


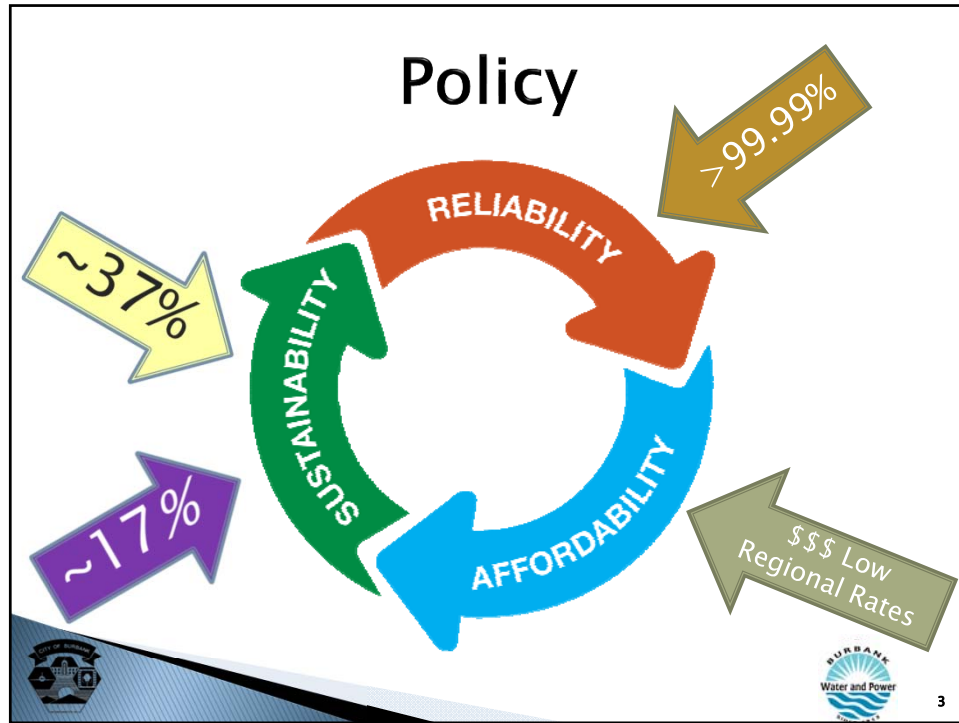


Policy

Reliability
Sustainability
Affordability



2



Budget Authority by Fund

(\$ in 000's)	FY 2019-20 Adopted	FY 2020-21 Proposed	Decrease / (Increase) in Budget
Electric Fund (496)	\$253,892	\$259,910	(\$6,018)
Water Fund (497)	\$41,029	\$39,582	\$1,448
MPP Operating Fund (483)	\$21,716	\$22,713	(\$997)
Tieton Hydro Operating (133)	\$4,096	\$3,580	\$516
Street Lighting Fund (129)	\$3,345	\$2,841	\$504
Communications Fund (535)	\$3,559	\$3,762	(\$203)
Total Authority	\$327,638	\$332,388	(\$4,750)

4

Budget Authority Changes Since 3/5

(\$ in 000's)	FY 2020-21 Proposed as of 3.5.20	FY 2020-21 Proposed as of 5.7.20	Decrease / (Increase) in Budget
Electric Fund (496)	\$262,258	\$259,910	\$2,348
Water Fund (497)	\$41,688	\$39,582	\$2,106
MPP Operating Fund (483)	\$22,713	\$22,713	\$0
Tieton Hydro Operating (133)	\$3,580	\$3,580	\$0
Street Lighting Fund (129)	\$2,929	\$2,841	\$88
Communications Fund (535)	\$3,779	\$3,762	\$17
Total Authority	\$336,947	\$332,388	\$4,559



5

Pension Cost Reduction Strategies

- ▶ Pay down liability to CalPERS
 - Use one-time funds to pay down the unfunded liability
 - Improve long-term cash flow by reducing future payment amounts
 - Generate significant interest expense savings



6

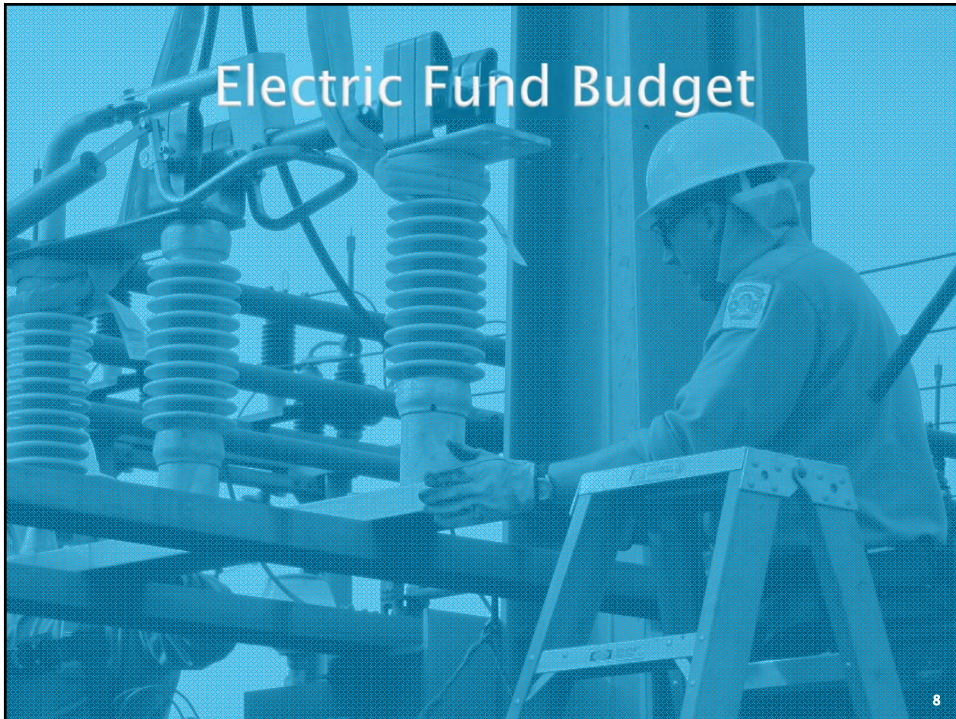
Proposed Pension Funding Plan

Fund	Miscellaneous	Electric	Water
Total 4-Year Commitment	\$34,000,000	\$11,685,800	\$1,870,000
FY 2019-20	\$10,000,000	\$3,437,000	\$550,000
FY 2020-21	\$8,000,000	\$2,749,600	\$440,000
FY 2021-22	\$8,000,000	\$2,749,600	\$440,000
FY 2022-23	\$8,000,000	\$2,749,600	\$440,000
Interest Savings	\$35,864,382	\$12,326,588	\$1,972,541
Pay-off Period	20 Years	20 Years	20 Years

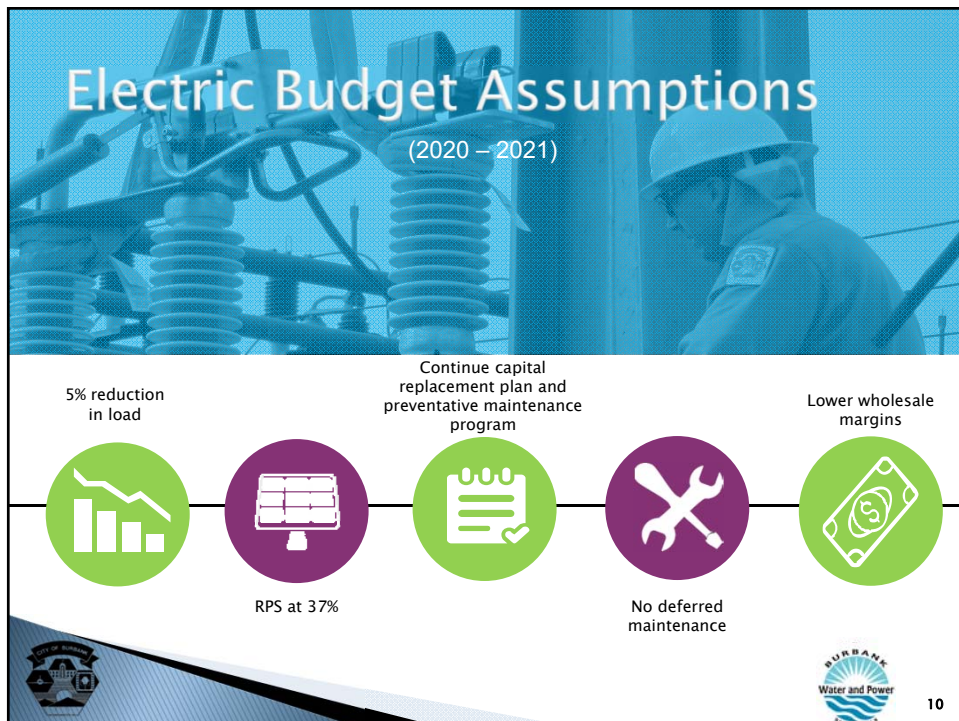
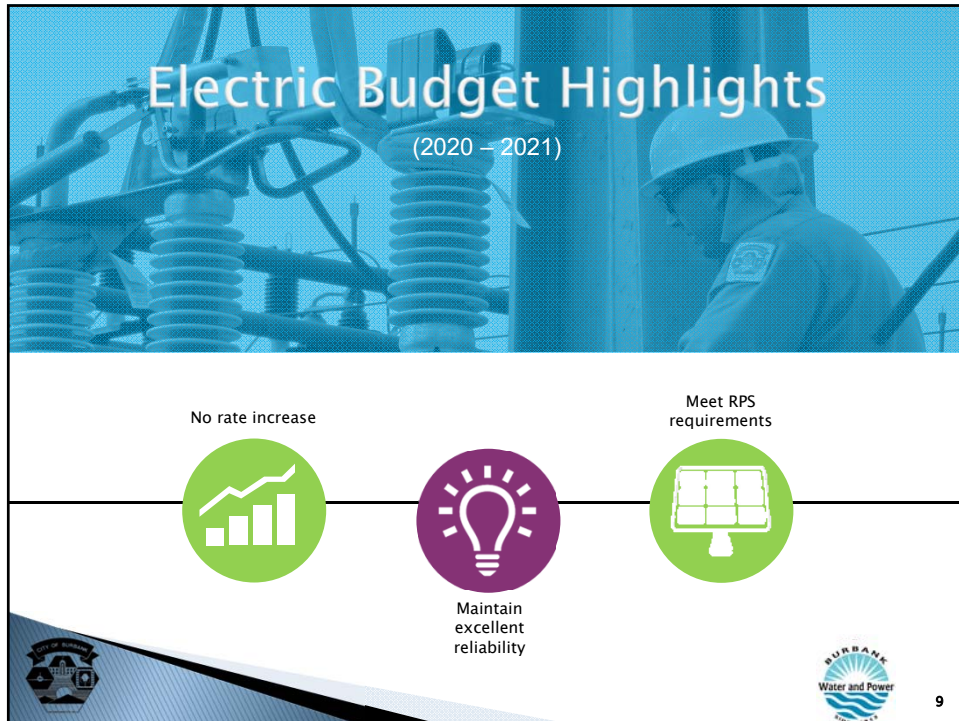


