

Burbank Water and Power



Estimated Financial Report October-19

UNAUDITED

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

MTD FY 19-20	MTD Oct-19 Budget	\$ Variance ⁽²⁾	% Variance		FYTD FY 19-20	FYTD Oct-19 Budget	\$ Variance ⁽²⁾	% Variance
90,470	99,416	(8,946)	(9%) ^(a)	NEL MWh	417,179	440,502	(23,323)	(5%) ^(A)
				Retail				
\$ 14,036	\$ 15,091	\$ (1,055)	(7%)	Retail Sales	\$ 63,522	\$ 66,577	\$ (3,055)	(5%)
407	587	(180)	(31%) ^(b)	Other Revenues ⁽³⁾	1,815	2,348	(533)	(23%) ^(B)
<u>8,767</u>	<u>9,449</u>	<u>682</u>	<u>7%</u> ^(c)	Retail Power Supply & Transmission	<u>39,843</u>	<u>44,209</u>	<u>4,366</u>	<u>10%</u> ^(C)
5,677	6,229	(552)	(9%)	Retail Margin	25,494	24,716	778	3%
				Wholesale				
889	3,394	(2,504)	(74%)	Wholesale Sales	3,720	20,007	(16,287)	(81%)
<u>810</u>	<u>3,309</u>	<u>2,499</u>	<u>76%</u>	Wholesale Power Supply	<u>3,485</u>	<u>19,507</u>	<u>16,022</u>	<u>82%</u>
80	85	(5)	(6%)	Wholesale Margin	235	500	(265)	(53%)
<u>5,756</u>	<u>6,314</u>	<u>(557)</u>	<u>(9%)</u>	Gross Margin	<u>25,729</u>	<u>25,216</u>	<u>513</u>	<u>2%</u>
				Operating Expenses				
914	914	-	0%	Distribution	3,499	3,731	232	6%
118	118	-	0%	Administration/Safety	388	470	82	17% ^(D)
223	223	-	0%	Finance, Fleet, & Warehouse	717	891	174	20% ^(E)
507	507	-	0%	Transfer to General Fund for Cost Allocation	2,029	2,029	0	0%
446	446	-	0%	Customer Service, Marketing & Conservation	1,457	1,782	326	18% ^(F)
409	409	-	0%	Public Benefits	1,809	1,810	2	0%
185	185	-	0%	Security/Oper Technology	756	706	(50)	(7%) ^(G)
110	110	-	0%	Telecom	443	473	30	6%
183	183	-	0%	Construction & Maintenance	579	730	151	21% ^(H)
<u>1,575</u>	<u>1,575</u>	<u>-</u>	<u>0%</u>	Depreciation	<u>5,785</u>	<u>6,298</u>	<u>513</u>	<u>8%</u>
4,668	4,668	-	0% ^(d)	Total Operating Expenses	17,461	18,921	1,460	8%
<u>\$ 1,088</u>	<u>\$ 1,646</u>	<u>\$ (557)</u>	<u>(34%)</u>	Operating Income/(Loss)	<u>\$ 8,268</u>	<u>\$ 6,295</u>	<u>\$ 1,973</u>	<u>31%</u>

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

(\$ in 000's)

MTD FY 19-20	MTD Oct-19 Budget	\$ Variance ⁽²⁾	% Variance		FYTD FY 19-20	FYTD Oct-19 Budget	\$ Variance ⁽²⁾	% Variance
\$ 1,088	\$ 1,646	\$ (557)	(34%)	Operating Income/(Loss)	\$ 8,268	\$ 6,295	\$ 1,973	31%
				Other Income/(Expenses)				
162	162	-	0%	Interest Income	672	649	23	4%
106	106	-	0%	Other Income/(Expense) ⁽⁴⁾	(2,899)	(3,010)	111	4% ^(l)
(344)	(344)	-	0%	Bond Interest/ (Expense)	(1,377)	(1,377)	-	0%
(76)	(76)	-	0%	Total Other Income/(Expenses)	(3,604)	(3,738)	134	4%
1,012	1,570	(557)	(36%)	Net Income	4,664	2,556	2,107	82%
125	125	-	0%	Capital Contributions (AIC)	(11)	462	(473)	(102%) ^(j)
<u>\$ 1,138</u>	<u>\$ 1,695</u>	<u>\$ (557)</u>	<u>(33%)</u>	Net Change in Net Assets (Net Income)	<u>\$ 4,652</u>	<u>\$ 3,018</u>	<u>\$ 1,634</u>	<u>54%</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 October 2019; FYTD reports July, August and September 2019 actuals.

