

Burbank Water and Power



Estimated Financial Report December-19

UNAUDITED

**Burbank Water and Power
Electric Fund (496)
Estimated Statement of Changes in Net Assets ^{(1) (2) (5)}
MTD and FYTD December 2019
(\$ in 000's except MWh Sales)**

MTD FY 19-20	MTD Dec-19 Budget	\$ Variance ⁽²⁾	% Variance		FYTD FY 19-20	FYTD Dec-19 Budget	\$ Variance ⁽²⁾	% Variance
83,169	87,523	(4,354)	(5%) ^(a)	NEL MWh	581,347	613,656	(32,309)	(5%) ^(A)
				Retail				
\$ 12,271	\$ 12,772	\$ (500)	(4%)	Retail Sales	\$ 88,597	\$ 92,362	\$ (3,765)	(4%)
414	587	(173)	(29%) ^(b)	Other Revenues ⁽³⁾	2,985	3,523	(537)	(15%) ^(B)
<u>7,397</u>	<u>8,820</u>	<u>1,423</u>	<u>16%</u> ^(c)	Retail Power Supply & Transmission	<u>54,928</u>	<u>62,006</u>	<u>7,078</u>	<u>11%</u> ^(C)
5,288	4,538	750	17%	Retail Margin	36,655	33,878	2,776	8%
				Wholesale				
437	4,220	(3,783)	(90%)	Wholesale Sales	4,976	27,974	(22,998)	(82%)
<u>412</u>	<u>4,114</u>	<u>3,702</u>	<u>90%</u>	Wholesale Power Supply	<u>4,561</u>	<u>27,275</u>	<u>22,714</u>	<u>83%</u>
25	105	(80)	(76%)	Wholesale Margin	416	699	(284)	(41%)
<u>5,313</u>	<u>4,644</u>	<u>669</u>	<u>14%</u>	Gross Margin	<u>37,070</u>	<u>34,578</u>	<u>2,493</u>	<u>7%</u>
				Operating Expenses				
911	911	-	0%	Distribution	5,276	5,557	281	5%
114	114	-	0%	Administration/Safety	682	723	41	6%
223	223	-	0%	Finance, Fleet, & Warehouse	1,077	1,343	266	20% ^(D)
507	507	-	0%	Transfer to General Fund for Cost Allocation	3,044	3,044	0	0%
446	446	-	0%	Customer Service, Marketing & Conservation	2,074	2,673	599	22% ^(E)
360	360	-	0%	Public Benefits	2,431	2,522	90	4%
157	157	-	0%	Security/Oper Technology	1,110	1,031	(79)	(8%) ^(F)
110	110	-	0%	Telecom	625	693	68	10%
183	183	-	0%	Construction & Maintenance	931	1,095	165	15%
<u>1,575</u>	<u>1,575</u>	<u>-</u>	<u>0%</u>	Depreciation	<u>9,103</u>	<u>9,447</u>	<u>344</u>	<u>4%</u>
<u>4,585</u>	<u>4,585</u>	<u>-</u>	<u>0%</u> ^(d)	Total Operating Expenses	<u>26,353</u>	<u>28,128</u>	<u>1,775</u>	<u>6%</u>
<u>\$ 729</u>	<u>\$ 59</u>	<u>\$ 669</u>	<u>1125%</u>	Operating Income/(Loss)	<u>\$ 10,717</u>	<u>\$ 6,450</u>	<u>\$ 4,267</u>	<u>66%</u>

**Burbank Water and Power
Electric Fund (496)
Estimated Statement of Changes in Net Assets ^{(1) (2) (5)}
MTD and FYTD December 2019**

(\$ in 000's)

