

A photograph of the Burbank Water & Power building at night. The building is a modern, multi-story structure with large windows, some of which are illuminated from within. In the foreground, there is a large, circular fountain with water cascading over its edge. The fountain is lit with warm, yellow lights. Behind the fountain, there is a large, abstract sculpture made of several tall, vertical, orange-colored blocks. To the left of the building, there are two flagpoles with flags. The sky is dark and cloudy. The text "Burbank Water & Power" is overlaid on the image in a large, white, sans-serif font, and "Fiscal Year 2020-21" is overlaid below it in the same font.

Burbank Water & Power Proposed Budget Fiscal Year 2020-21

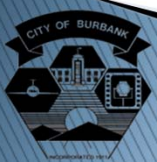
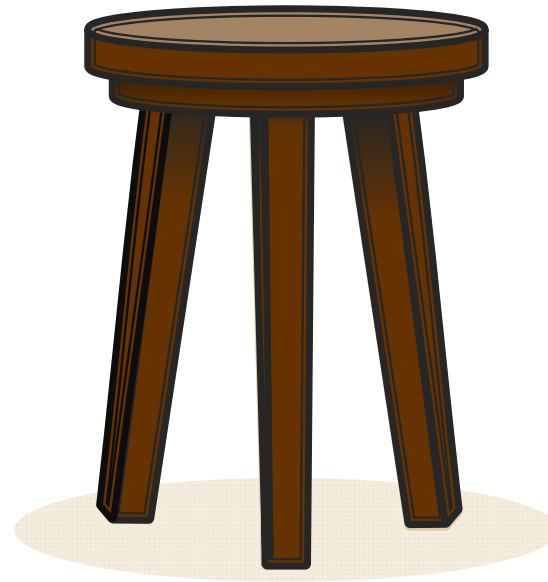
March 5, 2020

Policy

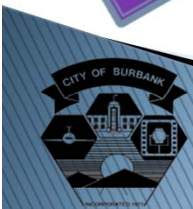
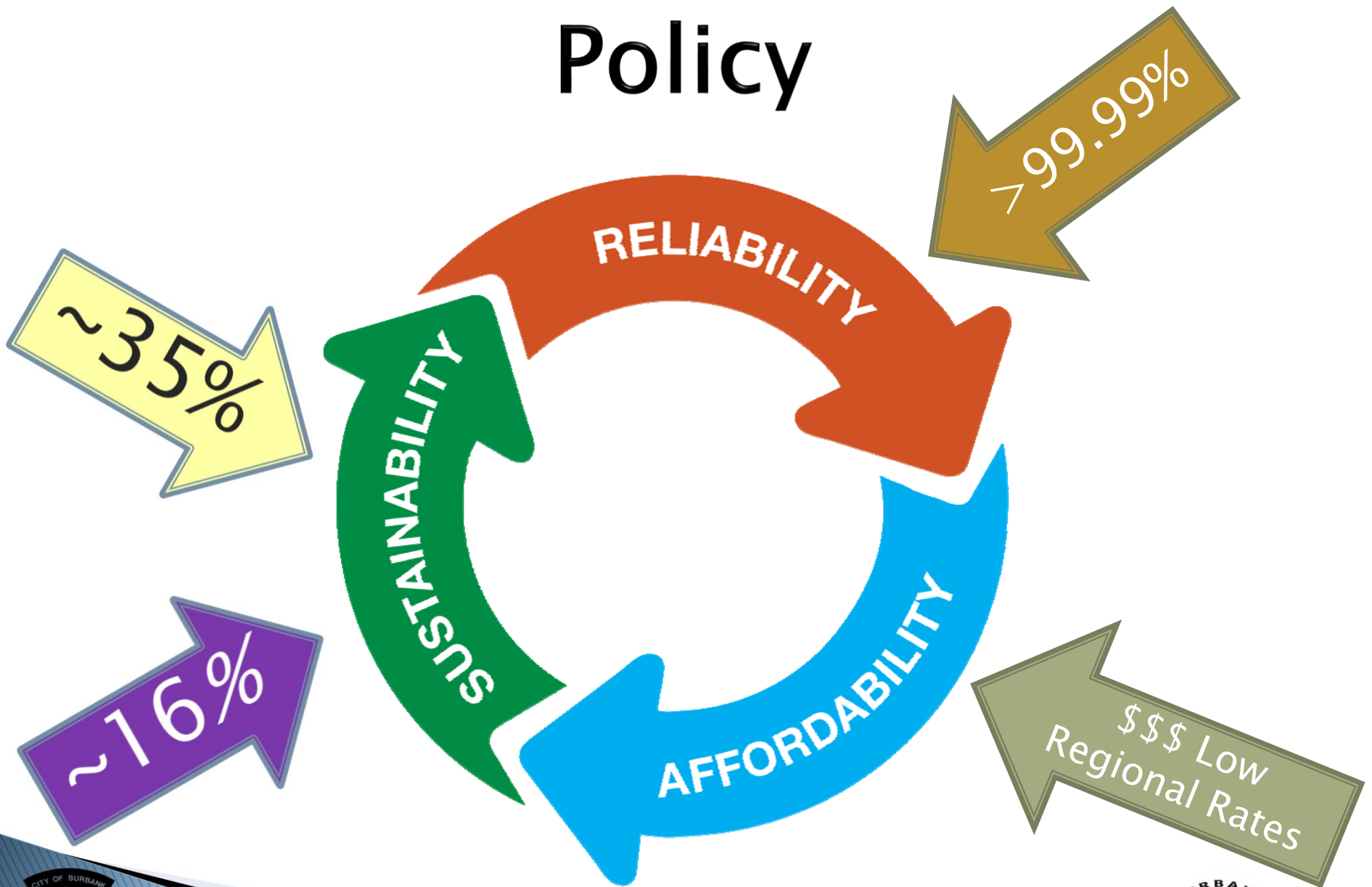
Reliability

