

# FY 2026-2027 Budget Updates

BWP Board  
March 5, 2026

Joseph Lillio  
Chief Financial Officer



**WATER AND  
POWER**

# BWP Performance



20%



48%



RELIABILITY



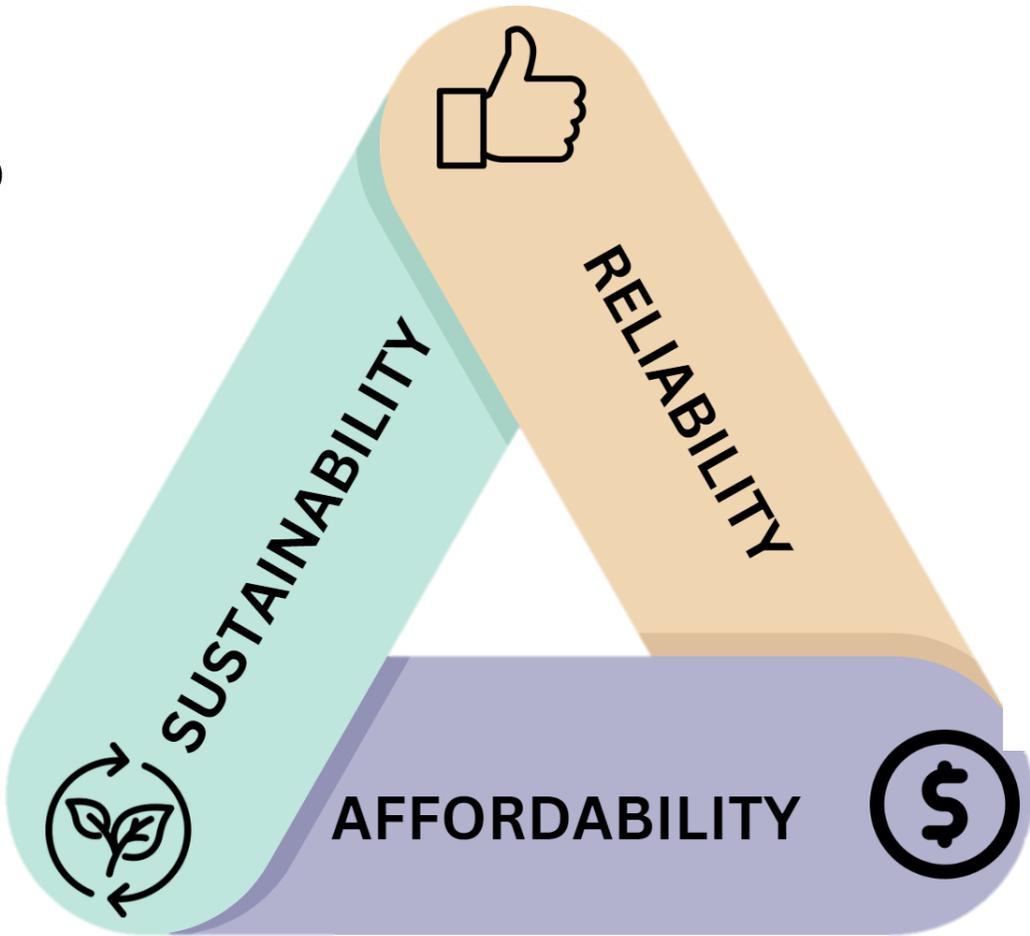
99.999%



99.999%



99.997%



***Low Regional Rates***

# BWP Strategic Plan



Focus on increasing \$ reserves

- Natural disaster resiliency
- Unfunded State Mandates
- Manage debt capacity to maintain favorable bond ratings
- Strengthen internally funded capital reserves

# Approved Average Rate Adjustments

(June 2025, Burbank City Council)



	<b>2026-27</b> Jan 1, 2027
<b>Electric</b> 	<b>9.9%</b>
<b>Water</b> 	<b>14.0%</b>

