

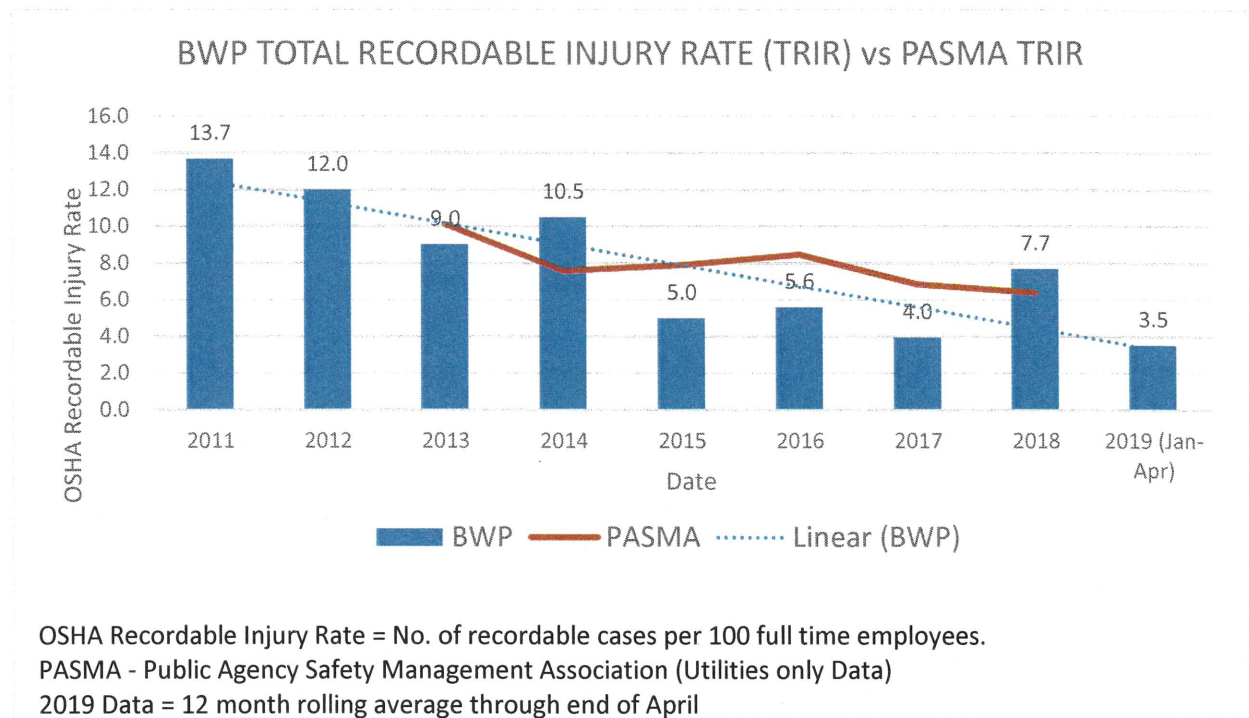
CITY OF BURBANK BURBANK WATER AND POWER STAFF REPORT

DATE: June 20, 2019
TO: BWP Board
FROM: Jorge Somoano, General Manager, BWP
SUBJECT: April 2019 Operating Results

***Please note that changes from last month's report are in BOLD**

SAFETY

For the month of April, BWP experienced zero OSHA recordable injuries. BWP's OSHA recordable rate dropped from 4.2, as reported for end of March, to 3.5 as of the end of April.



Water Financial Results

For the month of April, Potable water usage was 12% (44 million gallons) higher than budgeted and Potable Water Revenues were \$355,000 higher than budgeted. Recycled water usage was 42% (24 million gallons) higher than budgeted due to lower rainfall than the April average. Recycled Water Revenues were \$95,000 higher than budgeted. April Water Supply Expenses were \$143,000 higher than budgeted due to higher demand. April's Gross Margin was \$285,000 higher than budgeted. Net Income was \$65,000, which was \$285,000 higher than budgeted.

April fiscal-year-to-date (FYTD) Potable water usage was 1% (53 million gallons) lower than budgeted. FYTD April Potable Water Revenues were \$474,000 lower than budgeted. FYTD recycled usage was 7% (55 million gallons) lower than budgeted and Recycled Water Revenues were \$239,000 lower than budgeted. FYTD Water Supply Expenses were \$93,000 lower than budgeted due to lower demand. The FYTD April Gross Margin was \$652,000 lower than budgeted. Operating Expenses were \$1,069,000 lower than budgeted. Net Income was \$1,653,000, which was \$524,000 higher than budgeted.

Electric Financial Results

For the month of April, electric loads were 7% lower than budgeted due to conservation. Retail Sales were \$1,118,000 lower than budgeted. April Power Supply Expenses were \$1,052,000 lower than budgeted primarily due to receiving less renewable energy than planned and lower O&M expenses. April's wholesale margin was \$18,000 lower than budgeted. April's Gross Margin was \$20,000 lower than budgeted. Net Income was -\$869,000, which was \$20,000 lower than budgeted.

FYTD April electric loads were 3% lower than budgeted due to conservation. Retail Sales were \$3,141,000 lower than budgeted. FYTD Power Supply Expenses were \$3,874,000 lower than budgeted primarily due to prior period true up credits, lower than planned O&M expenses, and lower retail load, which is partially offset with higher energy and fuel prices. FYTD Wholesale Margin was \$345,000 higher than budgeted. FYTD Gross Margin was \$508,000 higher than budgeted. April FYTD Operating Expenses were \$4,215,000 lower than budgeted. Net Income was \$10,948,000, which was \$4,764,000 higher than budgeted.

WATER DIVISION

State Water Project Update

On March 20, 2019, the Department of Water Resources (DWR) increased the State Water Project (SWP) Allocation Table A amounts from 35% to 70%. The 2019 allocation of 70% amounts to 2,942,158 acre-feet of water. Reservoir storage, snowpack, precipitation, and releases to meet local deliveries are among several factors used in determining allocations.

Burbank's Water Use

The table below shows water use in Burbank during April 2019 compared to April 2018 measured in gallons per capita per day (gpcd). Also shown is a comparison of Burbank's average water use through the end of April 2018 and 2019 on a fiscal year basis (i.e., July 1 through April 30).

	Average Monthly Use	Average Monthly Use Fiscal Year Basis
April 2018	112 gpcd	130 gpcd
April 2019	113 gpcd	124 gpcd

These figures show water use is well below the target use of 157 gpcd that must be met by the year 2020.

Burbank Operating Unit (BOU) Water Production

The table below provides the operational data for the BOU for the rolling quarter of February through April. The contract operator performed weekly and monthly sampling for the treatment plant and wells.

	Capacity Factor	Average Flow Rate (FY Total)
February - 19	55.59 %	5003 gpm
March - 19	58.95 %	5308 gpm
April - 19	59.78 %	5380 gpm

PROJECT UPDATES

No project updates.

FIELD WORK

Pictured below is the water crew removing dirt and loose debris from around De Bell No. 1 water tank. Dirt and debris came down the slope during previous rainfalls. Burbank has many above ground water tanks and below ground water reservoirs throughout the city. This work is part of BWP's ongoing maintenance program to keep water tanks and reservoirs accessible and safe at all times.





ELECTRIC RELIABILITY

In April 2019, BWP did not experience any sustained feeder outages. In the past twelve (12) months, automatic reclosing has reduced customer outage time by approximately 1,024,070 customer minutes.

