

Burbank Water and Power



Estimated Financial Report August-20

UNAUDITED

**Burbank Water and Power
Electric Fund (496)
Estimated Statement of Changes in Net Assets ^{(1) (2) (5)}
MTD and FYTD August 2020
(\$ in 000's except MWh Sales)**

MTD FY 20-21	MTD Aug-20 Budget	\$ Variance ⁽²⁾	% Variance		FYTD FY 20-21	FYTD Aug-20 Budget	\$ Variance ⁽²⁾	% Variance
110,765	112,217	(1,452)	(1%) ^(a)	NEL MWh	207,765	221,300	(13,535)	(6%) ^(A)
				Retail				
\$ 16,930	\$ 17,152	\$ (222)	(1%)	Retail Sales	\$ 31,492	\$ 34,414	\$ (2,922)	(8%)
89	622	(533)	(86%) ^(b)	Other Revenues ⁽³⁾	473	1,244	(771)	(62%) ^(B)
<u>10,601</u>	<u>10,992</u>	<u>391</u>	<u>4%</u> ^(c)	Retail Power Supply & Transmission	<u>19,860</u>	<u>21,796</u>	<u>1,936</u>	<u>9%</u> ^(C)
6,418	6,782	(364)	(5%)	Retail Margin	12,105	13,862	(1,757)	(13%)
				Wholesale				
8,439	7,311	1,127	15%	Wholesale Sales	11,150	14,835	(3,685)	(25%)
<u>5,476</u>	<u>7,165</u>	<u>1,689</u>	<u>24%</u>	Wholesale Power Supply	<u>7,535</u>	<u>14,538</u>	<u>7,003</u>	<u>48%</u>
<u>2,963</u>	<u>146</u>	<u>2,817</u>	<u>1926%</u>	Wholesale Margin	<u>3,615</u>	<u>297</u>	<u>3,318</u>	<u>1118%</u>
<u>9,380</u>	<u>6,928</u>	<u>2,452</u>	<u>35%</u>	Gross Margin	<u>15,720</u>	<u>14,159</u>	<u>1,561</u>	<u>11%</u>
				Operating Expenses				
976	976	-	0%	Distribution	1,962	2,021	59	3%
110	110	-	0%	Administration/Safety	321	227	(94)	(42%) ^(D)
223	223	-	0%	Finance, Fleet, & Warehouse	418	455	37	8%
525	525	-	0%	Transfer to General Fund for Cost Allocation	1,047	1,049	2	0%
476	476	-	0%	Customer Service, Marketing & Conservation	744	947	203	21% ^(E)
487	487	-	0%	Public Benefits	853	977	124	13%
215	215	-	0%	Security/Oper Technology	484	429	(56)	(13%) ^(F)
35	35	-	0%	LCFS	50	70	20	29%
110	110	-	0%	Telecom	191	243	52	22% ^(G)
187	187	-	0%	Construction & Maintenance	295	374	79	21% ^(H)
<u>1,781</u>	<u>1,781</u>	<u>-</u>	<u>0%</u>	Depreciation	<u>3,285</u>	<u>3,562</u>	<u>277</u>	<u>8%</u>
<u>5,125</u>	<u>5,125</u>	<u>-</u>	<u>0%</u> ^(d)	Total Operating Expenses	<u>9,651</u>	<u>10,354</u>	<u>703</u>	<u>7%</u>
\$ 4,256	\$ 1,804	\$ 2,452	136%	Operating Income/(Loss)	\$ 6,069	\$ 3,805	\$ 2,264	60%

**Burbank Water and Power
Electric Fund (496)
Estimated Statement of Changes in Net Assets ^{(1) (2) (5)}
MTD and FYTD August 2020**