# FY 2026-27 Key Budget Updates

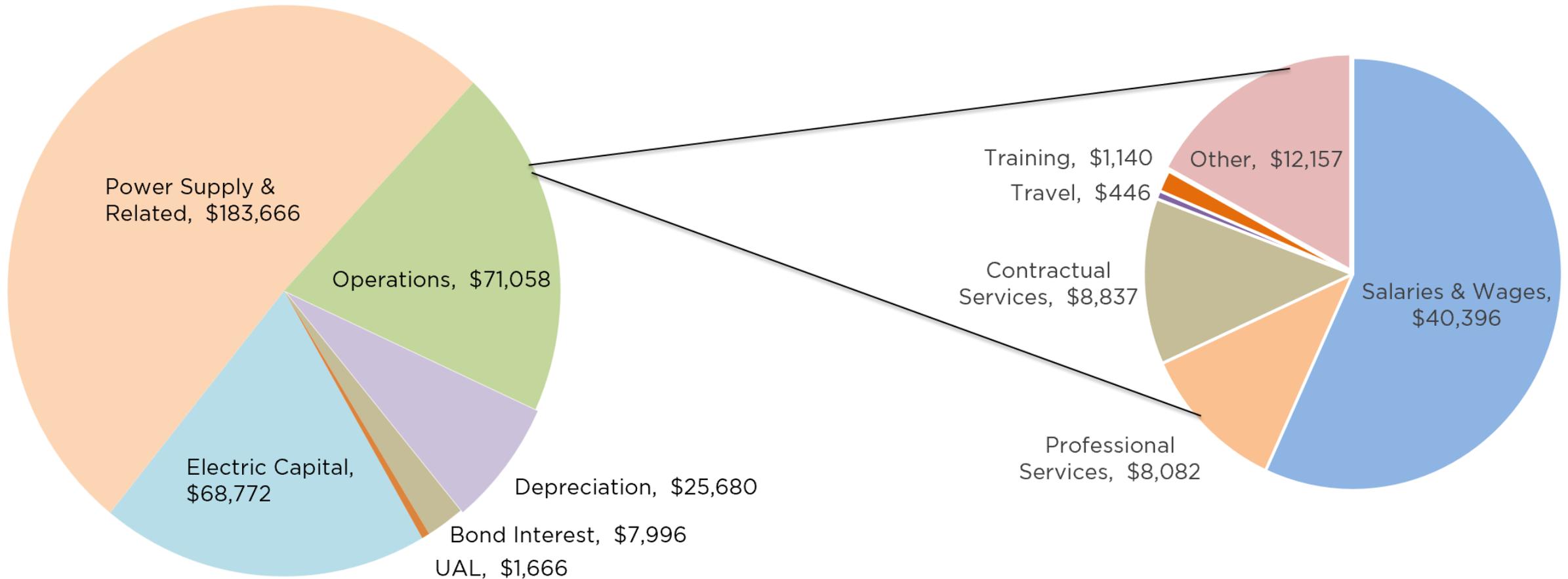


- Overall, an increase in budget authority due to the following:
  - *Position budgeting driven by union negotiations*
  - *Addition of new positions driven by regulatory mandates & compliance*
  - *Unfunded Actuarial Liability Pension (UAL)*
- Increase will be funded with unplanned revenue sources and cost savings
- Lower projections for load and revenue (electric & water) based on trend
- Water bond issuance

# Budget Authority

(\$ in 000's)	Adopted FY 2025-26	Original FY 2026-27	Updated FY 2026-27	Increase / (Decrease)
<b>Electric Fund</b>	\$415,426	\$340,131	\$358,846	\$18,715
<b>Water Fund</b>	\$71,956	\$93,276	\$98,314	\$5,038
<b>Communications Fund</b>	\$6,642	\$5,985	\$6,543	\$558
<b>Street Lighting Fund</b>	\$5,168	\$3,995	\$4,198	\$203
<b>MPP Operating Fund (SCPPA)</b>	\$27,809	\$32,113	\$32,068	(\$45)
<b>Tieton Operating Fund (SCPPA)</b>	\$2,183	\$2,290	\$2,375	\$85
<b>Total Authority</b>	<b>\$529,184</b>	<b>\$477,790</b>	<b>\$502,344</b>	<b>\$24,554</b>

