



CITY OF BURBANK BURBANK WATER AND POWER STAFF REPORT

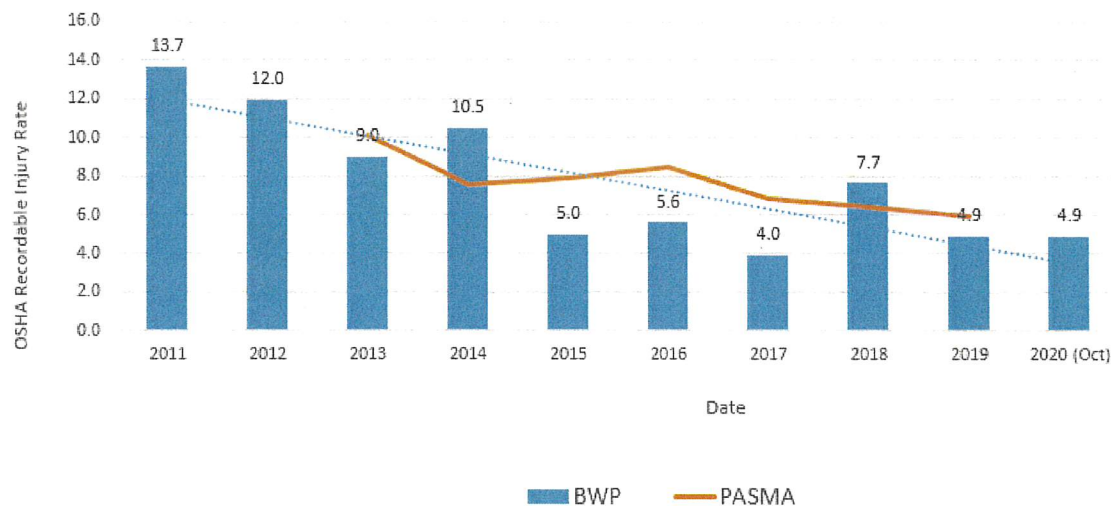
DATE: December 3, 2020
TO: BWP Board
FROM: Dawn Roth Lindell, General Manager, BWP
SUBJECT: October 2020 Operating Results

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

SAFETY

For this reporting period BWP experienced one OSHA recordable injury. BWP's 12 month rolling average rate is 4.9.

TOTAL RECORDABLE INJURY RATE (TRIR)



OSHA Recordable Injury Rate = No. of recordable cases per 100 full time employees. Current year expressed as 12 month rolling average
 PASMA - Public Agency Safety Management Association (Utilities only Data)

Water Estimated Financial Results

For the month of October, Net Income (NI) was \$513,000, which was \$206,000 better than budgeted. The better result was primarily the result of lower Water Supply Expenses due to using more ground water rather than the more expensive treated water from Metropolitan Water District.

For Fiscal-Year-to-Date (FYTD) October, NI was \$2,456,000, which was \$1,424,000 better than budgeted. The better result was primarily attributed to lower Operating Expenses and lower Water Supply Expenses due to using more ground water rather than the more expensive treated water from Metropolitan Water District.

For additional details, please see the section **“COVID-19 “Safer at Home” Order Impacts”** and the attached Financial Statements.

Electric Estimated Financial Results

For the month of October, NI was \$1,823,000, which was \$704,000 better than budgeted. The better result was primarily the result of lower Retail Power Supply & Transmission expenses and our Wholesale asset utilization program.

For FYTD October, NI was \$8,616,000, which was \$5,616,000 better than budgeted. The better result was primarily attributed to our Wholesale asset utilization program, lower Operating Expenses, and lower Retail Power Supply & Transmission expenses, offset by lower retail sales as a result of COVID-19.

For additional details, please see the section **“COVID-19 “Safer at Home” Order Impacts”** and the attached Financial Statements.

COVID-19 “Safer at Home” Order Impacts

Financial Impacts

October’s results reflect the seventh month of the impacts resulting from the COVID-19 pandemic “Safer at Home” order (Order) issued on March 19, 2020. With many Burbank commercial enterprises being closed or curtailing operations, this order has, and is anticipated to continue to, significantly impact commercial demand for water and energy in Burbank.

The current year’s adopted budget, based on the estimated impacts of the Order at the time, reflects a 5% lower energy demand and a 3% lower potable water usage as compared to last year’s budget. Recent data has shown that the impact of COVID-19 has resulted in a significant reduction in electric demand and only a slight reduction in water demand. Along with the decrease in demand, there is a large increase in customer receivables and uncollectibles.

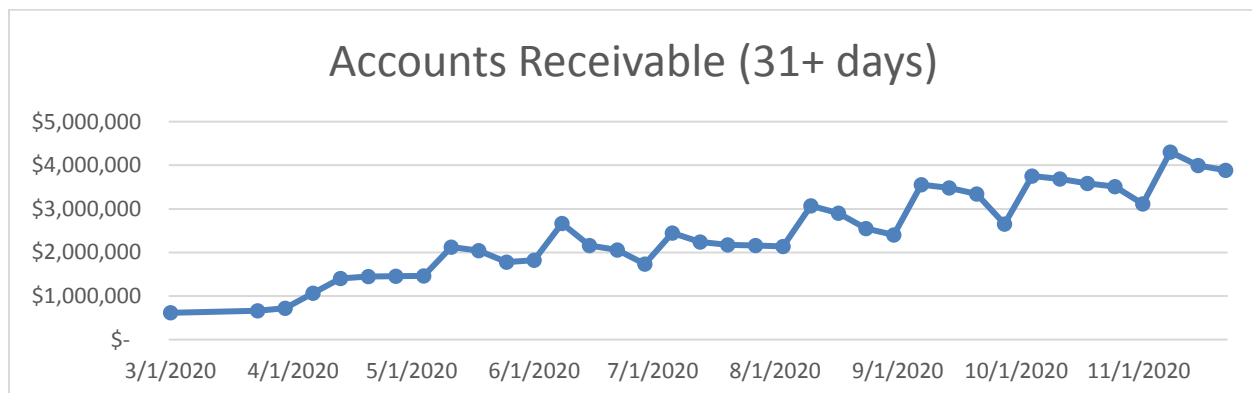
For the Electric Fund, October energy demand was 1% below budget. October average high temperature was 86.4°F, compared to the 15-year average high

temperature of 81.7°F. Even with much higher than average temperatures, electric demand was below budget in October. This demonstrates that COVID-19 has a tremendous negative impact on energy sales, especially when commercial customers account for approximately 75% of electric sales. FYTD energy usage was 4% below budget and retail revenues were \$3,230,000 below budget, while gross margin was \$2,079,000 higher than budget, primary driven by our Wholesale asset utilization program.

For the Water Fund, October potable water demand was 2% above budget. The increase in demand from non-commercial customers was primarily driven by warmer weather and was largely offset by a decrease in demand from commercial customers, directly related to COVID-19. (Commercial customers account for 25% of potable sales). FYTD potable water demand was 2% below budget and potable revenues were \$141,000 below budget, while gross margin was \$497,000 higher than budget, primarily driven by our BOU optimization strategy.

Accounts Receivables

The chart below shows the drastic increase for receivables that are over 31 days old for BWP's Electric and Water Funds.



***Excludes in-lieu and UUT**

WATER DIVISION

State Water Project Update

On May 22, 2020, the Department of Water Resources (DWR) increased the State Water Project (SWP) Allocation Table A from 15% to 20% due to above-average precipitation in May **and has remained at 20% for the remainder of the Water Year (October 1 – September 30)**. By contrast, last year's allocation ended at 75% (i.e., **substantially wetter last year than this year**).

Lake Oroville, the SWP's largest reservoir, is currently at 40% of capacity and 67% of average for this time of year. Shasta Lake, the Central Valley Project's (CVP) largest reservoir, is at 45% of capacity and 76% of average. In Southern California, SWP's Castaic Lake is at 76% of capacity and 101% of average.

Burbank's Water Use

The table below shows water use in Burbank during October 2020 compared to October 2019 measured in gallons per capita per day (gpcd). Also shown is a comparison of Burbank's water use based on a 12-month rolling average.

	Average Monthly Use	Rolling 12-Month Average
October 2019	154 gpcd	131gpcd
October 2020	151gpcd	135 gpcd

These figures show annual water use is on target to be below 157 gpcd that must be met by the year 2020.

Grants

BWP will work with B & A Professional Grant Consulting, to apply for a Drought Contingency Planning Grant (offered by the Bureau of Reclamation), which, if awarded, will help us fund the cost to develop the plan. Having a Drought Contingency Plan outlines a strategy that builds long-term resiliency to drought, is a pre-requisite for future grant applications, and helps guide us toward meeting regulatory requirements. Applications are due January 6, 2021 and the maximum funding available for each grant is \$200,000.

