenues	82		82
Recycled Revenues	28		28
Other Revenue		(46)	(46)
Water Supply Expense	135		135
Total	<u>245</u>	<u>(46)</u>	<u>199</u>
<u>FYTD O&M AND OTHER VARIANCES</u>			
Potable O&M	106		106
Allocated O&M	59		59
Depreciation Expense	39		39
Recycled Water O&M	15		15
All Other		(105)	(105)
Total	<u>219</u>	<u>(105)</u>	<u>114</u>

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

	<u>Aug-19</u>	<u>Jul-19</u>	<u>Jun-19</u>	<u>Mar-19</u>	<u>Dec-18</u>	<u>Jun-18</u>	<u>Recommended Reserves</u>	<u>Minimum Reserves</u>
Cash and Investments								
General Operating Reserves	\$ 12,140	\$ 10,852 ^(d)	\$ 11,555 ^(b)	\$ 5,800	\$ 12,471	\$ 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>14,360</u>	<u>13,072</u>	<u>13,775</u>	<u>8,020</u>	<u>14,691</u>	<u>13,145</u>	<u>17,830</u>	<u>9,370</u>
Customer Deposits	(12)	(29)	(29)	(1,266)	(1,170)	(607)		
Capital Commitments ^(c)	-	-	-	-	-	(140)		
Cash and Investments (less commitments)	<u><u>14,348</u></u>	<u><u>13,043</u></u>	<u><u>13,746</u></u>	<u><u>6,754</u></u>	<u><u>13,521</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 2018.

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