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

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
a.	Electric Usage in MWh	90,470	99,416	(8,946)	- NEL is 9% lower than budget. Approximately 1% of this variance can be attributed to delays in the LADWP tunneling project. Note that NEL was conservatively budgeted at approximately the 60th percentile (all load/weather simulations calculated, 60% had NEL lower than the budgeted amount) of simulated load scenarios. For the month of October average high temperature was 85.2°F, compared to the normal of 81.2°F. MTD CDD were 142 versus the 15 year average of 125.
b.	Other Revenues	407	587	(180)	- 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	8,767	9,449	682	- 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	4,668	4,668	-	- Expenses for October 2019 are estimated at budgeted values.

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

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
A.	Electric Usage in MWh	417,179	440,502	(23,323)	- NEL is 5% lower than budget. Approximately 1% of this variance can be attributed to delays in the LADWP tunneling project. Note that NEL was conservatively budgeted at approximately the 60th percentile (all load/weather simulations calculated, 60% had NEL lower than the budgeted amount) of simulated load scenarios. FYTD average high temperature was 85.9°F and the 15 year average high temperature was 85.2°F. FYTD CDD were 1069 versus the 15 year average of 1049.
B.	Other Revenues	1,815	2,348	(533)	- 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	39,843	44,209	4,366	- The favorable variance is attributable to various components within Retail Power Supply & Transmission. Please refer to page 6 for additional details.
D.	Administration / Safety	388	470	82	- The favorable variance is primarily attributable to timing of expenditures for other professional services, general travel and training.
E.	Finance, Fleet, & Warehouse	717	891	174	- The favorable variance is primarily attributable to budgetary savings due to vacant positions, lower than planned spending on other professional services, and delayed spending on software support fees.
F.	Customer Service, Marketing & Conservation	1,457	1,782	326	- The favorable variance is primarily attributable to lower than planned spending on software & hardware, on professional services, and savings due to vacant positions.
G.	Security/Oper Technology	756	706	(50)	- The unfavorable variance is primarily attributable to higher than planned expenditures on project salaries and project salaries overhead, and timing of expenditures for membership dues expenses.
H.	Construction & Maintenance	579	730	151	- The favorable variance is primarily attributable to timing of expenditures for building grounds maintenance & repair and custodial services.
I.	Other Income/(Expense)	(2,899)	(3,010)	111	- 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 pension payment to CalPERS of \$3.43M.
J.	Capital Contributions (AIC)	(11)	462	(473)	- The unfavorable variance is primarily attributable to the timing of AIC projects.

Estimated October 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): \$1,012</u>		\$ (557)	\$ (557)
<u>MTD GROSS MARGIN VARIANCE</u>			
Retail Sales		(1,055)	(1,055)
Power Supply and Transmission			
- Lower retail load	259		259
- Lower than planned renewables	170		170
- Lower energy prices and economic dispatch	148		148
- Lower transmission expenses than planned	105		105
Other Revenues		(180)	(180)
Wholesale Margin		(4)	(4)
Total	<u>682</u>	<u>(1,239)</u>	<u>(557)</u>

Estimated October 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): \$4,664</u>	\$ 2,107		\$ 2,107
<u>FYTD GROSS MARGIN VARIANCE</u>			
Retail Sales		(3,055)	(3,055)
Power Supply and Transmission			
- Lower energy prices and economic dispatch	2,474		2,474
- Lower retail load	647		647
- Lower O&M expenses than planned	510		510
- Lower than planned transmission expenses	397		397
- Lower than planned renewables	338		338
Other Revenues		(533)	(533)
Wholesale Margin		(265)	(265)
Total	<u>4,366</u>	<u>(3,853)</u>	<u>513</u>
<u>FYTD EXPENSE AND OTHER VARIANCES</u>			
Distribution	232		232
Administration/Safety	82		82
Finance, Fleet, & Warehouse	174		174
Customer Service, Marketing & Conservation	326		326
Public Benefits	2		2
Security/Oper Technology		(50)	(50)
Telecom	30		30
Construction & Maintenance	151		151
Depreciation expense	513		513
All other	134		134
Total	<u>1,644</u>	<u>(50)</u>	<u>1,594</u>

