

Burbank Water and Power



Estimated Financial Report September-19

UNAUDITED

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

MTD FY 19-20	MTD Sep-19 Budget	\$ Variance ⁽²⁾	% Variance		FYTD FY 19-20	FYTD Sep-19 Budget	\$ Variance ⁽²⁾	% Variance
104,869	109,321	(4,452)	(4%) ^(a)	NEL MWh	326,708	341,086	(14,378)	(4%) ^(A)
				Retail				
\$ 16,232	\$ 16,562	\$ (330)	(2%)	Retail Sales	\$ 49,477	\$ 51,486	\$ (2,008)	(4%)
397	587	(190)	(32%) ^(b)	Other Revenues ⁽³⁾	1,371	1,761	(390)	(22%) ^(B)
<u>10,363</u>	<u>11,268</u>	<u>905</u>	<u>8%</u> ^(c)	Retail Power Supply & Transmission	<u>31,283</u>	<u>34,760</u>	<u>3,477</u>	<u>10%</u> ^(C)
6,266	5,881	385	7%	Retail Margin	19,565	18,487	1,078	6%
				Wholesale				
884	3,204	(2,320)	(72%)	Wholesale Sales	2,831	16,613	(13,783)	(83%)
<u>807</u>	<u>3,124</u>	<u>2,317</u>	<u>74%</u>	Wholesale Power Supply	<u>2,581</u>	<u>16,198</u>	<u>13,617</u>	<u>84%</u>
77	80	(3)	(4%)	Wholesale Margin	250	415	(166)	(40%)
<u>6,343</u>	<u>5,961</u>	<u>382</u>	<u>6%</u>	Gross Margin	<u>19,815</u>	<u>18,902</u>	<u>913</u>	<u>5%</u>
				Operating Expenses				
921	921	-	0%	Distribution	2,767	2,817	50	2%
120	120	-	0%	Administration/Safety	312	352	40	11%
226	226	-	0%	Finance, Fleet, & Warehouse	640	668	28	4%
507	507	-	0%	Transfer to General Fund for Cost Allocation	1,511	1,522	11	1%
446	446	-	0%	Customer Service, Marketing & Conservation	1,070	1,337	267	20% ^(D)
449	449	-	0%	Public Benefits	1,371	1,402	31	2%
189	189	-	0%	Security/Oper Technology	612	521	(91)	(17%) ^(E)
110	110	-	0%	Telecom	341	364	23	6%
183	183	-	0%	Construction & Maintenance	474	548	74	13% ^(F)
<u>1,575</u>	<u>1,575</u>	<u>-</u>	<u>0%</u>	Depreciation	<u>4,670</u>	<u>4,724</u>	<u>53</u>	<u>1%</u>
<u>4,725</u>	<u>4,725</u>	<u>-</u>	<u>0%</u> ^(d)	Total Operating Expenses	<u>13,767</u>	<u>14,253</u>	<u>486</u>	<u>3%</u>
<u>\$ 1,618</u>	<u>\$ 1,236</u>	<u>\$ 382</u>	<u>31%</u>	Operating Income/(Loss)	<u>\$ 6,048</u>	<u>\$ 4,649</u>	<u>\$ 1,398</u>	<u>30%</u>

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

(\$ in 000's)

MTD FY 19-20	MTD Sep-19 Budget	\$ Variance ⁽²⁾	% Variance		FYTD FY 19-20	FYTD Sep-19 Budget	\$ Variance ⁽²⁾	% Variance
\$ 1,618	\$ 1,236	\$ 382	31%	Operating Income/(Loss)	\$ 6,048	\$ 4,649	\$ 1,398	30%
				Other Income/(Expenses)				
162	162	-	0%	Interest Income	504	487	17	4%
106	106	-	0%	Other Income/(Expense) ⁽⁴⁾	(3,174)	(3,116)	(58)	(2%) ^(G)
(344)	(344)	-	0%	Bond Interest/ (Expense)	(1,033)	(1,033)	-	0%
(76)	(76)	-	0%	Total Other Income/(Expenses)	(3,703)	(3,662)	(41)	(1%)
1,542	1,160	382	33%	Net Income	2,344	987	1,357	138%
112	112	-	0%	Capital Contributions (AIC)	317	336	(19)	(6%)
<u>\$ 1,654</u>	<u>\$ 1,272</u>	<u>\$ 382</u>	<u>30%</u>	Net Change in Net Assets (Net Income)	<u>\$ 2,661</u>	<u>\$ 1,323</u>	<u>\$ 1,338</u>	<u>101%</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 September 2019; FYTD reports July 2019 actuals, with August and September 2019 estimates.