Sustainability

Affordability



Policy



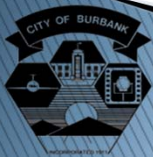
Budget Authority by Fund

| (\$ in 000's) | FY 2019-20 Adopted | FY 2020-21 Proposed | Decrease / (Increase) in Budget |
|------------------------------|-----------------------|------------------------|---------------------------------------|
| Electric Fund (496) | \$253,892 | \$262,258 | (\$8,366) |
| Water Fund (497) | \$41,029 | \$41,688 | (\$659) |
| MPP Operating Fund (483) | \$21,716 | \$22,713 | (\$997) |
| Tieton Hydro Operating (133) | \$4,096 | \$3,580 | \$516 |
| Street Lighting Fund (129) | \$3,345 | \$2,929 | \$416 |
| Communications Fund (535) | \$3,559 | \$3,779 | (\$220) |
| Total Authority | \$327,638 | \$336,948 | (\$9,310) |



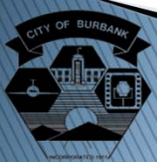
Budget Authority Changes Since 2 / 6

| (\$ in 000's) | FY 2020-21 Proposed <u>as of 2.6.20</u> | FY 2020-21 Proposed <u>as of 3.5.20</u> | Decrease / (Increase) in <u>Budget</u> |
|------------------------------|---|---|--|
| Electric Fund (496) | \$263,303 | \$262,258 | \$1,045 |
| Water Fund (497) | \$42,570 | \$41,688 | \$882 |
| MPP Operating Fund (483) | \$22,713 | \$22,713 | \$0 |
| Tieton Hydro Operating (133) | \$3,580 | \$3,580 | \$0 |
| Street Lighting Fund (129) | \$2,948 | \$2,929 | \$19 |
| Communications Fund (535) | \$3,791 | \$3,779 | \$12 |
| Total Authority | <u>\$338,905</u> | <u>\$336,948</u> | <u>\$1,958</u> |



Pension Cost Reduction Strategies

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



Proposed Pension Funding Plan

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



Electric Fund Budget

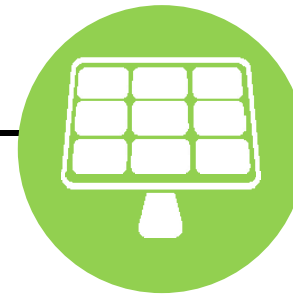
Electric Budget Highlights

(2020 – 2021)

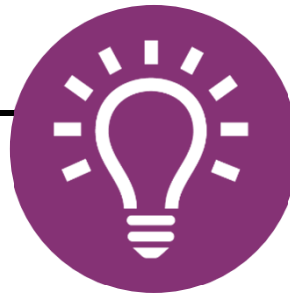
Maintain rate increases
below the rate of
inflation



