

Burbank Water and Power



Estimated Financial Report July-20

UNAUDITED

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

MTD FY 20-21	MTD Jul-20 Budget	\$ Variance ⁽²⁾	% Variance		FYTD FY 20-21	FYTD Jul-20 Budget	\$ Variance ⁽²⁾	% Variance
97,000	109,083	(12,083)	(11%) ^(a)	NEL MWh	97,000	109,083	(12,083)	(11%)
				Retail				
\$ 14,563	\$ 17,262	\$ (2,699)	(16%)	Retail Sales	\$ 14,563	\$ 17,262	\$ (2,699)	(16%)
342	622	(280)	(45%) ^(b)	Other Revenues ⁽³⁾	342	622	(280)	(45%)
<u>9,532</u>	<u>10,804</u>	<u>1,271</u>	<u>12%</u> ^(c)	Retail Power Supply & Transmission	<u>9,532</u>	<u>10,804</u>	<u>1,271</u>	<u>12%</u>
5,372	7,080	(1,708)	(24%)	Retail Margin	5,372	7,080	(1,708)	(24%)
				Wholesale				
2,712	7,524	(4,812)	(64%)	Wholesale Sales	2,712	7,524	(4,812)	(64%)
<u>2,059</u>	<u>7,373</u>	<u>5,314</u>	<u>72%</u>	Wholesale Power Supply	<u>2,059</u>	<u>7,373</u>	<u>5,314</u>	<u>72%</u>
652	150	502	333%	Wholesale Margin	652	150	502	333%
<u>6,024</u>	<u>7,231</u>	<u>(1,206)</u>	<u>(17%)</u>	Gross Margin	<u>6,024</u>	<u>7,231</u>	<u>(1,206)</u>	<u>(17%)</u>
				Operating Expenses				
1,045	1,045	-	0%	Distribution	1,045	1,045	-	0%
117	117	-	0%	Administration/Safety	117	117	-	0%
232	232	-	0%	Finance, Fleet, & Warehouse	232	232	-	0%
525	525	-	0%	Transfer to General Fund for Cost Allocation	525	525	-	0%
471	471	-	0%	Customer Service, Marketing & Conservation	471	471	-	0%
490	490	-	0%	Public Benefits	490	490	-	0%
35	35	-	0%	Security/Oper Technology	35	35	-	0%
214	214	-	0%	LCFS	214	214	-	0%
133	133	-	0%	Telecom	133	133	-	0%
187	187	-	0%	Construction & Maintenance	187	187	-	0%
<u>1,781</u>	<u>1,781</u>	<u>-</u>	<u>0%</u>	Depreciation	<u>1,781</u>	<u>1,781</u>	<u>-</u>	<u>0%</u>
<u>5,230</u>	<u>5,230</u>	<u>-</u>	<u>0%</u> ^(d)	Total Operating Expenses	<u>5,230</u>	<u>5,230</u>	<u>-</u>	<u>0%</u>
\$ 795	\$ 2,001	\$ (1,206)	(60%)	Operating Income/(Loss)	\$ 795	\$ 2,001	\$ (1,206)	(60%)

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

(\$ in 000's)					(\$ in 000's)			
MTD FY 20-21	MTD Jul-20 Budget	\$ Variance ⁽²⁾	% Variance		FYTD FY 20-21	FYTD Jul-20 Budget	\$ Variance ⁽²⁾	% Variance
\$ 795	\$ 2,001	\$ (1,206)	(60%)	Operating Income/(Loss)	\$ 795	\$ 2,001	\$ (1,206)	(60%)
				Other Income/(Expenses)				
142	142	-	0%	Interest Income	142	142	-	0%
(2,533)	(2,533)	-	0%	Other Income/(Expense) ⁽⁴⁾	(2,533)	(2,533)	-	0%
(284)	(284)	-	0%	Bond Interest/ (Expense)	(284)	(284)	-	0%
(2,676)	(2,676)	-	0%	Total Other Income/(Expenses)	(2,676)	(2,676)	-	0%
(1,881)	(674)	(1,206)	(179%)	Net Income	(1,881)	(674)	(1,206)	(179%)
1,054	1,054	-	0%	Capital Contributions (AIC)	1,054	1,054	-	0%
<u>\$ (826)</u>	<u>\$ 380</u>	<u>\$ (1,206)</u>	<u>(318%)</u>	Net Change in Net Assets	<u>\$ (826)</u>	<u>\$ 380</u>	<u>\$ (1,206)</u>	<u>(318%)</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 and FYTD are estimated for July 2020.