(\$ in 000's)					(\$ in 000's)			
MTD FY 20-21	MTD Aug-20 Budget	\$ Variance ⁽²⁾	% Variance		FYTD FY 20-21	FYTD Aug-20 Budget	\$ Variance ⁽²⁾	% Variance
\$ 4,256	\$ 1,804	\$ 2,452	136%	Operating Income/(Loss)	\$ 6,069	\$ 3,805	\$ 2,264	60%
				Other Income/(Expenses)				
142	142	-	0%	Interest Income	319	284	35	12%
126	126	-	0%	Other Income/(Expense) ⁽⁴⁾	(2,396)	(2,407)	12	0%
(284)	(284)	-	0%	Bond Interest/ (Expense)	(568)	(568)	-	0%
(16)	(16)	-	0%	Total Other Income/(Expenses)	(2,645)	(2,692)	47	2%
4,240	1,788	2,452	137%	Net Income	3,424	1,113	2,311	208%
1,054	1,054	-	0%	Capital Contributions (AIC)	1,243	2,109	(866)	(41%) ⁽¹⁾
<u>\$ 5,294</u>	<u>\$ 2,842</u>	<u>\$ 2,452</u>	<u>86%</u>	Net Change in Net Assets	<u>\$ 4,667</u>	<u>\$ 3,222</u>	<u>\$ 1,445</u>	<u>45%</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 a one-time payment to CalPERS (for pension) and miscellaneous revenue from the sale of scrap materials, inventory, and assets, as well as BABS subsidy.

5. MTD is estimated for August 2020; FYTD reports July 2020 actuals.

Burbank Water and Power
Electric Fund (496)
Estimated Statement of Changes in Net Assets - Footnotes
MTD August 2020
(\$ in 000's)

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
a.	Electric Usage in MWh	110,765	112,217	(1,452)	- NEL is 1% lower than budget, even though Southern California experienced a tremendous heat wave during the month. Despite the heat wave, electric demand was below budget which is driven primarily by the closing of businesses within Burbank due to COVID-19. The August average high temperature was 91.3°F, compared to the 15 year average high temperature of 88.4°F. MTD CDD were 399 versus the 15 year average of 333.
b.	Other Revenues	89	622	(533)	- 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.
c.	Retail Power Supply & Transmission	10,601	10,992	391	- 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	5,125	5,125	-	- Expenses for August 2020 are estimated at budgeted values.

Burbank Water and Power
Electric Fund (496)
Estimated Statement of Changes in Net Assets - Footnotes
FYTD August 2020
(\$ in 000's)

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
A.	Electric Usage in MWh	207,765	221,300	(13,535)	- NEL is 6% lower than budget, which is driven primarily by the closing of businesses within Burbank due to COVID-19, partially offset by warmer August temperatures. FYTD actual average high temperature was 89.1°F, compared to the 15 year average high temperature of 88.9°F. FYTD CDD were 667 versus the 15 year average of 655.
B.	Other Revenues	473	1,244	(771)	- 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.
C.	Retail Power Supply & Transmission	19,860	21,796	1,936	- The favorable variance is attributable to various components within Retail Power Supply & Transmission. Please refer to page 6 for additional details.
D.	Administration / Safety	321	227	(94)	- The unfavorable variance is attributable to timing of expenditures on membership dues, and software & hardware, partially offset by the timing of expenditure on other professional expenses.
E.	Customer Service, Marketing & Conservation	744	947	203	- The favorable variance is primarily attributable to timing of expenditures on other professional services and software & hardware.
F.	Security/Oper Technology	484	429	(56)	- The unfavorable variance is primarily attributable to higher than planned expenditures on software & hardware, partially offset by lower than planned spending on other professional services.
G.	Telecom	191	243	52	- The favorable variance is primarily attributable to timing of expenditures on private contractual services and other professional services.
H.	Construction & Maintenance	295	374	79	- The favorable variance is primarily attributable to timing of expenditures on custodial services, and building grounds maintenance & repair.
I.	Capital Contributions (AIC)	1,243	2,109	(866)	- The unfavorable variance is primarily attributable to the timing of AIC projects.

Estimated August 2020 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): \$4,240</u>	\$ 2,452		\$ 2,452
<u>MTD GROSS MARGIN VARIANCE</u>			
Retail Sales		(222)	(222)
Power Supply and Transmission			
- Economic dispatch offset up higher energy prices	195		195
- Lower retail load	31		31
- Lower transmission	165		165
- Lower than planned renewables			-
Other Revenues & Other income/(Expenses)		(533)	(533)
Wholesale Margin	2,817		2,817
Total	<u>\$ 3,208</u>	<u>\$ (755)</u>	<u>\$ 2,452</u>

Estimated August 2020 Budget to Actual P&L Variance Highlights - Electric Fund
(\$ in 000's)