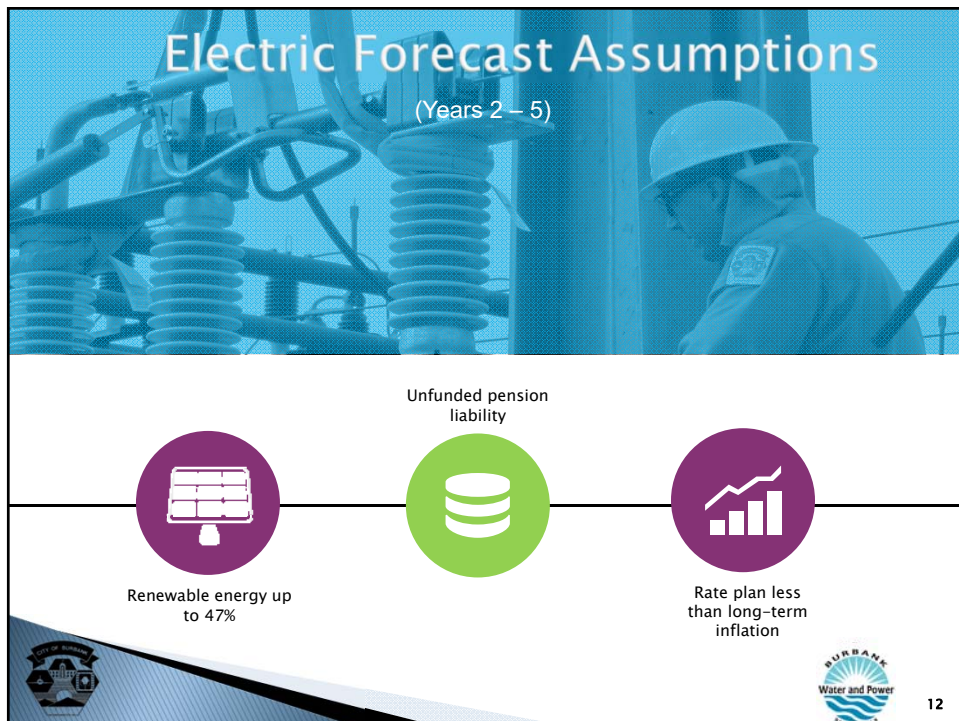
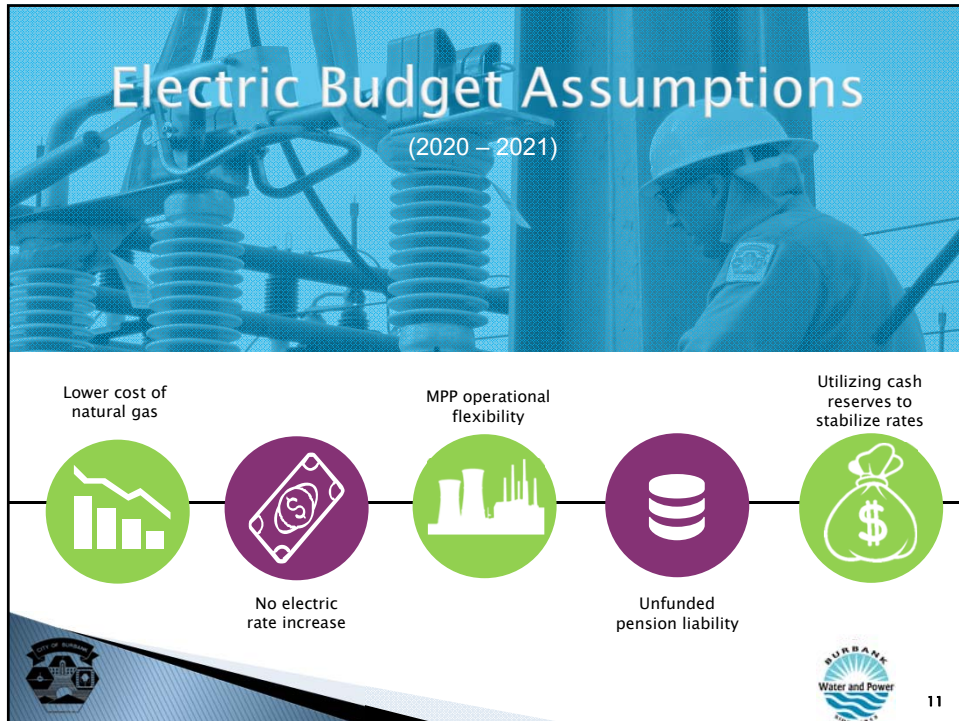
7

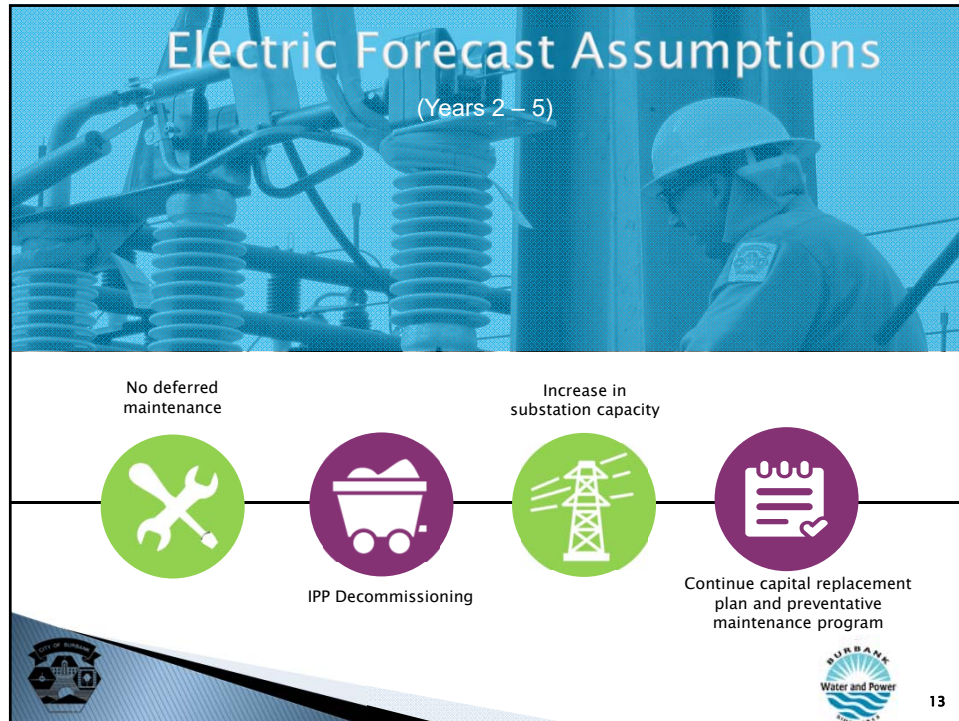
Electric Fund Budget



8





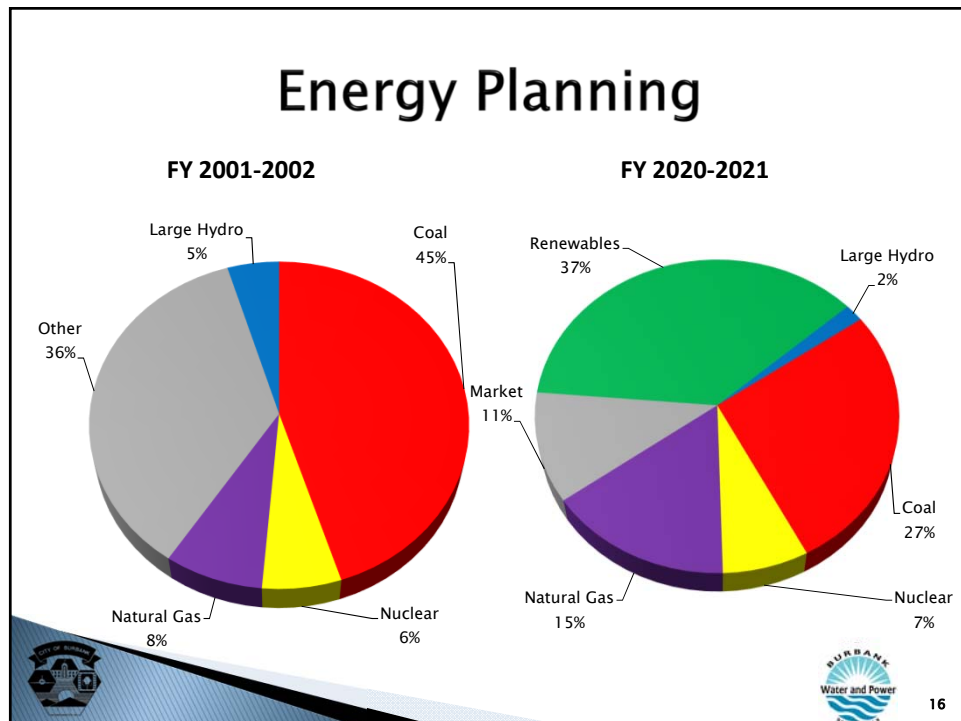
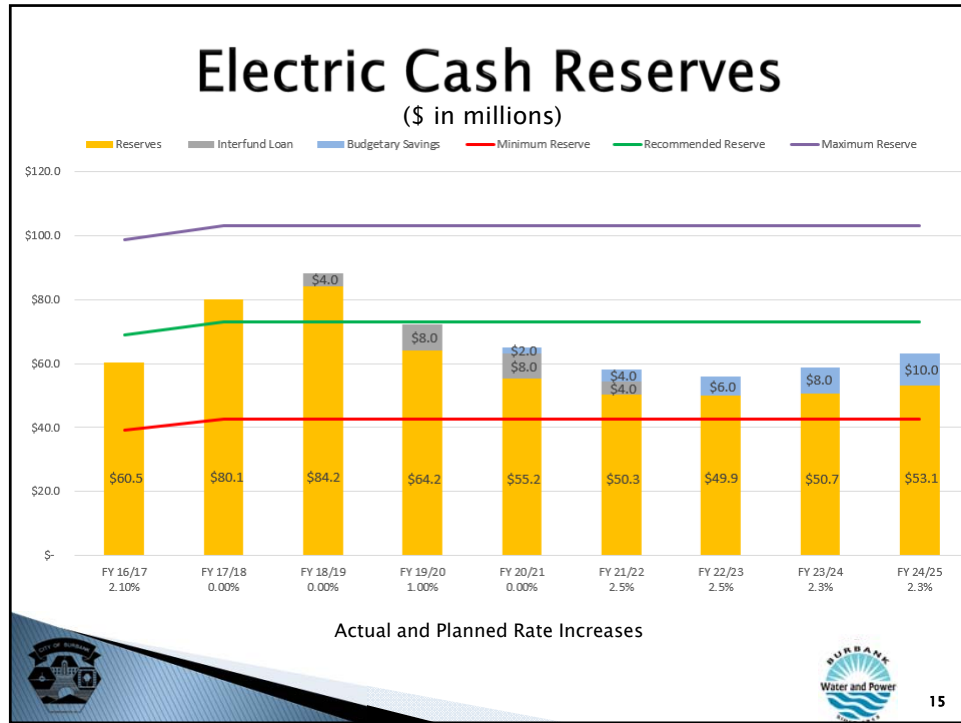