Meet RPS
requirements



Maintain
excellent
reliability



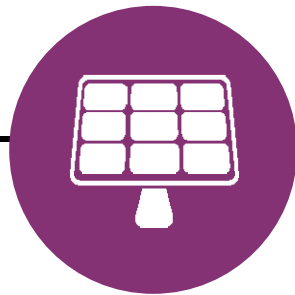
Electric Budget Assumptions

(2020 – 2021)

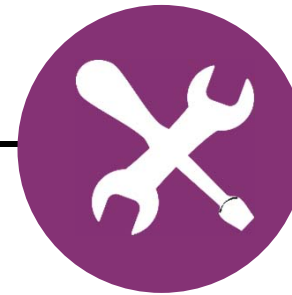
2% reduction
in load



Continue capital
replacement plan and
preventative maintenance
program

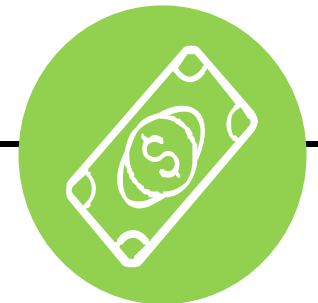


RPS at 35%



No deferred
maintenance

Lower wholesale
margins



Electric Budget Assumptions

(2020 – 2021)

Lower cost of
natural gas



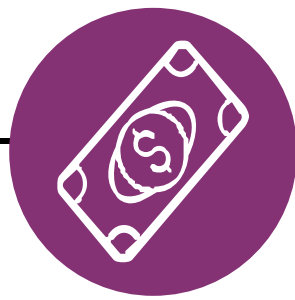
MPP operational
flexibility



Utilizing cash
reserves to
stabilize rates



Electric rate
increase of
1.50%



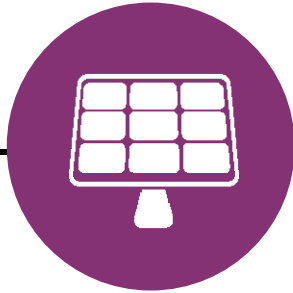
Unfunded
pension liability



Electric Forecast Assumptions

(Years 2 – 5)

Unfunded pension liability



Renewable energy up
to 47%



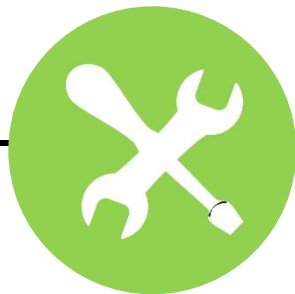
Rate plan less
than long-term
inflation



Electric Forecast Assumptions

(Years 2 – 5)

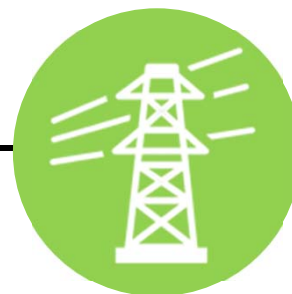
No deferred
maintenance



Increase in
substation capacity



IPP Decommissioning



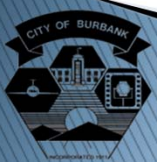
Continue capital replacement
plan and preventative
maintenance program



Electric Budget Drivers (20-21)