Reliability Measurement	May 2017 – April 2018	May 2018 – April 2019
Average Outages Per Year (SAIFI)	0.4709	0.3929
Average Outage Duration (CAIDI)	29.75 minutes	37.58 minutes
Average Service Availability	99.997%	99.997%
Average Momentary Outages Per Year (MAIFI)	0.2010	0.2446
No. of Sustained Feeder Outages	10	11
No. of Sustained Outages by Mylar Balloons	3	2
No. of Sustained Outages by Animals	1	0
No. of Sustained Outages by Palm Fronds	0	3

PROJECT UPDATES

Naomi-15 4-12kV Pole Line Rebuild and Conversion

Construction is in progress for the Naomi-15 pole line rebuild and conversion. 39 poles, along rear property lines, were installed by crane and three by hand. Thus far, 30 alley poles and 10 poles along Oak Street were set by boom truck, and the remaining 21 poles will be set during May 2019. Work on the property lines east of Florence Street is almost complete and will be moving along to Catalina Street. Conversion to 12kV is anticipated to be completed by early July 2019.



N-15 Property Line – Crane Pole Sets



N-15 Alley Poles Set by Truck

34.5 kV Bus Differential Relay Replacement at Winona Substation

Similar to the bus differential relay installation last month at San Jose Substation, BWP continued its replacement of older electromechanical relaying with new microprocessor-based relaying at Winona Substation. This new relay improves personnel and equipment safety by rapid isolation of faults, increases reliability through self-diagnostics, improves maintenance by reducing the number of relays

from three (3) to one (1), extends the routine testing interval from three (3) to five (5) years, and logs digital event records which aids in troubleshooting.



Bus Diff. Relays before Replacement



Bus Diff. Relay after Replacement

STREET LIGHTING

LED Replacement Program

In accordance with the Street Lighting Master Plan, BWP is replacing high-pressure sodium (HPS) streetlight luminaires with light-emitting diode (LED) luminaires. Replacement is carried out on a maintenance basis, and LEDs are installed daily as the HPS luminaires burn out. The LED replacements consume approximately 60% less energy. To date, 54.73% of the total streetlight luminaires have been converted to LEDs, which translates to an annualized energy savings of 2,750MWh or a 29.68% reduction in energy consumption. LED conversions have also reduced evening load by 628kW, which shortens the “neck of the duck curve” and reduces the amount of energy generation that BWP needs.

CUSTOMER SERVICE

Online Account Manager

On March 4, BWP launched its new Online Account Manager (OAM). The transition required existing online customers to transition to the new OAM. At the same time during this process, customers were also able to take advantage of paperless billing. During the first 30 days, over 20,000 customers enrolled in the new OAM, helping BWP meet its first milestone. As with any new system launch, there were some early bumps in the first week of the launch, but the team worked quickly to resolve these early issues.

As expected, BWP received an increase in customer contacts from the various channels (phone center, in person, email, and social media). The influx of contacts did cause longer than expected wait times. Although BWP did have additional resources in place, a dedicated OAM phone line, we still experienced long wait times, due to the complexity of the calls and walking customers through the new platform. Through customer feedback, BWP is looking for ways to make improvements that will be part of the next phase of the OAM project including usage data, a mobile app (iOS, Android) and other features to improve the customer experience.

Here is a look at some of the statistics since the OAM launch:

	Pre-Go Live (EST)	Mar-19	Apr-19	Total	% Inc/Dec
Registered Accounts	20,000	18,498	6,317	24,815	24%
Paperless	18,400	17,047	5,704	22,751	24%
Autopay*	10,300	2,354	2,376	10,630	11%

*Figures include Flash Flash Pay and OAM Autopay; 4,400 were from prior vendor.

	Mar-19	Apr-19	% Inc/Dec
Call Volume	7,227	5,740	-21%

Electric Vehicle (EV) Charging Program

45 public EV charging stations are in service, including 2 DC Fast Chargers and 18 curbside stations. As of November 1, 2018, Time of Use (TOU) pricing for public EV charging is 17.36 cents per kilowatt-hour (kWh) for Level 1 and Level 2 charging during all hours. For the DC Fast Chargers, the charging rate is 28.17 cents per kWh. Staff continues to monitor usage and maintenance issues.

Month of usage	Usage in kWh	Gross Revenue	GHG reduced in kg	kWh/ Station/ Day	% Peak Sessions	Parking Occupancy	Charging Occupancy
April 2019	26,501	\$4,981	11,131	20.5	21%	25%	20%
Mar 2019	24,810	\$4,507	10,420	18	20%	21%	17%
Feb 2019 ⁵	20,127	\$3,277	8,453	17	23%	21%	17%
Jan 2019	20,706	\$3,511	8,696	16	22%	22%	18%
Dec 2018	22,889	\$3,991	9,613	18	21%	24%	19%
Nov 2018 ⁴	22,145	\$3,879	9,301	18	20%	25%	20%
Oct 2018 ³	23,141	\$3,957	9,719	18	20%	24%	21%
Sep 2018 ³	18,592	\$3,665	7,809	17	18%	23%	20%
Aug 2018	18,613	\$3,757	7,818	23	21%	27%	23%
July 2018	19,352	\$3,909	8,128	23	19%	28%	24%
Jun 2018 ¹	18,561	\$3,697	7,796	22	20%	29%	24%
May 2018	20,512	\$3,695	8,615	24	19%	32%	27%
Apr 2018	20,643	\$3,729	8,670	25	20%	30%	25%
Mar 2018	19,414	\$3,459	8,154	22	21%	26%	22%
Feb 2018	19,884	\$3,666	8,351	25	21%	30%	25%
Jan 2018	24,790	\$4,927	10,412	29	21%	30%	24%
Dec 2017	24,402	\$4,757	10,249	28	21%	30%	24%
Nov 2017 ²	21,410	\$3,996	8,992	26	21%	29%	24%
Oct 2017	23,000	\$4,828	9,660	27	20%	32%	27%
Sep 2017	20,755	\$4,307	8,717	25	20%	31%	25%
Aug 2017	22,207	\$4,669	9,327	26	23%	31%	26%
Jul 2017	22,981	\$4,845	9,652	27	22%	30%	25%
Jun 2017 ¹	21,456	\$4,513	9,011	26	23%	31%	27%

¹ The higher \$/kWh reflects the start of summer peak pricing for public EV charging.

² The lower \$/kWh reflects the end of summer peak pricing for public EV charging.

³ Includes 16 new public Level 2 chargers installed mid-September.

⁴ Includes the new DC Fast Charger and the removal of 2 chargers due to the Burbank Town Center project.

⁵ Includes 4 new Ontario Substation curbside chargers installed mid-February.

Rooftop Solar

The table below tracks the total number and capacity of installed customer owned rooftop solar photovoltaic systems in Burbank.

Month	Number of Solar Systems Installed This Month	Number of Solar Systems Installed FYTD	Total Solar Systems in Burbank	Total Solar Kilowatts
April 2019	8	78	777	7,833
March 2019	11	70	769	7,788
February 2019	5	59	758	7,707
January 2019	15	54	753	7,677
December 2018	10	39	738	7,530
November 2018	6	29	728	7,375
October 2018	9	23	722	7,351
September 2018	5	14	713	7,289
August 2018	5	9	708	7,256
July 2018*	4	4	703	7,227
June 2018	8	99	699	7,112
May 2018	5	91	690	6,946
April 2018	9	86	685	6,911
March 2018	7	77	676	6,868
February 2018	5	70	669	6,832
January 2018	4	65	664	6,808
December 2017	9	61	660	6,777
November 2017	11	52	651	6,713
October 2017	13	41	640	6,630
September 2017	8	28	627	6,446
August 2017	15	20	619	6,405
July 2017*	5	5	604	6,302
June 2017	12	133	599	6,277

* Start of new fiscal year.