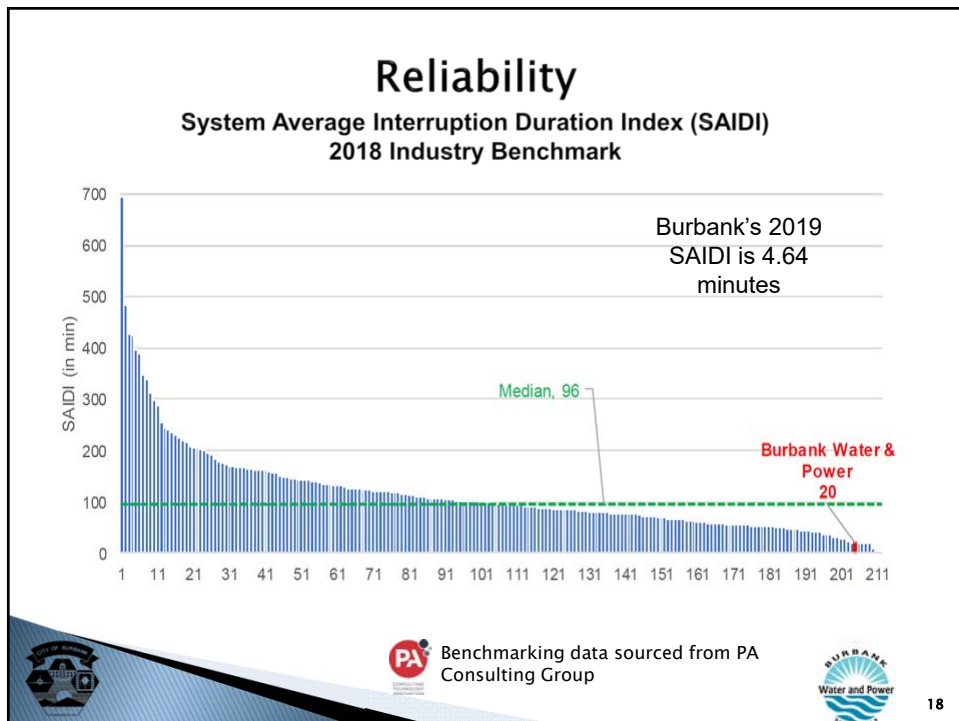
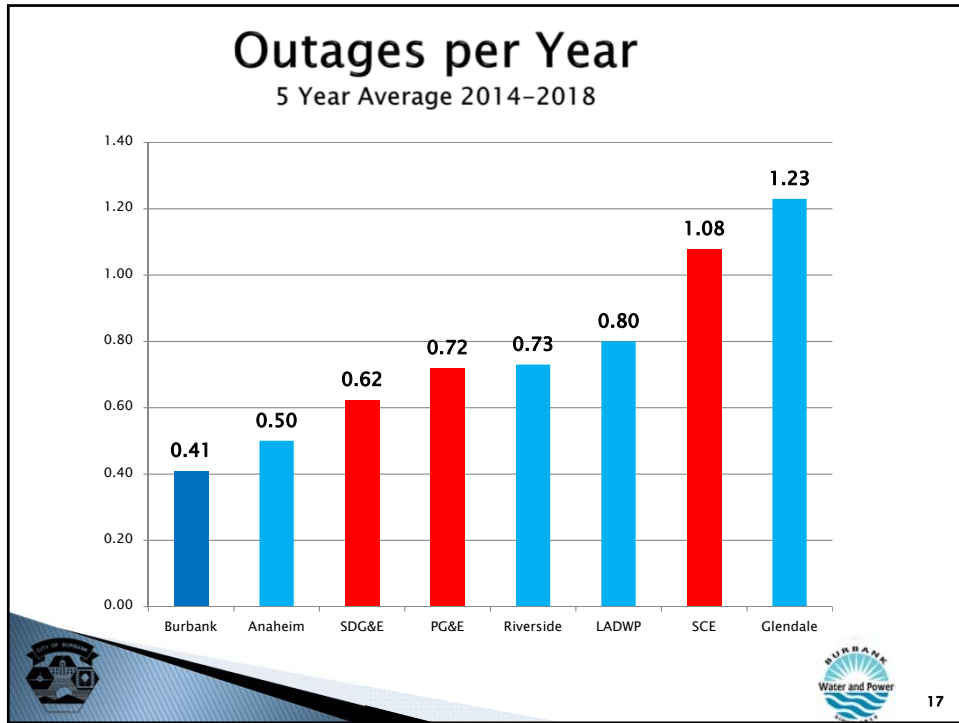
Electric Budget Drivers (20–21)

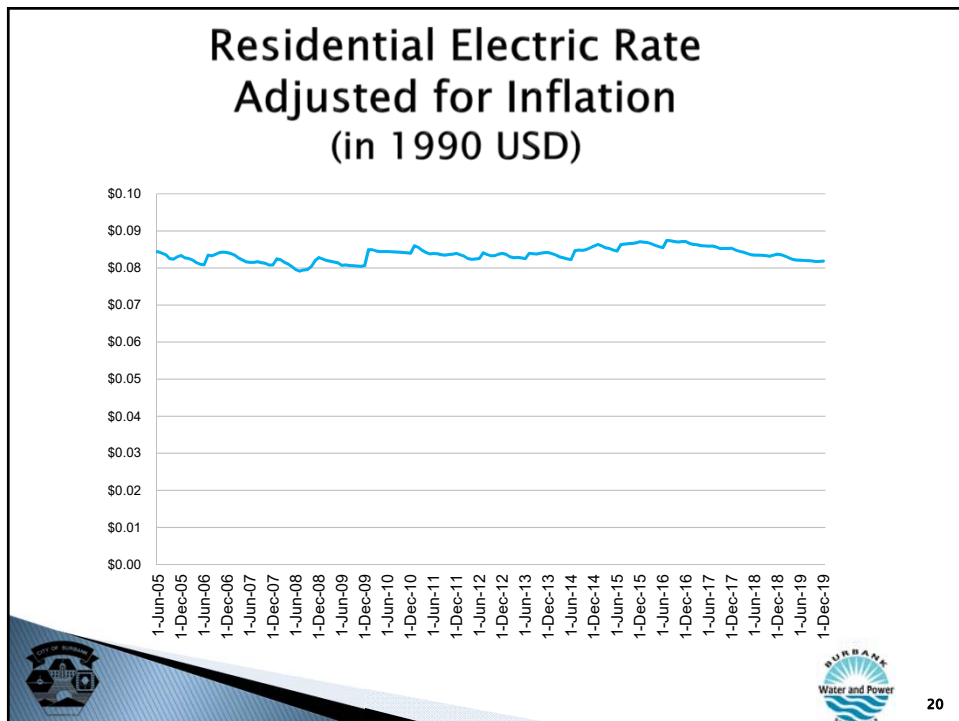
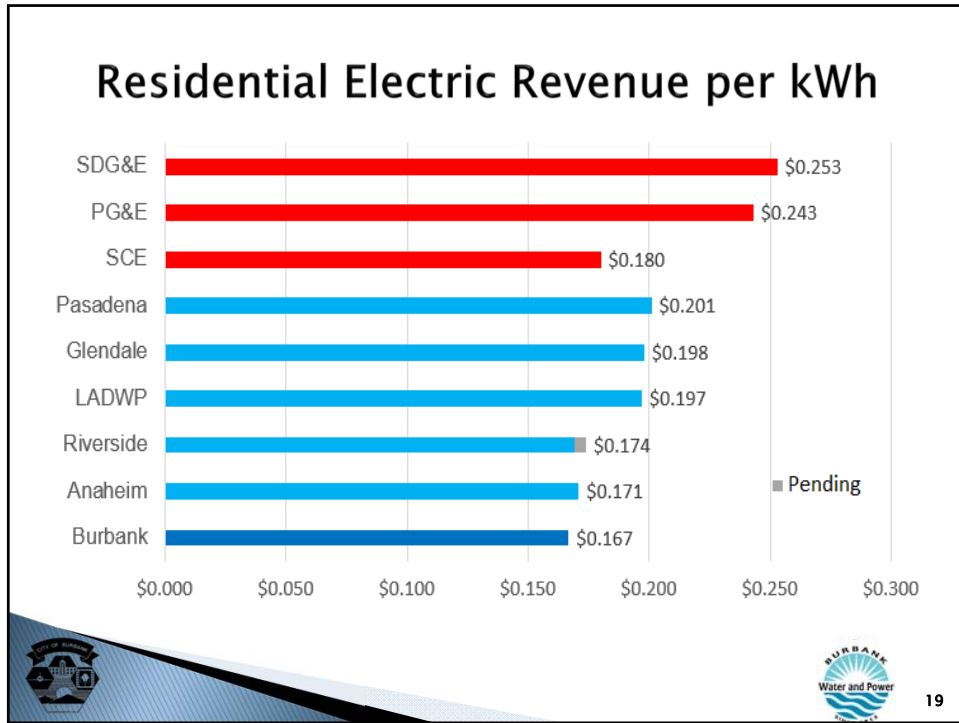
(\$ in 000's)

	\$	% of Oper. Rev.
2019-20 Carry-over to 2020-21	\$8,939	5.27%
Lower Retail Load	\$6,363	3.75%
Higher Operating Expenses	\$1,386	0.82%
Lower Wholesale Margin	\$250	0.15%
2020-21 Rate Requirement	\$16,938	9.98%
Lower Power Supply	(\$6,590)	-3.88%
Unfunded Pension Liability	(\$661)	-0.39%
2020-21 Carry-over to 2021-22	\$9,687	5.71%

The City of Burbank logo is visible in the bottom left corner, and the Burbank Water and Power logo is in the bottom right corner, next to the page number 14.







Electric Income Statement

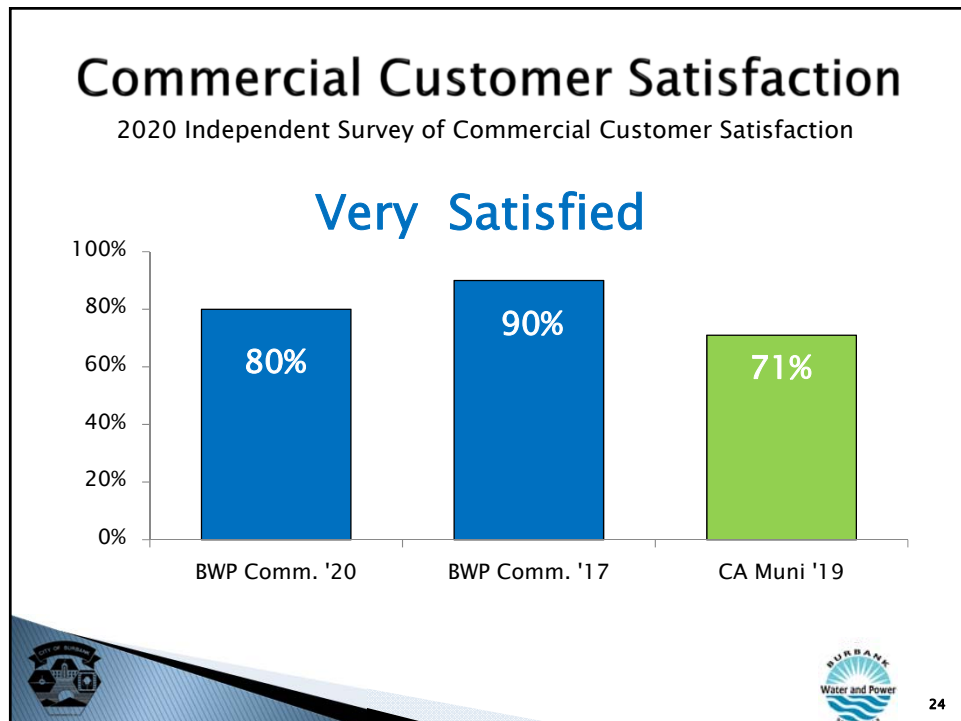
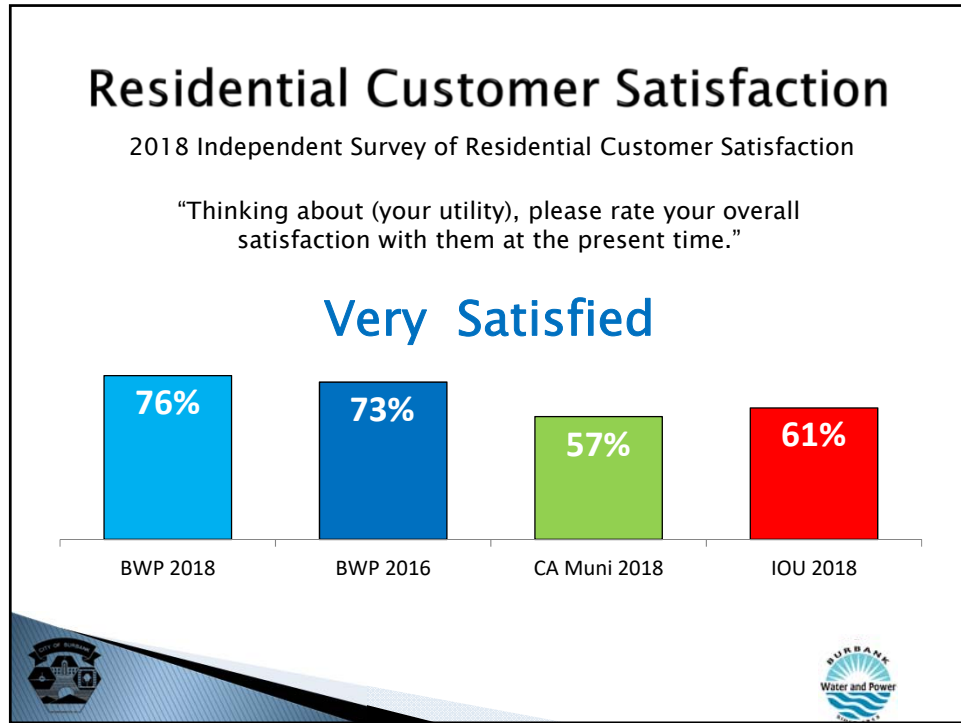
(\$ in thousands)	Adopted Budget FY 19-20	Proposed Budget FY 20-21
MWh NEL	1,143,543	1,086,294
Total Operating Revenues	\$ 226,624	\$ 220,780
Total Power Expenses	\$ 168,485	\$ 161,650
Gross Margin	\$ 58,139	\$ 59,130
Total Operating Expenses before Depreciation	\$ 37,388	\$ 39,269
Depreciation Expense	\$ 18,895	\$ 21,375
Operating Income/(Loss)	\$ 1,856	\$ (1,514)