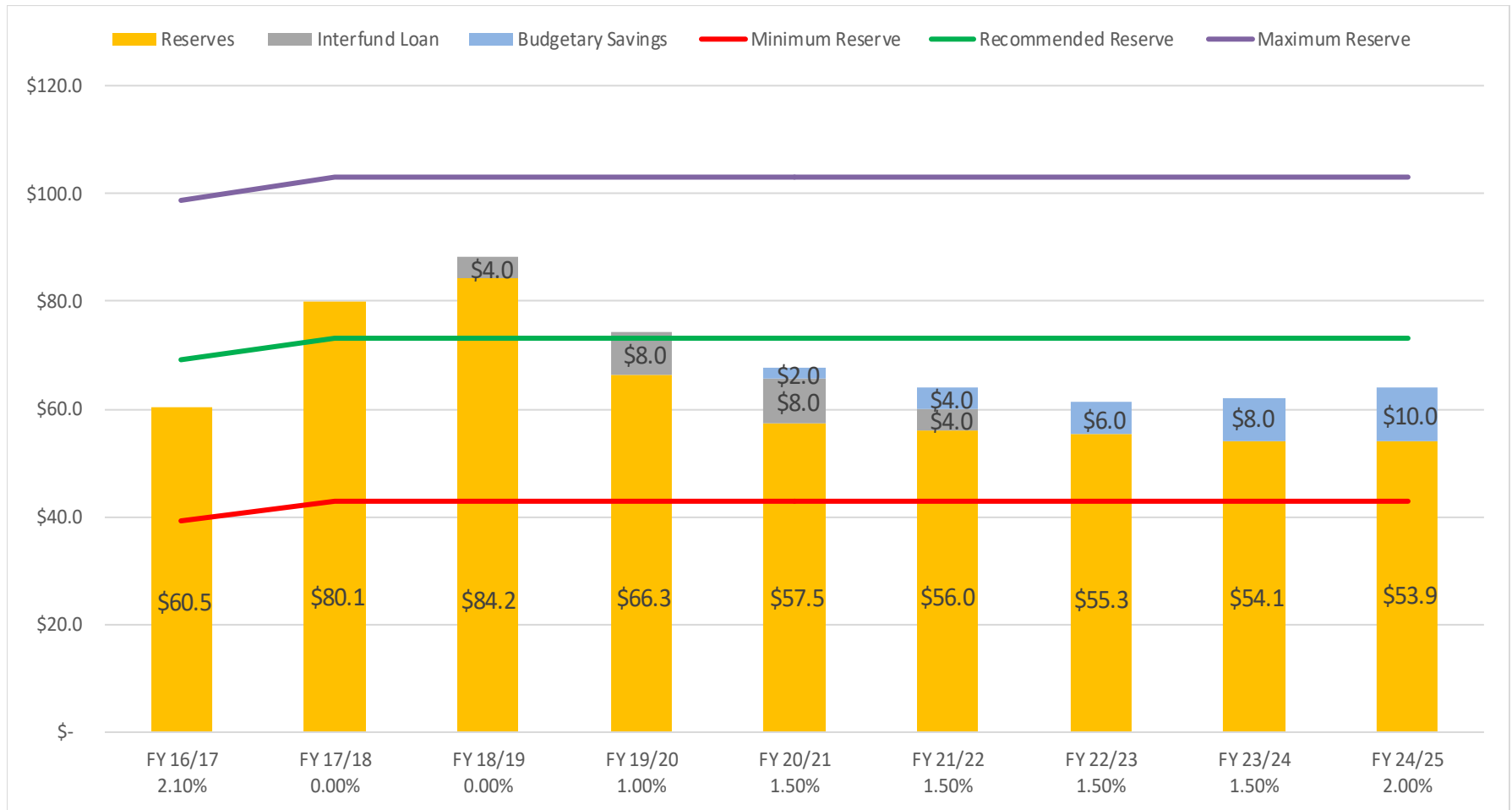
(\$ in 000's)

| | <u>\$</u> | <u>% of Oper. Rev.</u> |
|-------------------------------|-----------------|------------------------|
| 2019-20 Carry-over to 2020-21 | \$8,939 | 5.27% |
| Higher operating expenses | \$1,466 | 0.86% |
| Lower wholesale margin | \$250 | 0.15% |
| Lower electric load | \$2,527 | 1.49% |
| 2020-21 Rate requirement | <u>\$13,182</u> | <u>7.77%</u> |
| Lower power supply | (\$5,521) | -3.25% |
| Unfunded pension liability | (\$661) | -0.39% |
| 2020-21 Rate increase | (\$2,545) | -1.50% |
| 2020-21 Carry-over to 2021-22 | <u>\$4,455</u> | <u>2.63%</u> |



Electric Cash Reserves

(\$ in millions)