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

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
a.	Electric Usage in MWh	104,869	109,321	(4,452)	- NEL is 4% lower than budget due to conservation. For the month of September, average high temperature was 86.5°F, compared to the normal of 87.4°F. MTD CDD were 283 versus the 15 year average of 277.
b.	Other Revenues	397	587	(190)	- 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	10,363	11,268	905	- 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	4,725	4,725	-	- Expenses for September 2019 are estimated at budgeted values.

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

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
A.	Electric Usage in MWh	326,708	341,086	(14,378)	- NEL is 4% lower than budget due to conservation. FYTD average high temperature was 87.5°F and the 15 year average high temperature was 87.5°F. FYTD CDD were 927 versus the 15 year average of 926.
B.	Other Revenues	1,371	1,761	(390)	- 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	31,283	34,760	3,477	- The favorable variance is attributable to various components within Retail Power Supply & Transmission. Please refer to page 6 for additional details.
D.	Customer Service, Marketing & Conservation	1,070	1,337	267	- The favorable variance is primarily attributable to lower than planned spending on professional services, and savings on salaries and related benefits due to several vacant positions.
E.	Security/Oper Technology	612	521	(91)	- The unfavorable variance is primarily attributable to unamortized software / hardware and membership dues expenses. Also contributing to the unfavorable variance is less work than planned for other groups.
F.	Construction & Maintenance	474	548	74	- The favorable variance is due to lower than planned facility maintenance and service requests.
G.	Other Income/(Expense)	(3,174)	(3,116)	(58)	- 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.

Estimated September 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): \$1,542</u>	\$ 382		\$ 382
<u>MTD GROSS MARGIN VARIANCE</u>			
Retail Sales		(330)	(330)
Power Supply and Transmission			
- Lower energy prices and economic dispatch	640		640
- Lower retail load	115		115
- Lower transmission expenses than planned	80		80
- Lower than planned renewables	70		70
Other Revenues		(190)	(190)
Wholesale Margin		(3)	(3)
Total	<u>905</u>	<u>(523)</u>	<u>382</u>

Estimated September 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): \$2,344</u>	\$ 1,357		\$ 1,357
<u>FYTD GROSS MARGIN VARIANCE</u>			
Retail Sales		(2,008)	(2,008)
Power Supply and Transmission			
- Lower energy prices and economic dispatch	2,329		2,329
- Lower retail load	388		388
- Lower O&M expenses than planned	300		300
- Lower than planned transmission expenses	292		292
- Lower than planned renewables	168		168
Other Revenues		(390)	(390)
Wholesale Margin		(166)	(166)
Total	<u>3,477</u>	<u>(2,564)</u>	<u>913</u>
<u>FYTD EXPENSE AND OTHER VARIANCES</u>			
Customer Service, Marketing & Conservation	267		267
Construction & Maintenance	74		74
Depreciation expense	53		53
Distribution	50		50
Administration/Safety	40		40
Public Benefits	31		31
Finance, Fleet, & Warehouse	28		28
Telecom	23		23
Security/Oper Technology		(91)	(91)
All other		(31)	(31)
Total	<u>566</u>	<u>(122)</u>	<u>444</u>

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

	<u>Sep-19</u>	<u>Aug-19</u>	<u>Jul-19</u>	<u>Jun-19</u>	<u>Jun-18</u>	<u>Recommended Reserves</u>	<u>Minimum Reserves</u>
Cash and Investments							
General Operating Reserve	\$ 60,995	\$ 59,213	\$ 58,852 ^(f)	\$ 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	16,912	16,871	16,831	16,817	16,492		
Sub-Total Cash and Investments	<u>87,906</u>	<u>86,084</u>	<u>85,684</u>	<u>94,137</u>	<u>105,485</u>	<u>73,010</u>	<u>42,770</u>
Capital Commitments					(6,740) ^(c)		
Customer Deposits	(4,822)	(4,268)	(4,109)	(5,641)	(5,432)		
Public Benefits Obligation	(6,605)	(6,787)	(6,535)	(6,069)	(5,549)		
Pacific Northwest DC Intertie	(1,410)	(1,410)	(1,410)	(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><u>72,803</u></u>	<u><u>71,353</u></u>	<u><u>71,364</u></u>	<u><u>77,942</u></u>	<u><u>79,059</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 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.

^(f) Includes one-time pension payment to CalPERS of \$3.43M, and an annual required pension contribution of \$5.71.