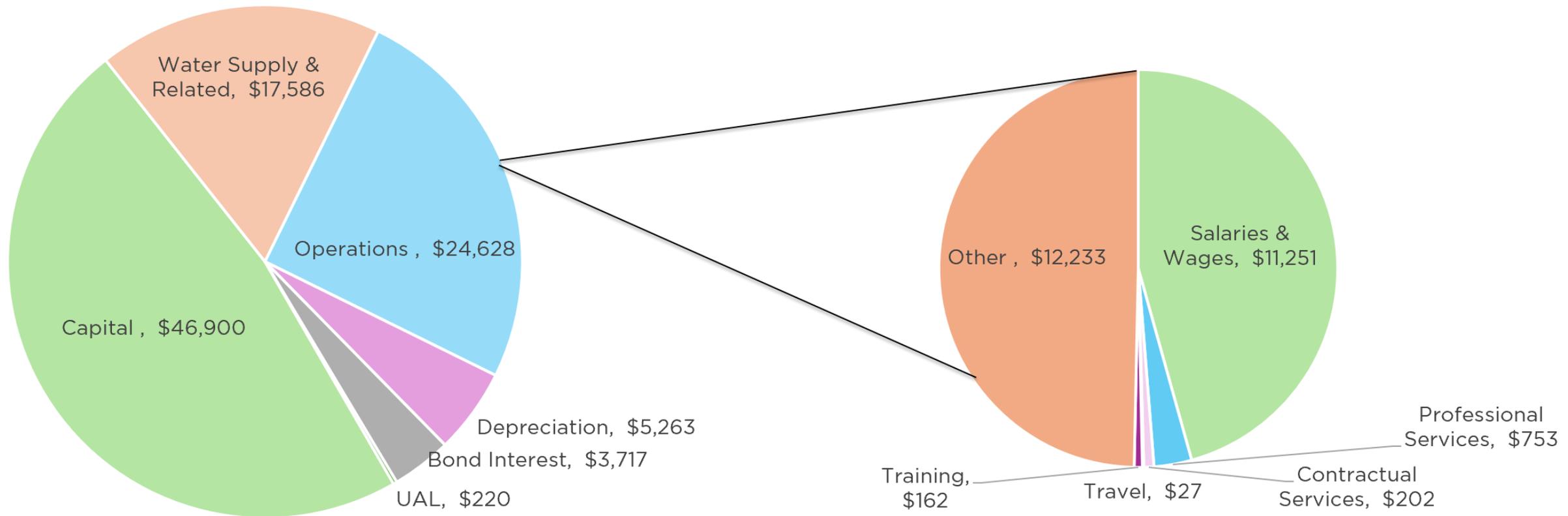
# Electric Budget Authority FY 2026-2027 by Category - \$358.8M



*Other* = transfer to the city, insurance, software/hardware, materials/supplies, etc.

# Water Budget Authority

## FY 2026-2027 by Category - \$98.3M



*Other - transfer to the city, water's portion of shared services, insurance, materials/supplies. software/hardware, etc*



# Budget Changes for Electric Fund

ELECTRIC BUDGET CHANGES	
DRIVERS	BUDGET OFF-SETS
\$ 15,290,000 Capital Spend	\$ (20,600,000) Reduced market power purchases due to reduced load & lack market availability
\$ 10,000,000 MOU increase(offset by holding account), staffing request to support compliance	\$ (1,840,000) Reduction in Professional Service Agreements Budget Authority
\$ 3,119,000 UAL (CalPers)	\$ (791,000) Reduction Capital spend for project salaries
\$ 1,200,000 Revised Depreciation Estimates	\$ (300,000) Accounting change for capitalization of meter purchases
\$ 2,800,000 Increases for STS and Mead Phoenix renewals and replacements	\$ (56,000) Revision for OT
\$ 493,000 Transferred to City for Services (driven by MOU increases)	<b>\$ (23,587,000) Budget off-set total</b>
\$ 9,400,000 Net Increase - Fuel Gas Prices IPP driven	<b>\$ 18,715,000 Total Budget Authority Increase</b>
	FUNDING SOURCES
	\$ (18,715,000) CARB proceeds monetized
<b>\$ 42,302,000 Total</b>	<b>\$ (42,302,000) Total</b>

• **Changes to Electric Capital Plan**

\$ in thousands

Capital Budget Increases

4,000	10 W Magnolia Site Prep
3,500	Pilot Projects Demo/Secure Onsite Storage on 10 W Magnolia
2,790	Power Supply Reliability, Baseload, and Other Resources Study
2,790	Olive Decommissioning
2,000	Training Center Rehab and Locker Room Expansion
1,770	Facilities Improvements and Replacements
700	AMI
275	Replace Station High Voltage Circuit Breakers (69kV)
150	Physical Security
<hr/>	
17,975	

(2,000)	4kV to 12kV Conversions
(410)	Capital Outlay
(275)	Station Remote Terminal Unit Replacement
<hr/>	
(2,685)	