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

	<u>Oct-19</u>	<u>Sep-19</u>	<u>Aug-19</u>	<u>Jun-19</u>	<u>Jun-18</u>	<u>Recommended Reserves</u>	<u>Minimum Reserves</u>
Cash and Investments							
General Operating Reserve	\$ 66,076	\$ 62,047	\$ 59,213	\$ 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	16,938	16,912	16,871	16,817	16,492		
Sub-Total Cash and Investments	<u>93,015</u>	<u>88,959</u>	<u>86,084</u>	<u>94,137</u>	<u>105,485</u>	<u>73,010</u>	<u>42,770</u>
Capital Commitments					(6,740) ^(c)		
Customer Deposits	(4,885)	(4,822)	(4,268)	(5,641)	(5,432)		
Public Benefits Obligation	(6,854)	(6,607)	(6,787)	(6,069)	(5,549)		
Pacific Northwest DC Intertie	(855)	(1,389)	(1,389)	(2,218)	(7,455)		
Low Carbon Standard Fuel ^(d)	(2,267)	(2,267)	(2,267)	(2,267) ^(e)	(1,251)		
Cash and Investments (less Commitments)	<u>78,153</u>	<u>73,874</u>	<u>71,373</u>	<u>77,942</u>	<u>79,059</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 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 October 2019
(\$ in 000's except Gallons)**

MTD FY 19-20	MTD Oct-19 Budget	\$ Variance ⁽²⁾	% Variance		FYTD FY 19-20	FYTD Oct-19 Budget	\$ Variance ⁽²⁾	% Variance	
505	496	10	2% ^(a)	Water put into the system in Millions of Gallons	2,036	2,109	(73)	(3%) ^(A)	
101	93	9	9%	Metered Recycled Water in Millions of Gallons	428	424	4	1% ^(B)	
Operating Revenues									
2,765	2,660	\$ 105	4%	Potable Water	11,401	11,226	\$ 175	2% ^(C)	
373	380	(7)	(2%)	Recycled Water	1,734	1,737	(3)	(0%)	
56	62	(6)	(9%) ^(b)	Other Revenue ⁽³⁾	117	248	(130)	(53%) ^(D)	
<u>3,194</u>	<u>3,101</u>	<u>93</u>	<u>3%</u>	Total Operating Revenues	<u>13,252</u>	<u>13,211</u>	<u>42</u>	<u>0%</u>	
1,162	1,200	39	3%	Water Supply Expense	4,849	5,146	297	6% ^(E)	
<u>2,032</u>	<u>1,901</u>	<u>131</u>	<u>7%</u>	Gross Margin	<u>8,403</u>	<u>8,065</u>	<u>338</u>	<u>4%</u>	
Operating Expenses									
696	696	-	0%	Operations & Maintenance - Potable	2,340	2,764	424	15% ^(F)	
137	137	-	0%	Operations & Maintenance - Recycled	515	549	34	6%	
209	209	-	0%	Allocated O&M	742	833	91	11% ^(G)	
172	172	-	0%	Transfer to General Fund for Cost Allocation	690	690	0	0%	
<u>370</u>	<u>370</u>	<u>-</u>	<u>0%</u>	Depreciation	<u>1,347</u>	<u>1,479</u>	<u>132</u>	<u>9%</u>	
1,585	1,585	-	0% ^(c)	Total Operating Expenses	5,633	6,315	682	11%	
Other Income/(Expenses)									
21	21	-	0%	Interest Income	91	85	6	8%	
39	39	-	0%	Other Income/(Expense) ⁽⁴⁾	(419)	(397)	(22)	(5%) ^(H)	
(159)	(159)	-	0%	Bond Interest/(Expense)	(628)	(635)	7	1%	
<u>(99)</u>	<u>(99)</u>	<u>-</u>	<u>0%</u>	Total Other Income/(Expenses)	<u>(956)</u>	<u>(947)</u>	<u>(9)</u>	<u>(1%)</u>	
<u>349</u>	<u>218</u>	<u>131</u>	<u>60%</u>	Net Income/(Loss)	<u>1,814</u>	<u>803</u>	<u>1,012</u>	<u>126%</u>	
40	40	-	0%	Aid in Construction	(124)	161	(285)	(177%) ^(I)	
<u>\$ 390</u>	<u>\$ 258</u>	<u>\$ 131</u>	<u>51%</u>	Net Change in Net Assets (Net Income)	<u>\$ 1,691</u>	<u>\$ 964</u>	<u>\$ 727</u>	<u>75%</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 October 2019; FYTD reports July, August and September 2019 actuals.

**Burbank Water and Power
Water Fund (497)
Estimated Statement of Changes in Net Assets - Footnotes
MTD October 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	505	496	10	- Potable water sales are higher due to higher demand. Burbank received no rainfall in October as compared to the monthly normal of 0.97 inches. Average high temperature was 85.2°F, compared to the normal of 81.2°F. MTD CDD were 142 versus the 15 year average of 125.
b.	Other Revenue	56	62	(6)	- Other revenues include items such as damaged property recovery, connection fees, late fees, and tampering fees, which tend to fluctuate.
c.	Total Operating Expenses	1,585	1,585	-	- Expenses for October 2019 are at budgeted values.