Burbank Operating Unit (BOU) Water Production

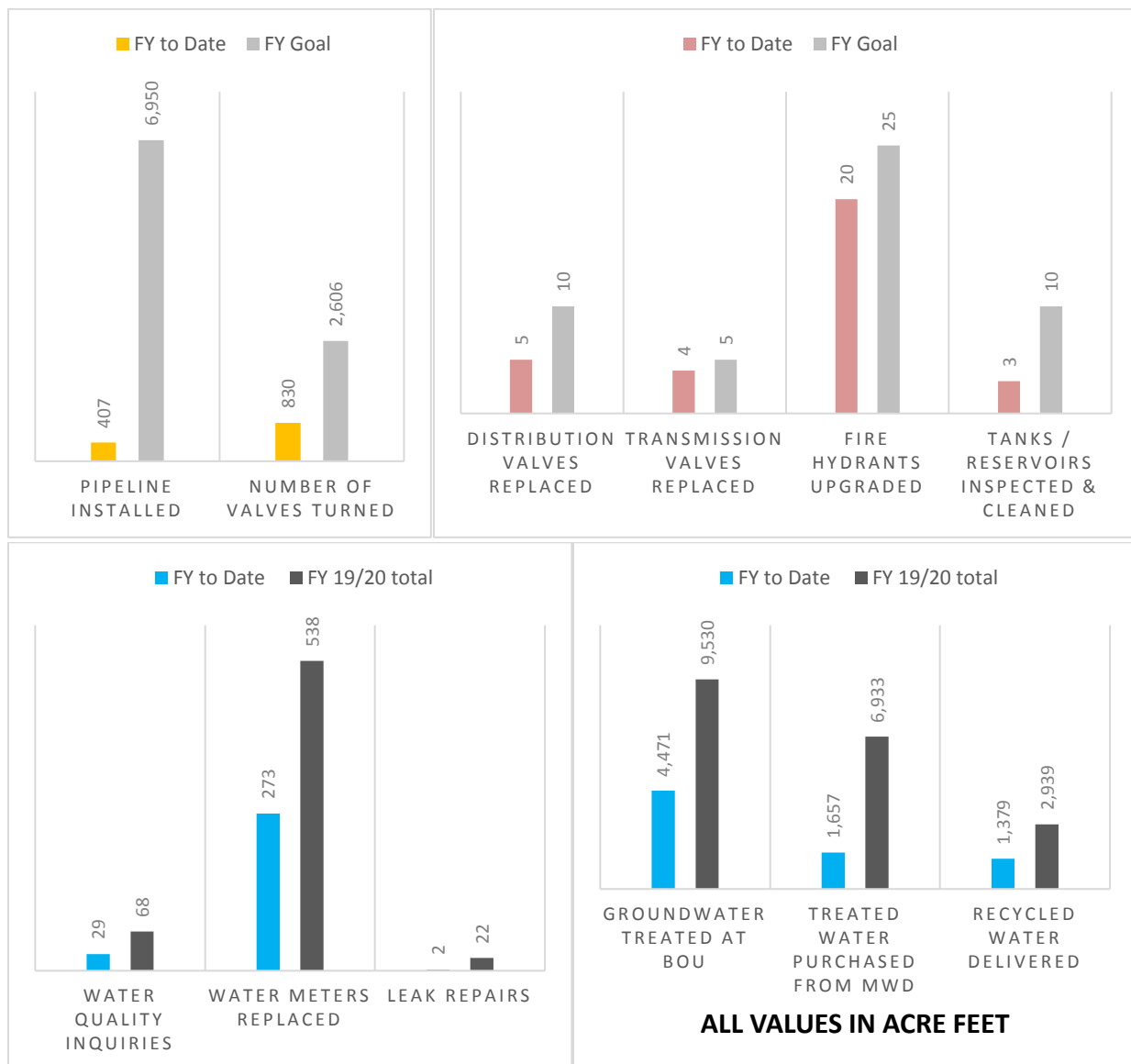
The table below provides the operational data for the BOU for the rolling quarter of August through October.

	Capacity Factor	Average Flow Rate (FY Total)
August 20	95.16%	8,564 gpm
September 20	91.69%	8,252gpm
October 20	97.81%	8,803 gpm

The continued high capacity rate of the BOU has been assisted by several factors including well packer deflation and proactive management of the filter media replacement. This has allowed us to purchase less treated water from MWD (our highest cost water). The combination of these enhanced operating practices have all contributed to the higher capacity rates at the BOU, reducing the average cost of treated water. As we head into a season of reduced demands, the new Los Angeles Interconnection will allow us to continue operating the BOU at capacities higher than our historical averages.

Key Performance Indicators

The graphs below illustrate the progress the Water Division has made on key performance measures. Note that the values provided need to be viewed with respect to where we are in the fiscal year. Our construction crew started a pipeline project on Cypress at Third Street and is phasing that work to focus on replacing transmission valves.



Leak Alert Notifications

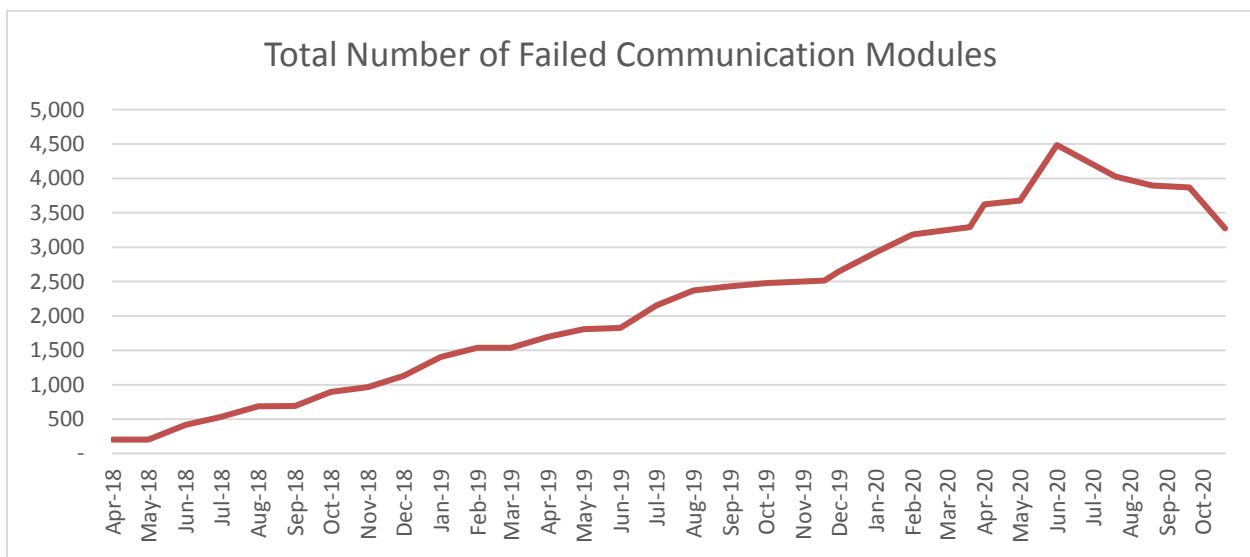
In 2009, BWP began installing an Automated Metering Infrastructure (AMI) system by Itron. The system consists of endpoints that connect directly to the meter to get the meter read. The meter read was transmitted by radio from the endpoints located in the meter box and received by 10 collectors stationed throughout the City. The data was “backhauled” or bundled using the Tropos radio system and delivered to database servers that accepted and processed the meter data. Full deployment of the system (approximately 26,000 endpoints) was completed in 2011.

Benefits of AMI technology allow data to be collected rapidly and frequently and can be analyzed to find higher than normal usage and alert customers of leaks. BWP began providing leak alert service to residents who registered to receive notifications. This service, called Water Smart, works by receiving hourly water usage from the meter and analyzes this data to determine if a leak might be present based on continuous usage. Since 2015, BWP has provided 11,756 leak alerts to customers. Unfortunately,

a high volume of water meter communication modules are not working reliably and replacement units are no longer produced.

As of October 2020, BWP was not able to receive remote reads for 3,273 out of 26,985 water meters. That is a decrease of 596 meters (-2.2%) since last month. The decrease in manual reads is a result of several factors including: database changes made in July, the replacement of a failed collector in September, and a new Automatic Meter Reading (AMR) system. The AMR is currently being tested and in use in the field. BWP is working on automating the process to integrate with various billing systems.

BWP previously notified customers who participate in the leak alert program that the failure of these communication modules prevents the sending of leak alert notifications and due to continued failures, BWP is now in the process of notifying additional customers.



Projects

A new 12-inch water main was installed at 550 N. Third Street. This main will feed the new services for the proposed Burbank AC Hotel.



ELECTRIC DISTRIBUTION

ELECTRIC RELIABILITY

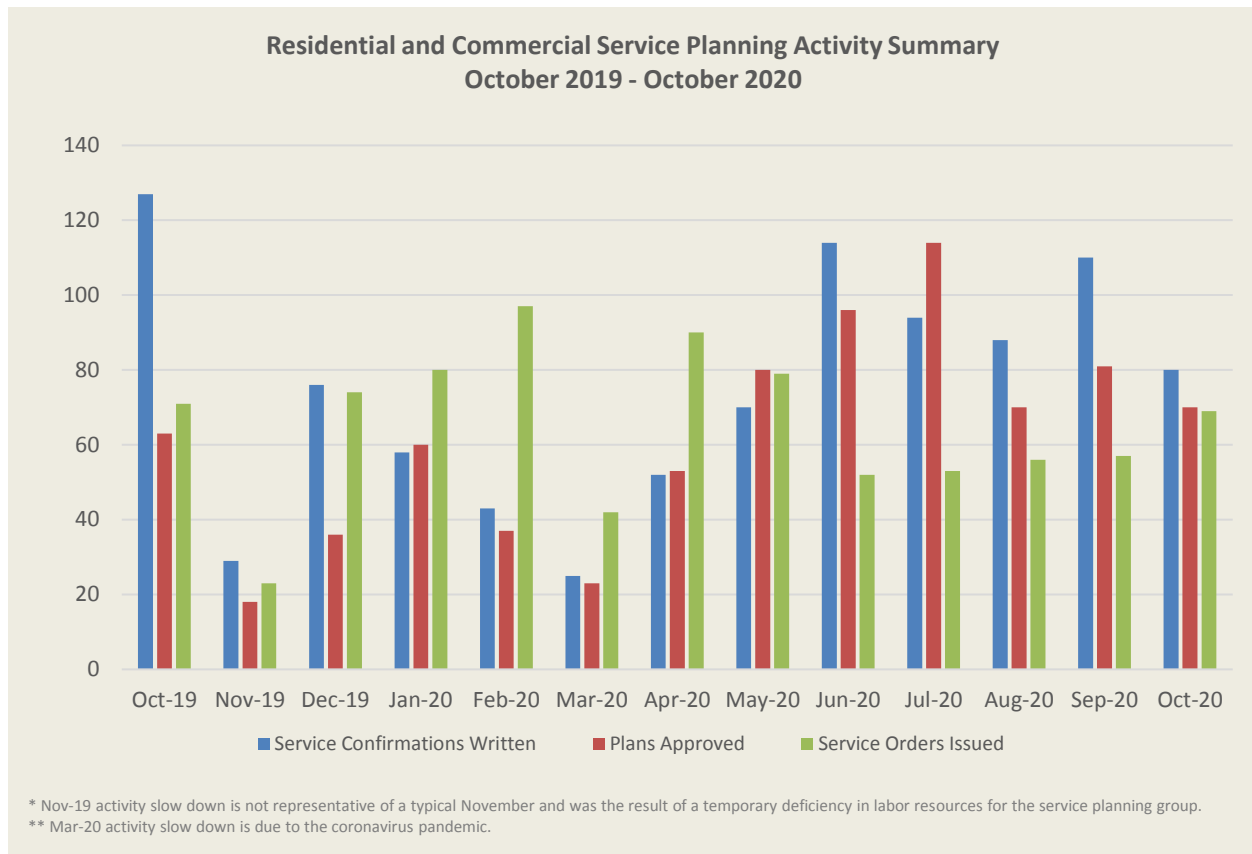
In October 2020, BWP experienced three sustained feeder outages. In the past 12 months, automatic reclosing has reduced customer outage time by approximately 1,422,022 customer minutes.