MTD FY 19-20	MTD Dec-19 Budget	\$ Variance ⁽²⁾	% Variance		FYTD FY 19-20	FYTD Dec-19 Budget	\$ Variance ⁽²⁾	% Variance
\$ 729	\$ 59	\$ 669	1125%	Operating Income/(Loss)	\$ 10,717	\$ 6,450	\$ 4,267	66%
				Other Income/(Expenses)				
162	162	-	0%	Interest Income	1,061	973	87	9%
106	106	-	0%	Other Income/(Expense) ⁽⁴⁾	(2,736)	(2,798)	62	2% ^(G)
(344)	(344)	-	0%	Bond Interest/ (Expense)	(2,066)	(2,066)	-	0%
(76)	(76)	-	0%	Total Other Income/(Expenses)	(3,741)	(3,891)	150	4%
653	(17)	669	(4032%)	Net Income	6,976	2,559	4,417	173%
125	125	-	0%	Capital Contributions (AIC)	214	713	(499)	(70%) ^(H)
<u>\$ 778</u>	<u>\$ 109</u>	<u>\$ 669</u>	<u>615%</u>	Net Change in Net Assets (Net Income)	<u>\$ 7,190</u>	<u>\$ 3,272</u>	<u>\$ 3,918</u>	<u>120%</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.

5. MTD is estimated for December 2019; FYTD reports July through November 2019 actuals.

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

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
a.	Electric Usage in MWh	83,169	87,523	(4,354)	- NEL is 5% lower than budget. For the month of December, average high temperature was 66.1.8°F, compared to the normal of 68.5°F. MTD HDD were 327 versus the 15 year average of 293.
b.	Other Revenues	414	587	(173)	- 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	7,397	8,820	1,423	- 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	4,585	4,585	-	- Expenses for December 2019 are estimated at budgeted values.

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

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
A.	Electric Usage in MWh	581,347	613,656	(32,309)	- NEL is 5% lower than budget. FYTD actual average high summer temperature is 86.9°F and the 15 year summer average high temperature is 85.9°F. FYTD CDD were 1108 versus the 15 year average of 1096. FYTD HDD were 510 versus the 15 year average of 453.
B.	Other Revenues	2,985	3,523	(537)	- 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	54,928	62,006	7,078	- The favorable variance is attributable to various components within Retail Power Supply & Transmission. Please refer to page 6 for additional details.
D.	Finance, Fleet, & Warehouse	1,077	1,343	266	- The favorable variance is primarily attributable to budgetary savings due to vacant positions, delayed spending on software support fees, and lower than planned spending on other professional services.
E.	Customer Service, Marketing & Conservation	2,074	2,673	599	- The favorable variance is primarily attributable to savings due to vacant positions, lower than planned spending on professional services, and on software & hardware; partially offset by lower than planned credits for work performed for other departments.
F.	Security/Oper Technology	1,110	1,031	(79)	- The unfavorable variance is primarily attributable to lower than planned credits for work performed for other departments, and timing of expenditures for membership and dues expense. The unfavorable variance was partially offset by lower than planned spending on other professional services.
G.	Other Income/(Expense)	(2,736)	(2,798)	62	- Other Income/(Expense) includes miscellaneous revenue from the sale of scrap materials, inventory and assets, as well as the BABS subsidy, which tend to fluctuate. July 2019 includes a one-time pension payment to CalPERS of \$3.43M.
H.	Capital Contributions (AIC)	214	713	(499)	- The unfavorable variance is primarily attributable to the timing of AIC projects.

Estimated December 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): \$653</u>	\$ 669		\$ 669
<u>MTD GROSS MARGIN VARIANCE</u>			
Retail Sales		(500)	(500)
Power Supply and Transmission			
- SCPPA True Up	(A) 1,383		1,383
- Lower energy prices and economic dispatch	216		216
- Lower retail load	124		124
- Higher than planned renewables	(B)	(300)	(300)
Other Revenues & Other income/(Expenses)		(174)	(174)
Wholesale Margin		(80)	(80)
Sub-Total	<u>1,723</u>	<u>(1,054)</u>	<u>669</u>
Other Income / (Expenses)			-
Total	<u>1,723</u>	<u>(1,054)</u>	<u>669</u>

FOOTNOTES:

(A) SCPPA true ups:

MPP	464
Palo Verde	270
Copper Mountain	150
Tieton	119
Mead Adelanto	97
SCPPA natural gas reserves	97
Milford	86
Prepaid gas	65
Don Campbell	38
Ameresco	(3)
	<u>1,383</u>

(B) Higher than planned renewables for Pebble Springs, Tieton, and Morgan Stanley exchange agreements. Makeup for Pebble Springs and Tieton because of Pacific DC line outage from mid October to early December.

