

Burbank Water and Power



Estimated Financial Report September-20

UNAUDITED

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

MTD FY 20-21	MTD Sep-20 FY 20-21	\$ Variance	% Variance		YTD Estimate FY 20-21	YTD Budget FY 20-21	\$ Variance	% Variance
100,262	102,903	(2,641)	(3%) ^(a)	NEL MWh	308,027	324,203	(16,176)	(5%) ^(A)
				Retail				
\$ 15,168	\$ 15,673	\$ (505)	(3%)	Retail Sales	\$ 46,661	\$ 50,087	\$ (3,427)	(7%)
531	622	(91)	(15%) ^(b)	Other Revenues ⁽³⁾	1,358	1,866	(507)	(27%) ^(B)
11,399	10,490	(909)	(9%) ^(c)	Retail Power Supply & Transmission	31,126	32,285	1,159	4% ^(C)
4,301	5,806	(1,505)	(26%)	Retail Margin	16,893	19,668	(2,775)	(14%)
				Wholesale				
2,936	2,839	97	3%	Wholesale Sales	14,086	17,674	(3,587)	(20%)
2,111	2,782	671	24%	Wholesale Power Supply	9,646	17,320	7,674	44%
825	57	768	1353%	Wholesale Margin	4,440	353	4,087	1156%
5,126	5,862	(737)	(13%)	Gross Margin	21,333	20,021	1,312	7%
				Operating Expenses				
941	941	-	0%	Distribution	2,653	2,962	309	10%
110	110	-	0%	Administration/Safety	429	337	(92)	(27%) ^(D)
231	231	-	0%	Finance, Fleet, & Warehouse	672	687	15	2%
525	525	-	0%	Transfer to General Fund for Cost Allocation	1,570	1,574	4	0%
476	476	-	0%	Customer Service, Marketing & Conservation	969	1,422	453	32% ^(E)
445	445	-	0%	Public Benefits	1,677	1,422	(255)	(18%)
35	35	-	0%	LCSF	70	105	35	33% ^(F)
237	237	-	0%	Security/Oper Technology	721	666	(55)	(8%)
110	110	-	0%	Telecom	280	353	73	21% ^(G)
187	187	-	0%	Construction & Maintenance	238	561	323	58% ^(H)
1,781	1,781	-	0%	Depreciation	3,338	5,344	2,006	38%
5,079	5,079	-	0% ^(d)	Total Operating Expenses	12,618	15,434	2,816	18%
\$ 46	\$ 783	\$ (737)	(94%)	Operating Income/(Loss)	\$ 8,715	\$ 4,588	\$ 4,127	90%

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

				(\$ in 000's)				
MTD FY 20-21	MTD Sep-20 Budget	\$ Variance ⁽²⁾	% Variance		YTD Estimate FY 20-21	YTD Budget Budget	\$ Variance ⁽²⁾	% Variance
\$ 46	\$ 783	\$ (737)	(94%)	Operating Income/(Loss)	\$ 8,715	\$ 4,588	\$ 4,127	90%
				Other Income/(Expenses)				
142	142	-	0%	Interest Income	405	426	(21)	(5%)
126	126	-	0%	Other Income/(Expense) ⁽⁴⁾	(2,261)	(2,281)	20	(1%)
(284)	(284)	-	0%	Bond Interest/ (Expense)	(852)	(852)	-	0%
(16)	(16)	-	0%	Total Other Income/(Expenses)	(2,708)	(2,708)	-	0%
30	767	(737)	(96%)	Net Income	6,007	1,880	4,127	219%
1,054	1,054	-	0%	Capital Contributions (AIC)	1,336	3,163	(1,826)	(58%) ⁽¹⁾
<u>\$ 1,085</u>	<u>\$ 1,822</u>	<u>\$ (737)</u>	<u>(40%)</u>	Net Change in Net Assets	<u>\$ 7,343</u>	<u>\$ 5,043</u>	<u>\$ 2,300</u>	<u>46%</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 September 2020; FYTD reports July and August 2020 actuals.

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

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
a.	Electric Usage in MWh	100,262	102,903	(2,641)	- NEL is 3% 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, largely offset by warmer temperatures. An intense heatwave broke temperature records in Southern California in early September, followed by few less intense and shorter heatwaves for the remaining of September. The September average high temperature was 92.1°F, compared to the 15-year average high temperature of 87.2°F. MTD CDD were 348 versus the 15-year average of 274.
b.	Other Revenues	531	622	(91)	- 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	11,399	10,490	(909)	- The unfavorable variance is attributable to various components within Retail Power Supply & Transmission. Please refer to page 5 for additional details.
d.	Total Operating Expenses	5,079	5,079	-	- Expenses for September 2020 are estimated at budgeted values.