Reliability Measurement	November 2018 – October 2019	November 2019 – October 2020
Average Outages Per Year (SAIFI)	0.4082	0.4754
Average Outage Duration (CAIDI)	34.56 minutes	21.19 minutes
Average Service Availability	99.997%	99.998%
Average Momentary Outages Per Year (MAIFI)	0.3711	0.3396
No. of Sustained Feeder Outages	11	13
No. of Sustained Outages by Mylar Balloons	2	1
No. of Sustained Outages by Animals	0	1
No. of Sustained Outages by Palm Fronds	2	0

PROJECT UPDATES

Residential and Commercial Service Planning Activities

BWP provides our residential and commercial customers with the electrical power they need for new services or upgrades to their existing service. In order for a customer to obtain a Building Permit for their construction, BWP Service Planners must visit the customer's facility and fill out an Electric Service Confirmation form which details what type of service is required and how it will be served. After reviewing and approving a customer's electrical plans, BWP Service Planners issue service orders to our field crews to carry out the inspections and electrical service work. The graph below summarizes monthly activity for our Residential and Commercial Service Planning group within the Electrical Engineering Section.



Winona Underground Substructure Installation

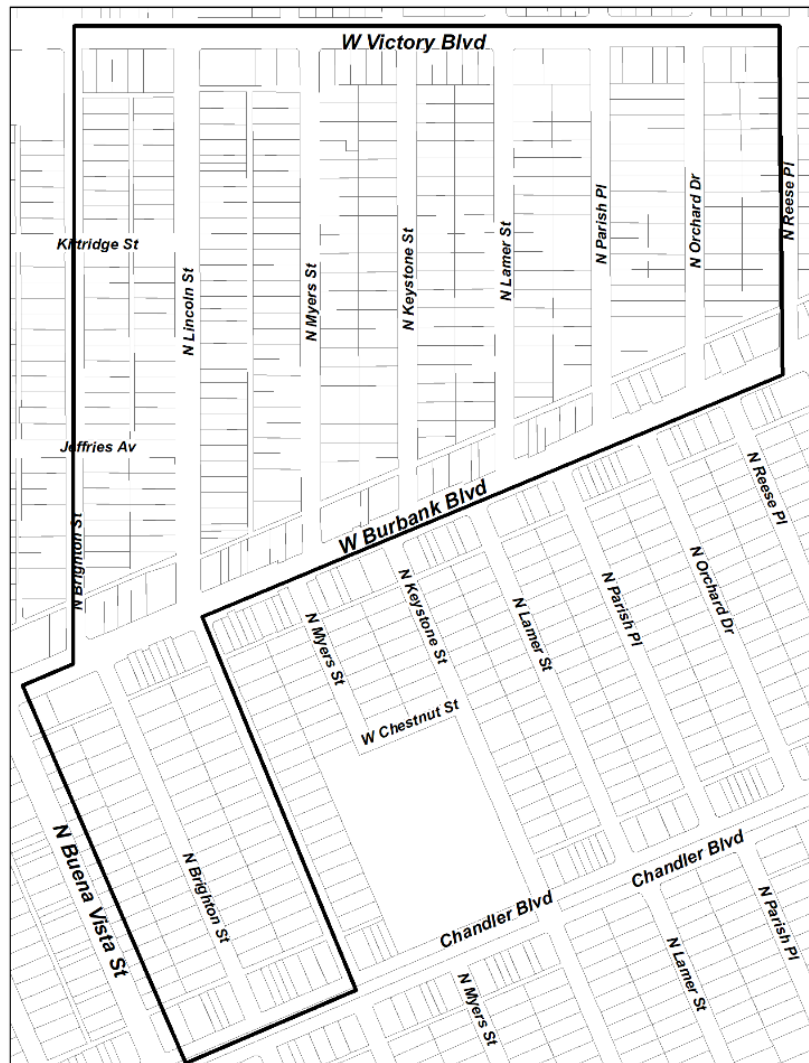
In order to provide electrical service to the Avion Burbank Development near the airport, new underground conduit and manholes were installed along Winona Avenue between Ontario Avenue and Hollywood Way. This allows for new cables to be pulled through the new underground substructure from Ontario Substation to the Avion Burbank Development.

In October, the final segment of conduits was installed at the intersection of Hollywood Way and Winona Avenue. In total, the underground substructure work included the installation of four distribution manholes and approximately 1,489 feet of conduit.

Victory-7 4kV to 12kV Pole Line Rebuild & Conversion

In alignment with its Electric Distribution Master Plan goals, BWP is managing its aging infrastructure through strategic replacement of assets by converting its circuits from 4kV to 12kV. Performing these conversions improves system efficiency and replaces deteriorated poles, worn distribution transformers, and conductors with new ones. Additionally, it transfers electrical load from BWP's oldest 4kV electrical substations. This also allows for the timely retirement of BWP's older 4kV stations, which enables BWP to avoid costly upgrades to its large power transformers, power circuit breakers, voltage regulators, disconnect switches, and other station components.

The Victory-7 conversion area contains 149 poles, 67 transformers, 8,610 feet of overhead primary wire, and 13,930 feet of overhead secondary wire.



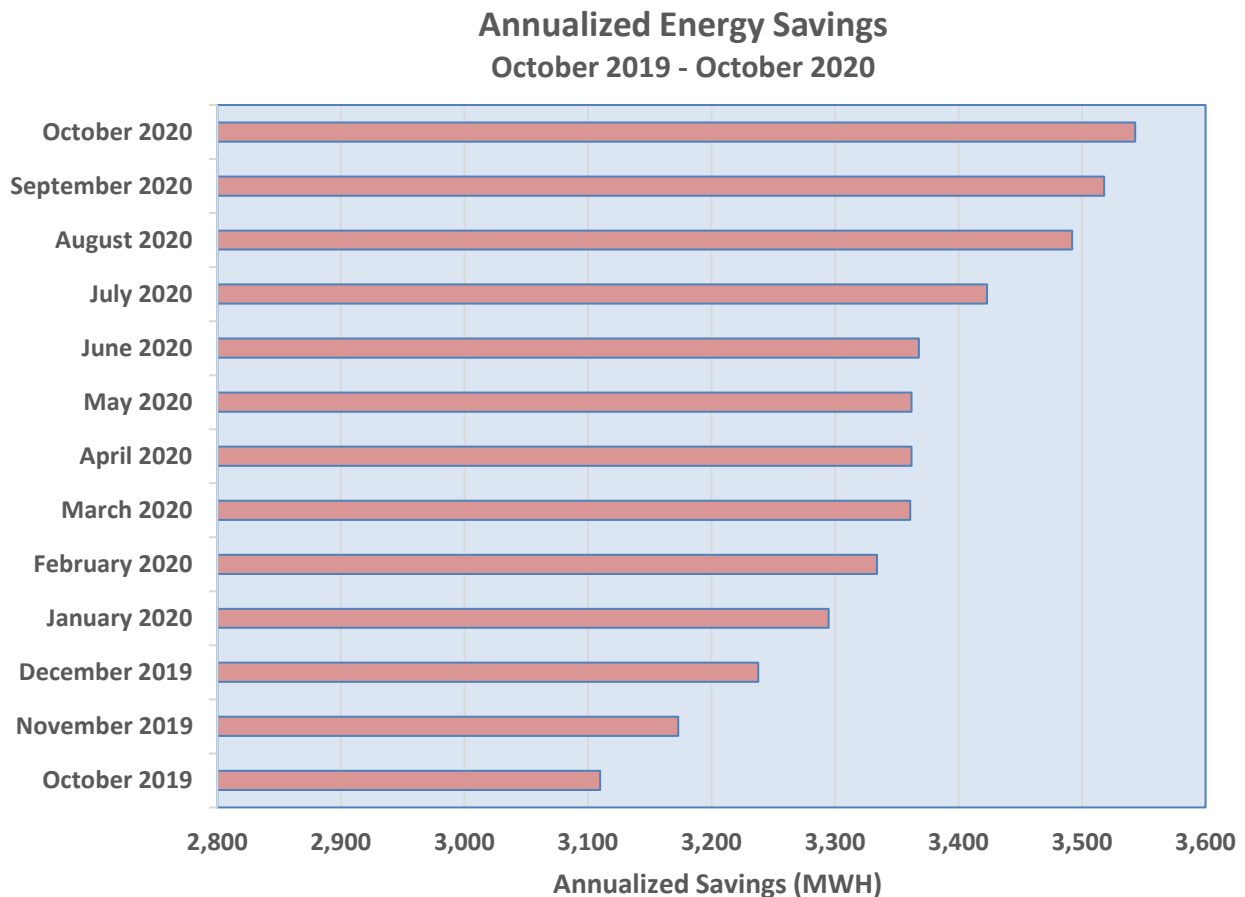
V-7 Conversion Area

The pole line rebuild for the Victory-7 4kV feeder is nearing completion, with the last work near N. Lincoln St. continuing into November. The area below W. Burbank Blvd. is complete and was successfully converted to 12kV on Saturday October 31, 2020, at 7:30 AM. All businesses were back in service by 7:45 AM and all residents by 8:00 AM. The outage for the conversion was scheduled on a Saturday to accommodate the large number of students and residents working and schooling from home due to the pandemic. The remainder of the conversion area will be converted in stages on subsequent Saturdays.