Capital Budget Decreases

Increase of \$15,290 in capital budget authority



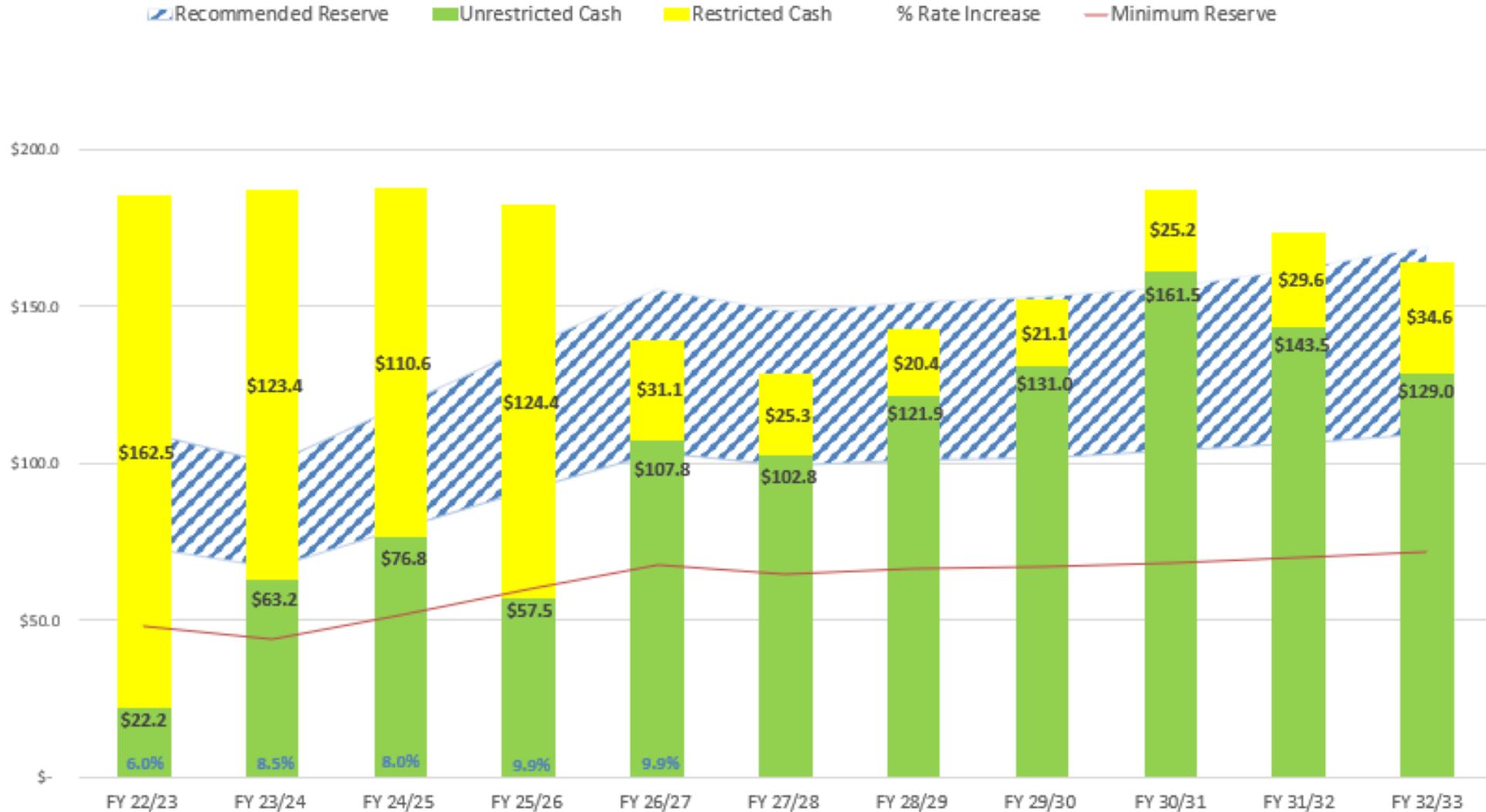
# Electric Five-Year Capital Plan

	2026-27	2027-28	2028-29	2029-30	2030-31	FY 2026-27 to FY 2030-31
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast Total
Power Supply Improvement Projects	8,358,274	16,125,000	950,000	21,175,000	375,000	46,983,274
Operations Technology	300,000	2,000,000	1,350,000	450,000	-	4,100,000
Distribution	41,514,850	39,705,675	34,876,884	27,055,145	31,731,640	174,884,194
New Customer Projects/AIC	7,090,150	11,242,920	15,178,770	10,750,170	20,728,720	64,990,730
Facility Renovations	3,291,300	779,900	765,000	755,400	875,000	6,466,600
ONE Burbank	500,000	500,000	500,000	610,000	3,260,000	5,370,000
Finance, Warehouse and Fleet Facility	-	4,200,000	-	-	-	4,200,000
Sustainability and Marketing	130,000	90,000	110,000	50,000	-	380,000
Security	400,000	300,000	250,000	250,000	300,000	1,500,000
Water Fund's share of common projects	(506,500)	(864,689)	(326,975)	(192,371)	(135,125)	(2,025,659)
<b>Total CIP</b>	<b>\$ 61,078,075</b>	<b>\$ 74,078,807</b>	<b>\$ 53,653,679</b>	<b>\$ 60,903,344</b>	<b>\$ 57,135,235</b>	<b>\$ 306,849,139</b>
Total Capital Outlay	7,694,250	11,932,687	11,051,181	8,962,195	6,008,165	45,648,478
<b>Grand Total</b>	<b>\$ 68,772,325</b>	<b>\$ 86,011,494</b>	<b>\$ 64,704,860</b>	<b>\$ 69,865,539</b>	<b>\$ 63,143,400</b>	<b>\$ 352,497,618</b>



# History & Forecast of Electric Cash Reserves

(\$ in millions)





# • Changes to Water Capital Plan

\$ in thousands

Capital Budget Increases

2,000	Potable Large Water Mains