**Burbank Water and Power
Water Fund (497)
Estimated Statement of Changes in Net Assets ^{(1) (2) (5)}
MTD and FYTD September 2019
(\$ in 000's except Gallons)**

MTD FY 19-20	MTD Sep-19 Budget	\$ Variance ⁽²⁾	% Variance		FYTD FY 19-20	FYTD Sep-19 Budget	\$ Variance ⁽²⁾	% Variance	
498	548	(50)	(9%) ^(a)	Water put into the system in Millions of Gallons	1,531	1,613	(82)	(5%) ^(A)	
112	104	9	8% ^(b)	Metered Recycled Water in Millions of Gallons	327	331	(4)	(1%) ^(B)	
Operating Revenues									
\$ 2,783	\$ 2,865	\$ (82)	(3%) ^(c)	Potable Water	\$ 8,637	\$ 8,567	\$ 70	1% ^(C)	
434	424	9	2%	Recycled Water	1,308	1,357	(49)	(4%)	
16	62	(46)	(74%) ^(d)	Other Revenue ⁽³⁾	61	186	(125)	(67%) ^(D)	
<u>3,233</u>	<u>3,352</u>	<u>(119)</u>	<u>(4%)</u>	Total Operating Revenues	<u>10,005</u>	<u>10,110</u>	<u>(104)</u>	<u>(1%)</u>	
1,182	1,305	123	9% ^(e)	Water Supply Expense	3,688	3,946	258	7% ^(E)	
<u>2,051</u>	<u>2,047</u>	<u>4</u>	<u>0%</u>	Gross Margin	<u>6,318</u>	<u>6,164</u>	<u>154</u>	<u>2%</u>	
Operating Expenses									
689	689	-	0%	Operations & Maintenance - Potable	1,961	2,068	106	5% ^(F)	
138	138	-	0%	Operations & Maintenance - Recycled	382	412	30	7%	
210	210	-	0%	Allocated O&M	566	624	59	9% ^(G)	
172	172	-	0%	Transfer to General Fund for Cost Allocation	522	517	(5)	(1%)	
<u>370</u>	<u>370</u>	<u>-</u>	<u>0%</u>	Depreciation	<u>1,070</u>	<u>1,109</u>	<u>39</u>	<u>4%</u>	
1,579	1,579	-	0% ^(f)	Total Operating Expenses	4,501	4,730	229	5%	
Other Income/(Expenses)									
21	21	-	0%	Interest Income	64	64	0	0%	
39	39	0	0%	Other Income/(Expense) ⁽⁴⁾	(510)	(436)	(74)	(17%) ^(H)	
(159)	(159)	-	0%	Bond Interest/(Expense)	(489)	(476)	(13)	(3%)	
<u>(98)</u>	<u>(99)</u>	<u>0</u>	<u>0%</u>	Total Other Income/(Expenses)	<u>(935)</u>	<u>(848)</u>	<u>(86)</u>	<u>(10%)</u>	
<u>374</u>	<u>370</u>	<u>4</u>	<u>1%</u>	Net Income/(Loss)	<u>882</u>	<u>585</u>	<u>297</u>	<u>51%</u>	
40	40	-	0%	Aid in Construction	116	121	(5)	(4%)	
<u>\$ 414</u>	<u>\$ 410</u>	<u>\$ 4</u>	<u>1%</u>	Net Change in Net Assets (Net Income)	<u>\$ 998</u>	<u>\$ 706</u>	<u>\$ 293</u>	<u>41%</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 September 2019; FYTD reports July 2019 actuals, with August and September 2019 estimates.

Burbank Water and Power
Water Fund (497)
Estimated Statement of Changes in Net Assets - Footnotes
MTD September 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	498	548	(50)	- Potable water sales are lower due to lower demand. Burbank received .05 inches of rainfall in September as compared to the monthly normal of 0.23 inches. Average high temperature was 86.5°F, compared to the normal of 87.4°F. MTD CDD were 283 versus the 15 year average of 277.	
b.	Recycled Water Usage in Millions of Gallons	112	104	9	- Recycled water sales are higher due to higher consumption by the Power Plant and higher than planned irrigation.	
c.	Potable Water Revenue	2,783	2,865	(82)	- The WCAC impact decreased potable water revenues by \$77k MTD. Without this adjustment, potable water revenues would be at budget.	
						MTD Actual
					WCAC Revenue	<u>\$1,259</u>
					WCAC Expenses	\$1,182
					WCAC revenue deferral/(accrual)	<u><u>\$77</u></u>
d.	Other Revenue	16	62	(46)	- Other revenues include items such as damaged property recovery, connection fees, late fees, and tampering fees, which tend to fluctuate.	
e.	Water Supply Expense	1,182	1,305	123	- Water supply expense corresponds with lower demand.	
f.	Total Operating Expenses	1,579	1,579	-	- Expenses for September 2019 are at budgeted values.	