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, 66.90% of the total streetlight luminaires have been converted to LEDs, which translates to an annualized energy savings of 3,543 MWh or a 38.23% reduction in energy consumption. LED conversions have also reduced evening load by 809 kW, which shortens the “neck of the duck curve” and reduces the amount of energy generation that BWP needs. The graph below shows the annualized energy savings in MWh for the past 13 months.



CUSTOMER SERVICE

Customer Service Operations

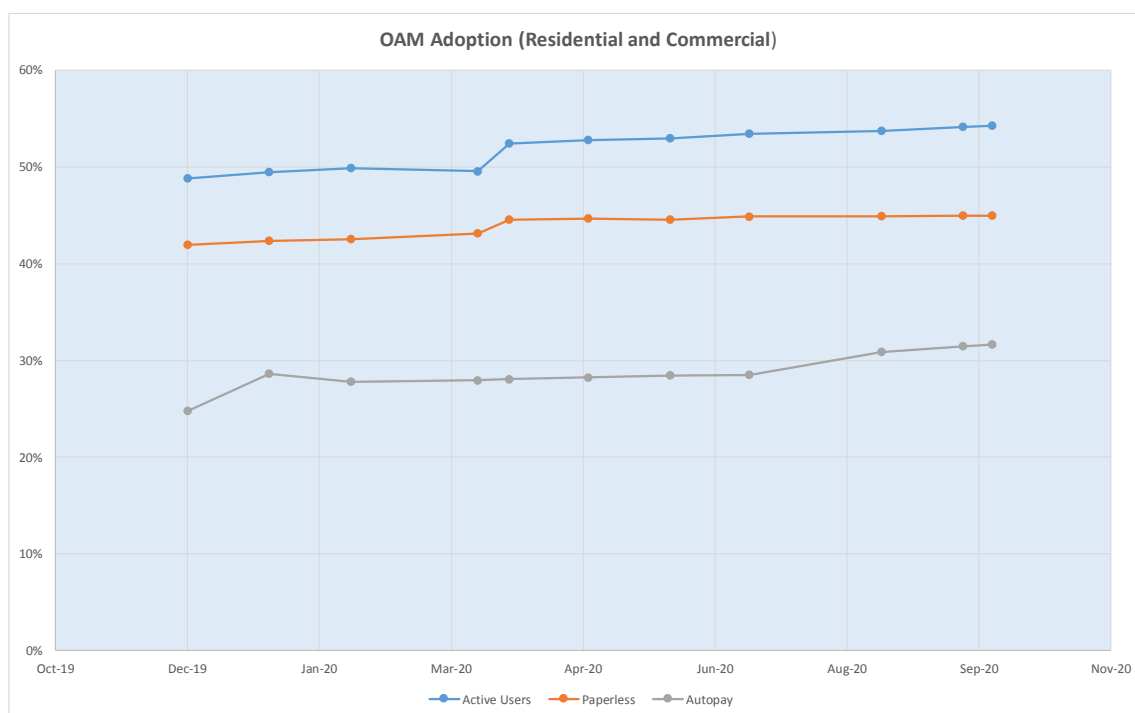
Customer Service and Marketing have been developing guidelines and finalizing processes for the new COVID-19 Job Loss Credit Program. Beginning November 1, 2020, customers can apply for financial assistance to receive a \$300 bill credit for single family dwellings and \$200 for multi-family dwellings. Qualifications include having a loss of job for anyone in their household due to COVID and customers must be willing to enter into a payment arrangement for any unpaid balance. Overall, the call volumes for October have decreased by 6 percent and we anticipate a higher call volume in November due to this new program.

Call Type	% of Calls
Balance	25%
Residential Stop	11%
Residential Start	8%
Update Account Info	6%
Solid Waste	5%

	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	%Inc/Dec
Call Volume	5,374	4,330	5,389	4,778	4,337	4,320	3,543	3,392	3,582	4,055	3,812	3,783	3,527	-6.77%

Online Account Manager

The enrollment in the Online Account Manager (OAM) is currently at 54% of all active accounts; increase in enrollments have also been on the rise since the COVID-19 pandemic. Of all registered accounts, about 80% are paperless customers helping BWP reduce costs and reduce carbon emissions. BWP will continue its efforts to drive customers to the OAM, paperless, and auto pay. These initiatives will continue to drive down costs. BWP's second milestone is to have 80% of all active accounts registered on the OAM by the end of 2021. Below is the chart outlining activity for the OAM:



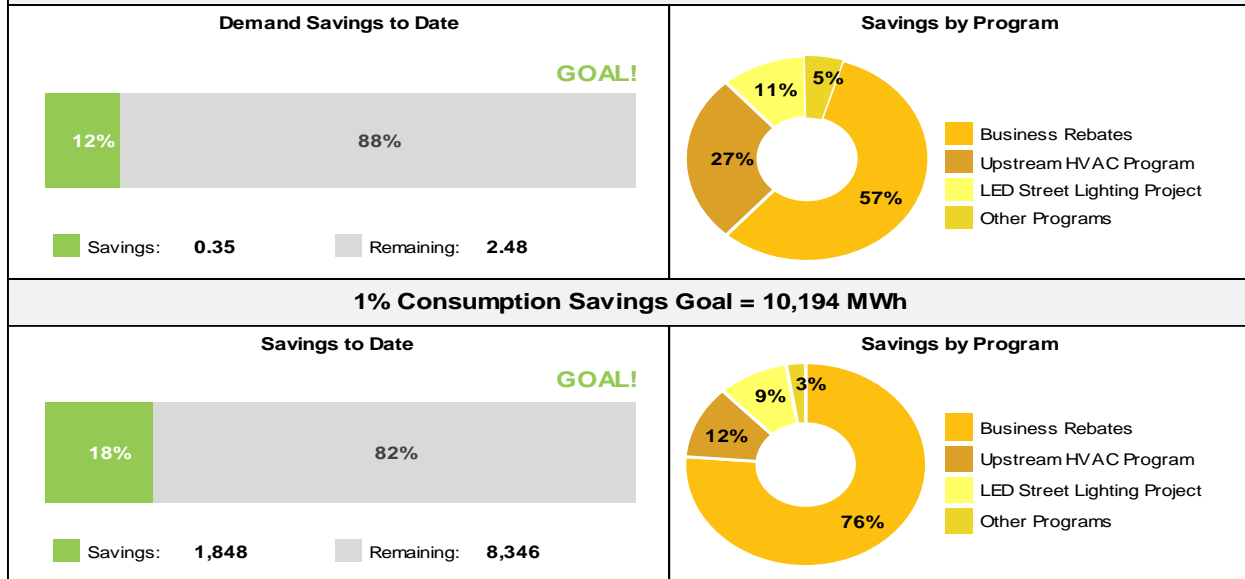
	Active	% of Total Active Accounts
Active Users	28,295	54%
Paperless	23,441	45%
Autopay	16,489	32%

BWP's Energy Efficiency and Water Savings – Fiscal Year to October 31, 2020

To comply with State and local COVID-19 orders, **both residential and commercial** energy efficiency programs that required home/onsite visits have been suspended **since March 2020**. **Despite the imposed restrictions, other energy efficiency and water conservation programs that do not require on-site visits such as BWP's rebate programs continue to operate. As a result of the continued program suspensions due to COVID-19, program activities continued to be significantly reduced for the month of October 2020.** However, commercial program participation continues to significantly contribute to the reported savings for the month of **October**, mostly from the BWP Business Rebates program utilized by some of the largest commercial customers. Incentives for large projects have incentive caps but yield total project efficiency savings.