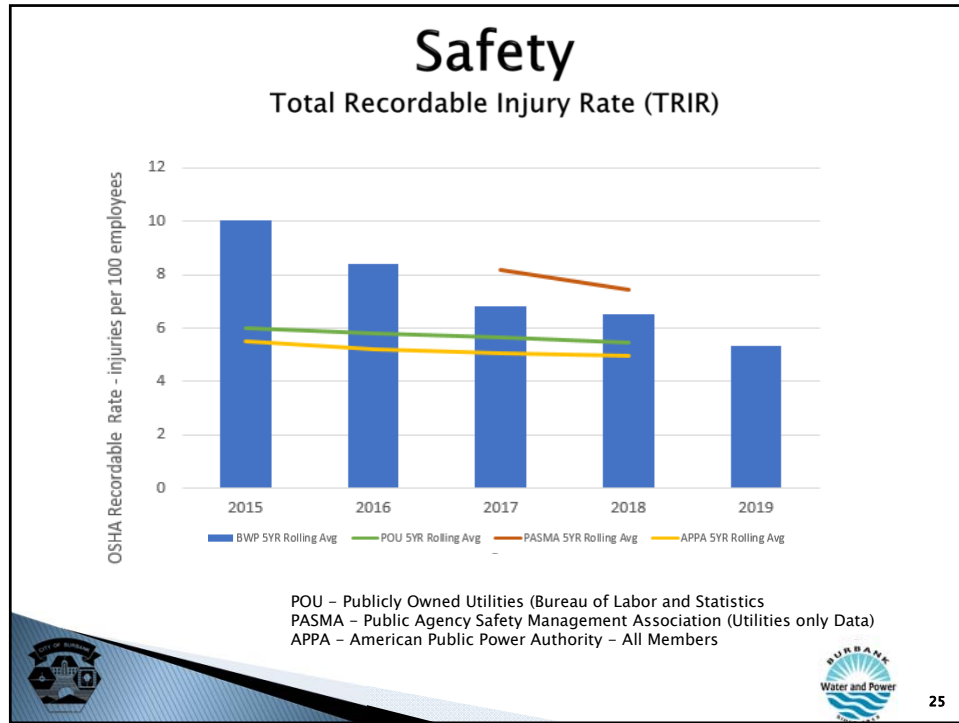


Electric Income Statement (cont.)

(\$ in thousands)	Adopted Budget FY 19-20	Proposed Budget FY 20-21
Operating Income/(Loss)	\$ 1,856	\$ (1,514)
Other Income / (Expense)	\$ (3,994)	\$ (2,852)
Net Income	\$ (2,138)	\$ (4,366)
Capital Contributions (AIC)	\$ 2,905	\$ 12,651
Change in Net Position	\$ 767	\$ 8,285







Electric Fund 5 Year Capital Plan

	2020-21	2021-22	2022-23	2023-24	2024-25	FY 2020-21 to FY 2024-25
	Proposed	Forecast	Forecast	Forecast	Forecast	Forecast
Power Supply Improvement Projects	1,585,000	2,165,000	915,000	915,000	3,165,000	8,745,000
Operations Technology	-	1,000,000	-	-	-	1,000,000
Distribution Expansion Projects	3,210,861	2,946,817	7,146,739	6,017,515	6,305,685	25,627,617
Distribution Replacement Projects	11,072,087	15,996,419	16,130,000	9,744,589	9,240,000	62,183,095
Facility Renovations	487,800	290,600	333,400	344,100	343,900	1,799,800
ONE Burbank	460,000	1,340,000	450,000	400,000	400,000	3,050,000
Finance, Warehouse and Fleet Facility	105,000	-	-	730,357	1,410,000	2,245,357
Customer Service	825,000	-	600,000	500,000	4,300,000	6,225,000
Security	205,000	-	75,000	100,000	-	380,000
Water Fund's share of common projects	(294,875)	(148,419)	(90,716)	(197,563)	(739,199)	(1,470,771) (A)
Total CIP	\$ 17,655,874	\$ 23,590,417	\$ 25,559,423	\$ 18,553,998	\$ 24,425,386	\$ 109,785,099
New Customer Projects/AIC	11,101,217	7,034,650	5,230,800	2,530,800	2,500,000	28,397,467
Total AIC	\$ 11,101,217	\$ 7,034,650	\$ 5,230,800	\$ 2,530,800	\$ 2,500,000	\$ 28,397,467
Total	\$ 28,757,091	\$ 30,625,067	\$ 30,790,223	\$ 21,084,798	\$ 26,925,386	\$ 138,182,566

Note:
 (A) Includes 15% for Safety, 12.5% for Customer Service, and 11.5% for Operations Technology, Facilities, and Finance when applicable.

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Electric Fund Capital Improvements (20-21)

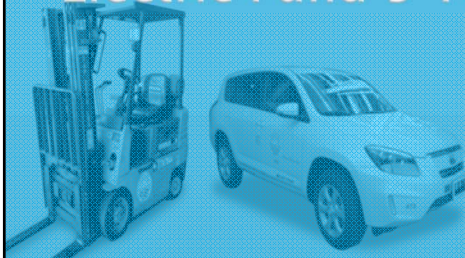
(\$ in 000's)

4 kV to 12 kV Conversion Projects	\$5,000
Replace Deteriorated Overhead/Underground Electrical Dist. Lines	\$3,000
Advanced Distribution Management System	\$1,000
Distribution Substation Transformer Replacement	\$605
Electric Vehicle Charging Program	\$604
Replace/Upgrade Relays on 69kV Lines	\$556
Replace Burbank Station Distribution Getaways	\$505
Replace Electric Services	\$500
Underground Existing Overhead Electric Lines	\$400
ONE Burbank Network Infrastructure Expansion	\$400
Other Remaining Projects	\$5,087
Total CIP	\$17,656
Media District 12kV Capacity	\$3,500
Build Service to Large Project Over 1 MVA	\$3,000
Build Facilities for Avion Burbank Development	\$3,000
Build New Customer Transformer Stations, 750 kVA & Under	\$800
Relocation of Facilities for Caltrans Burbank Bridge Replacement	\$500
Other AIC Projects	\$301
Total AIC	\$11,101



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Electric Fund 5 Year Capital Outlay



	2020-21	2021-22	2022-23	2023-24	2024-25	FY 2020-21 to FY 2024-25
	Proposed	Forecast	Forecast	Forecast	Forecast	Forecast
Capital Outlay	1,681,170	1,342,520	1,369,370	1,396,758	1,424,693	7,214,511
Information Technology	307,772	126,501	20,000	70,000	177,000	701,273
Master Fleet Plan	803,275	2,285,965	2,600,645	2,020,000	1,942,933	9,652,818
Total Capital Outlay	\$ 2,792,217	\$ 3,754,986	\$ 3,990,015	\$ 3,486,758	\$ 3,544,626	\$ 17,568,601



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ONE Burbank Customers

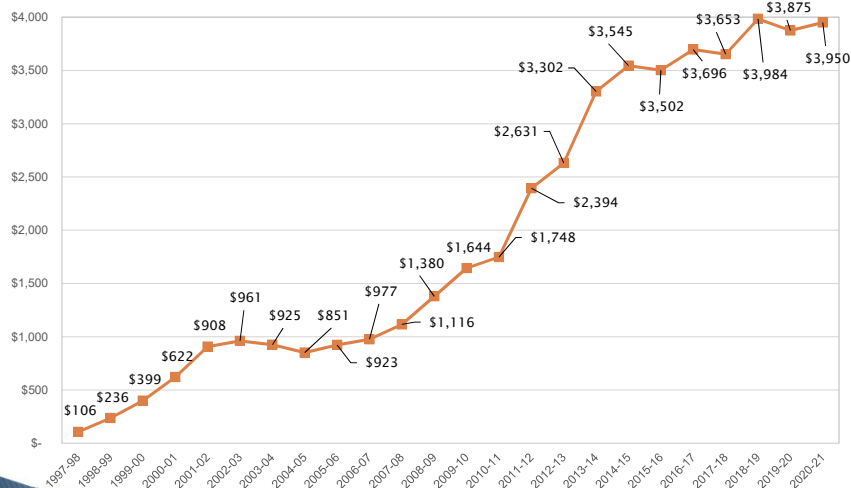
- ▶ Animation Guild
- ▶ Blizzard Entertainment
- ▶ Buddy's All Stars
- ▶ Burbank Studios
- ▶ BUSD
- ▶ Cast & Crew
- ▶ Catalina Media
- ▶ CBS
- ▶ Century Link
- ▶ Deluxe
- ▶ Digital Preservation Labs
- ▶ Disney
- ▶ Entertainment Partners
- ▶ FotoKem
- ▶ Hasbro
- ▶ KCET
- ▶ Keycode Media
- ▶ Liberman
- ▶ Moviola
- ▶ Music Express
- ▶ NBC Universal
- ▶ Ole Music Publishing
- ▶ Point 360
- ▶ Producers/Writers Guild
- ▶ Radio Express
- ▶ SAG
- ▶ Sohonet
- ▶ Technicolor
- ▶ Viacom Inc. (Nickelodeon)
- ▶ Warner Brothers
- ▶ Worthe Real Estate