TECHNOLOGY

Broadband Services (ONE Burbank)

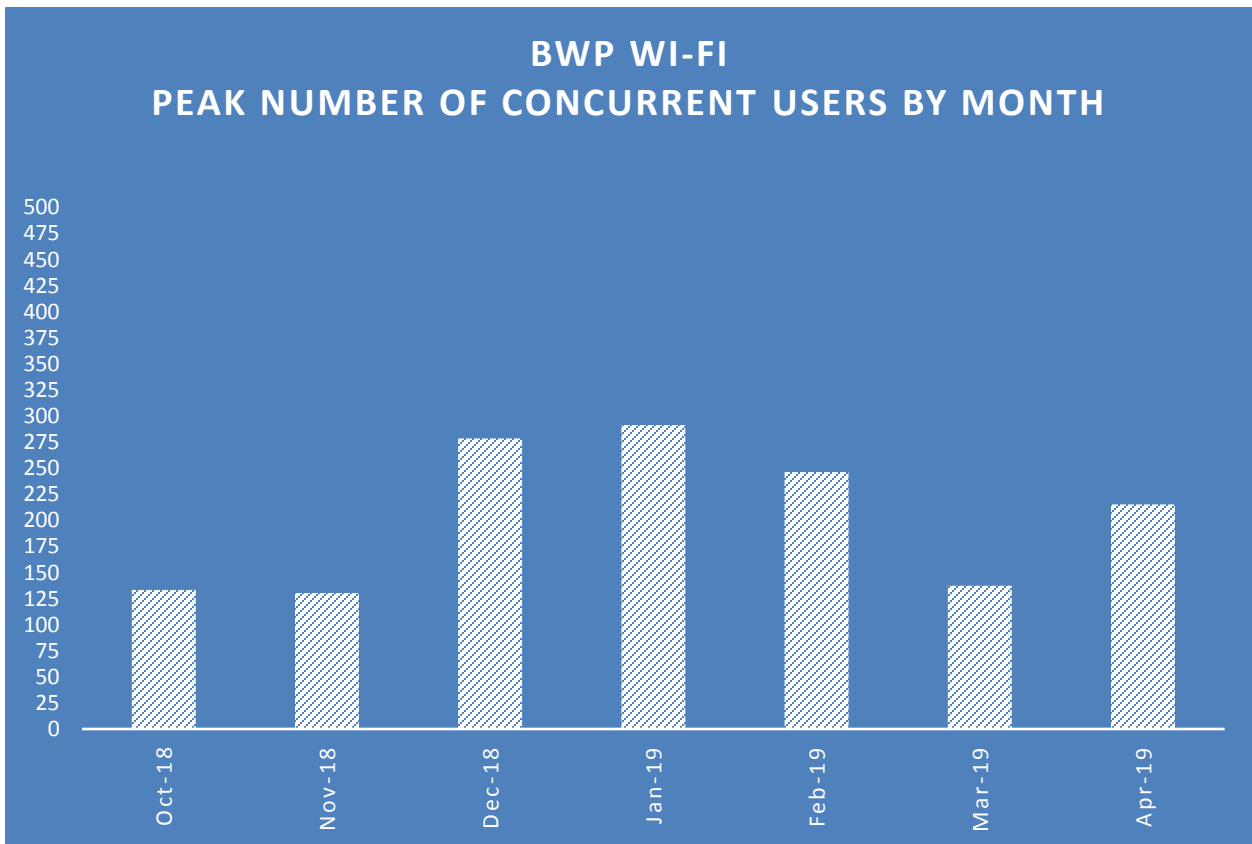
	April 2019 New Orders	Revenues for April 2019	FYTD 2018-19 Revenues	FYTD Budget
Lit	2	\$112,211	\$1,132,315	\$1,350,000
Dark	1	\$333,990	\$2,177,168	\$2,025,000
Total	3	\$446,201	\$3,309,483	\$3,375,000

BWP WiFi

On August 17, 2015, BWP WiFi launched throughout the City of Burbank as a free citywide wireless community broadband service.

BWP recently implemented new network security measures to safeguard and improve the reliability of BWP WiFi. These measures streamline overhead traffic and help to eliminate nefarious traffic. End users will experience a more robust, secure network, while BWP's metering assets that use the wireless networks will also be more secure.

Before these improvements, the number of peak users reported included active users as well as user devices that had disconnected from the network. Now, we are able to report just the number of users that are truly active and communicating to the internet (email, browsing, streaming, etc.) Our reports going forward will provide a clearer and more accurate picture to gauge actual usage of BWP WiFi.

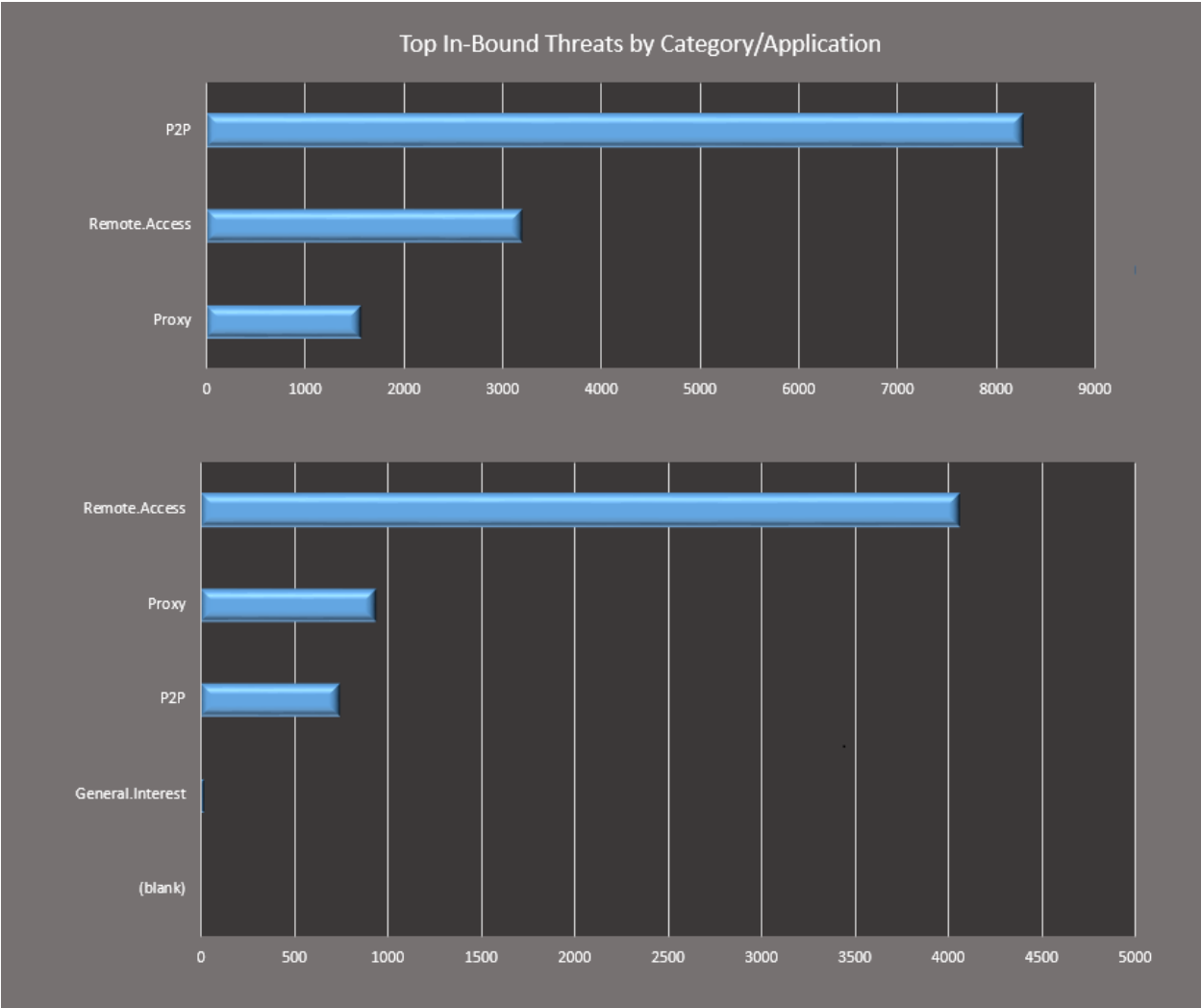


Cyber Security Update – April 2019

The BWP cyber security risk factor was 2.6 out of 5.0 for the month of April. Operational Technology successfully prevented over 32 million cyber security threats of which over 77% were elevated but only 0.03% were critical.