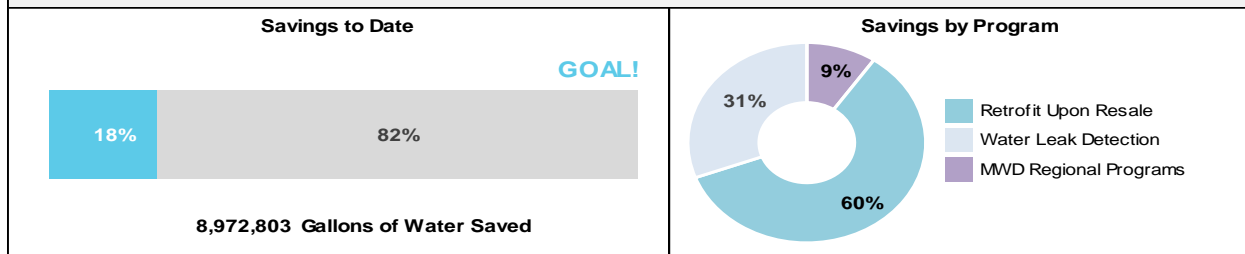
Energy Efficiency Savings FYTD 2020-2021 Period ending on 10/31/2020

1% Demand Goal = 2.83 MW

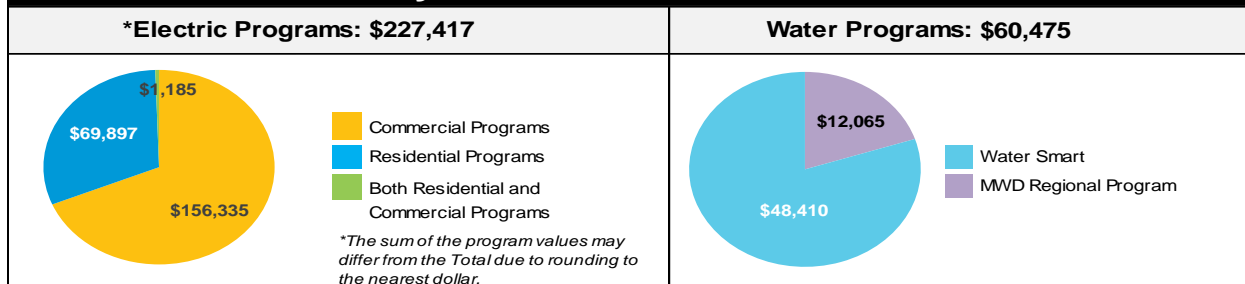


Water Savings Goal FYTD 2020-2021

1% (48,907,414 Gallons) Potable Water Savings Goal

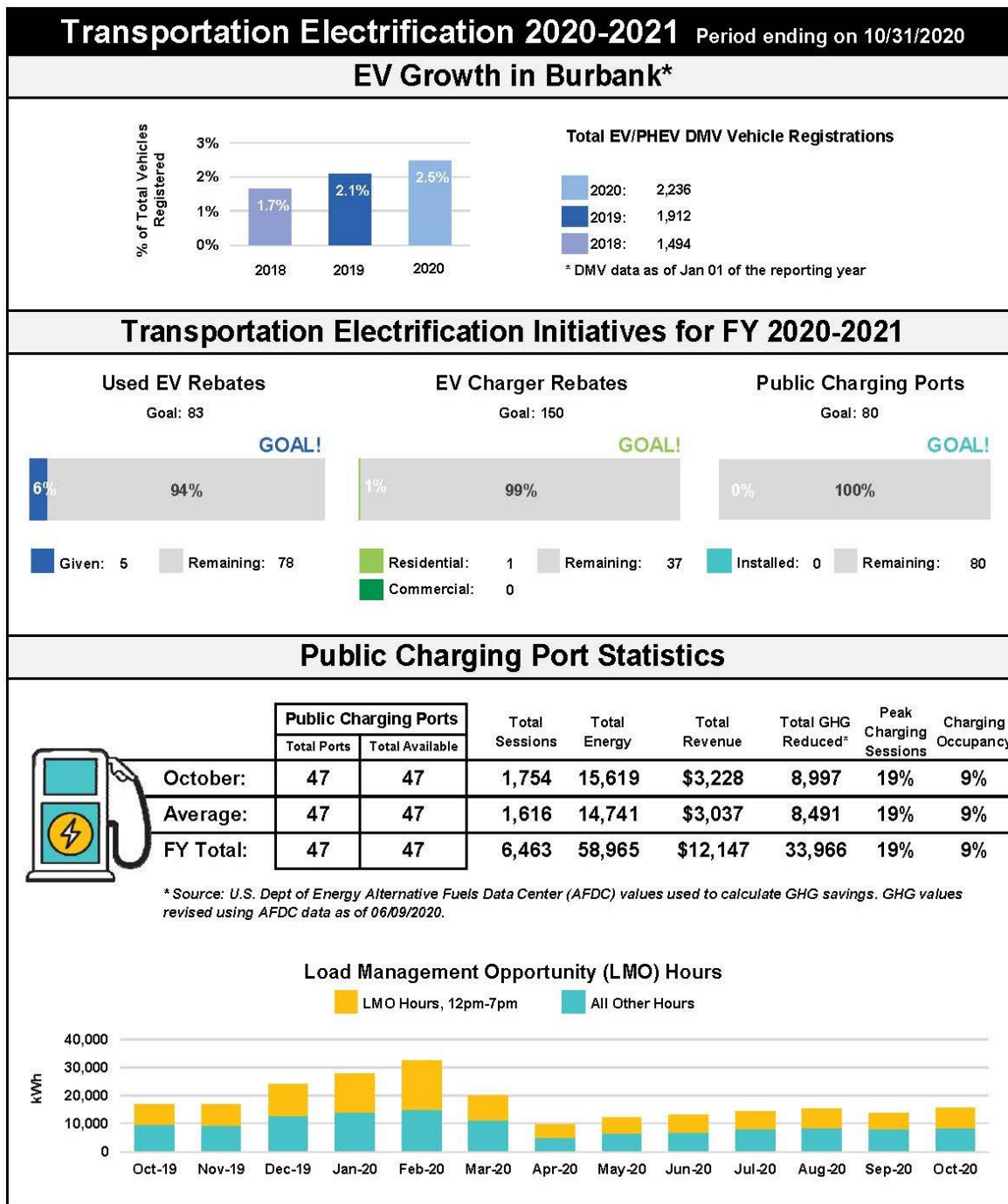


Efficiency Investments FYTD 2020-2021



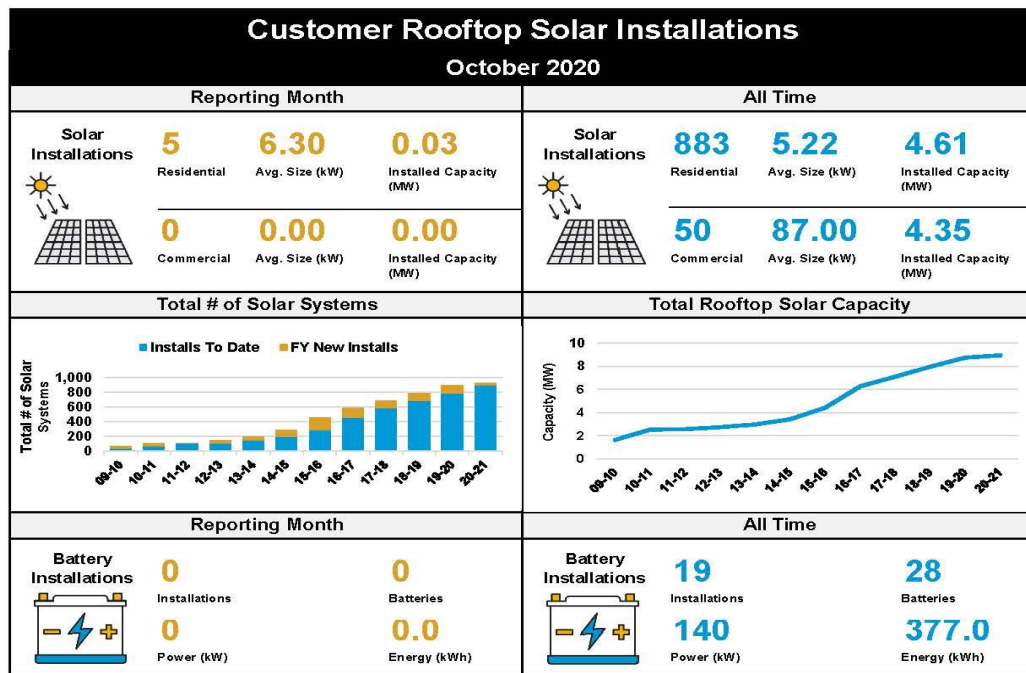
Electric Vehicle (EV) Charging Program

Forty-seven public EV charging ports are installed in Burbank, including 2 DC Fast Chargers and 18 curbside chargers. As of **October 1, 2020**, pricing for public EV charging \$0.1753 per kWh for all hours for Level 1 and Level 2. For the DC Fast Chargers, the charging rate is \$0.2817 per kWh for all hours. Reduced public charger usage can likely be attributed to the safer-at-home order issued in March. **Lower than expected participation in the rebate programs can likely also be attributed to COVID-19.** Car sales are low across the board, which may have influenced low participation in the Used EV Rebate.



Rooftop Solar and Battery Installations

Customer owned rooftop solar and battery storage system installations continue to grow. Burbank Water and Power does not provide rebates for installing these systems. However, overall, lower equipment costs and the Federal Investment Tax Credit make purchasing solar and/or battery systems more accessible. System capacity and number of installations are tracked monthly and in total below.