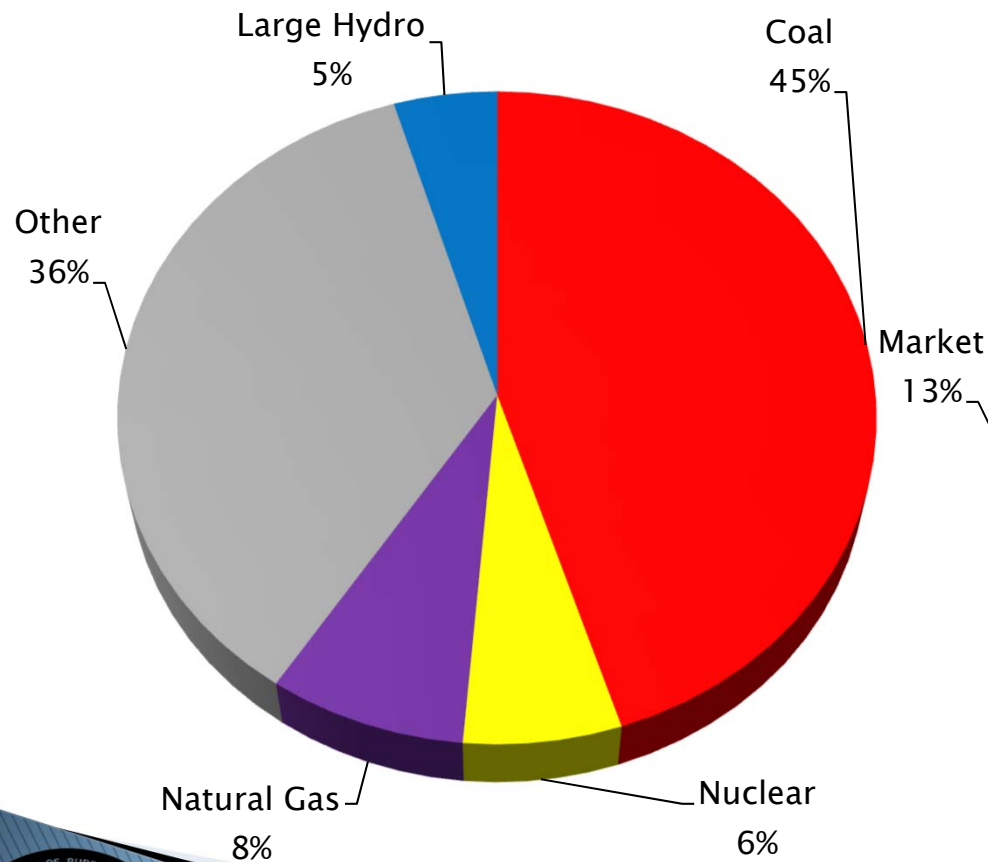


Actual and Planned Rate Increases

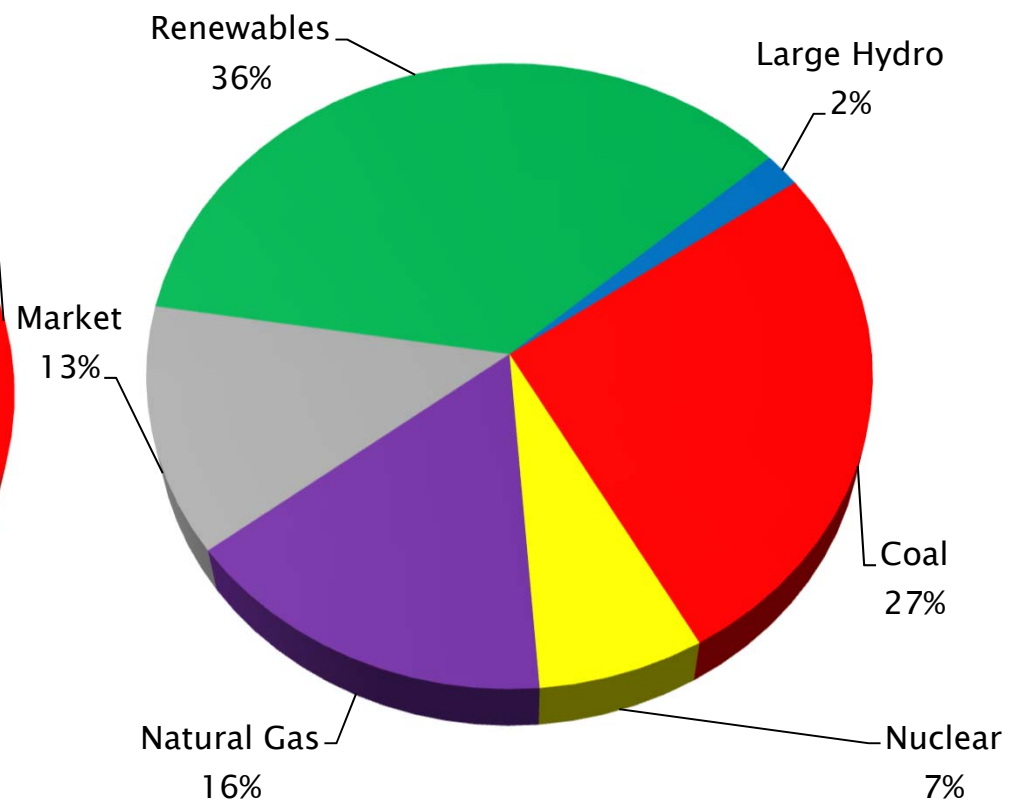