	Variance Fiscal Year-to-Date		
	<u>Favorable Items</u>	<u>Unfavorable Items</u>	<u>Budget to Actual Variance</u>
<u>FYTD NET INCOME/(LOSS): \$3,424</u>	\$ 2,311		\$ 2,311
<u>FYTD GROSS MARGIN VARIANCE</u>			
Retail Sales		(2,922)	(2,922)
Power Supply and Transmission			
- Economic dispatch offset up higher energy prices	1,235		1,235
- Lower than planned transmission expenses	317		317
- Lower retail load	284		284
- Lower than planned renewables and other	100		100
Other Revenues		(771)	(771)
Wholesale Margin	3,318		3,318
Total	<u>\$ 5,254</u>	<u>\$ (3,693)</u>	<u>\$ 1,561</u>
<u>FYTD O&M AND OTHER VARIANCES</u>			
Distribution	59		59
Administration/Safety		(94)	(94)
Finance, Fleet, & Warehouse	37		37
Customer Service, Marketing & Conservation	203		203
Public Benefits	124		124
Security/Oper Technology		(56)	(56)
Telecom	52		52
Construction & Maintenance	79		79
Depreciation expense	277		277
All other	69		69
Total	<u>\$ 900</u>	<u>\$ (150)</u>	<u>\$ 750</u>

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

	Aug-20	Jul-20	Jun-20	Mar-20	Dec-19	Sep-19	Jun-19	Recommended Reserves	Minimum Reserves
Cash and Investments									
General Operating Reserve	\$ 58,815	\$ 48,161 ^(f)	\$ 52,397 ^{(d)(e)}	\$ 63,968	\$ 67,481	\$ 62,047	\$ 67,320 ^(b)	\$ 52,010	\$ 37,570
Capital & Debt Reduction Fund	10,000	10,000	10,000	10,000	10,000	10,000	10,000	21,000	5,200
BWP Projects Reserve Deposits at SCPPA	8,250 ^(h)	12,804 ^(g)	17,163	17,062	17,014	16,912	16,817		
Sub-Total Cash and Investments	<u>77,064</u>	<u>70,966</u>	<u>79,560</u>	<u>91,029</u>	<u>94,495</u>	<u>88,959</u>	<u>94,137</u>	<u>73,010</u>	<u>42,770</u>
Customer Deposits	(1,702)	(1,643)	(1,811)	(6,300)	(6,632)	(4,822)	(5,641)		
Public Benefits Obligation	(7,608)	(7,238)	(6,990)	(6,849)	(7,125)	(6,607)	(6,069)		
Pacific Northwest DC Intertie	(48)	(48)	(62)	(255)	(855)	(1,389)	(2,218)		
Low Carbon Fuel Standard ^(c)	(3,396)	(3,397)	(3,642)	(2,267)	(2,267)	(2,267)	(2,267)		
Cash and Investments (less Commitments)	<u>64,311</u>	<u>58,639</u>	<u>67,055</u>	<u>75,360</u>	<u>77,615</u>	<u>73,874</u>	<u>77,942</u>	<u>73,010</u>	<u>42,770</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 funds reserved related to the sale of Low Carbon Fuel Standard (LCFS) credits, net of Electric Vehicle charger infrastructure expenditures.

^(d) Includes early redemption of the 2010A Electric Bonds (\$7.63M).

^(e) Includes a \$2.5M loan to the Water Fund for the purchase of cyclic storage water.

^(f) Includes a one-time payment to CalPERS (for pension) in the amount of \$2.75M.

^(g) Includes a \$4.4M drawdown to pay SCPPA for June and July power invoices.

^(h) Includes a \$4.5M drawdown to pay SCPPA for July and August power invoices.

**Burbank Water and Power
Water Fund (497)
Estimated Statement of Changes in Net Assets ^{(1) (2) (5)}
MTD and FYTD August 2020
(\$ in 000's except Gallons)**