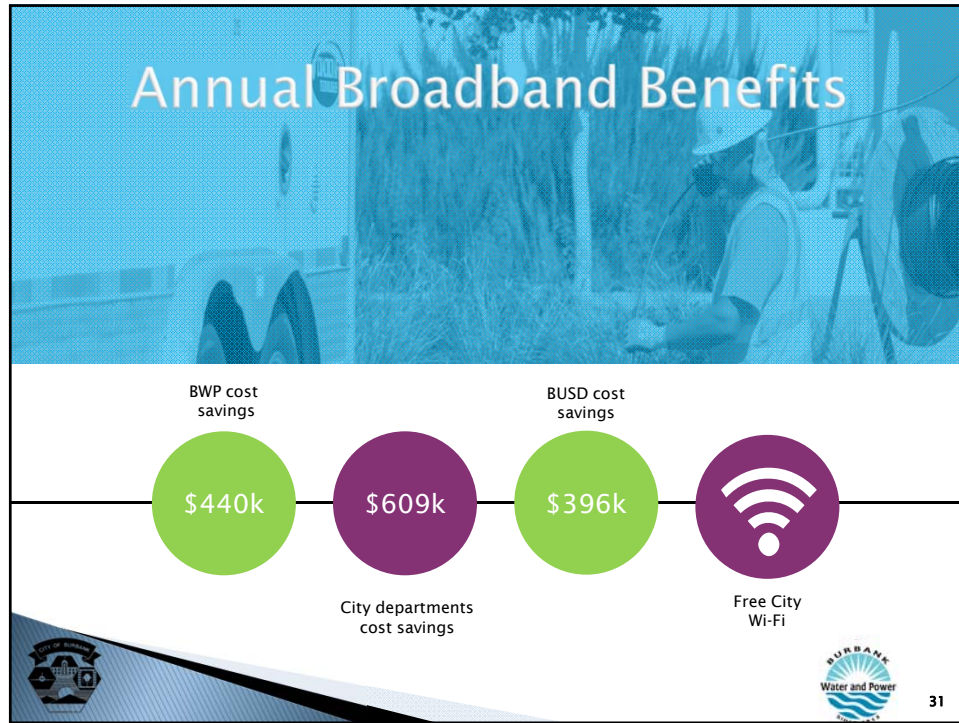
29

ONE Burbank Revenues

(\$ in 000's)





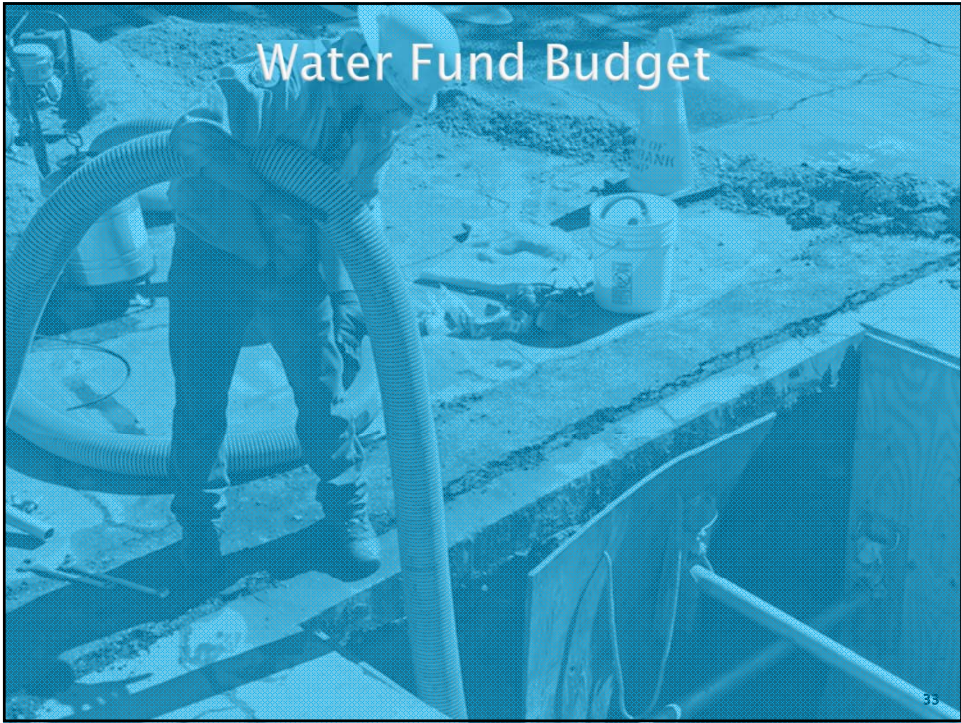
30



Electric Fund Staffing Summary

Division	FY 2019-20 Approved Staffing Plan	FY 2019-20 Mid-year Adjustments	FY 2020-21 Proposed Adjustments	FY 2020-21 Proposed Staffing Plan
Administration and Safety	6	0	0	6
Customer Service, Electric and Water Public Benefits, and Marketing	50	0	0	50
Electric Distribution	100	0	0	100
Power Systems, and Construction and Maintenance	85	0	0	85
Operations Technology and Security	17.5	0	0	17.5
Finance, Fleet and Materials	27.5	0	0	27.5
Electric Fund Totals	286	0	0	286

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Water Budget Highlights

(2020 – 2021)

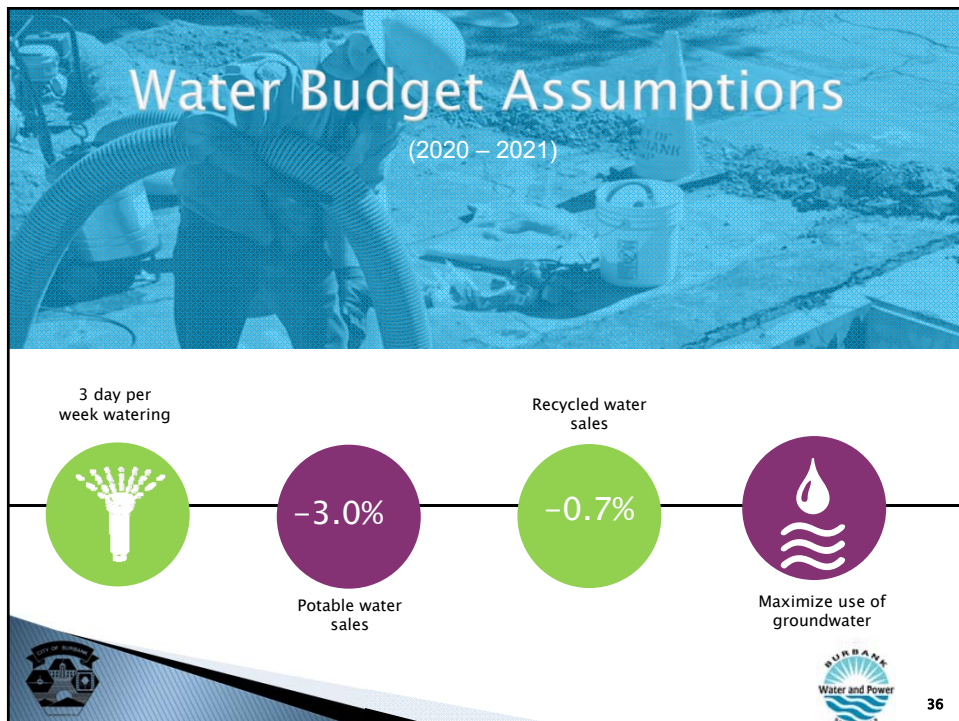
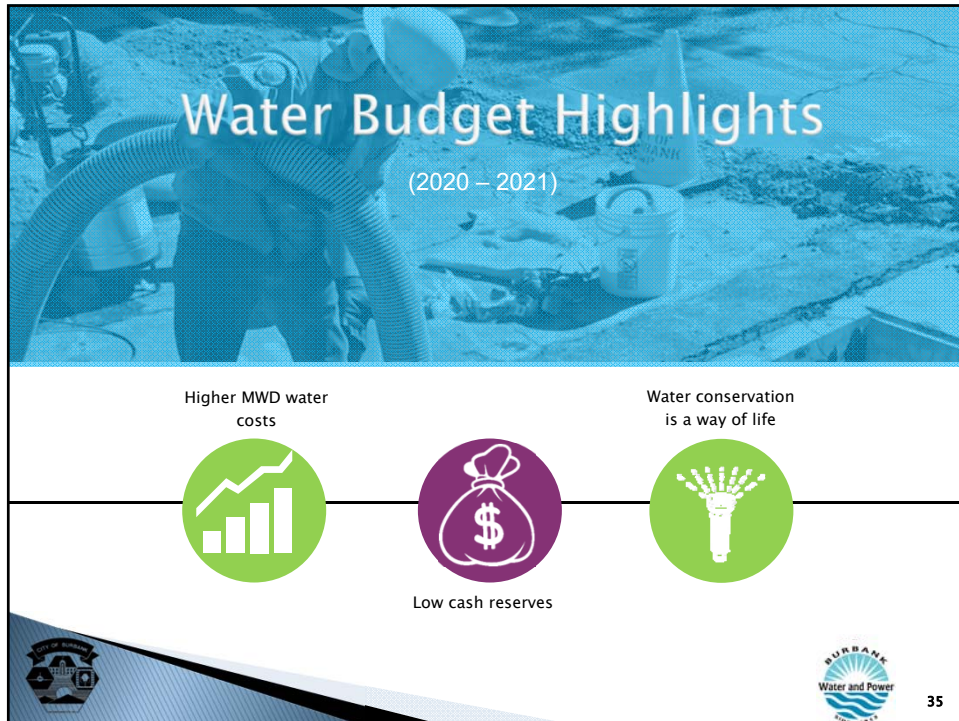
Increased utilization of BOU

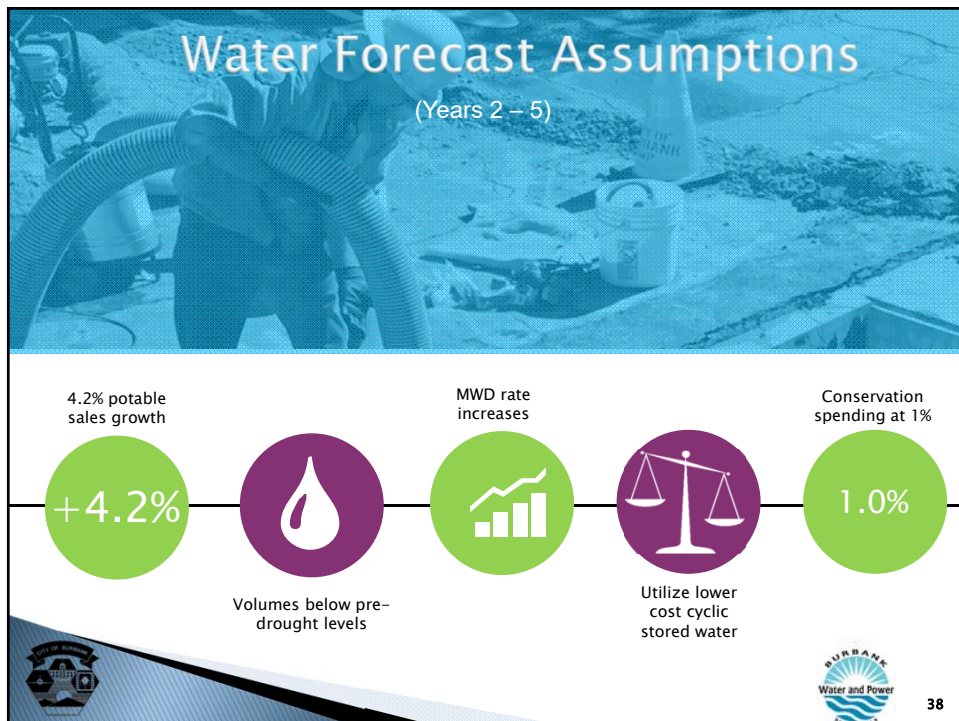
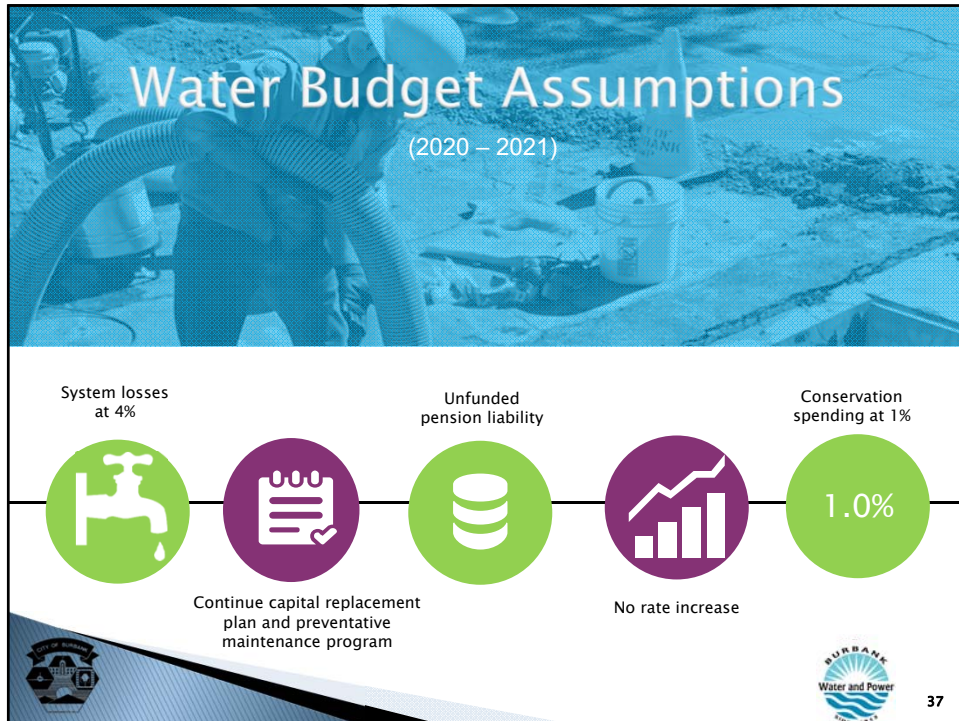
Competitive rates