TECHNOLOGY

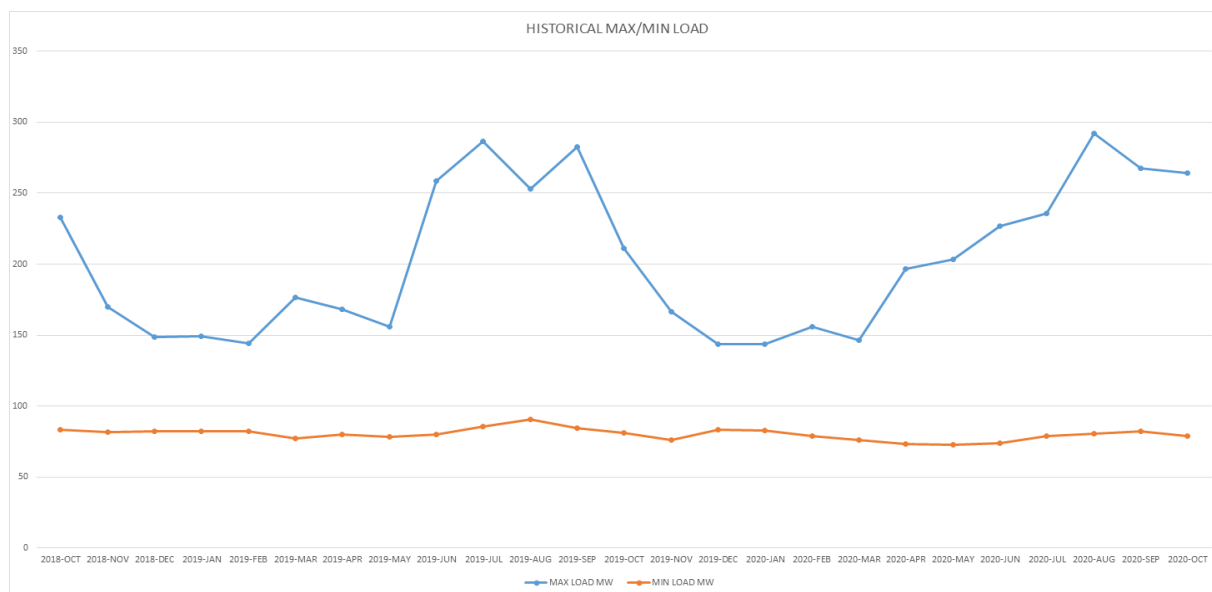
Broadband Services (ONE Burbank)

	October 2020 New Orders	Revenues for October 2020	FYTD 2020-21 Revenues	FYTD Budget
Lit	5	\$127,615	\$483,230	\$526,667
Dark	1	\$193,840	\$786,500	\$790,001
Total	6	\$321,455	\$1,269,730	\$1,316,668

POWER SUPPLY

BWP SYSTEM OPERATIONS:

The maximum load for October 2020 was 264.7 MW at 3:30 PM on October 1, and the minimum load was 78.7 MW at 3:18 AM on October 26.



Minimum load values corrected for Sept & Dec 2018.

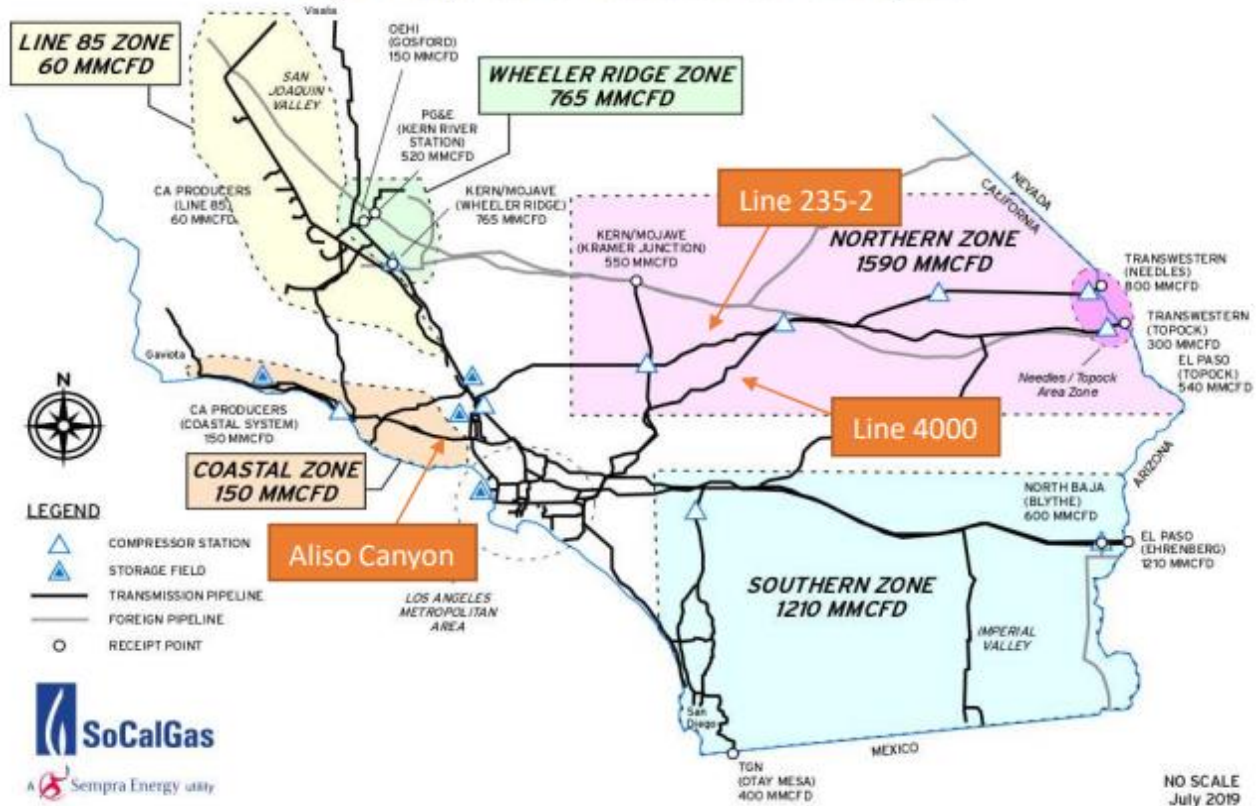
YEAR	MAX LOAD	MAX DATE
2020	292.3 MW	18-August-20 15:22:41
2019	282.66 MW	04-Sep-19 15:31:17
2018	306.3 MW	06-Jul-18 16:41:28
2017	322.1 MW	31-Aug-17 16:02:52
2016	308.52 MW	20-Jun-16 16:46:20

The Burbank power system did experience a heat wave but did not experience any natural gas supply issues for October 2020.

Southern California 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 component is storage operating constraints from the CPUC restricting the use of the Aliso Canyon Storage Facility. The current effective withdrawal protocol is restrictive but is less restrictive than the previous protocol, in that Aliso Canyon was only allowed to be withdrawn from if curtailment was imminent, but now can occur under less acute circumstances.

Image 1: Receipt Points & Transmission Zone Firm Capacities



Line 235-2

Line 235-2 (largely a 1957 vintage pipeline) SoCal Gas used two vendors to perform In-line Inspections (ILI) in October 2019. The ILI reports showed the repairs needed to be made to the line. Those repairs are now complete, and the line was returned to service on September 1, 2020.

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.

ELECTRICITY GENERATION:

BWP Generating Facilities

Unit	Availability	Operating Hrs	MWH (Net)	Net Heat Rate (Btu/kWh)	Number of Starts
Olive 1	0%	0	0	0	0
Olive 2	0%	0	0	0	0
Lake 1	100%	10	1,151	10,990	2
MPP	99%	737	144,376	7,453	1

Olive 1 and 2 remained in dry storage, with a 120-day notice required to restart. Olive 1 and 2 have been in dry storage since 2011 and 2012, respectively. **Lake One was placed online two times during the month of October.**

Magnolia Power Project (MPP)

	October	FYTD	YTD
Availability	99%	96%	84%
Unit Capacity Factor (240 MW)	81%	75%	62%

MPP tripped offline on September 29 due to a failed CT Generator Potential Transformer (PT). Repairs were made and MPP was returned to service on October 1.

General Electric (GE) completed isotherm testing of MPP on October 22. Based on the results of the testing, the minimum load was adjusted from 120 MW to 114 MW.

Tieton Hydropower Project (Tieton)

Tieton's 2020 generation season began April 6, 2020 with a single generation unit due to limited water flow controlled by the United States Bureau of Reclamation (USBR). On August 27, water flow increased enough to operate both generation units concurrently and both units were in operation until near the end of the generation season, which occurred on October 10, 2020. Maintenance began immediately following conclusion of the 2020 generation season and Unit 1 is being overhauled during this maintenance period. Unit 2 will also receive minor maintenance.

ENVIRONMENTAL

Air Quality

Emissions Source Testing has been scheduled for both MPP and Lake 1 on December 2 – 4, 2020, in order to comply with the air quality permits issued by the South Coast Air Quality Management District.

Storm Water

The State Water Resources Control Board Industrial General Permit requires industrial facilities to collect, at a minimum, 4 storm water samples per reporting year and compare them to statewide regulatory limits. BWP has not taken any storm water samples during the current reporting year (July 1, 2020 to June 30, 2021) due to a lack of precipitation. The storm water sampling results from the previous reporting year continue to indicate elevated levels of metals.

In order to address the storm water compliance issues, BWP is in the process of implementing a Campus Storm Water Improvement Project. BWP has completed an environmental review of the Project required under the California Environmental Quality Act (CEQA). The environmental review will be finalized when the project is approved by the Burbank City Council. MNS Engineers was contracted to prepare the final design plans, as well as provide engineering support for the Project. After the final design is completed, bid specifications will be prepared and a Request for Proposals (RFP) will be issued for the construction activities.

PROJECT UPDATES:

Power Resources

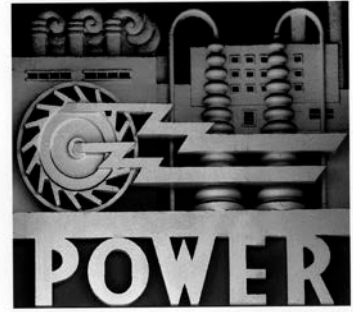
Transmission Update

Negotiations with LADWP regarding the renewal of several existing Transmission Service Agreements (TSA), including those associated with Hoover and IPP, are ongoing. An amendment for a one-year extension of the existing Hoover TSA was approved by consent by City Council on April 28, 2020. This amendment extended the Hoover TSA through September 30, 2021. The IPP related TSA expires in 2027.

Intermountain Power Project (Delta, UT) Renewal Progress

LADWP, BWP and GWP (the IPP repowering participants) are working together to create a detailed roadmap for green hydrogen production, storage, and power generation at IPP. In the medium-term, the participants are targeting 30% green hydrogen combustion by July 2025, when the repowered project is scheduled to come on-line.