Energy Planning

FY 2001-2002

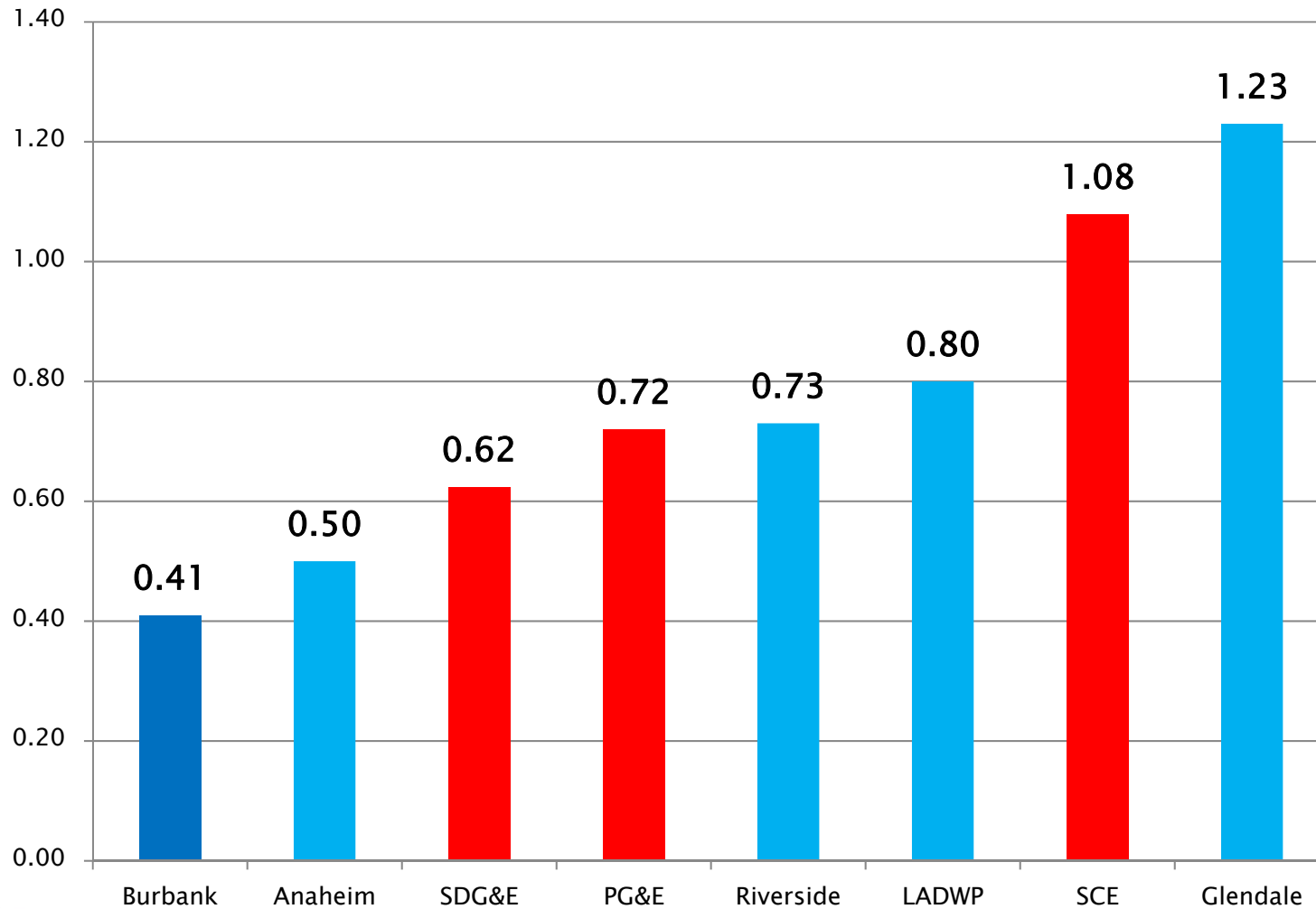


FY 2020-2021