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

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
A.	Electric Usage in MWh	308,027	324,203	(16,176)	- NEL is 5% 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, partially offset by warmer temperatures. FYTD actual average high temperature was 90.1°F, compared to the 15-year average high temperature of 87.7°F. FYTD CDD were 1,015 versus the 15-year average of 929.
B.	Other Revenues	1,358	1,866	(507)	- 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	31,126	32,285	1,159	- The favorable variance is attributable to various components within Retail Power Supply & Transmission. Please refer to page 6 for additional details.
D.	Administration / Safety	429	337	(92)	- The unfavorable variance is attributable to timing of expenditures on membership dues.
E.	Customer Service, Marketing & Conservation	969	1,422	453	- The favorable variance is primarily attributable to timing of expenditures on other professional services and software & hardware.
F.	LCSF	70	105	35	- The favorable variance is primarily attributable to lower than planned spending on private contractual services.
G.	Telecom	280	353	73	- The favorable variance is primarily attributable to budgetary savings due to vacant positions, and lower than planned spending on other professional and private contractual services.
H.	Construction & Maintenance	238	561	323	- The favorable variance is primarily attributable to timing of expenditures on custodial services and building grounds maintenance & repair, and more work for others and capital than planned.
I.	Capital Contributions (AIC)	1,336	3,163	(1,826)	- The unfavorable variance is primarily attributable to the timing of AIC projects.

Estimated September 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): \$30</u>		\$ (737)	\$ (737)
<u>MTD GROSS MARGIN VARIANCE</u>			
Retail Sales		(505)	(505)
Power Supply and Transmission			
- Higher spot power and fuel price offset by economic dispatch		(366)	(366)
- Lower retail load	55		55
- Prior period true up		(202)	(202)
- Higher transmission		(292)	(292)
- Higher than planned renewables		(103)	(103)
Other Revenues & Other income/(Expenses)		(91)	(91)
Wholesale Margin	768		768
Total	<u>\$ 823</u>	<u>\$ (1,559)</u>	<u>\$ (736)</u>

Estimated September 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): \$6,007</u>	\$ 4,127		\$ 4,127
<u>FYTD GROSS MARGIN VARIANCE</u>			
Retail Sales		(3,427)	(3,427)
Power Supply and Transmission			
- Economic dispatch offset by higher energy prices	437		437
- Higher than planned transmission expenses	25		25
- Lower retail load	340		340
- Lower than planned O&M	560		560
- Prior period true up		(202)	(202)
Other Revenues		(507)	(507)
Wholesale Margin	4,087		4,087
Total	<u>\$ 5,449</u>	<u>\$ (4,136)</u>	<u>\$ 1,312</u>
<u>FYTD O&M AND OTHER VARIANCES</u>			
Distribution	309		309
Administration/Safety		(92)	(92)
Finance, Fleet, & Warehouse	15		15
Customer Service, Marketing & Conservation	453		453
Public Benefits		(255)	(255)
Security/Oper Technology	35		35
Telecom	73		73
Construction & Maintenance	323		323
Depreciation expense	2,006		2,006
All other		(51)	(51)
Total	<u>\$ 3,214</u>	<u>\$ (398)</u>	<u>\$ 2,816</u>

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

	Sep-20	Aug-20	Jul-20	Jun-20	Mar-20	Dec-19	Sep-19	Jun-19	Recommended Reserves	Minimum Reserves
Cash and Investments										
General Operating Reserve	\$ 64,628	\$ 58,958	\$ 48,483 ^(f)	\$ 52,719 ^{(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	10,000	21,000	5,200
BWP Projects Reserve Deposits at SCPPA ^(g)	4,480	8,250	12,804	17,163	17,062	17,014	16,912	16,817		
Sub-Total Cash and Investments	79,108	77,208	71,287	79,882	91,029	94,495	88,959	94,137	73,010	42,770
Customer Deposits	(1,486)	(1,702)	(1,643)	(1,811)	(6,300)	(6,632)	(4,822)	(5,641)		
Public Benefits Obligation	(7,831)	(7,608)	(7,238)	(6,990)	(6,849)	(7,125)	(6,607)	(6,069)		
Pacific Northwest DC Intertie	(48)	(48)	(48)	(62)	(255)	(855)	(1,389)	(2,218)		
Low Carbon Fuel Standard ^(c)	(3,394)	(3,396)	(3,397)	(3,642)	(2,267)	(2,267)	(2,267)	(2,267)		
Cash and Investments (less Commitments)	<u>66,349</u>	<u>64,454</u>	<u>58,960</u>	<u>67,376</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, \$4.6M for July and August power invoices, and \$4.6M for August and September power invoices.