Burbank Water and Power



Estimated Financial Report
October-20

UNAUDITED

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

MTD Estimate	MTD Budget	\$	%		YTD Estimate	YTD Budget	\$	%
FY 20-21	FY 20-21	Variance	Variance		FY 20-21	FY 20-21	Variance	Variance
91,829	92,312	(483)	-1% ^(a)	NEL MWh	399,856	416,515	(16,659)	-4% ^(A)
				Retail				
\$ 14,315	\$ 14,118	\$ 197	1%	Retail Sales	\$ 60,976	\$ 64,206	\$ (3,230)	-5%
448	622	(174)	-28% ^(b)	Other Revenues	1,776	2,488	(712)	-29% ^(B)
8,124	8,613	489	6% ^(c)	Retail Power Supply & Transmission	39,154	40,898	1,744	4% ^(C)
6,639	6,127	512	8%	Retail Margin	23,597	25,795	(2,198)	-9%
				Wholesale				
1,937	1,985	(48)	-2%	Wholesale Sales	16,009	19,659	(3,650)	-19%
1,706	1,945	239	12%	Wholesale Power Supply	11,339	19,266	7,927	41%
231	40	192	483%	Wholesale Margin	4,670	393	4,277	1088%
6,871	6,167	704	11%	Gross Margin	28,267	26,188	2,079	8%
				Operating Expenses				
936	936	-	0%	Distribution	3,675	3,898	224	6%
110	110	-	0%	Administration/Safety	553	447	(106)	-24% ^(D)
241	241	-	0%	Finance, Fleet, & Warehouse	858	928	70	8%
525	525	-	0%	Transfer to General Fund for Cost Allocation	2,092	2,099	6	0%
476	476	-	0%	Customer Service, Marketing & Conservation	1,606	1,898	292	15% ^(E)
401	401	-	0%	Public Benefits	1,566	1,823	257	14%
229	229	-	0%	Security/Oper Technology	864	895	31	3%
110	110	-	0%	Telecom	384	463	79	17% ^(F)
187	187	-	0%	Construction & Maintenance	379	748	369	49% ^(G)
1,781	1,781	-	0%	Depreciation	4,847	7,125	2,277	32%
4,996	4,996	-	0% ^(d)	Total Operating Expenses	16,824	20,325	3,500	17%
\$ 1,874	\$ 1,171	\$ 704	60%	Operating Income/(Loss)	\$ 11,443	\$ 5,864	\$ 5,579	95%

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

(\$ in 000's)									
MTD Estimate FY 20-21	MTD Budget Budget	\$ Variance ⁽²⁾	% Variance		YTD Estimate FY 20-21	YTD Budget Budget	\$ Variance ⁽²⁾	% Variance	
\$ 1,874	\$ 1,171	\$ 704	60%	Operating Income/(Loss)	\$ 11,443	\$ 5,864	\$ 5,579	95%	
				Other Income/(Expenses)					
142	142	-	0%	Interest Income	492	567	(75)	(13%)	
91	91	-	0%	Other Income/(Expense) ⁽⁴⁾	(2,184)	(2,295)	111	(5%)	
(284)	(284)	-	0%	Bond Interest/ (Expense)	(1,136)	(1,136)	-	0%	
(51)	(51)	-	0%	Total Other Income/(Expenses)	(2,827)	(2,864)	36	0%	
1,823	1,120	704	63%	Net Income	8,616	3,000	5,616	187%	
1,054	1,054	-	0%	Capital Contributions (AIC)	(1,812)	4,217	(6,029)	(143%) ^(H)	
<u>\$ 2,878</u>	<u>\$ 2,174</u>	<u>\$ 704</u>	<u>32%</u>	Net Change in Net Assets	<u>\$ 6,804</u>	<u>\$ 7,217</u>	<u>\$ (414)</u>	<u>(6%)</u>	

1. This report may not foot due to rounding.

2. () = Unfavorable.

3. Other Revenues include transmission, telecom and internet revenues as well as other items such as damaged property recovery, connection fees, late fees, and tampering fees.

4. Other Income/(Expense) includes a one-time payment to CalPERS (for pension), revenues and expenses related to Low Carbon Fuel Standard credits, and miscellaneous revenue from the sale of scrap materials, inventory, and assets, as well as BABS subsidy.

5. MTD is estimated for October 2020; FYTD reports July, August, and September 2020 actuals.

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

Foot- note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
a.	Electric Usage in MWh	91,829	92,312	(483)	- NEL is 1% lower than budget, which is driven primarily by the closing of businesses within Burbank due to the "Safer at home" order issued on March 19th, 2020, largely offset by warmer temperatures. The October average high temperature was 86.4°F, compared to the 15-year average high temperature of 81.7°F. MTD CDD were 220 versus the 15-year average of 130.
b.	Other Revenues	448	622	(174)	- Other revenues include transmission, telecom and internet revenues as well as other items such as damaged property recovery, connection fees, late fees, and tampering fees which tend to fluctuate.
c.	Retail Power Supply & Transmission	8,124	8,613	489	- 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	4,996	4,996	-	- Expenses for October 2020 are estimated at budgeted values.

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

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
A.	Electric Usage in MWh	399,856	416,515	(16,659)	- NEL is 4% lower than budget, which is driven primarily by the closing of businesses within Burbank due to the "Safer at home" order issued on March 19th, 2020, partially offset by warmer temperatures. FYTD actual average high temperature was 89.2°F, compared to the 15-year average high temperature of 86.0°F. FYTD CDD were 1,235 versus the 15-year average of 1,059.
B.	Other Revenues	1,776	2,488	(712)	- Other revenues include transmission, telecom and internet revenues as well as other items such as damaged property recovery, connection fees, late fees, and tampering fees which tend to fluctuate.
C.	Retail Power Supply & Transmission	39,154	40,898	1,744	- The favorable variance is attributable to various components within Retail Power Supply & Transmission. Please refer to page 6 for additional details.
D.	Administration / Safety	553	447	(106)	- The unfavorable variance is attributable to timing of expenditures on membership dues.
E.	Customer Service, Marketing & Conservation	1,606	1,898	292	- The favorable variance is primarily attributable to timing of expenditures on professional services.
F.	Telecom	384	463	79	- The favorable variance is primarily attributable to budgetary savings due to vacant positions, and lower than planned spending on professional and private contractual services.
G.	Construction & Maintenance	379	748	369	- The favorable variance is primarily attributable to timing of expenditures on building grounds maintenance & repair, custodial services, and private contractual services, and more work for others and capital than planned.
H.	Capital Contributions (AIC)	(1,812)	4,217	(6,029)	- The unfavorable variance is primarily attributable to the timing of AIC projects.

Estimated October 2020 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): \$1,823</u>	\$ 704	\$ -	\$ 704
<u>MTD GROSS MARGIN VARIANCE</u>			
Retail Sales	197		197
Power Supply and Transmission			
- Lower retail load	10		10
- Prior period true up	240		240
- Lower transmission expenses	135		135
- Economic dispatch, the managing and optimizing of resources to meet system load	43		43
- Lower renewables	61		61
Other Revenues		(174)	(174)
Wholesale Margin	192		192
Total	\$ 877	\$ (174)	\$ 704

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

	Variance Fiscal Year-to-Date		
	Favorable Items	Unfavorable Items	Budget to Actual Variance
<u>FYTD NET INCOME/(LOSS): \$8,616</u>	\$ 5,616		\$ 5,616
<u>FYTD GROSS MARGIN VARIANCE</u>			
Retail Sales		(3,230)	(3,230)
Power Supply and Transmission			
- Lower transmission expenses	160		160
- Lower retail load	350		350
- Lower O&M expenses	647		647
- Prior period true up	38		38
- Lower renewables	69		69
- Economic dispatch, the managing and optimizing of resources to meet system load	480		480
Other Revenues		(712)	(712)
Wholesale Margin	4,277		4,277
Total	<u>\$ 6,021</u>	<u>\$ (3,942)</u>	<u>\$ 2,079</u>
<u>FYTD O&M AND OTHER VARIANCES</u>			
Distribution	224		224
Administration/Safety		(106)	(106)
Finance, Fleet, & Warehouse	70		70
Customer Service, Marketing & Conservation	292		292
Public Benefits	257		257
Security/Oper Technology	31		31
Telecom	79		79
Construction & Maintenance	369		369
Depreciation expense	2,277		2,277
All other	42		42
Total	<u>\$ 3,642</u>	<u>\$ (106)</u>	<u>\$ 3,536</u>

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

	Oct-20	Sep-20	Aug-20	Jun-20	Dec-19	Jun-19	Recommended Reserves	Minimum Reserves
Cash and Investments								
General Operating Reserve	\$ 67,970	\$ 65,133	\$ 58,958 ^(f)	\$ 52,719 ^{(d) (e)}	\$ 67,481	\$ 67,320 ^(b)	\$ 52,010	\$ 37,570
Capital & Debt Reduction Fund	10,000	10,000	10,000	10,000	10,000	10,000	21,000	5,200
BWP Projects Reserve Deposits at SCPPA ^(g)	3,769	3,769	8,250	17,163	17,014	16,817		
Sub-Total Cash and Investments	<u>81,739</u>	<u>78,902</u>	<u>77,208</u>	<u>79,882</u>	<u>94,495</u>	<u>94,137</u>	<u>73,010</u>	<u>42,770</u>
Customer Deposits	(2,870)	(1,486)	(1,702)	(1,811)	(6,632)	(5,641)		
Public Benefits Obligation	(8,085)	(7,826)	(7,535)	(6,990)	(7,125)	(6,069)		
Pacific Northwest DC Intertie	(46)	(48)	(48)	(62)	(855)	(2,218)		
Low Carbon Fuel Standard ^(c)	(3,374)	(3,394)	(3,396)	(3,642)	(2,267)	(2,267)		
Cash and Investments (less Commitments)	<u>67,363</u>	<u>66,149</u>	<u>64,527</u>	<u>67,376</u>	<u>77,615</u>	<u>77,942</u>	<u>73,010</u>	<u>42,770</u>

^(a) The Statement of Cash Balances may not add up due to rounding.