Estimated December 2019 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): \$6,976</u>	\$ 4,417		\$ 4,417
<u>FYTD GROSS MARGIN VARIANCE</u>			
Retail Sales		(3,765)	(3,765)
Power Supply and Transmission			
- Lower energy prices and economic dispatch	3,332		3,332
- Higher than planned annual true up	1,208		1,208
- Lower O&M expenses than planned	1,043		1,043
- Lower retail load	899		899
- Lower than planned transmission expenses	445		445
- Lower than planned renewables	151		151
Other Revenues		(536)	(536)
Wholesale Margin		(284)	(284)
Total	<u>7,078</u>	<u>(4,585)</u>	<u>2,493</u>
<u>FYTD EXPENSE AND OTHER VARIANCES</u>			
Distribution	281		281
Administration/Safety	41		41
Finance, Fleet, & Warehouse	266		266
Customer Service, Marketing & Conservation	599		599
Public Benefits	90		90
Security/Oper Technology		(79)	(79)
Telecom	68		68
Construction & Maintenance	165		165
Depreciation expense	344		344
All other	149		149
Total	<u>2,003</u>	<u>(79)</u>	<u>1,924</u>

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

	<u>Dec-19</u>	<u>Nov-19</u>	<u>Oct-19</u>	<u>Jun-19</u>	<u>Jun-18</u>	<u>Recommended Reserves</u>	<u>Minimum Reserves</u>
Cash and Investments							
General Operating Reserve	\$ 67,391	\$ 66,329	\$ 66,598	\$ 67,320 ^(b)	\$ 78,993	\$ 52,010	\$ 37,570
Capital & Debt Reduction Fund	10,000	10,000	10,000	10,000	10,000	21,000	5,200
BWP Projects Reserve Deposits at SCPPA	17,014	16,944	16,938	16,817	16,492		
Sub-Total Cash and Investments	<u>94,405</u>	<u>93,273</u>	<u>93,536</u>	<u>94,137</u>	<u>105,485</u>	<u>73,010</u>	<u>42,770</u>
Capital Commitments					(6,740) ^(c)		
Customer Deposits	(6,632)	(6,054)	(4,885)	(5,641)	(5,432)		
Public Benefits Obligation	(7,061)	(6,716)	(7,307)	(6,069)	(5,549)		
Pacific Northwest DC Intertie	(855)	(855)	(1,389)	(2,218)	(7,455)		
Low Carbon Fuel Standard ^(d)	(2,267)	(2,267)	(2,267)	(2,267) ^(e)	(1,251)		
Cash and Investments (less Commitments)	<u><u>77,590</u></u>	<u><u>77,381</u></u>	<u><u>77,687</u></u>	<u><u>77,942</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 \$1.15M of LCFS credits.

**Burbank Water and Power
Water Fund (497)
Estimated Statement of Changes in Net Assets ^{(1) (2) (5)}
MTD and FYTD December 2019
(\$ in 000's except Gallons)**