Burbank Water and Power
Water Fund (497)
Estimated Statement of Changes in Net Assets - Footnotes
FYTD October 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	2,036	2,109	(73)	- FYTD Potable water sales are lower as sales are not rebounding at the same rate as historical potable sales under 3-day watering. Rainfall season-to-date was 1.24 inches less than the season normal of 1.29 inches. FYTD CDD were 1069 versus the 15 year average of 1049.	
B.	Metered Recycled Water in Millions of Gallons	428	424	4	- FYTD Recycled sales are within budget. Rainfall season-to-date was 1.24 inches less than the season normal of 1.29 inches. FYTD CDD were 1069 versus the 15 year average of 1049.	
C.	Potable Water	11,401	11,226	175	- The WCAC impact increased potable water revenues by \$119k YTD. Without this adjustment, potable revenues would be flat.	
						FYTD Actual
					WCAC Revenue	\$4,728
					WCAC Expenses	\$4,847
					WCAC revenue deferral/(accrual)	(\$119)
D.	Other Revenue	117	248	(130)	- Other revenues include items such as damaged property recovery, connection fees, late fees, and tampering fees, which tend to fluctuate.	
E.	Water Supply Expense	4,849	5,146	297	- FYTD Water supply expense corresponds with lower demand.	
F.	Operations & Maintenance - Potable	2,340	2,764	424	- The favorable variance is primarily attributable to budgetary savings due to vacant positions, and timing of expenditures for professional services.	
G.	Allocated O&M	742	833	91	- The favorable variance is primarily attributable to timing of expenditures for allocated expenses (Customer Service, Admin & Safety, Facilities and Conservation) from the Electric Fund, and other professional services.	
H.	Other Income / (Expense)	(419)	(397)	(22)	- Other Income/(Expense) includes miscellaneous revenue from the sale of scrap materials, inventory, and other assets.	
I.	Aid in Construction	(124)	161	(285)	- The unfavorable variance is attributable to the timing of AIC projects.	

**Estimated October 2019 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): \$349</u>	\$ 131		\$ 131
<u>MTD GROSS MARGIN VARIANCE</u>			
Potable Revenues	105		105
Recycled Revenues		(7)	(7)
Other Revenue		(6)	(6)
Water Supply Expense	39		39
Total	<u>144</u>	<u>(13)</u>	<u>131</u>
<u>MTD O&M AND OTHER VARIANCES</u>			
Operating expenses		-	-
Other income/expenses	-		-
Total	<u>-</u>	<u>-</u>	<u>-</u>

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

	<u>Variance Fiscal Year-to-Date</u>		
	<u>Favorable</u>	<u>Unfavorable</u>	<u>Budget to</u>
	<u>Items</u>	<u>Items</u>	<u>Actual</u>
			<u>Variance</u>
<u>FYTD NET INCOME: \$1,814</u>	\$ 1,012		\$ 1,012
<u>FYTD GROSS MARGIN VARIANCE</u>			
Potable Revenues	175		175
Recycled Revenues		(3)	(3)
Other Revenue		(130)	(130)
Water Supply Expense	297		297
Total	<u>472</u>	<u>(133)</u>	<u>339</u>
<u>FYTD O&M AND OTHER VARIANCES</u>			
Potable O&M	424		424
Recycled Water O&M	34		34
Allocated O&M	91		91
Depreciation Expense	132		132
All Other		(8)	(8)
Total	<u>681</u>	<u>(8)</u>	<u>673</u>

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

	<u>Oct-19</u>	<u>Sep-19</u>	<u>Aug-19</u>	<u>Jun-19</u>	<u>Jun-18</u>	<u>Recommended Reserves</u>	<u>Minimum Reserves</u>
Cash and Investments							
General Operating Reserves	\$ 14,581	\$ 13,174	\$ 11,940	\$ 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>16,801</u>	<u>15,394</u>	<u>14,160</u>	<u>13,775</u>	<u>13,145</u>	<u>17,830</u>	<u>9,370</u>
Customer Deposits	(1,221)	(1,252)	(1,448)	(1,454)	(607)		
Capital Commitments					(140) ^(c)		
Cash and Investments (less commitments)	<u><u>15,580</u></u>	<u><u>14,142</u></u>	<u><u>12,712</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.