^(b) Includes a \$3.95M loan to the Water Fund for the purchase of cyclic storage water.

^(c) Denotes funds reserved related to the sale of Low Carbon Fuel Standard (LCFS) credits, net of Electric Vehicle charger infrastructure expenditures.

^(d) Includes early redemption of the 2010A Electric Bonds (\$7.63M).

^(e) Includes a \$2.5M loan to the Water Fund for the purchase of cyclic storage water.

^(f) Includes a one-time payment to CalPERS (for pension) in the amount of \$2.75M.

^(g) Includes a \$4.4M drawdown to pay SCPPA for June and July power invoices, \$4.6M for July and August power invoices, and \$4.6M for August and September power invoices.

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

MTD Estimate FY 20-21	MTD Budget Budget	\$ Variance ⁽²⁾	% Variance		YTD Estimate FY 20-21	YTD Budget Budget	\$ Variance ⁽²⁾	% Variance
495	488	7	2% ^(a)	Water put into the system in Millions of Gallons	2,024	2,074	(50)	(2%) ^(A)
107	92	15	16% ^(b)	Metered Recycled Water in Millions of Gallons	444	419	24	6% ^(B)
Operating Revenues								
\$ 2,707	\$ 2,710	\$ (2)	(0%)	Potable Water	\$ 11,200	\$ 11,341	\$ (141)	(1%)
416	373	43	12%	Recycled Water	1,721	1,708	13	1%
148	122	27	22% ^(c)	Other Revenue ⁽³⁾	445	487	(42)	(9%) ^(C)
3,272	3,204	67	2%	Total Operating Revenues	13,366	13,536	(170)	(1%)
Water Supply Expenses								
1,035	1,174	139	12% ^(d)	Water Supply Expense	4,434	5,100	666	13% ^(D)
2,237	2,031	206	10%		8,932	8,436	497	6%
Gross Margin								
Operating Expenses								
754	754	-	0%	Operations & Maintenance - Potable	2,636	2,994	359	12% ^(E)
139	139	-	0%	Operations & Maintenance - Recycled	477	558	81	15%
207	207	-	0%	Allocated O&M	546	831	285	34% ^(F)
175	175	-	0%	Transfer to General Fund for Cost Allocation	700	700	-	0%
355	355	-	0%	Depreciation	1,281	1,421	140	10%
1,632	1,632	-	0% ^(e)	Total Operating Expenses	5,640	6,505	864	13%
605	399	206	52%	Operating Income/(Loss)	3,292	1,931	1,361	70%
Other Income/(Expenses)								
21	21	-	0%	Interest Income	73	86	(13)	(15%)
45	45	-	0%	Other Income/(Expense) ⁽⁴⁾	(317)	(351)	34	10%
(158)	(158)	-	0%	Bond Interest/(Expense)	(592)	(633)	(41)	(6%)
(92)	(92)	-	0%	Total Other Income/(Expenses)	(837)	(899)	63	7%
513	307	206	67%	Net Income/(Loss)	2,456	1,032	1,424	138%
94	94	-	0%	Aid in Construction	136	375	(239)	(64%) ^(G)
\$ 606	\$ 401	\$ 206	51%	Net Change in Net Assets	\$ 2,592	\$ 1,407	\$ 1,185	84%

1. This report may not foot due to rounding.

2. () = Unfavorable

3. Other Revenue includes items such as fire protection services, damaged property recovery, connection fees, late fees, and tampering fees.

4. Other Income/(Expense) includes a one-time payment to CalPERS (for pension) and miscellaneous revenue from the sale of scrap materials, inventory, and assets.

5. MTD is estimated for October 2020; FYTD reports July, August, and September 2020 actuals.

Burbank Water and Power
Water Fund (497)
Estimated Statement of Changes in Net Assets - Footnotes
MTD October 2020
(\$ in 000's except Gallons)

Foot- note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
a.	Water put into the system in Millions of Gallons	495	488	7	- Potable water demand was higher than budget, which is driven primarily by warmer temperatures, largely offset by the closing of businesses within Burbank due to the "Safer at home" order issued on March 19th, 2020. The October average high temperature was 86.4°F, compared to the 15-year average high temperature of 81.7°F. MTD CDD were 220 versus the 15-year average of 130.
b.	Recycled Water Usage in Millions of Gallons	107	92	15	- Recycled water demand was higher than budget as a result of warmer temperatures. The October average high temperature was 86.4°F, compared to the 15-year average high temperature of 81.7°F. MTD CDD were 220 versus the 15-year average of 130.
c.	Other Revenue	148	122	27	- Other revenues include items such as fire protection services, damaged property recovery, connection fees, late fees, and tampering fees, which tend to fluctuate.
d.	Water Supply Expense	1,035	1,174	139	- The favorable variance was primarily a result of using more Valley/BOU water which is less costly than imported MWD water.
e.	Total Operating Expenses	1,632	1,632	-	- Expenses for October 2020 are at budgeted values.

Burbank Water and Power
Water Fund (497)
Estimated Statement of Changes in Net Assets - Footnotes
FYTD October 2020
(\$ in 000's except Gallons)

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
A.	Water put into the system in Millions of Gallons	2,024	2,074	(50)	- FYTD Potable water sales were lower than budget, which is driven primarily by the closing of businesses within Burbank due to the "Safer at home" order issued on March 19th, 2020, partially offset by warmer temperatures. FYTD actual average high temperature was 89.2°F, compared to the 15-year average high temperature of 86.0°F. FYTD CDD were 1,235 versus the 15-year average of 1,059.
B.	Metered Recycled Water in Millions of Gallons	444	419	24	- FYTD Recycled water demand was higher than budget as a result of warmer temperatures. FYTD actual average high temperature was 89.2°F, compared to the 15-year average high temperature of 86.0°F. FYTD CDD were 1,235 versus the 15-year average of 1,059.
C.	Other Revenue	445	487	(42)	- Other revenues include items such as fire protection services, damaged property recovery, connection fees, late fees, and tampering fees, which tend to fluctuate.
D.	Water Supply Expense	4,434	5,100	666	- The favorable variance was a result of lower demand and using more Valley/BOU water which is less costly than imported MWD water, and a MWD Readiness to Serve Charge true up credit for FY 19/20.
E.	Operations & Maintenance - Potable	2,636	2,994	359	- The favorable variance is primarily attributable to budgetary savings due to vacant positions, and lower than planned spending on professional and private contractual services.
F.	Allocated O&M	546	831	285	- Allocated O&M is lower than budget due to favorable variances in allocated expenses (Administration, Safety, Finance, Customer Service, Marketing, Construction and Maintenance) from the Electric Fund.
G.	Aid in Construction	136	375	(239)	- The unfavorable variance is primarily attributable to the timing of AIC projects.

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

	Variance Month-to-Date		
	<u>Favorable Items</u>	<u>Unfavorable Items</u>	<u>Budget to Actual Variance</u>
<u>MTD NET INCOME (LOSS): \$513</u>	\$ 206		\$ 206
<u>MTD GROSS MARGIN VARIANCE</u>			
Potable Revenues		(2)	(2)
Recycled Revenues	43		43
Other Revenue	27		27
Water Supply Expense	139		139
Total	<u>208</u>	<u>\$ (2)</u>	<u>\$ 206</u>

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

	Variance Fiscal Year-to-Date		
	Favorable Items	Unfavorable Items	Budget to Actual Variance
<u>FYTD NET INCOME: \$2,456</u>	\$ 1,424		\$ 1,424
<u>FYTD GROSS MARGIN VARIANCE</u>			
Potable Revenues		(141)	(141)
Recycled Revenues	13		13
Other Revenue		(42)	(42)
Water Supply Expense	666		666
Total	\$ 680	\$ (183)	\$ 497
<u>FYTD O&M AND OTHER VARIANCES</u>			
Potable O&M	359		359
Recycled Water O&M	81		81
Allocated O&M	285		285
Depreciation Expense	140		140
All Other	63		63
Total	\$ 927	\$ -	\$ 927

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

	<u>Oct-20</u>	<u>Sep-20</u>	<u>Aug-20</u>	<u>Jun-20</u>	<u>Dec-19</u>	<u>Jun-19</u>	<u>Recommended Reserves</u>	<u>Minimum Reserves</u>
Cash and Investments								
General Operating Reserves	\$ 12,789	\$ 10,972	\$ 9,504 ^(e)	\$ 8,395 ^{(c) (d)}	\$ 16,341	\$ 11,555 ^(b)	\$ 12,630	\$ 8,070
Capital Reserve Fund	2,220	2,220	2,220	2,220	2,220	2,220	5,200	1,300
Sub-Total Cash and Investments	<u>15,009</u>	<u>13,192</u>	<u>11,724</u>	<u>10,615</u>	<u>18,561</u>	<u>13,775</u>	<u>17,830</u>	<u>9,370</u>
Customer Deposits	(1,396)	(1,133)	(1,073)	(1,227)	(1,650)	(1,454)		
Cash and Investments (less commitments)	<u>\$ 13,613</u>	<u>\$ 12,060</u>	<u>\$ 10,651</u>	<u>\$ 9,388</u>	<u>\$ 16,911</u>	<u>\$ 12,321</u>	<u>\$ 17,830</u>	<u>\$ 9,370</u>

^(a) The Statement of Cash Balances may not add up due to rounding.

^(b) Includes a \$3.95M loan from the Electric Fund for the purchase of cyclic storage water.

^(c) Includes early redemption of the 2010A Water Bonds (\$2.07M).

^(d) Includes a \$2.5M loan from the Electric Fund for the purchase of cyclic storage water.

^(e) Includes a one-time payment to CalPERS (for pension) in the amount of \$440k.