MTD FY 19-20	MTD Dec-19 Budget	\$ Variance ⁽²⁾	% Variance		FYTD FY 19-20	FYTD Dec-19 Budget	\$ Variance ⁽²⁾	% Variance
377	391	(14)	(4%) ^(a)	Water put into the system in Millions of Gallons	2,858	2,910	(52)	(2%) ^(A)
45	62	(17)	(28%) ^(b)	Metered Recycled Water in Millions of Gallons	544	564	(20)	(4%) ^(B)
Operating Revenues								
1,790	2,178	\$ (388)	(18%) ^(c)	Potable Water	15,504	15,684	\$ (180)	(1%) ^(C)
188	254	(67)	(26%)	Recycled Water	2,275	2,312	(37)	(2%)
50	62	(12)	(19%) ^(d)	Other Revenue ⁽³⁾	363	371	(9)	(2%) ^(D)
<u>2,027</u>	<u>2,494</u>	<u>(467)</u>	<u>(19%)</u>	Total Operating Revenues	<u>18,142</u>	<u>18,368</u>	<u>(226)</u>	<u>(1%)</u>
811	920	109	12%	Water Supply Expense	6,661	7,053	392	6% ^(E)
<u>1,217</u>	<u>1,574</u>	<u>(358)</u>	<u>(23%)</u>	Gross Margin	<u>11,481</u>	<u>11,314</u>	<u>166</u>	<u>1%</u>
Operating Expenses								
693	693	-	0%	Operations & Maintenance - Potable	3,600	4,149	549	13% ^(F)
138	138	-	0%	Operations & Maintenance - Recycled	753	824	71	9%
206	206	-	0%	Allocated O&M	1,085	1,250	166	13%
172	172	-	0%	Transfer to General Fund for Cost Allocation	1,035	1,035	0	0%
<u>370</u>	<u>370</u>	<u>-</u>	<u>0%</u>	Depreciation	<u>2,000</u>	<u>2,218</u>	<u>219</u>	<u>10%</u>
<u>1,578</u>	<u>1,578</u>	<u>-</u>	<u>0%</u> ^(e)	Total Operating Expenses	<u>8,472</u>	<u>9,476</u>	<u>1,004</u>	<u>11%</u>
<u>(362)</u>	<u>(4)</u>	<u>(358)</u>	<u>(8982%)</u>	Operating Income/(Loss)	<u>3,008</u>	<u>1,838</u>	<u>1,170</u>	<u>64%</u>
Other Income/(Expenses)								
21	21	-	0%	Interest Income	147	127	20	16%
36	39	(3)	(7%)	Other Income/(Expense) ⁽⁴⁾	(374)	(319)	(55)	(17%) ^(G)
(159)	(159)	-	0%	Bond Interest/(Expense)	(955)	(952)	(3)	(0%)
<u>(101)</u>	<u>(99)</u>	<u>(3)</u>	<u>(3%)</u>	Total Other Income/(Expenses)	<u>(1,182)</u>	<u>(1,144)</u>	<u>(38)</u>	<u>(3%)</u>
<u>(463)</u>	<u>(102)</u>	<u>(360)</u>	<u>(351%)</u>	Net Income/(Loss)	<u>1,826</u>	<u>694</u>	<u>1,132</u>	<u>163%</u>
40	40	-	0%	Aid in Construction	272	242	30	13%
<u>\$ (422)</u>	<u>\$ (62)</u>	<u>\$ (360)</u>	<u>(579%)</u>	Net Change in Net Assets (Net Income)	<u>\$ 2,099</u>	<u>\$ 936</u>	<u>\$ 1,162</u>	<u>124%</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.

5. MTD is estimated for December 2019; FYTD reports July through November 2019 actuals.

Burbank Water and Power
Water Fund (497)
Estimated Statement of Changes in Net Assets - Footnotes
MTD December 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	377	391	(14)	- Potable water sales are lower due to lower demand. For the month of December, average high temperature was 66.1.8°F, compared to the normal of 68.5°F. MTD HDD were 327 versus the 15 year average of 293. Burbank received 4.35 inches of rainfall in December as compared to the monthly normal of 2.40 inches.	
b.	Recycled Water Usage in Millions of Gallons	45	62	(17)	- Recycled water sales are lower due to lower demand as there was significantly more precipitation in December. Burbank received 4.35 inches of rainfall in December as compared to the monthly normal of 2.40 inches.	
c.	Potable Water Revenue	1,790	2,178	(388)	- The WCAC impact decreased potable water revenues by \$159k MTD. Without this adjustment, potable water revenues would be unfavorable by 11%.	
						MTD Actual
					WCAC Revenue	\$969
					WCAC Expenses	\$810
					WCAC revenue deferral/(accrual)	\$159
d.	Other Revenue	50	62	(12)	- Other revenues include items such as damaged property recovery, connection fees, late fees, and tampering fees, which tend to fluctuate.	
e.	Total Operating Expenses	1,578	1,578	-	- Expenses for December 2019 are at budgeted values.	