No water rate increase

34

The slide features a blue-tinted background image of a worker in a trench. Below the title, three icons are arranged horizontally: a green circle with a water drop and waves, a purple circle with a bar chart and upward arrow, and a green circle with a price tag. The text 'Increased utilization of BOU' is above the first icon, 'Competitive rates' is above the third, and 'No water rate increase' is below the second. The slide number '34' is in the bottom right corner. Logos for the City of Burbank and Burbank Water and Power are at the bottom.







Water Forecast Assumptions

(Years 2 – 5)


Continue rate plan
toward full cost recovery







Unfunded pension
liability payment

Continue capital
additions





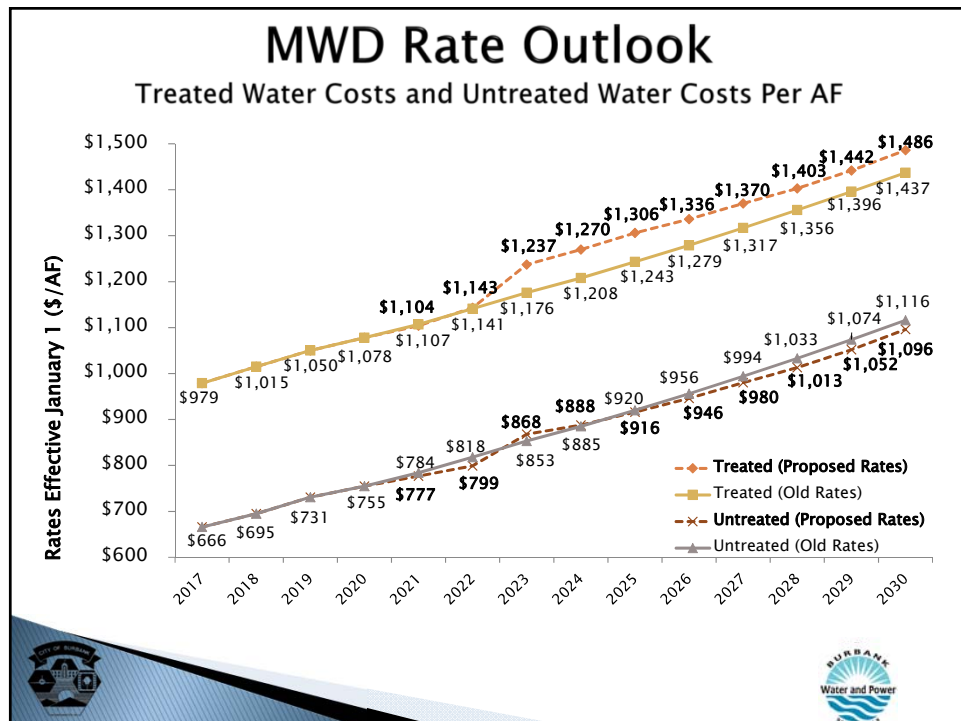
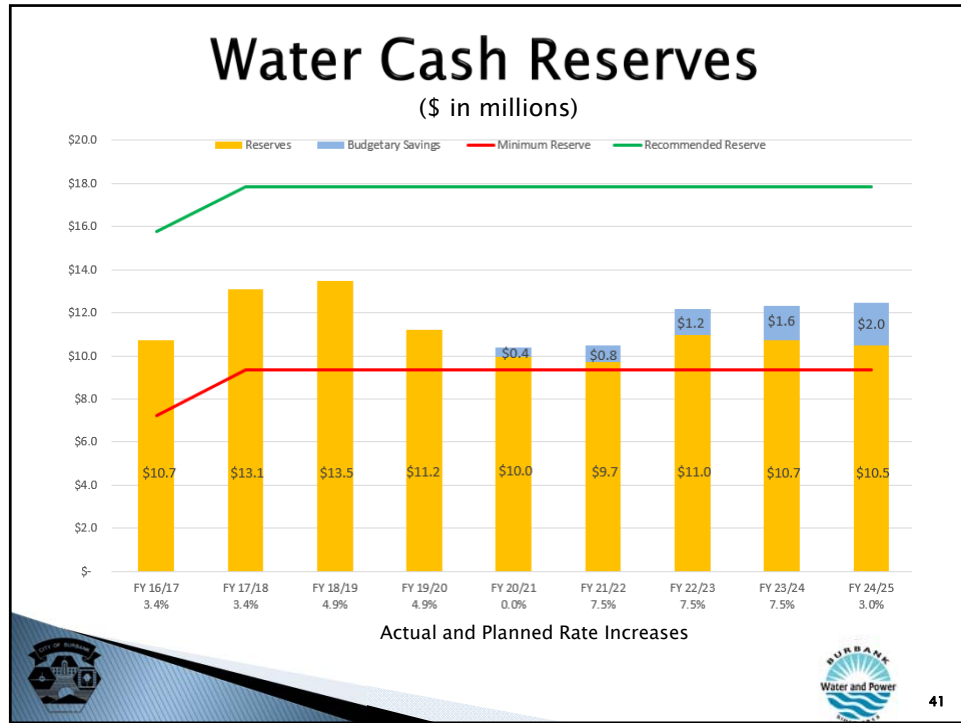


39

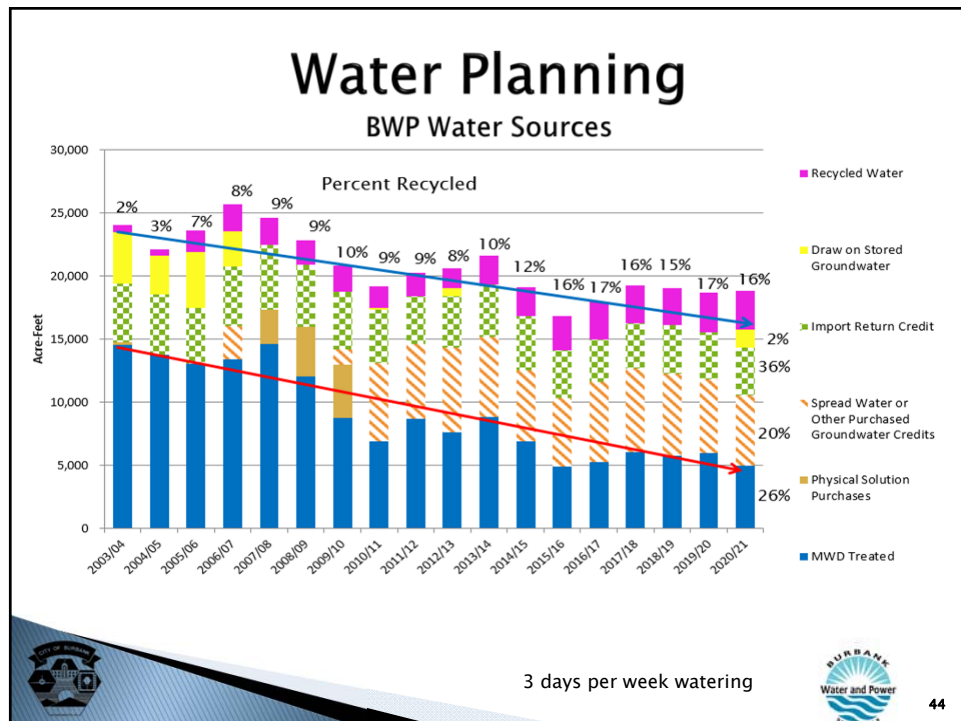
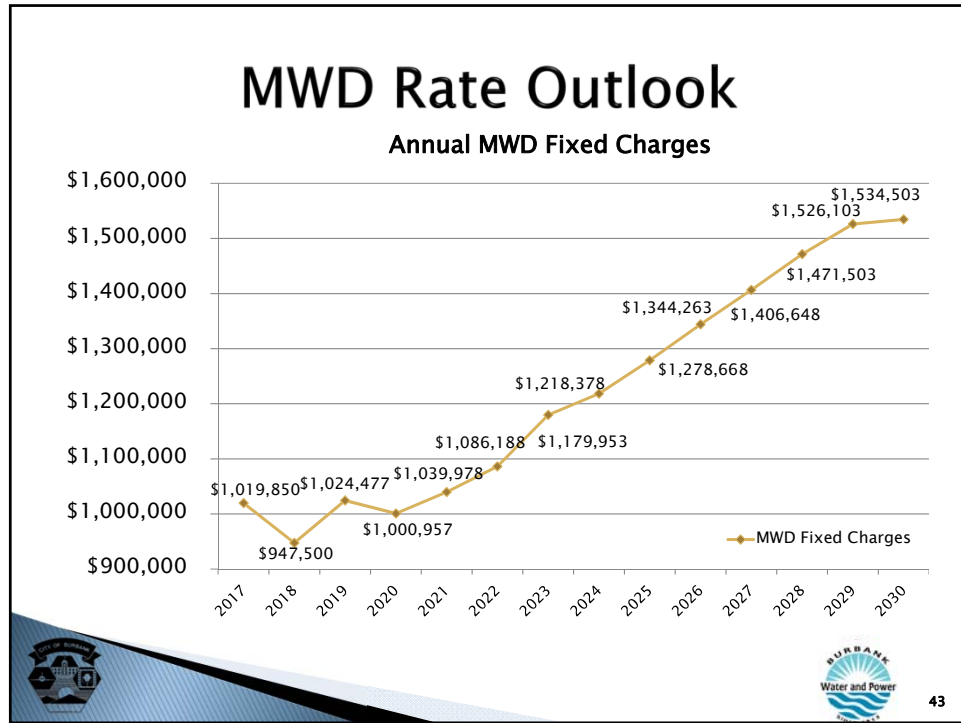
Water Budget Drivers (20–21)