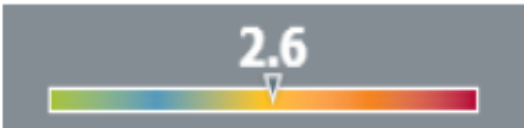


In-bound cyber threats by source location



Top In-bound cyber threats by category/application

RISK FACTOR

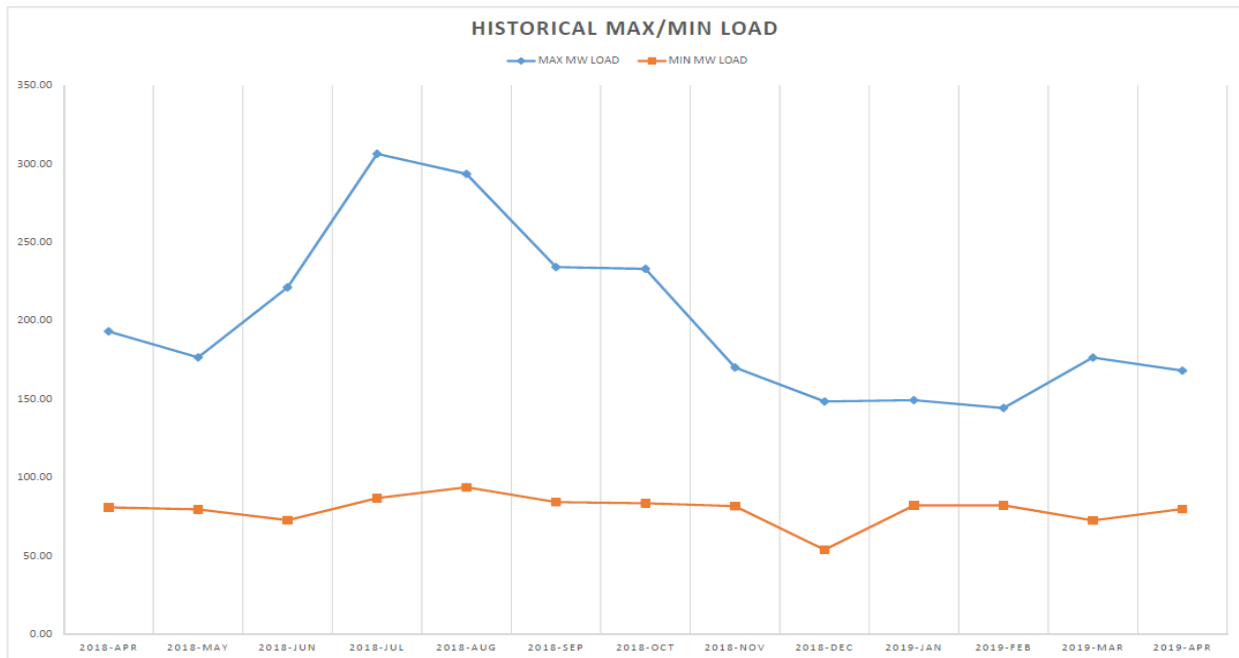


RISK FACTOR: The risk levels (1=lowest to 5=highest) indicate the application’s relative security risk based on a variety of factors and criteria such as whether the application can share files, is prone to misuse, or tries to evade firewalls.

POWER SUPPLY

BWP SYSTEM OPERATIONS:

The maximum load for April 2019 was 168.1 MW at 3:53 PM on Monday, April 8, and the minimum load was 79.8 MW at 4:20 AM on Sunday, April 14.



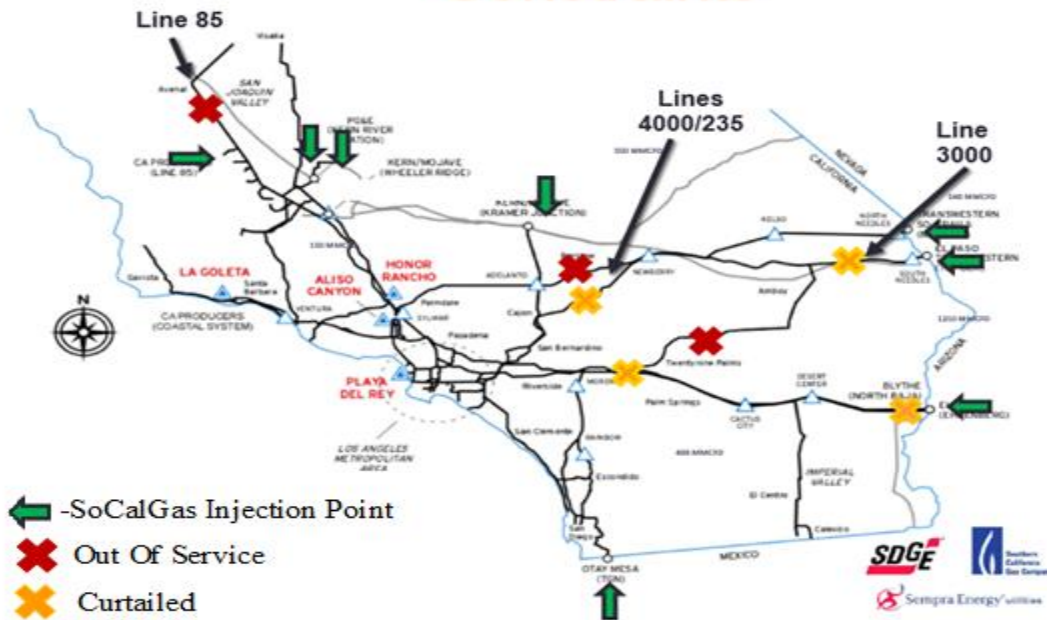
YEAR	MAX LOAD	MAX DATE
2018	306.3 MW	06-Jul-18 16:41:28
2017	329.36 MW	01-Sep-17 15:34:00
2016	308.52 MW	20-Jun-16 16:46:20
2015	306.23 MW	09-Sep-15 15:42:00
2014	316.68 MW	16-Sep-14 15:52:04

The Burbank power system did not experience abnormal weather or natural gas supply issues for April 2019.

The Southern California area continues to experience natural gas reliability and affordability challenges because of supply and demand mismatches. SoCal Gas' system capacity and supply are primarily a function of two components: (1) transmission pipelines, which bring gas into and then transport it throughout the system; and (2) underground natural gas storage connected to transmission pipelines near system load. While one component of the system's limited supply is the transmission pipeline

reductions and outages, the other critical and more readily addressed component is storage operating constraints resulting from the CPUC's November 2, 2017 Aliso Canyon Withdrawal Protocol restricting the use of the Aliso Canyon.

SoCalGas System Receipt Points and Constraints



Line 235-2

Line 235-2 (largely a 1957 vintage pipeline) has been out of service for assessment and remediation since a rupture occurred on the pipeline on October 1, 2017. SoCal Gas has remediated and repaired the ruptured segment, but, as detailed below, SoCal Gas has also initiated additional work to assess, analyze, and repair other segments on Line 235-2 that are of the same “family” of pipeline.

During another progressive restoration of pressure and the associated leak survey, two non-hazardous leaks were detected on April 27 in remote areas of the desert, which requires additional remediation on Line 235-2. The required authorizations were received from the Bureau of Land Management and California Department of Fish and Wildlife for the leak repair work sites. The latest preliminary estimated return to service date is June 21, 2019 at a reduced pressure. This date is preliminary, and it may change as more information is obtained. Once Line 235-2 is returned to service, SoCalGas will in-line inspect Line 235-2 again.