785	Progressive Design/Build Pipeline Project
230	Facilities Improvements and Replacements
20	Potable PLC Replacement
20	Recycled PLC Replacement

3,055

(2,000)	Potable Small Water Mains
(550)	Large Water Mains
(235)	Seismic Retrofit of Water Pipelines
(20)	Potable SCADA Equipment Replacement
(20)	Recycled SCADA Equipment Replacement

(2,825)

Increase of \$230k in capital budget authority

Capital Budget Decreases



# Water Five-Year Capital Plan

	2026-27	2027-28	2028-29	2029-30	2030-31	FY 2026-27 to FY 2030-31
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast Total
Water Mains	18,991,246	4,636,161	4,793,938	4,950,597	5,318,677	38,690,619
Plant Replacement, Automation and Control	96,000	251,220	130,628	60,242	65,023	603,113
Boosters	250,000	3,100,000	500,000	500,000	-	4,350,000
Production & Miscellaneous Facilities	401,000	9,224,970	627,050	716,041	5,128,143	16,097,204
Storage - Reservoirs and Tanks	24,015,000	835,000	552,000	245,000	535,000	26,182,000
New Customer Projects/AIC	908,762	933,762	958,762	983,762	1,008,762	4,793,810
Water Fund's share of common projects	506,500	864,689	326,975	192,371	135,125	2,025,659
Recycled Water	404,501	320,046	10,330,047	7,752,366	909,974	19,716,934
<b>Total CIP</b>	<b>\$ 45,573,008</b>	<b>\$ 20,165,847</b>	<b>\$ 18,219,400</b>	<b>\$ 15,400,380</b>	<b>\$ 13,100,704</b>	<b>\$ 112,459,339</b>
Capital Outlay	1,326,850	711,719	624,251	1,472,097	412,606	4,547,523
<b>Grand Total</b>	<b>\$ 46,899,858</b>	<b>\$ 20,877,567</b>	<b>\$ 18,843,651</b>	<b>\$ 16,872,477</b>	<b>\$ 13,513,310</b>	<b>\$ 117,006,862</b>



# History & Forecast of Water Cash Reserves

(\$ in millions)