Burbank Water and Power
Water Fund (497)
Estimated Statement of Changes in Net Assets - Footnotes
FYTD December 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	2,858	2,910	(52)	- FYTD Potable water sales are lower than budget. Rainfall season-to-date was 6.5 inches, 1.5 inches more than the season normal of 4.8 inches.
B.	Metered Recycled Water in Millions of Gallons	544	564	(20)	- FYTD Recycled sales are lower than budget. Rainfall season-to-date was 1.5 inches more than the season normal of 4.8 inches. FYTD CDD were 1108 versus the 15 year average of 1096. FYTD HDD were 510 versus the 15 year average of 453.
C.	Potable Water	15,504	15,684	(180)	- The WCAC impact decreased potable water revenues by \$190k YTD. Without this adjustment, potable revenues would be flat.
					FYTD Actual
					<u>\$6,848</u>
					WCAC Revenue
					WCAC Expenses
					<u>\$6,658</u>
					WCAC revenue deferral/(accrual)
					<u><u>\$190</u></u>
D.	Other Revenue	363	371	(9)	- Other revenues include items such as damaged property recovery, connection fees, late fees, and tampering fees, which tend to fluctuate.
E.	Water Supply Expense	6,661	7,053	392	- FYTD Water supply expense corresponds with lower demand.
F.	Operations & Maintenance - Potable	3,600	4,149	549	- The favorable variance is primarily attributable to timing of expenditures for professional services, budgetary savings due to vacant positions, and lower than planned spending on street and pavement repair.
G.	Other Income / (Expense)	(374)	(319)	(55)	- Other Income/(Expense) includes miscellaneous revenue from the sale of scrap materials, inventory and other assets, which tend to fluctuate.

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

	<u>Variance Month-to-Date</u>		
	<u>Favorable</u> <u>Items</u>	<u>Unfavorable</u> <u>Items</u>	<u>Budget to</u> <u>Actual</u> <u>Variance</u>
<u>MTD NET INCOME (LOSS): (\$463)</u>		(360)	\$ (360)
 <u>MTD GROSS MARGIN VARIANCE</u>			
Potable Revenues		(388)	(388)
Recycled Revenues		(67)	(67)
Other Revenue		(12)	(12)
Water Supply Expense	109		109
Total	<u>109</u>	<u>(467)</u>	<u>(358)</u>
 <u>MTD O&M AND OTHER VARIANCES</u>			
Operating expenses		-	-
Other income/expenses	-	(2)	(2)
Total	<u>-</u>	<u>(2)</u>	<u>(2)</u>

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

	<u>Variance Fiscal Year-to-Date</u>		
	<u>Favorable Items</u>	<u>Unfavorable Items</u>	<u>Budget to Actual Variance</u>
<u>FYTD NET INCOME: \$1,826</u>	\$ 1,132		\$ 1,132
 <u>FYTD GROSS MARGIN VARIANCE</u>			
Potable Revenues		(180)	(180)
Recycled Revenues		(37)	(37)
Other Revenue		(9)	(9)
Water Supply Expense	392		392
Total	<u>392</u>	<u>(226)</u>	<u>166</u>
 <u>FYTD O&M AND OTHER VARIANCES</u>			
Potable O&M	549		549
Recycled Water O&M	71		71
Allocated O&M	166		166
Depreciation Expense	219		219
All Other		(39)	(39)
Total	<u>1,005</u>	<u>(39)</u>	<u>966</u>

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

	<u>Dec-19</u>	<u>Nov-19</u>	<u>Oct-19</u>	<u>Jun-19</u>	<u>Jun-18</u>	<u>Recommended Reserves</u>	<u>Minimum Reserves</u>
Cash and Investments							
General Operating Reserves	\$ 16,289	\$ 15,309	\$ 14,417	\$ 11,555 ^(b)	\$ 10,925	\$ 12,630	\$ 8,070
Capital Reserve Fund	2,220	2,220	2,220	2,220	2,220	5,200	1,300
Sub-Total Cash and Investments	<u>18,509</u>	<u>17,529</u>	<u>16,637</u>	<u>13,775</u>	<u>13,145</u>	<u>17,830</u>	<u>9,370</u>
Customer Deposits	(1,214)	(1,218)	(1,221)	(1,454)	(607)		
Capital Commitments					(140) ^(c)		
Cash and Investments (less commitments)	<u><u>17,295</u></u>	<u><u>16,311</u></u>	<u><u>15,416</u></u>	<u><u>12,321</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.