Line 4000

Following the Line 235-2 rupture, SoCal Gas reduced the pressure of Line 4000 (largely a 1960 vintage pipeline) because it is in the same “family” of pipelines as Line 235-2. SoCal Gas lowered the pressure to increase the factor of safety on the pipeline until SoCal

Gas can conduct further analysis of Line 4000 based on what is learned from Line 235-2. In addition, this increased safety margin reduced the safety risk to employees working on Line 235-2, which is in close proximity to Line 4000 for the first 5-6 miles. Line 4000 will continue operating at reduced pressure until testing and maintenance work is complete to mitigate potential pipeline anomalies, like those found on Line 235-2.

Line 3000

Line 3000 (largely a 1957 vintage pipeline) returned to service at reduced operating pressure on September 17, 2018, allowing receipts from the Topock area. The full scope of the Line 3000 project to date included more than 10 miles of non-consecutive pipeline replacements, coating remediation, and cathodic protection insulator installations at more than 246 job sites that span approximately 125 miles, traversing challenging terrain and overcoming significant environmental challenges.

SoCal Gas Storage Capacity

With regard to Aliso Canyon, there were 10 days of withdrawal in January 2019, 8 days in February and 4 days in March. SoCalGas only gives a total storage inventory report. Over the spring, they have been injecting into all of their storage facilities including Aliso Canyon.

ELECTRICITY GENERATION:

BWP Generating Facilities

Unit	Availability	Operating Hrs	MWH (Net)	NO _x , lbs.
Olive 1	0%	0	0	0
Olive 2	0%	0	0	0
Lake 1	100%	0	0	5
MPP	100%	720	132,284	5,330

Olive 1 and 2 remained in dry storage, with a 45-day notice required to restart. Olive 1 and 2 have been in dry storage since 2011 and 2012, respectively.

Lake 1 was available for generation from April 1 to April 28. A planned 10-day maintenance outage began on April 29. This included a full speed no load (no generation) test run to complete a turbine water wash, which was performed to maintain performance efficiency and clean the internal components for inspection. Lake 1 was not placed online during the month.

Magnolia Power Project (MPP)

	April	FYTD	YTD
Availability	100%	96%	95%
Unit Capacity Factor (240 MW)	77%	73%	74%

There were no plant trips or other outages during April 2019. MPP was online for a total of 720 hours during the month.

Tieton Hydropower Project (Tieton)

Tieton's annual generation season began on March 22 with limited water flow provided by the United States Bureau of Reclamation (USBR), which carried out "fish pulse" operations designed to encourage upward spawning migration of spring salmon. Fish pulsing was conducted until March 27 when water flow was reduced and generation was no longer possible. **Generation began again in April and 1,300 MWh were generated. This value was limited by water flow available and typical April generation is 5,000-6,000 MWh. Water flow is dependent on snowpack, snowmelt, and irrigation demand.**

ENVIRONMENTAL

Air Quality

BWP has requested that the South Coast Air Quality Management District (SCAQMD) revise Lake One's Title V Permit to Operate to allow two starts per day instead of the one start currently allowed. This revision would enhance operational flexibility, in particular, to decrease the need to operate Lake One for more hours than is operationally necessary during a single day. **BWP received the revised Lake One Title V Permit on May 21 and two starts per day are now available for use.**

In addition, BWP is currently preparing to renew the Title V Operating Permits for BWP and MPP generating units. The renewal application packages are being prepared for submission to the SCAQMD and the Environmental Protection Agency (EPA). The permits will cover a five-year operating period.

Storm Water

The Stormwater Resources Control Board, Industrial General Permit, requires industrial facilities to collect, at a minimum, four storm water samples per reporting year (July 1-June 30) and compare them to statewide regulatory limits. BWP has met this requirement and no additional samples are necessary this reporting year. The analytical results from the storm water samples taken during the current reporting year continue to indicate elevated levels of metals (specifically iron, copper and zinc). Therefore, BWP continues to investigate additional best management practices to enhance storm water quality.

PROJECT UPDATES:

Power Resources

Transmission Update

Los Angeles Department of Water and Power (LADWP) implemented a new Open Access Transmission Tariff (OATT) effective September 1, 2017. The new OATT rates affect BWP's cost for services purchased from LADWP under the Balancing Authority Area Services Agreement (BAASA). Changes to the BAASA's cost of services resulting from the new OATT became effective on February 1, 2018.

Annual cost for services						
Service	FY 18/19 Under		FY 18/19 If		Variance	% Increase
	New OATT rates	Old OATT Rates	Old OATT Rates	Old OATT Rates		
BAASA Regulation & Frequency Response	\$871,952		\$604,350		(\$267,602)	44.3%
BAASA Contingency Reserves	\$3,462,962		\$3,224,186		(\$238,776)	7.4%
	\$4,334,914		\$3,828,536		(\$506,378)	13.2%

Staff is currently evaluating the new OATT, its impacts, and next steps.

Negotiations with LADWP, for several existing Transmission Service Agreements, including those regarding transmission service agreements associated with Hoover Dam and IPP generation resources are ongoing.

Integrated Resource Planning

BWP's 2019 Integrated Resource Plan (IRP) was adopted by the City Council on December 11, 2018 in accordance with the requirements of Senate Bill 350. In conjunction with its adoption of the 2019 IRP, Council also established 1) a SB350-compliant process to update the BWP IRP at least every five years and 2) an aspirational goal to achieve a 100% greenhouse gas-free power supply for Burbank by 2040 or sooner, consistent with reliability and affordability.

Pursuant to SB350, BWP filed the 2019 IRP with the California Energy Commission on April 2, 2019, in advance of the **April 30 deadline. On May 14, the CEC issued its determination that BWP's 2019 IRP is complete; the CEC's review of BWP's 2019 IRP for consistency with California energy and other policy goals is ongoing. The CEC should issue a final determination on consistency within 120 days from the date of filing.**

Intermountain Power Project (Delta, UT) Renewal Progress

The Intermountain Power Project (IPP) participants involved with the repowering project have agreed to resize the proposed project to 840 MW, instead of the 1200 MW contemplated earlier. This is being called the "alternative repowering." This change came about because there is not enough definite interest amongst the renewal participants for

1200 MW of gas-fired capacity. LADWP believes the majority of the renewal project participants will assign their capacity interest back to LA, which would cause LADWP to be left with more generation than it requires. Resizing the project to 840 MW minimizes this risk, while still satisfying the projected needs of the participants. This change requires all existing participants of the renewal power sales agreement to amend both the original power sales agreement and the renewal power sales agreement to reflect the reimagined gas-fired project in Delta, UT.

This resizing of the planned gas-fired power plant does not affect the transmission capacity associated with the project. However, because some current IPP participants have chosen not to participate in the renewal project, BWP's potential Southern Transmission System (STS) capacity allocation (i.e. between Delta and Southern California) could potentially increase. If BWP chooses to participate in the repowering at its maximum allowable generation interest of 35 MW, BWP would be entitled to 127 MW of capacity on the STS, up from the 108 MW of STS capacity that BWP currently enjoys.

Burbank's option to terminate or commit to the gas repowering must be decided, and communicated, to the Intermountain Power Agency in writing by August 3, 2019.