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

MTD FY 20-21	MTD Sep-20 Budget	\$ Variance ⁽²⁾	% Variance		YTD Estimate FY 20-21	YTD Budget Budget	\$ Variance ⁽²⁾	% Variance
496	539	(43)	(8%) ^(a)	Water put into the system in Millions of Gallons	1,529	1,586	(57)	(4%) ^(A)
106	102	4	3% ^(b)	Metered Recycled Water in Millions of Gallons	337	328	9	3% ^(B)
				Operating Revenues				
\$ 2,796	\$ 2,937	\$ (142)	(5%)	Potable Water	\$ 8,493	\$ 8,631	\$ (138)	(2%)
410	417	(7)	(2%)	Recycled Water	1,305	1,335	(30)	(2%)
99	122	(23)	(19%) ^(c)	Other Revenue ⁽³⁾	297	365	(68)	(19%) ^(C)
<u>3,305</u>	<u>3,476</u>	<u>(171)</u>	<u>(5%)</u>	Total Operating Revenues	<u>10,095</u>	<u>10,331</u>	<u>(237)</u>	<u>(2%)</u>
				Water Supply Expenses				
1,118	1,345	227	17% ^(d)	Water Supply Expense	3,399	3,926	528	13% ^(D)
<u>2,187</u>	<u>2,131</u>	<u>56</u>	<u>3%</u>		<u>6,696</u>	<u>6,405</u>	<u>291</u>	<u>5%</u>
				Gross Margin				
				Operating Expenses				
746	746	-	0%	Operations & Maintenance - Potable	1,920	2,240	320	14% ^(E)
140	140	-	0%	Operations & Maintenance - Recycled	347	419	72	17%
207	207	-	0%	Allocated O&M	429	624	194	31% ^(F)
175	175	-	0%	Transfer to General Fund for Cost Allocation	525	525	-	0%
355	355	-	0%	Depreciation	951	1,066	115	11%
<u>1,624</u>	<u>1,624</u>	<u>-</u>	<u>0%</u> ^(e)	Total Operating Expenses	<u>4,172</u>	<u>4,873</u>	<u>701</u>	<u>14%</u>
<u>564</u>	<u>507</u>	<u>56</u>	<u>11%</u>	Operating Income/(Loss)	<u>2,524</u>	<u>1,532</u>	<u>992</u>	<u>65%</u>
				Other Income/(Expenses)				
21	21	-	0%	Interest Income	58	64	(6)	(10%)
45	45	-	0%	Other Income/(Expense) ⁽⁴⁾	(372)	(396)	24	6%
(158)	(158)	-	0%	Bond Interest/(Expense)	(448)	(475)	(27)	(6%)
<u>(92)</u>	<u>(92)</u>	<u>-</u>	<u>0%</u>	Total Other Income/(Expenses)	<u>(761)</u>	<u>(807)</u>	<u>45</u>	<u>6%</u>
<u>471</u>	<u>415</u>	<u>56</u>	<u>14%</u>	Net Income/(Loss)	<u>1,762</u>	<u>725</u>	<u>1,037</u>	<u>143%</u>
94	94	-	0%	Aid in Construction	126	281	(155)	(55%) ^(G)
<u>\$ 565</u>	<u>\$ 509</u>	<u>\$ 56</u>	<u>11%</u>	Net Change in Net Assets	<u>\$ 1,889</u>	<u>\$ 1,006</u>	<u>\$ 882</u>	<u>88%</u>

1. This report may not foot due to rounding.

2. () = Unfavorable

3. Other Revenue includes items such as fire protection services, 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 September 2020; FYTD reports July and August 2020 actuals.