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

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
a.	Electric Usage in MWh	97,000	109,083	(12,083)	- NEL is 11% lower than budget, which is driven primarily by the closing of businesses within Burbank due to the "Safer at home" order issued by Los Angeles County officials and California Governor Newsom on March 19th, 2020. The July average high temperature was 86.9°F, the same as the 15 year average high temperature of 86.9°F. MTD CDD were 268 versus the 15 year average of 322.
b.	Other Revenues	342	622	(280)	- 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	9,532	10,804	1,271	- The favorable variance is attributable to various components within Retail Power Supply & Transmission. Please refer to page 4 for additional details.
d.	Total Operating Expenses	5,230	5,230	-	- Expenses for July 2020 are estimated at budgeted values.

Estimated July 2020 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): (\$1,881)</u>		\$ (1,206)	\$ (1,206)
 <u>MTD GROSS MARGIN VARIANCE</u>			
Retail Sales		(2,699)	(2,699)
Power Supply and Transmission			
- Economic dispatch and lower energy prices	754		754
- Lower retail load	266		266
- Lower transmission	151		151
- Lower than planned renewables	100		100
Other Revenues & Other income/(Expenses)		(280)	(280)
Wholesale Margin	503		503
Total	\$ 1,774	\$ (2,980)	\$ (1,206)

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

	Jul-20	Jun-20	Mar-20	Dec-19	Sep-19	Jun-19	Recommended Reserves	Minimum Reserves
Cash and Investments								
General Operating Reserve	\$ 52,137 ^(f)	\$ 50,561 ^{(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	21,000	5,200
BWP Projects Reserve Deposits at SCPPA	12,804 ^(g)	17,163	17,062	17,014	16,912	16,817		
Sub-Total Cash and Investments	<u>74,941</u>	<u>77,724</u>	<u>91,029</u>	<u>94,495</u>	<u>88,959</u>	<u>94,137</u>	73,010	42,770
Customer Deposits	(1,643)	(1,811)	(6,300)	(6,632)	(4,822)	(5,641)		
Public Benefits Obligation	(7,360)	(6,990)	(6,849)	(7,125)	(6,607)	(6,069)		
Pacific Northwest DC Intertie	(62)	(62)	(255)	(855)	(1,389)	(2,218)		
Low Carbon Fuel Standard ^(c)	(3,397)	(3,642)	(2,267)	(2,267)	(2,267)	(2,267)		
Cash and Investments (less Commitments)	<u><u>62,479</u></u>	<u><u>65,219</u></u>	<u><u>75,360</u></u>	<u><u>77,615</u></u>	<u><u>73,874</u></u>	<u><u>77,942</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 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. Amount is still being reviewed.

^(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.