MTD FY 20-21	MTD Aug-20 Budget	\$ Variance ⁽²⁾	% Variance		FYTD FY 20-21	FYTD Aug-20 Budget	\$ Variance ⁽²⁾	% Variance
525	526	(2)	(0%) ^(a)	Water put into the system in Millions of Gallons	1,033	1,047	(15)	(1%) ^(A)
103	115	(12)	(11%) ^(b)	Metered Recycled Water in Millions of Gallons	213	225	(12)	(5%) ^(B)
Operating Revenues								
\$ 2,861	\$ 2,736	\$ 126	5% ^(c)	Potable Water	\$ 5,688	\$ 5,449	\$ 239	4% ^(C)
450	468	(18)	(4%)	Recycled Water	895	918	(23)	(3%)
60	122	(62)	(51%) ^(d)	Other Revenue ⁽³⁾	85	244	(159)	(65%)
<u>3,371</u>	<u>3,326</u>	<u>46</u>	<u>1%</u>	Total Operating Revenues	<u>6,667</u>	<u>6,611</u>	<u>56</u>	<u>1%</u>
1,144	1,297	153	12% ^(e)	Water Supply Expense	2,281	2,581	300	12% ^(D)
<u>2,227</u>	<u>2,029</u>	<u>198</u>	<u>10%</u>	Gross Margin	<u>4,386</u>	<u>4,029</u>	<u>357</u>	<u>9%</u>
Operating Expenses								
746	746	-	0%	Operations & Maintenance - Potable	1,395	1,494	99	7%
139	139	-	0%	Operations & Maintenance - Recycled	250	279	29	10% ^(E)
203	203	-	0%	Allocated O&M	355	416	61	15% ^(F)
175	175	-	0%	Transfer to General Fund for Cost Allocation	350	350	-	0%
<u>355</u>	<u>355</u>	<u>-</u>	<u>0%</u>	Depreciation	<u>686</u>	<u>710</u>	<u>24</u>	<u>3%</u>
1,619	1,619	-	0% ^(f)	Total Operating Expenses	3,036	3,249	213	7%
<u>609</u>	<u>410</u>	<u>198</u>	<u>48%</u>	Operating Income/(Loss)	<u>1,350</u>	<u>780</u>	<u>569</u>	<u>73%</u>
Other Income/(Expenses)								
21	21	-	0%	Interest Income	43	43	0	0%
45	45	-	0%	Other Income/(Expense) ⁽⁴⁾	(429)	(441)	12	3%
(158)	(158)	-	0%	Bond Interest/(Expense)	(303)	(317)	14	4%
<u>(92)</u>	<u>(92)</u>	<u>-</u>	<u>0%</u>	Total Other Income/(Expenses)	<u>(689)</u>	<u>(715)</u>	<u>26</u>	<u>4%</u>
517	318	198	62%	Net Income/(Loss)	661	66	595	906%
94	94	-	0%	Aid in Construction	116	187	(71)	(38%) ^(G)
<u>\$ 610</u>	<u>\$ 412</u>	<u>\$ 198</u>	<u>48%</u>	Net Change in Net Assets	<u>\$ 777</u>	<u>\$ 253</u>	<u>\$ 524</u>	<u>207%</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 a one-time payment to CalPERS (for pension) and miscellaneous revenue from the sale of scrap materials, inventory, and assets.

5. MTD is estimated for August 2020; FYTD reports July 2020 actuals.

**Burbank Water and Power
Water Fund (497)
Estimated Statement of Changes in Net Assets - Footnotes
MTD August 2020
(\$ 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	525	526	(2)	- Potable water demand was in line with budget, even though Southern California experienced a tremendous heat wave during the month. Despite the heat wave, potable water demand was in line with budget which is driven primarily by the closing of businesses within Burbank due to COVID-19. The August average high temperature was 91.3°F, compared to the 15 year average high temperature of 88.4°F. MTD CDD were 399 versus the 15 year average of 333.	
b.	Recycled Water Usage in Millions of Gallons	103	115	(12)	- Recycled water demand was lower than budget. Please refer to footnote (a).	
c.	Potable Water Revenue	2,861	2,736	126	- The WCAC impact decreased potable water revenues by \$92k MTD. Without this adjustment, potable water revenues would be favorable by 8%.	
						MTD Actual
					WCAC Revenue	\$1,236
					WCAC Expenses	\$1,144
					WCAC revenue deferral/(accrual)	\$92
d.	Other Revenue	60	122	(62)	- Other revenues include items such as damaged property recovery, connection fees, late fees, and tampering fees, which tend to fluctuate.	
e.	Water Supply Expense	1,144	1,297	153	- The favorable variance was a result of using more Valley/BOU water which is cheaper to produce than imported MWD water.	
f.	Total Operating Expenses	1,619	1,619	-	- Expenses for August 2020 are at budgeted values.	