(\$ in 000's)

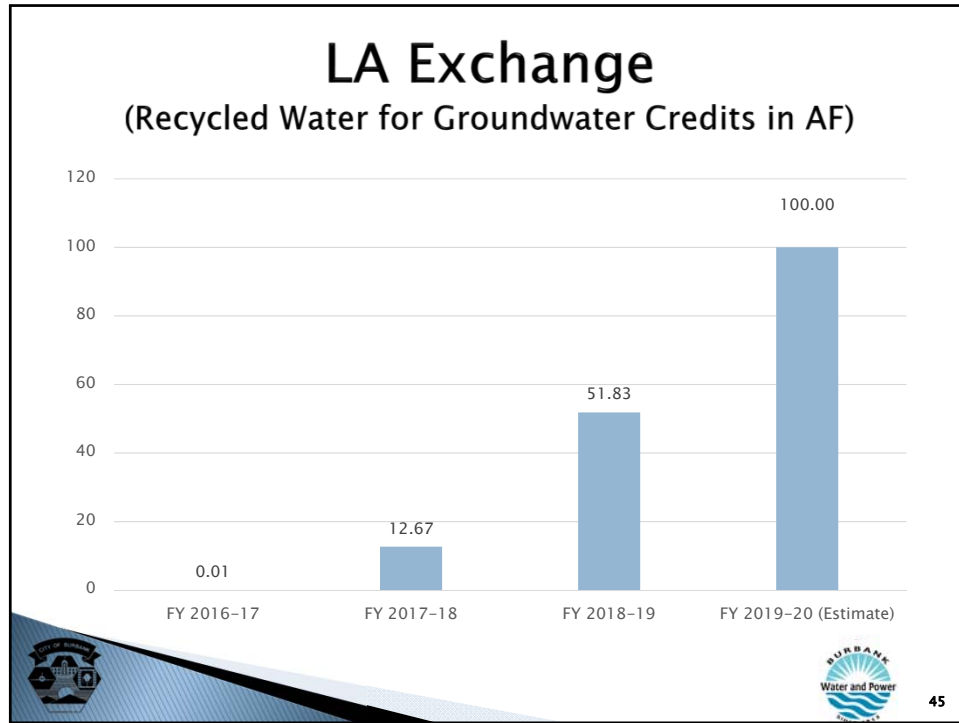
	\$	% of Oper. Rev.
2019-20 Carry-over to 2020-21	\$1,686	5.54%
Lower Water Sales	\$723	2.38%
Higher Operating Expenses	\$831	2.73%
2020-21 Rate Requirement	\$3,240	10.65%
Unfunded Pension Liability	(\$133)	-0.44%
Lower Water Supply Costs	(\$299)	-0.98%
2020-21 Carry-over to 2021-22	\$2,808	9.23%



40







3 days per week watering



Recycled Water Goals

(in Millions of Gallons)

	Conversion Goal	Converted as of Early 2015	Now	% of Conversion Goal Met
Valhalla Memorial Park	130	8	130	100%
Studios	92	17	92	100%
Parks and Recreation	80	80	80	100%
Commercial	58	20	58	100%
BUSD	27	5	27	100%
Other	22	7	22	100%
TOTAL	409	137	409	100%

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Recycled Water Conversions in Last 5 Years

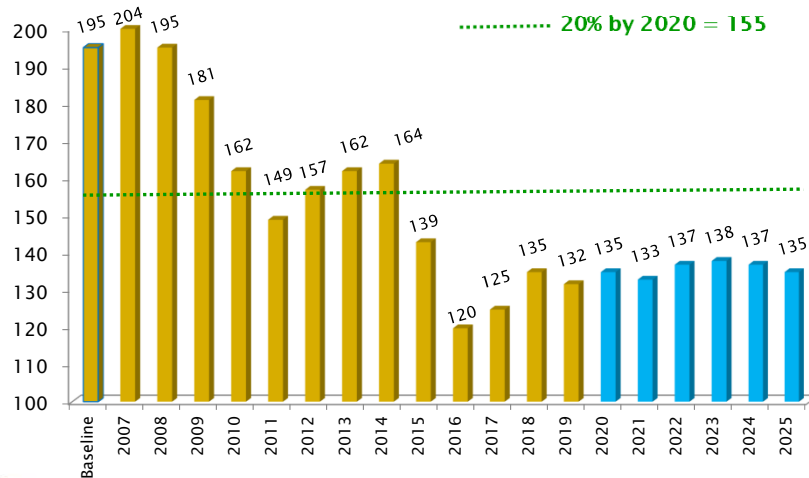
- ▶ 1928 Jewelry
- ▶ ARRI Camera
- ▶ Avalon Bay Apartments
- ▶ Bethany Towers Apartments
- ▶ Bret Harte Elementary School
- ▶ Burbank Housing Corporation
- ▶ Business Arts Plaza
- ▶ Central Park
- ▶ Century Link
- ▶ Chandler Bike Path (LADWP)
- ▶ Contract Services Administration Trust Fund Offices
- ▶ Crane Aerospace
- ▶ Del Rey Properties
- ▶ Disney Animation, ABC7, and Main Lot
- ▶ Empire Center Offices
- ▶ Fire Training Center
- ▶ Fry's Electronics
- ▶ Hollywood-Burbank Airport
- ▶ I-5 Freeway at Cohasset
- ▶ Ikea
- ▶ Little White Chapel
- ▶ Luther Middle School
- ▶ Marriot Springhill
- ▶ Monterey High School
- ▶ Nickelodeon
- ▶ North Hollywood Extension (LADWP)
- ▶ Parc Pointe Apartments
- ▶ PPG Aerospace
- ▶ Providence St. Joseph Medical Center
- ▶ Providencia High School
- ▶ Stevenson Elementary School
- ▶ The Pinnacle
- ▶ Thomas Edison Elementary School
- ▶ Toluca Terrace Apartments
- ▶ Valhalla Memorial Park
- ▶ Versales
- ▶ Warner Brothers Music Group
- ▶ Warner Brothers Studios
- ▶ Woodbury University (LADWP)

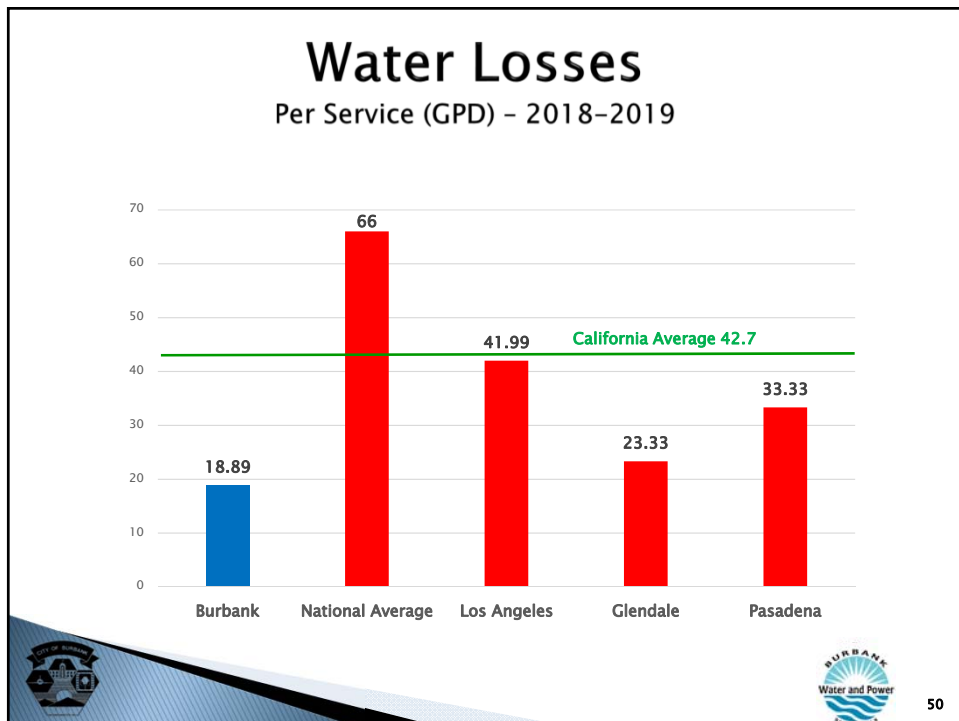
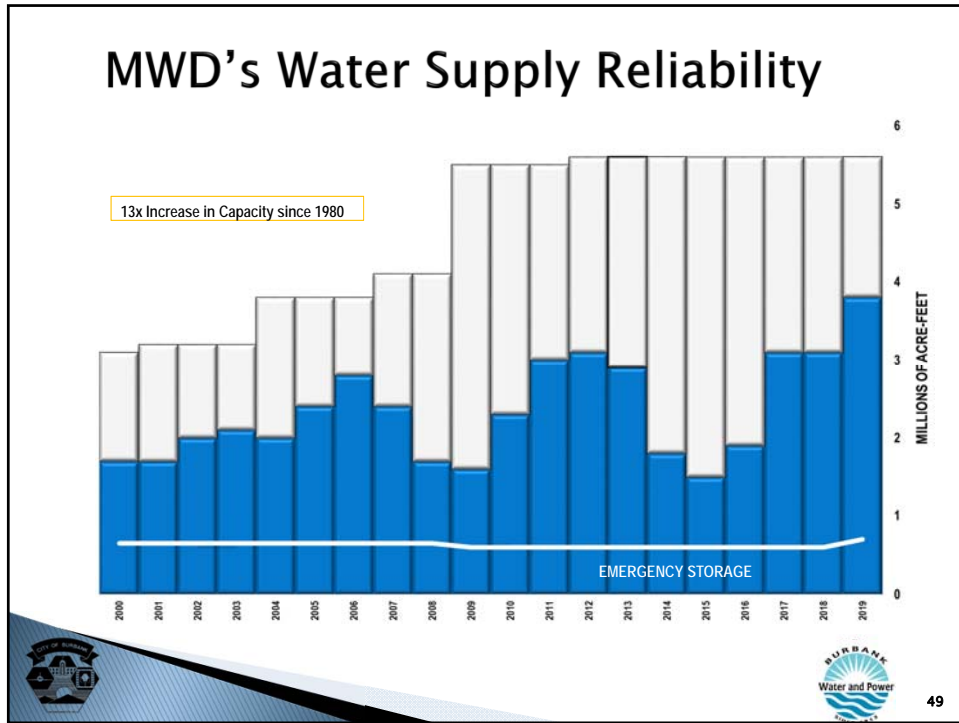