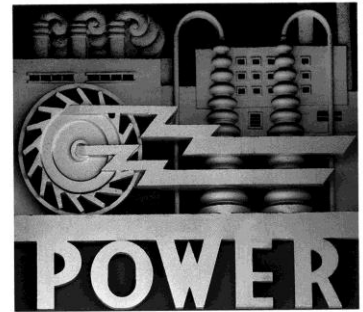
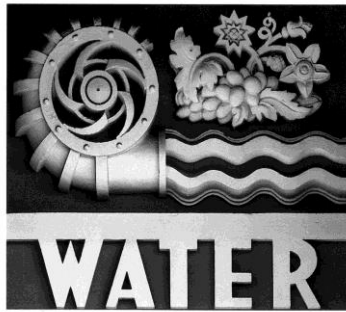
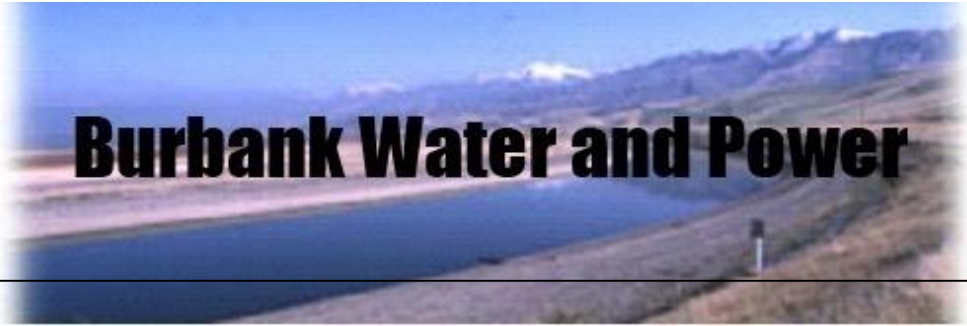
BWP will be communicating our recommendation for a path forward regarding IPP repowering on June 20 to the BWP Board and on July 16 to City Council.

Power Generation

Landfill Gas to Energy Project

“Notice to Proceed” was issued to the project contractor, Mastec, on November 19, 2018. Mastec is now engaged in the engineering and procurement activities, and removal of the old equipment is underway on site. Work is progressing consistent with the project schedule.

**Attachment:
Electrical Distribution Asset Inspection Report-2018**



Financial Report April-19

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

MTD FY 18-19	MTD Apr-19 Budget	\$ Variance ⁽³⁾	% Variance		FYTD FY 18-19	FYTD Apr-19 Budget	\$ Variance ⁽³⁾	% Variance
80,695	86,505	(5,810)	(7%) ^(a)	NEL MWh	929,058	956,187	(27,129)	(3%) ^(A)
				Retail				
\$ 11,455	\$ 12,573	\$ (1,118)	(9%)	Retail Sales	\$ 137,527	\$ 140,668	\$ (3,141)	(2%)
659	595	64	11% ^(b)	Other Revenues ⁽⁴⁾	5,382	5,952	(570)	(10%) ^(B)
<u>8,357</u>	<u>9,409</u>	<u>1,052</u>	<u>11% ^(c)</u>	Retail Power Supply & Transmission	<u>90,609</u>	<u>94,483</u>	<u>3,874</u>	<u>4% ^(C)</u>
3,757	3,759	(2)	(0%)	Retail Margin	52,300	52,137	163	0%
				Wholesale				
477	3,158	(2,681)	(85%)	Wholesale Sales	13,047	40,309	(27,262)	(68%)
<u>416</u>	<u>3,079</u>	<u>(2,663)</u>	<u>(86%)</u>	Wholesale Power Supply	<u>11,694</u>	<u>39,301</u>	<u>27,607</u>	<u>70%</u>
61	79	(18)	(23%)	Wholesale Margin	1,353	1,008	345	34%
<u>3,818</u>	<u>3,838</u>	<u>(20)</u>	<u>(1%)</u>	Gross Margin	<u>53,653</u>	<u>53,145</u>	<u>508</u>	<u>1%</u>
				Operating Expenses				
889	889	-	0%	Distribution	8,256	9,215	959	10% ^(D)
191	191	-	0%	Administration/Safety	1,032	1,189	157	13% ^(E)
279	279	-	0%	Finance, Fleet, & Warehouse	1,936	2,773	837	30% ^(F)
499	499	-	0%	Transfer to General Fund for Cost Allocation	4,993	4,994	1	0%
392	392	-	0%	Customer Service, Marketing & Conservation	3,582	4,265	683	16% ^(G)
348	348	-	0%	Public Benefits	3,581	3,890	309	8% ^(H)
193	193	-	0%	Security/Oper Technology	1,749	1,644	(105)	(6%)
109	109	-	0%	Telecom	922	1,120	198	18% ^(I)
166	166	-	0%	Construction & Maintenance	1,247	1,658	411	25% ^(J)
<u>1,567</u>	<u>1,567</u>	<u>-</u>	<u>0%</u>	Depreciation	<u>14,902</u>	<u>15,666</u>	<u>764</u>	<u>5%</u>
4,632	4,632	-	0% ^(d)	Total Operating Expenses	42,200	46,415	4,215	9%
<u>\$ (814)</u>	<u>\$ (795)</u>	<u>\$ (20)</u>	<u>(2%)</u>	Operating Income/(Loss)	<u>\$ 11,453</u>	<u>\$ 6,731</u>	<u>\$ 4,723</u>	<u>70%</u>

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

(\$ in 000's)

MTD FY 18-19	MTD Apr-19 Budget	\$ Variance ⁽³⁾	% Variance		FYTD FY 18-19	FYTD Apr-19 Budget	\$ Variance ⁽³⁾	% Variance
\$ (814)	\$ (795)	\$ (20)	(2%)	Operating Income/(Loss)	\$ 11,453	\$ 6,731	\$ 4,723	70%
				Other Income/(Expenses)				
181	181	-	0%	Interest Income	1,828	1,812	16	1%
125	125	-	0%	Other Income/(Expense) ⁽⁵⁾	1,280	1,255	25	2%
(361)	(361)	-	0%	Bond Interest/ (Expense)	(3,613)	(3,613)	(0)	(0%)
(55)	(55)	-	0%	Total Other Income/(Expenses)	(506)	(547)	41	7%
(869)	(849)	(20)	(2%)	Net Income	10,948	6,184	4,764	77%
473	473	-	0%	Capital Contributions (AIC)	611	2,882	(2,272)	(79%) ^(K)
<u>\$ (396)</u>	<u>\$ (377)</u>	<u>\$ (20)</u>	<u>(5%)</u>	Net Change in Net Assets (Net Income)	<u>\$ 11,558</u>	<u>\$ 9,066</u>	<u>\$ 2,492</u>	<u>27%</u>

1. After the passing of Measure T in June 2018, electric utility bills now reflect a separate line item in the amount of the utility transfer to the City. Reported electric retail revenues and expenses on the utility's financial statements do not reflect the transfer; and the transfer no longer impacts the utility's financial results. This change in financial reporting took effect with July 2018 financial reporting and should be taken into account when comparing results to prior periods.
2. This report may not foot due to rounding.
3. () = Unfavorable
4. 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.
5. Other Income/(Expense) includes miscellaneous revenue from the sale of scrap materials, inventory, and assets, as well as BABS subsidy.

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

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
a.	Electric Usage in MWh	80,695	86,505	(5,810)	- NEL is 6.72% lower than budget due to conservation. For the month of April average high temperature was 75.6°F and the 15 year average high temperature was 74.5°F. MTD HDD were 68 versus the 30 year average of 115.
b.	Other Revenues	659	595	64	- The favorable variance is partially attributable to higher than planned Telecom revenues of \$109k. 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	8,357	9,409	1,052	- The favorable variance is attributable to various components within Retail Power Supply & Transmission, including less renewable energy than planned and lower O&M expenses. Please refer to page A-5 for additional details.
d.	Total Operating Expenses	4,632	4,632	-	- Expenses for April 2019 are estimated at budgeted values.