Burbank Water and Power
Water Fund (497)
Estimated Statement of Changes in Net Assets - Footnotes
FYTD August 2020
(\$ 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	1,047	(15)	- FYTD Potable water sales were lower than budget, which is driven primarily by the closing of businesses within Burbank due to COVID-19, partially offset by warmer August temperatures. FYTD actual average high temperature was 89.1°F, compared to the 15 year average high temperature of 88.9°F. FYTD CDD were 667 versus the 15 year average of 655.
B.	Metered Recycled Water in Millions of Gallons	213	225	(12)	- FYTD Recycled water sales are lower than budget. Please refer to footnote (A).
C.	Potable Water	5,688	5,449	239	- The WCAC impact increased potable water revenues by \$122k YTD. Without this adjustment, potable revenues would be unfavorable by 7%
					FYTD Actual
					WCAC Revenue
					<u>\$2,403</u>
					WCAC Expenses
					\$2,281
					WCAC revenue deferral/(accrual)
					<u><u>\$122</u></u>
D.	Water Supply Expense	2,281	2,581	300	- The favorable variance was a result of using more Valley/BOU water which is cheaper to produce than imported MWD water.
E.	Operations & Maintenance - Recycled	250	279	29	- The favorable variance is attributable to timing of expenditures on other professional services, and general equipment maintenance & repair .
F.	Allocated O&M	355	416	61	- Allocated O&M is lower than budget due to favorable variances in allocated expenses (Administration, Safety, Finance, Customer Service, Marketing, Construction and Maintenance) from the Electric Fund.
G.	Aid in Construction	116	187	(71)	- The unfavorable variance is primarily attributable to the timing of AIC projects.

Estimated August 2020 Budget to Actual P&L Variance Highlights - Water 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): \$517</u>	\$ 198		\$ 198
<u>MTD GROSS MARGIN VARIANCE</u>			
Potable Revenues	126		126
Recycled Revenues		(18)	(18)
Other Revenue		(62)	(62)
Water Supply Expense	153		153
Total	<u>278</u>	<u>\$ (80)</u>	<u>\$ 198</u>

Estimated August 2020 Budget to Actual P&L Variance Highlights - Water Fund
(\$ in 000's)

	Variance Fiscal Year-to-Date		
	<u>Favorable Items</u>	<u>Unfavorable Items</u>	<u>Budget to Actual Variance</u>
<u>FYTD NET INCOME: \$661</u>	\$ 595		\$ 595
<u>FYTD GROSS MARGIN VARIANCE</u>			
Potable Revenues	239		239
Recycled Revenues		(23)	(23)
Other Revenue		(159)	(159)
Water Supply Expense	300		300
Total	<u>\$ 539</u>	<u>\$ (182)</u>	<u>\$ 357</u>
<u>FYTD O&M AND OTHER VARIANCES</u>			
Potable O&M	99		99
Recycled Water O&M	29		29
Allocated O&M	61		61
Depreciation Expense	24		24
All Other	26		26
Total	<u>\$ 238</u>	<u>\$ -</u>	<u>\$ 238</u>

Water Fund (497)
Estimated Statement of Changes in Cash and Investment Balances ^(a)
(\$ in 000's)

	<u>Aug-20</u>	<u>Jul-20</u>	<u>Jun-20</u>	<u>Mar-20</u>	<u>Dec-19</u>	<u>Sep-19</u>	<u>Jun-19</u>	<u>Recommended Reserves</u>	<u>Minimum Reserves</u>
Cash and Investments									
General Operating Reserves	\$ 9,901	\$ 8,173 ^(e)	\$ 8,637 ^{(c)(d)}	\$ 8,826	\$ 16,341	\$ 13,174	\$ 11,555 ^(b)	\$ 12,630	\$ 8,070
Capital Reserve Fund	2,220	2,220	2,220	2,220	2,220	2,220	2,220	5,200	1,300
Sub-Total Cash and Investments	<u>12,121</u>	<u>10,393</u>	<u>10,857</u>	<u>11,046</u>	<u>18,561</u>	<u>15,394</u>	<u>13,775</u>	<u>17,830</u>	<u>9,370</u>
Customer Deposits	(1,073)	(1,172)	(1,227)	(1,504)	(1,650)	(1,252)	(1,454)		
Cash and Investments (less commitments)	<u><u>\$ 11,048</u></u>	<u><u>\$ 9,221</u></u>	<u><u>\$ 9,630</u></u>	<u><u>\$ 9,543</u></u>	<u><u>\$ 16,911</u></u>	<u><u>\$ 14,142</u></u>	<u><u>\$ 12,321</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) Includes early redemption of the 2010A Water Bonds (\$2.07M).

^(d) Includes a \$2.5M loan from the Electric Fund for the purchase of cyclic storage water.

^(e) Includes a one-time payment to CalPERS (for pension) in the amount of \$440k.