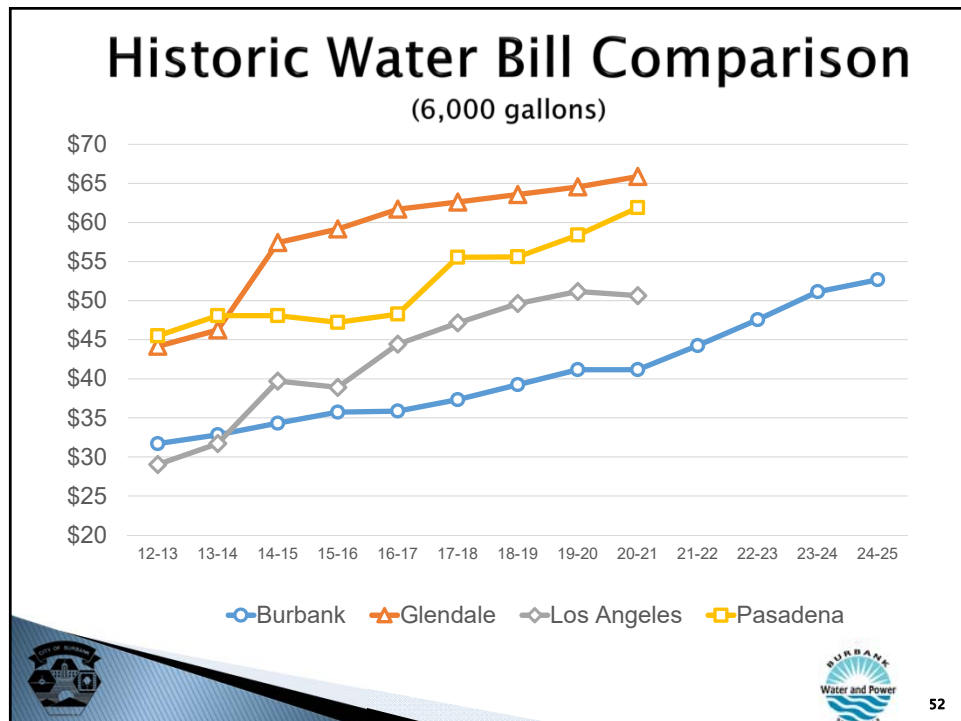
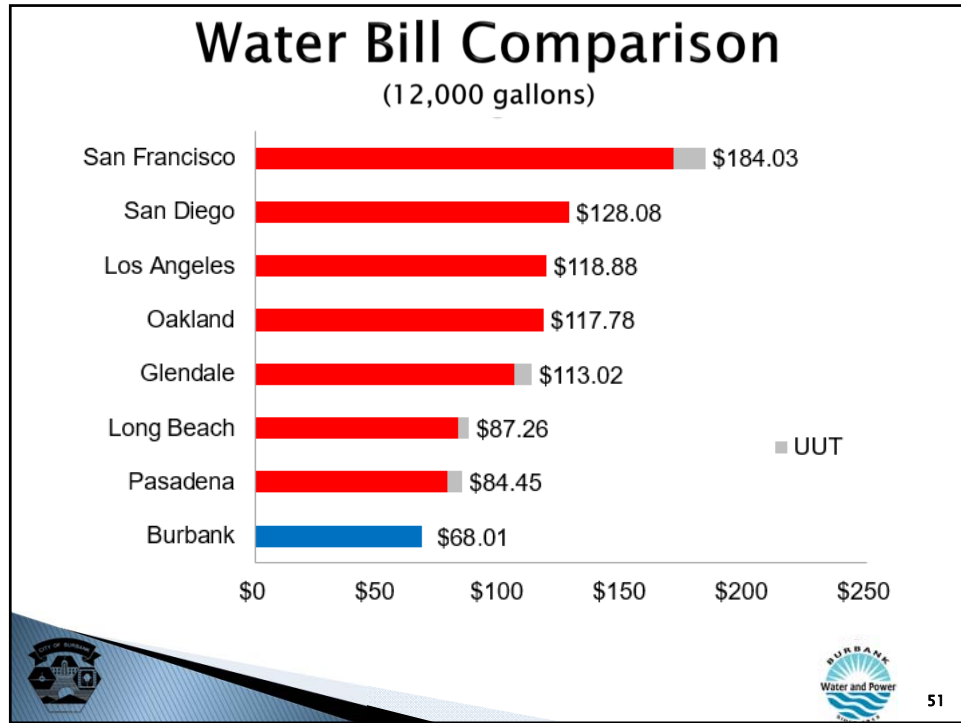
47

Water Use per Capita Under Order

(gallons per day for fiscal years ending June 30th)







Water Income Statement

(\$ in thousands)	Adopted Budget FY 19-20	Proposed Budget FY 20-21
Potable Sales in Billions of Gallons	5.089	4.936
Recycled Sales in Billions of Gallons	1.002	0.995
Total Operating Revenues	\$ 33,572	\$ 33,216
WCAC Expense	\$ 12,622	\$ 12,324
Gross Margin	\$ 20,949	\$ 20,892
Total Operating Expenses before Depreciation	\$ 14,246	\$ 15,077
Depreciation Expense	\$ 4,437	\$ 4,262
Operating Income/(Loss)	\$ 2,266	\$ 1,553



Water Income Statement (cont.)

	FY 19-20	FY 20-21
Operating Income/(Loss)	\$ 2,266	\$ 1,553
Other Income / (Expenses)	\$ (1,779)	\$ (1,639)
Net Income	\$ 487	\$ (85)
Capital Contributions (AIC)	\$ 484	\$ 1,124
Change in Net Position	\$ 971	\$ 1,038



Water Fund 5 Year Capital Plan

	2020-21	2021-22	2022-23	2023-24	2024-25	FY 2020-21 to FY 2024-25
	Proposed	Forecast	Forecast	Forecast	Forecast	Forecast
Potable CIP						
Small Water Mains	1,327,911	2,342,911	2,297,911	2,674,211	3,081,563	11,724,506
Large Water Mains	585,000	1,600,000	1,710,000	1,595,000	1,410,000	6,900,000
Plant Replacement	35,000	35,000	35,000	35,000	35,000	175,000
Automation and Control	20,000	20,000	65,000	20,000	20,000	145,000
Boosters	1,480,000	-	-	175,000	1,500,000	3,155,000
Production Facilities	45,000	190,000	325,000	1,800,000	-	2,360,000
Miscellaneous Facilities	160,000	320,000	70,000	130,000	50,000	730,000
Storage - Reservoirs and Tanks	75,000	935,000	955,000	285,000	170,000	2,420,000
Water Fund's share of common projects	294,875	148,419	90,716	197,563	739,199	1,470,771 (A)
Total Potable CIP	\$ 4,022,786	\$ 5,591,330	\$ 5,548,627	\$ 6,911,773	\$ 7,005,761	\$ 29,080,277
Potable AIC						
New Customer Projects/AIC	1,123,762	283,762	633,762	283,762	283,762	2,608,810
Total Potable AIC	\$ 1,123,762	\$ 283,762	\$ 633,762	\$ 283,762	\$ 283,762	\$ 2,608,810
Recycled CIP						
Recycled Water	146,605	271,605	301,605	146,605	106,605	973,025
Total Recycled CIP	\$ 146,605	\$ 271,605	\$ 301,605	\$ 146,605	\$ 106,605	\$ 973,025
Total CIP	\$ 5,293,153	\$ 6,146,697	\$ 6,483,994	\$ 7,342,140	\$ 7,396,128	\$ 32,662,112

(A) Includes 15% for Safety, 12.5% for Customer Service, and 11.5% for Operations Technology, Facilities, and Finance when applicable.



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Potable Capital Improvements

(S in 000's)

Valley Pumping Plant (VPP) Booster Station Upgrade	\$1,480
Meter Replacements	\$520
Empire Ave, Naomi to Ontario, Potable Large Main	\$485
Monterey, Lincoln to Orchard, Potable Small Main	\$415
Magnolia, I-5 to 3rd, Potable Large Main	\$100
Service Replacements	\$95
Other Remaining Projects	\$928
Total CIP	\$4,023
 System Expansion (AIC)	 \$959
Cypress, 3rd to Glenoaks (AC Hotel), Potable Small Main (AIC)	\$165
Total AIC	\$1,124



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Recycled Capital Improvements

(\$ in 000's)

Painting Program - Steel Tanks	\$75
Recycled Equipment Replacement	\$15
Recycled Meters	\$14
Other Remaining Projects	\$43
Total CIP	\$147



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Water Fund 5 Year Capital Outlay



	2020-21	2021-22	2022-23	2023-24	2024-25	FY 2020-21 to FY 2024-25
	Proposed	Forecast	Forecast	Forecast	Forecast	Forecast
Capital Outlay	47,530	16,496	16,826	17,163	17,506	115,521
Information Technology	39,993	12,800	15,000	15,000	23,000	105,792
Master Fleet Plan	106,725	995,035	463,855	385,000	304,711	2,255,326
Subtotal Capital Outlay	194,248	1,024,331	495,681	417,163	345,217	2,476,640



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Water Fund Staffing Summary

Division	FY 2019-20 Approved Staffing Plan	FY 2019-20 Mid-year Adjustments	FY 2020-21 Proposed Adjustments	FY 2020-21 Proposed Staffing Plan
Construction and Maintenance	23	0	0	23
Production	11	0	0	11
Engineering and Planning	17	0	0	17
Recycled Water	2	0	0	2
Water Fund Totals	<u>53</u>	<u>0</u>	<u>0</u>	<u>53</u>



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MPP Joint Power Authority Budget



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MPP Joint Power Authority Budget

(\$ in 000's)	FY 19-20	FY 20-21
Description	Adopted Budget	Proposed Budget
Est. Net Generation in MWh	1,572,636	1,231,200
Operating and Maintenance Expenses	21,096	21,838
Capital Expenditures	\$620	\$875
Operating Agent Budget (Fund 483)	\$21,716	\$22,713



Tieton Joint Power Authority Budget



Tieton Joint Power Authority Budget

(\$ in 000's)	FY 19-20	FY 20-21
Description	Adopted Budget	Proposed Budget
Est. Generation in MWh	52,000	48,400
Operating and Maintenance Expenses	\$3,381	\$3,264
Transmission Expenses	\$93	\$93
Capital Expenditures	\$623	\$224
Operating Agent Budget (Fund 133)	\$4,096	\$3,580



Street Lighting (Fund 129) Budget



Street Lighting (Fund 129)

(\$ in 000's)

	Adopted FY 19-20	Proposed FY 20-21
Operating Revenues		
Transfer	\$ 2,544	\$ 2,515
Operating Expenses		
Utilities	\$ 1,114	\$ 1,078
Maintenance	\$ 504	\$ 495
Other Operating Expenses	\$ 214	\$ 214
Total Operating Expenses	\$ 1,832	\$ 1,787
Net Income	\$ 712	\$ 728
Other Income		
Interest Income and Other Income	\$ 285	\$ 35
Aid in Construction	\$ 180	\$ 195
Total Other Income	\$ 465	\$ 230
Net Change in Net Assets	\$ 1,177	\$ 958
Capital Expenditures	\$ 1,110	\$ 1,054
Final Loan Repayment to the Electric Fund	\$ 403	\$ -



Communications (Fund 535)



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Communications (Fund 535)

	Adopted Budget FY 19-20	Proposed Budget FY 20-21
Revenues		
Charges for Services	\$ 3,065	\$ 3,065
Total Operating Revenues	<u>\$ 3,065</u>	<u>\$ 3,065</u>
Operating Expenses		
Operations and Maintenance	\$ 2,717	\$ 2,660
Depreciation	\$ 387	\$ 896
Total Operating Expenses	<u>\$ 3,104</u>	<u>\$ 3,556</u>
Operating Income (Loss)	<u>\$ (39)</u>	<u>\$ (491)</u>
Interest & Other Income	\$ 23	\$ 142
Total Operating Income (Loss)	<u>\$ (16)</u>	<u>\$ (349)</u>
Extraordinary Expenses		
Pension Repayment Plan	\$ (70)	\$ (56)
Net Change in Net Assets (Net Income)	<u>\$ (86)</u>	<u>\$ (405)</u>
Capital Expenditures	\$ 385 ^(a)	\$ 150 ^(b)

(a) Capital expenditures for safety mobile radios, site UPS's (uninterrupted power supply), test equipment and an electric cart.

(b) Fire Department VHF BK mobile radio replacement lifecycle replacement.



Staff's Resolution Recommendation

The Burbank Water and Power Board recommends the Burbank City Council approve the utility's Proposed FY 2020–21 Budget for Funds 496, 497, 483, 129, 133 and 535, with no proposed electric and water rate increases.