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

MTD FY 20-21	MTD Jul-20 Budget	\$ Variance ⁽²⁾	% Variance		FYTD FY 20-21	FYTD Jul-20 Budget	\$ Variance ⁽²⁾	% Variance
508	521	(13)	(3%) ^(a)	Water put into the system in Millions of Gallons	508	521	(13)	(3%)
111	110	0	0% ^(b)	Metered Recycled Water in Millions of Gallons	111	110	0	0%
				Operating Revenues				
2,826	2,713	\$ 113	4% ^(c)	Potable Water	2,826	2,713	\$ 113	4%
445	450	(5)	(1%)	Recycled Water	445	450	(5)	(1%)
21	122	(101)	(83%) ^(d)	Other Revenue ⁽³⁾	21	122	(101)	(83%)
<u>3,292</u>	<u>3,285</u>	<u>7</u>	<u>0%</u>	Total Operating Revenues	<u>3,292</u>	<u>3,285</u>	<u>7</u>	<u>0%</u>
1,137	1,285	148	12% ^(e)	Water Supply Expense	1,137	1,285	148	12%
<u>2,155</u>	<u>2,000</u>	<u>154</u>	<u>8%</u>	Gross Margin	<u>2,155</u>	<u>2,000</u>	<u>154</u>	<u>8%</u>
				Operating Expenses				
748	748	-	0%	Operations & Maintenance - Potable	748	748	-	0%
139	139	-	0%	Operations & Maintenance - Recycled	139	139	-	0%
213	213	-	0%	Allocated O&M	213	213	-	0%
175	175	-	0%	Transfer to General Fund for Cost Allocation	175	175	-	0%
<u>355</u>	<u>355</u>	<u>-</u>	<u>0%</u>	Depreciation	<u>355</u>	<u>355</u>	<u>-</u>	<u>0%</u>
<u>1,630</u>	<u>1,630</u>	<u>-</u>	<u>0%</u> ^(f)	Total Operating Expenses	<u>1,630</u>	<u>1,630</u>	<u>-</u>	<u>0%</u>
<u>524</u>	<u>370</u>	<u>154</u>	<u>42%</u>	Operating Income/(Loss)	<u>524</u>	<u>370</u>	<u>154</u>	<u>42%</u>
				Other Income/(Expenses)				
21	21	-	0%	Interest Income	21	21	-	0%
45	45	-	0%	Other Income/(Expense) ⁽⁴⁾	45	45	-	0%
(688)	(688)	-	0%	Bond Interest/(Expense)	(688)	(688)	-	0%
<u>(622)</u>	<u>(622)</u>	<u>-</u>	<u>0%</u>	Total Other Income/(Expenses)	<u>(622)</u>	<u>(622)</u>	<u>-</u>	<u>0%</u>
<u>(98)</u>	<u>(252)</u>	<u>154</u>	<u>61%</u>	Net Income/(Loss)	<u>(98)</u>	<u>(252)</u>	<u>154</u>	<u>61%</u>
94	94	-	0%	Aid in Construction	94	94	-	0%
<u>\$ (4)</u>	<u>\$ (159)</u>	<u>\$ 154</u>	<u>97%</u>	Net Change in Net Assets	<u>\$ (4)</u>	<u>\$ (159)</u>	<u>\$ 154</u>	<u>97%</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 and FYTD are estimated for July 2020.

Burbank Water and Power
Water Fund (497)
Estimated Statement of Changes in Net Assets - Footnotes
MTD July 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	508	521	(13)	- Potable water demand was lower than budget. The July average high temperature was 86.9°F, the same as the 15 year average high temperature of 86.9°F. MTD CDD were 268 versus the 15 year average of 322.	
b.	Recycled Water Usage in Millions of Gallons	111	110	0	- Recycled water demand was on budget. Please refer to footnote (a).	
c.	Potable Water Revenue	2,826	2,713	113	- The WCAC impact decreased potable water revenues by \$30k MTD. Without this adjustment, potable water revenues would be favorable by 5%.	
						MTD Actual
					WCAC Revenue	<u>\$1,167</u>
					WCAC Expenses	\$1,137
					WCAC revenue deferral/(accrual)	<u><u>\$30</u></u>
d.	Other Revenue	21	122	(101)	- Other revenues include items such as damaged property recovery, connection fees, late fees, and tampering fees, which tend to fluctuate.	
e.	Water Supply Expense	1,137	1,285	148	- 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	1,630	1,630	-	- Expenses for July 2020 are at budgeted values.	

Estimated July 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): (\$98)</u>	\$ 154		\$ 154
<u>MTD GROSS MARGIN VARIANCE</u>			
Potable Revenues	113		113
Recycled Revenues		(5)	(5)
Other Revenue		(101)	(101)
Water Supply Expense	148		148
Total	<u>261</u>	<u>\$ (106)</u>	<u>\$ 154</u>

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

	<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	\$ 9,911 ^(e)	\$ 8,878 ^{(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	5,200	1,300
Sub-Total Cash and Investments	<u>12,131</u>	<u>11,098</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	(1,172)	(1,227)	(1,504)	(1,650)	(1,252)	(1,454)		
Cash and Investments (less commitments)	<u>\$ 10,959</u>	<u>\$ 9,871</u>	<u>\$ 9,543</u>	<u>\$ 16,911</u>	<u>\$ 14,142</u>	<u>\$ 12,321</u>	<u>\$ 17,830</u>	<u>\$ 9,370</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. Amount is still being reviewed.

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