# Position Budgeting Update

## BWP HEADCOUNT

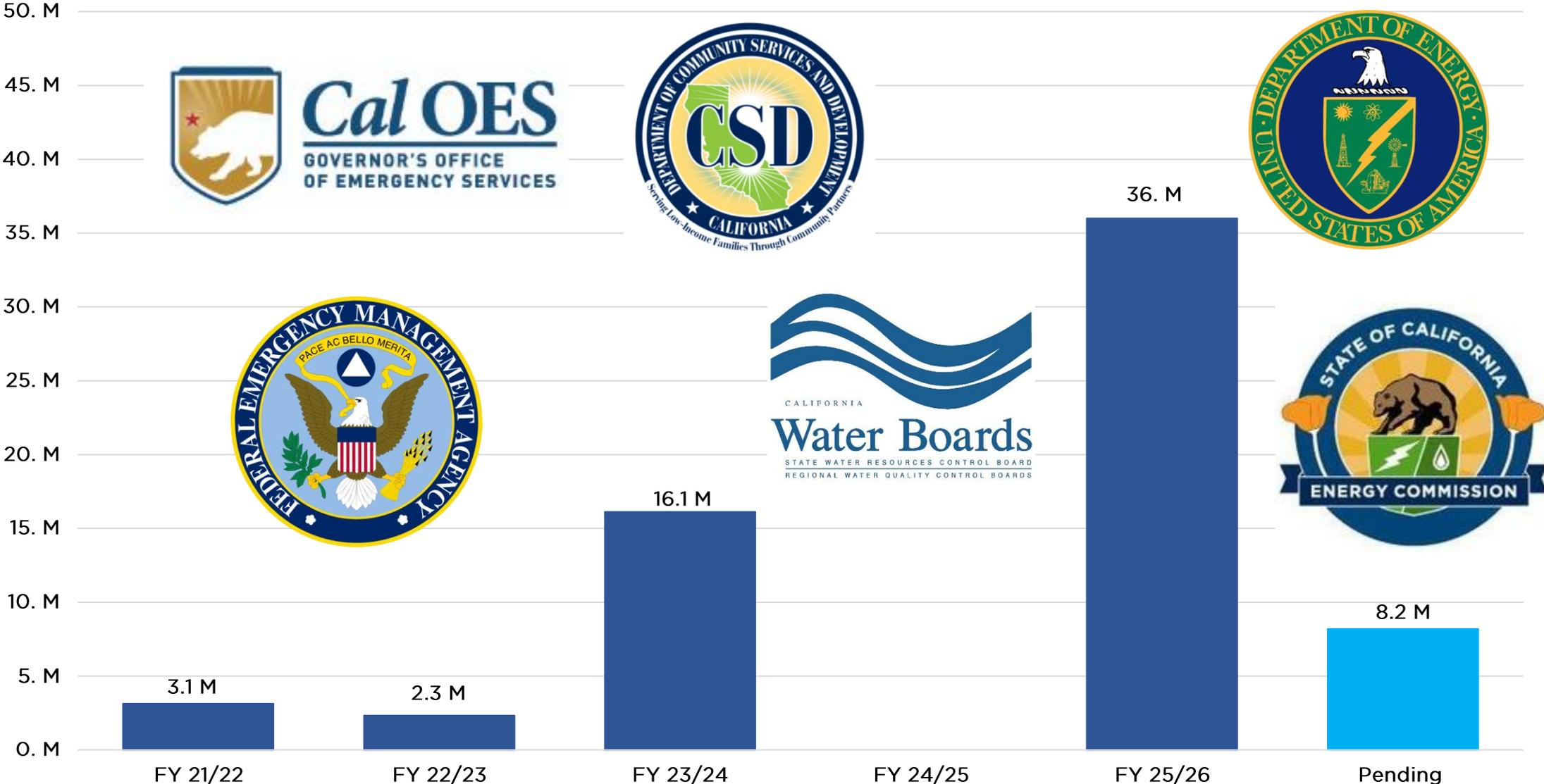
	Electric	Water	Comm Fund	Total Head Count by FY	Change per FY
<b>FY 25/26</b>	319	52	6	377	
<b>Board Approved FY 26/27</b>	8	0	0	385	
<b>FY 26/27 - NEW</b>	7	2	0	394	<b>2.3%</b>
<b>FY 27/28+</b>	4	0	0	398	<b>1.0%</b>

**Headcount increase by Fund**      **4.7%**      **3.8%**      **0.0%**



# BWP Grants Received

As of 2/2/2026



\*In 2026, BWP applied for the DEBA Grant on behalf of SCPPA.

# Staff Recommendation

Staff is requesting that the BWP Board recommend approval of the utility's proposed FY 2026-27 budget as presented tonight to the Burbank City Council for the electric fund (fund 496), the water fund (fund 497), the MPP operating fund (fund 483), the Tieton operating fund (fund 133), the street lighting fund (fund 129), and the communications fund (fund 535).

# QUESTIONS?

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