Burbank Water and Power
Water Fund (497)
Estimated Statement of Changes in Net Assets - Footnotes
MTD September 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	496	539	(43)	- Potable water demand was below 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, largely offset by warmer temperatures. An intense heatwave broke temperature records in Southern California in early September, followed by few less intense and shorter heatwaves for the remaining of September. The September average high temperature was 92.1°F, compared to the 15-year average high temperature of 87.2°F. MTD CDD were 348 versus the 15-year average of 274.
b.	Recycled Water Usage in Millions of Gallons	106	102	4	- Recycled water demand was higher than budget as a result of warmer temperatures. An intense heatwave broke temperature records in Southern California in early September, followed by few less intense and shorter heatwaves for the remaining of September. The September average high temperature was 92.1°F, compared to the 15-year average high temperature of 87.2°F. MTD CDD were 348 versus the 15-year average of 274.
c.	Other Revenue	99	122	(23)	- Other revenues include items such as fire protection services, damaged property recovery, connection fees, late fees, and tampering fees, which tend to fluctuate.
d.	Water Supply Expense	1,118	1,345	227	- The favorable variance was a result of lower demand, using more Valley/BOU water which is cheaper to produce than imported MWD water, and a MWD Readiness to Serve Charge true up credit for FY 19/20.
e.	Total Operating Expenses	1,624	1,624	-	- Expenses for September 2020 are at budgeted values.

Burbank Water and Power
Water Fund (497)
Estimated Statement of Changes in Net Assets - Footnotes
FYTD September 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	1,529	1,586	(57)	- FYTD Potable water sales were 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, partially offset by warmer temperatures. FYTD actual average high temperature was 90.1°F, compared to the 15-year average high temperature of 87.7°F. FYTD CDD were 1,015 versus the 15-year average of 929.
B.	Metered Recycled Water in Millions of Gallons	337	328	9	- FYTD Recycled water sales are higher than budget due to warmer temperatures. FYTD actual average high temperature was 90.1°F, compared to the 15-year average high temperature of 87.7°F. FYTD CDD were 1,015 versus the 15 year average of 929.
C.	Other Revenue	297	365	(68)	- Other revenues include items such as fire protection services, damaged property recovery, connection fees, late fees, and tampering fees, which tend to fluctuate.
D.	Water Supply Expense	3,399	3,926	528	- The favorable variance was a result of lower demand and using more Valley/BOU water which is cheaper to produce than imported MWD water, and a MWD Readiness to Serve Charge true up credit for FY 19/20.
E.	Operations & Maintenance - Potable	1,920	2,240	320	- The favorable variance is primarily attributable to budgetary savings due to vacant positions, and lower than planned spending on other professional and private contractual services, and supplies.
F.	Allocated O&M	429	624	194	- 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	126	281	(155)	- The unfavorable variance is primarily attributable to the timing of AIC projects.

Estimated September 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): \$471</u>	\$ 56		\$ 56
<u>MTD GROSS MARGIN VARIANCE</u>			
Potable Revenues		(142)	(142)
Recycled Revenues		(7)	(7)
Other Revenue		(23)	(23)
Water Supply Expense	227		227
Total	<u>227</u>	<u>\$ (171)</u>	<u>\$ 56</u>

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

	<u>Variance Fiscal Year-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>FYTD NET INCOME: \$1,762</u>	\$ 1,037		\$ 1,037
 <u>FYTD GROSS MARGIN VARIANCE</u>			
Potable Revenues		(138)	(138)
Recycled Revenues		(30)	(30)
Other Revenue		(68)	(68)
Water Supply Expense	528		528
Total	<u>\$ 528</u>	<u>\$ (237)</u>	<u>\$ 291</u>
 <u>FYTD O&M AND OTHER VARIANCES</u>			
Potable O&M	320		320
Recycled Water O&M	72		72
Allocated O&M	194		194
Depreciation Expense	115		115
All Other	45		45
Total	<u>\$ 746</u>	<u>\$ -</u>	<u>\$ 746</u>

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

	<u>Sep-20</u>	<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	\$ 11,075	\$ 9,504	\$ 7,931 ^(e)	\$ 8,395 ^{(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	2,220	5,200	1,300
Sub-Total Cash and Investments	<u>13,295</u>	<u>11,724</u>	<u>10,151</u>	<u>10,615</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	(1,133)	(1,073)	(1,172)	(1,227)	(1,504)	(1,650)	(1,252)	(1,454)		
Cash and Investments (less commitments)	<u><u>\$ 12,162</u></u>	<u><u>\$ 10,651</u></u>	<u><u>\$ 8,979</u></u>	<u><u>\$ 9,388</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.