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

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
A.	Electric Usage in MWh	929,058	956,187	(27,129)	- NEL is 2.84% lower than budget due to conservation. FYTD average high temperature was 77.5°F and the 15 year average high temperature was 77.6°F. FYTD CDD were 1,300 versus the 30 year average of 1,148. FYTD HDD were 1,239 versus the 30 year average of 1,298.
B.	Other Revenues	5,382	5,952	(570)	- The unfavorable variance is partially attributable to lower than planned Telecom revenues of \$65k. 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	90,609	94,483	3,874	- The favorable variance is attributable to various components within Retail Power Supply & Transmission, including prior period true up credits and lower than planned O&M expenses. Please refer to page A-6 for additional details.
D.	Distribution	8,256	9,215	959	The favorable variance is primarily attributable to savings for salaries and related benefits due to vacant positions and the performance of more work than planned, including capital work, for other groups. The favorable variance is partially offset by higher than planned overtime expenses.
E.	Administration/Safety	1,032	1,189	157	- The favorable variance is due to lower than planned spending on professional services for Utility management training, organizational consulting, recruitment services, and lower than planned safety costs.
F.	Finance, Fleet, & Warehouse	1,936	2,773	837	- The favorable variance is primarily attributable to budgetary savings on software and hardware, professional services, and salaries and related benefits due to vacant positions.
G.	Customer Service, Marketing & Conservation	3,582	4,265	683	- The favorable variance is primarily attributable to savings for professional services and software costs. Also contributing to the favorable variance is lower than planned spending on salary and related benefits due to vacant positions.
H.	Public Benefits	3,581	3,890	309	Lifeline discounts of \$418K YTD are recorded as a reduction to retail sales but are budgeted as an expense. The balance of the variance is attributable to lower than planned electric retail sales.
I.	Telecom	922	1,120	198	- The favorable variance is primarily attributable to the performance of more work than planned for other groups. Also contributing to the favorable variance are lower than planned spending on software, private contractual services, and salaries and related benefits due to vacant positions.
J.	Construction & Maintenance	1,247	1,658	411	- The favorable variance is due to facility maintenance and servicing requirements being less than planned.
K.	Capital Contributions (AIC)	611	2,882	(2,272)	- The unfavorable variance is primarily attributable to the timing of AIC projects.

April 2019 Budget to Actual P&L Variance Highlights - Electric Fund
(in 000's)

	Variance Month-to-Date		
	Favorable Items	Unfavorable Items	Budget to Actual Variance
<u>MTD NET INCOME/(LOSS): (\$869)</u>		\$ (20)	\$ (20)
 <u>MTD GROSS MARGIN VARIANCE</u>			
Retail Sales		(1,118)	(1,118)
Other revenues	64		64
Power Supply and Transmission			
- Less renewable energy than planned	437		437
- Lower O&M expenses than planned	207		207
- Lower retail load	160		160
- Economic dispatch	139		139
- Lower transmission expenses than planned	109		109
Wholesale Margin		(18)	(18)
Total	1,116	(1,136)	(20)

April 2019 Budget to Actual P&L Variance Highlights - Electric Fund
(in 000's)

	Footnote	<u>Variance Fiscal Year-to-Date</u>		
		<u>Favorable</u> Items	<u>Unfavorable</u> Items	<u>Budget to</u> <u>Actual</u> <u>Variance</u>
<u>FYTD NET INCOME: \$10,948</u>		4,764		4,764
<u>FYTD GROSS MARGIN VARIANCE</u>				
Retail Sales			(3,141)	(3,141)
Power Supply and Transmission				
- Prior period true up credits	A	2,245		2,245
- Lower than planned O&M expenses		1,316		1,316
- Lower retail load		793		793
- Lower than planned transmission expenses		579		579
- Less renewable energy than planned		521		521
- Sale of fuel and avoided fuel costs as a result of a planned MPP outage		361		361
- Higher energy and fuel prices, net of economic dispatch			(780)	(780)
- A ten day unplanned outage at IPP			(630)	(630)
- An unplanned outage at MPP			(531)	(531)
Wholesale Margin		345		345
Other Revenues			(570)	(570)
Total		<u>6,160</u>	<u>(5,652)</u>	<u>508</u>
<u>FYTD EXPENSE AND OTHER VARIANCES</u>				
Distribution		959		959
Finance, Fleet, & Warehouse		837		837
Customer Service, Marketing & Conservation		683		683
Construction & Maintenance		411		411
Depreciation expense		764		764
All other		602		602
Total		<u>4,256</u>	<u>-</u>	<u>4,256</u>
FOOTNOTE A		<u>Favorable</u> Items	<u>Unfavorable</u> Items	<u>Total</u>
<u>FYTD TRUE-UP CREDITS</u>				
MPP		1,442		1,442
Palo Verde		526		526
Prepaid Gas		281		281
SCPPA Natural Gas		157		157
Tieton Hydro		141		141
Mead-Phoenix		77		77
Ameresco Chiquita		25		25
Wild Rose (Don Campbell)		26		26
Mead-Adelanto		15		15
STS			(62)	(62)
IPP			(383)	(383)
Total		<u>2,690</u>	<u>(445)</u>	<u>2,245</u>

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

	<u>Apr-19</u>	<u>Mar-19</u>	<u>Feb-19</u>	<u>Dec-18</u>	<u>Jun-18</u>	<u>Recommended Reserves</u>	<u>Minimum Reserves</u>
Cash and Investments							
General Operating Reserve	\$ 71,509	\$ 71,956	\$ 73,870	\$ 76,141	\$ 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	16,733	16,713	16,686	16,648	16,492		
Sub-Total Cash and Investments	<u>98,242</u>	<u>98,669</u>	<u>100,556</u>	<u>102,789</u>	<u>105,485</u>	<u>73,010</u>	<u>42,770</u>
Capital Commitments		-	-	(266)	(6,740) ^(b)		
Customer Deposits	(5,436)	(5,471)	(4,635)	(5,266)	(5,432)		
Public Benefits Obligation	(6,374)	(6,408)	(6,337)	(6,359)	(5,549)		
Pacific Northwest DC Intertie	(2,218)	(3,175)	(3,175)	(5,113)	(7,455)		
Low Carbon Standard Fuel ^(c)	(1,122)	(1,140)	(1,237)	(1,242)	(1,251)		
Cash and Investments (less Commitments)	<u><u>83,091</u></u>	<u><u>82,474</u></u>	<u><u>85,173</u></u>	<u><u>84,542</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) Denotes capital commitment for the Ontario Distribution Station and 4kV to 12kV conversion of circuits.

^(c) Denotes funds reserved related to the sale of Low Carbon Fuel Standard (LCFS) credits.

**Burbank Water and Power
Water Fund (497)
Statement of Changes in Net Assets ⁽¹⁾
MTD and FYTD April 2019
(\$ in 000's except Gallons)**