Burbank Water and Power
Water Fund (497)
Estimated Statement of Changes in Net Assets - Footnotes
FYTD September 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	1,531	1,613	(82)	- FYTD Potable water sales are lower due to lower demand. Rainfall season-to-date was .05 inches less than the season normal of 0.32 inches. FYTD CDD were 927 versus the 15 year average of 926.	
B.	Metered Recycled Water in Millions of Gallons	327	331	(4)	- FYTD Recycled sales are lower due to lower demand. Rainfall season-to-date was .05 inches less than the season normal of 0.32 inches. FYTD CDD were 927 versus the 15 year average of 926.	
C.	Potable Water	8,637	8,567	70	- The WCAC impact increased potable water revenues by \$121k YTD. Without this adjustment, potable revenues would be unfavorable by 1%.	
						FYTD Actual
					WCAC Revenue	\$3,567
					WCAC Expenses	\$3,688
					WCAC revenue deferral/(accrual)	(\$121)
D.	Other Revenue	61	186	(125)	- Other revenues include items such as damaged property recovery, connection fees, late fees, and tampering fees, which tend to fluctuate.	
E.	Water Supply Expense	3,688	3,946	258	- Water supply expense corresponds with lower demand.	
F.	Operations & Maintenance - Potable	1,961	2,068	106	- The favorable variance is primarily attributable to budgetary savings on salaries and related benefits due to vacant positions, and lower than planned spending on professional services.	
G.	Allocated O&M	566	624	59	- The favorable variance is attributable to lower than planned allocated expenses (Customer Service, Admin & Safety, Facilities and Conservation) from the Electric Fund.	
H.	Other Income / (Expense)	(510)	(436)	(74)	- Other Income/(Expense) includes miscellaneous revenue from the sale of scrap materials, inventory, and other assets. A one-time pension payment of \$553k was made to CalPERS in July 2019 ; in addition, the CalPERS one-time Electric Fund pension payment of \$118k was allocated to the Water Fund.	

Estimated September 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): \$374</u>	\$ 4		\$ 4
<u>MTD GROSS MARGIN VARIANCE</u>			
Water Supply Expense	123		123
Recycled Revenues	9		9
Potable Revenues		(82)	(82)
Other Revenue		(46)	(46)
Total	<u>132</u>	<u>(128)</u>	<u>4</u>
<u>MTD O&M AND OTHER VARIANCES</u>			
Operating expenses		-	-
Other income/expenses	-		-
Total	<u>-</u>	<u>-</u>	<u>-</u>

Estimated September 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: \$882</u>	\$ 297		\$ 297
 <u>FYTD GROSS MARGIN VARIANCE</u>			
Potable Revenues	70		70
Other Revenue		(125)	(125)
Recycled Revenues		(49)	(49)
Water Supply Expense	258		258
Total	<u>328</u>	<u>(174)</u>	<u>154</u>
 <u>FYTD O&M AND OTHER VARIANCES</u>			
Potable O&M	106		106
Allocated O&M	59		59
Depreciation Expense	39		39
Recycled Water O&M	30		30
All Other		(91)	(91)
Total	<u>234</u>	<u>(91)</u>	<u>143</u>

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

	<u>Sep-19</u>	<u>Aug-19</u>	<u>Jul-19</u>	<u>Jun-19</u>	<u>Jun-18</u>	<u>Recommended Reserves</u>	<u>Minimum Reserves</u>
Cash and Investments							
General Operating Reserves	\$ 13,289	\$ 11,940	\$ 10,852 ^(d)	\$ 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>15,509</u>	<u>14,160</u>	<u>13,072</u>	<u>13,775</u>	<u>13,145</u>	<u>17,830</u>	<u>9,370</u>
Customer Deposits	(12)	(12)	(29)	(29)	(607)		
Capital Commitments ^(c)	-	-	-	-	(140)		
Cash and Investments (less commitments)	<u><u>15,497</u></u>	<u><u>14,147</u></u>	<u><u>13,043</u></u>	<u><u>13,746</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.

^(d) Includes one-time pension payment of \$.55M to CalPERS, and an annual required pension contribution of \$.91M.