MTD FY 18-19	MTD Apr-19 Budget	\$ Variance ⁽²⁾	% Variance		FYTD FY 18-19	FYTD Apr-19 Budget	\$ Variance ⁽²⁾	% Variance
421	377	44	12% ^(a)	Water put into the system in Millions of Gallons	4,236	4,289	(53)	(1%) ^(A)
83	59	24	42% ^(b)	Metered Recycled Water in Millions of Gallons	773	828	(55)	(7%) ^(B)
Operating Revenues								
2,300	1,945	\$ 355	18% ^(c)	Potable Water	22,313	22,786	\$ (474)	(2%) ^(C)
336	241	95	39% ^(d)	Recycled Water	3,107	3,346	(239)	(7%) ^(D)
36	58	(22)	(38%) ^(e)	Other Revenue ⁽³⁾	629	661	(32)	(5%)
<u>2,672</u>	<u>2,244</u>	<u>428</u>	<u>19%</u>	Total Operating Revenues	<u>26,048</u>	<u>26,793</u>	<u>(745)</u>	<u>(3%)</u>
1,026	883	(143)	(16%) ^(f)	Water Supply Expense	9,773	9,866	93	1%
<u>1,646</u>	<u>1,361</u>	<u>285</u>	<u>21%</u>	Gross Margin	<u>16,275</u>	<u>16,927</u>	<u>(652)</u>	<u>(4%)</u>
Operating Expenses								
605	605	-	0%	Operations & Maintenance - Potable	5,855	6,118	263	4% ^(E)
152	152	-	0%	Operations & Maintenance - Recycled	1,241	1,517	277	18% ^(F)
207	207	-	0%	Allocated O&M	1,707	1,997	291	15% ^(G)
169	169	-	0%	Transfer to General Fund for Cost Allocation	1,666	1,691	25	2%
348	348	-	0%	Depreciation	3,266	3,480	214	6%
<u>1,481</u>	<u>1,481</u>	<u>-</u>	<u>0%</u> ^(g)	Total Operating Expenses	<u>13,734</u>	<u>14,804</u>	<u>1,069</u>	<u>7%</u>
Other Income/(Expenses)								
16	16	-	0%	Interest Income	215	157	58	37% ^(H)
44	44	-	0%	Other Income/(Expense) ⁽⁴⁾	488	444	44	10%
(160)	(160)	-	0%	Bond Interest/(Expense)	(1,591)	(1,596)	4	0%
<u>(99)</u>	<u>(99)</u>	<u>-</u>	<u>0%</u>	Total Other Income/(Expenses)	<u>(888)</u>	<u>(994)</u>	<u>106</u>	<u>11%</u>
65	(220)	285	130%	Net Income/(Loss)	1,653	1,129	524	46%
28	28	-	0%	Aid in Construction	295	278	17	6%
<u>\$ 93</u>	<u>\$ (192)</u>	<u>\$ 285</u>	<u>149%</u>	Net Change in Net Assets (Net Income)	<u>\$ 1,948</u>	<u>\$ 1,407</u>	<u>\$ 541</u>	<u>38%</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.

**Burbank Water and Power
Water Fund (497)
Statement of Changes in Net Assets - Footnotes
MTD April 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	421	377	44	- Potable water sales are higher due to higher irrigation. Monthly rainfall was 0.08 inches versus the monthly normal of 1.11 inches. For the month of April average high temperature was 75.6°F and the 15 year average high temperature was 74.5°F. MTD HDD were 68 versus the 30 year average of 115.	
b.	Recycled Water Usage in Millions of Gallons	83	59	24	- Recycled water sales are higher due to higher irrigation. Monthly rainfall was 0.08 inches versus the monthly normal of 1.11 inches. For the month of April average high temperature was 75.6°F and the 15 year average high temperature was 74.5°F. MTD HDD were 68 versus the 30 year average of 115.	
c.	Potable Water Revenue	2,300	1,945	355	- The WCAC impact increased potable water revenues by \$145k MTD. Without this adjustment, potable water revenues would be favorable by 11%.	
						MTD Actual
					WCAC Revenue	<u>881</u>
					WCAC Expenses	1,026
					WCAC revenue deferral/(accrual)	<u>\$ (145)</u>
d.	Recycled Water Revenue	336	241	95	- MTD Recycled water revenue corresponds with the demand.	
e.	Other Revenue	36	58	(22)	- Other revenues include items such as damaged property recovery, connection fees, late fees, and tampering fees, which tend to fluctuate.	
f.	Water Supply Expense	1,026	883	(143)	- Water supply expense is higher because of higher demand.	
g.	Total Operating Expenses	1,481	1,481	-	- Expenses for April 2019 are at budgeted values.	

Burbank Water and Power
Water Fund (497)
Statement of Changes in Net Assets - Footnotes
FYTD April 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	4,236	4,289	(53)	- FYTD Potable water sales are slightly lower due to lower demand for landscaping irrigation. Rainfall season-to-date was 17.97 inches versus the season normal of 16.85 inches. FYTD CDD were 1,300 versus the 30 year average of 1,148.
B.	Metered Recycled Water in Millions of Gallons	773	828	(55)	- FYTD Recycled sales are lower due to lower demand for landscaping irrigation. Rainfall season-to-date was 17.97 inches versus the season normal of 16.85 inches. FYTD CDD were 1,300 versus the 30 year average of 1,148.
C.	Potable Water	22,313	22,786	(474)	- The WCAC impact increased potable water revenues by \$7k YTD. Without this adjustment, potable revenues would be unfavorable by 2%.
					FYTD Actual
					WCAC Revenue
					<u>9,766</u>
					WCAC Expenses
					9,773
					WCAC revenue deferral/(accrual)
					<u>\$ (7)</u>
D.	Recycled Water	3,107	3,346	(239)	- FYTD Recycled water revenue is unfavorable due to lower demand.
E.	Operations & Maintenance - Potable	5,855	6,118	263	- 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.
F.	Operations & Maintenance - Recycled	1,241	1,517	277	- The favorable variance is primarily attributable to lower than planned spending on professional services, software & hardware, private contractual services, and lower than planned electricity for water pumping.
G.	Allocated O&M	1,707	1,997	291	- The favorable variance is attributable to lower than planned allocated expenses (Customer Service, Finance, and Construction & Maintenance) from the Electric Fund.
H.	Interest Income	215	157	58	- The favorable variance is attributable to higher cash through January 2019 and higher actual rate of return.

**April 2019 Budget to Actual P&L Variance Highlights - Water Fund
(in 000's)**

	Variance Month-to-Date		Budget to Actual Variance
	Favorable Items	Unfavorable Items	
<u>MTD NET INCOME (LOSS): \$65</u>	285		285
<u>MTD GROSS MARGIN VARIANCE</u>			
Potable Revenues	355		355
Recycled Revenues	95		95
Water Supply Expense		(143)	(143)
Other Revenue		(22)	(22)
Total	450	(165)	285

**April 2019 Budget to Actual P&L Variance Highlights - Water Fund
(in 000's)**

	Variance Fiscal Year-to-Date		Budget to Actual Variance
	Favorable Items	Unfavorable Items	
<u>FYTD NET INCOME: \$1,653</u>	524		524
<u>FYTD GROSS MARGIN VARIANCE</u>			
Potable Revenues		(474)	(474)
Recycled Revenues		(239)	(239)
Other Revenue		(32)	(32)
Water Supply Expense	93		93
Total	<u>93</u>	<u>(745)</u>	<u>(652)</u>
<u>FYTD O&M AND OTHER VARIANCES</u>			
Allocated O&M	291		291
Recycled Water O&M	277		277
Potable O&M	263		263
Depreciation Expense	214		214
All Other	131		131
Total	<u>1,176</u>	<u>-</u>	<u>1,176</u>

**Burbank Water and Power
Water Fund (497)
Statement of Changes in Cash and Investment Balances ^(a)**

	<u>Apr-19</u>	<u>Mar-19</u>	<u>Feb-19</u>	<u>Dec-18</u>	<u>Jun-18</u>	<u>Recommended Reserves</u>	<u>Minimum Reserves</u>
Cash and Investments							
General Operating Reserves	\$ 6,001 ^(b)	\$ 5,800	\$ 6,231	\$ 12,471	\$ 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>8,221</u>	<u>8,020</u>	<u>8,451</u>	<u>14,691</u>	<u>13,145</u>	<u>17,830</u>	<u>9,370</u>
Customer Deposits	(1,182)	(1,266)	(1,254)	(1,170)	(607)		
Capital Commitments	-	-	-	-	(140)		
Cash and Investments (less commitments)	<u><u>7,039</u></u> ^(c)	<u><u>6,754</u></u>	<u><u>7,198</u></u>	<u><u>13,521</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 payment of \$3.97M for the purchase of 5,719 acre-feet of cyclic water.

^(c) Water Fund anticipates receiving a loan from the Electric Fund to bring cash balances up to the minimum reserve requirement by June 30, 2019.

^(d) Capital commitment for the recycled water I-5 Freeway second tie crossing project paid in October.