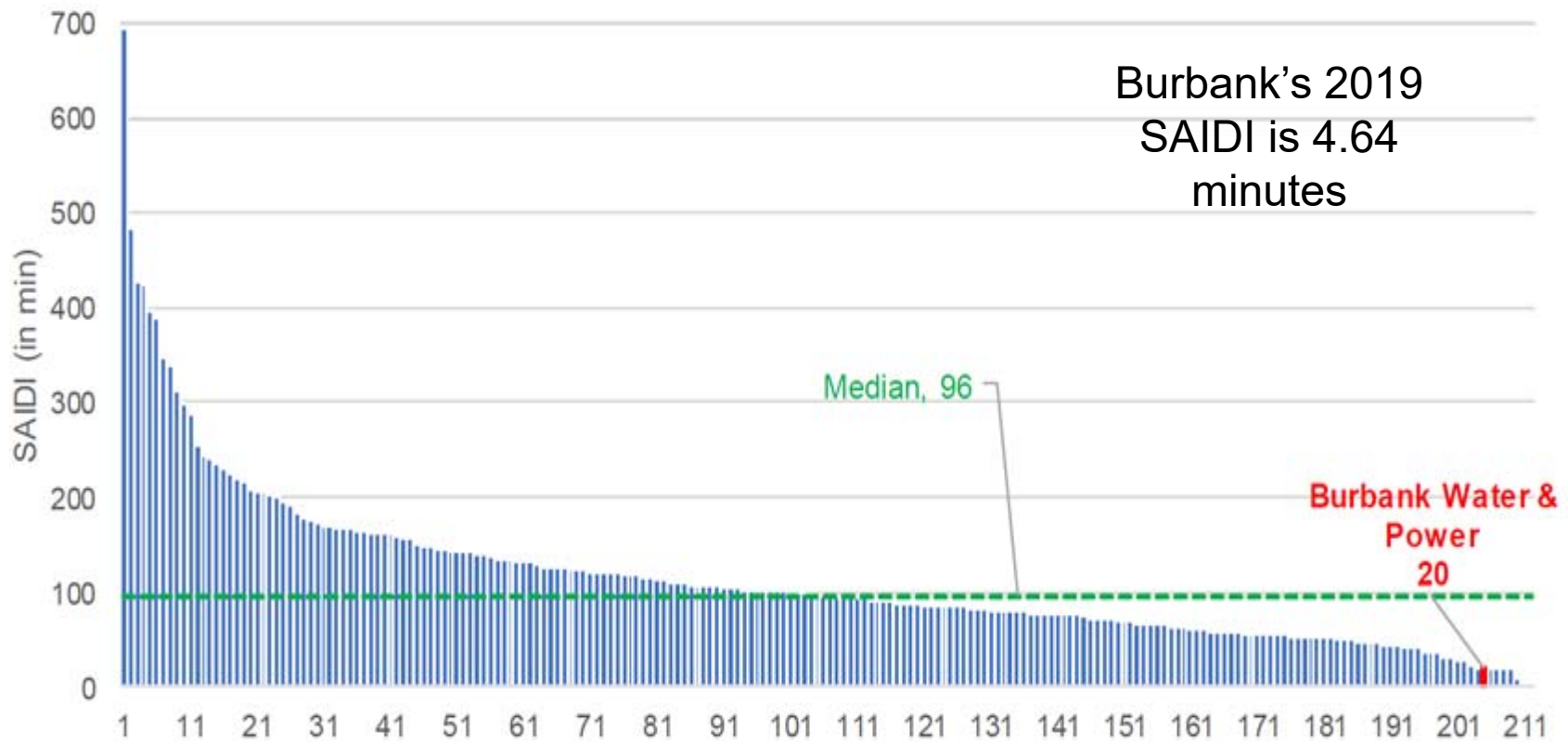
Outages per Year

5 Year Average 2014-2018



Reliability

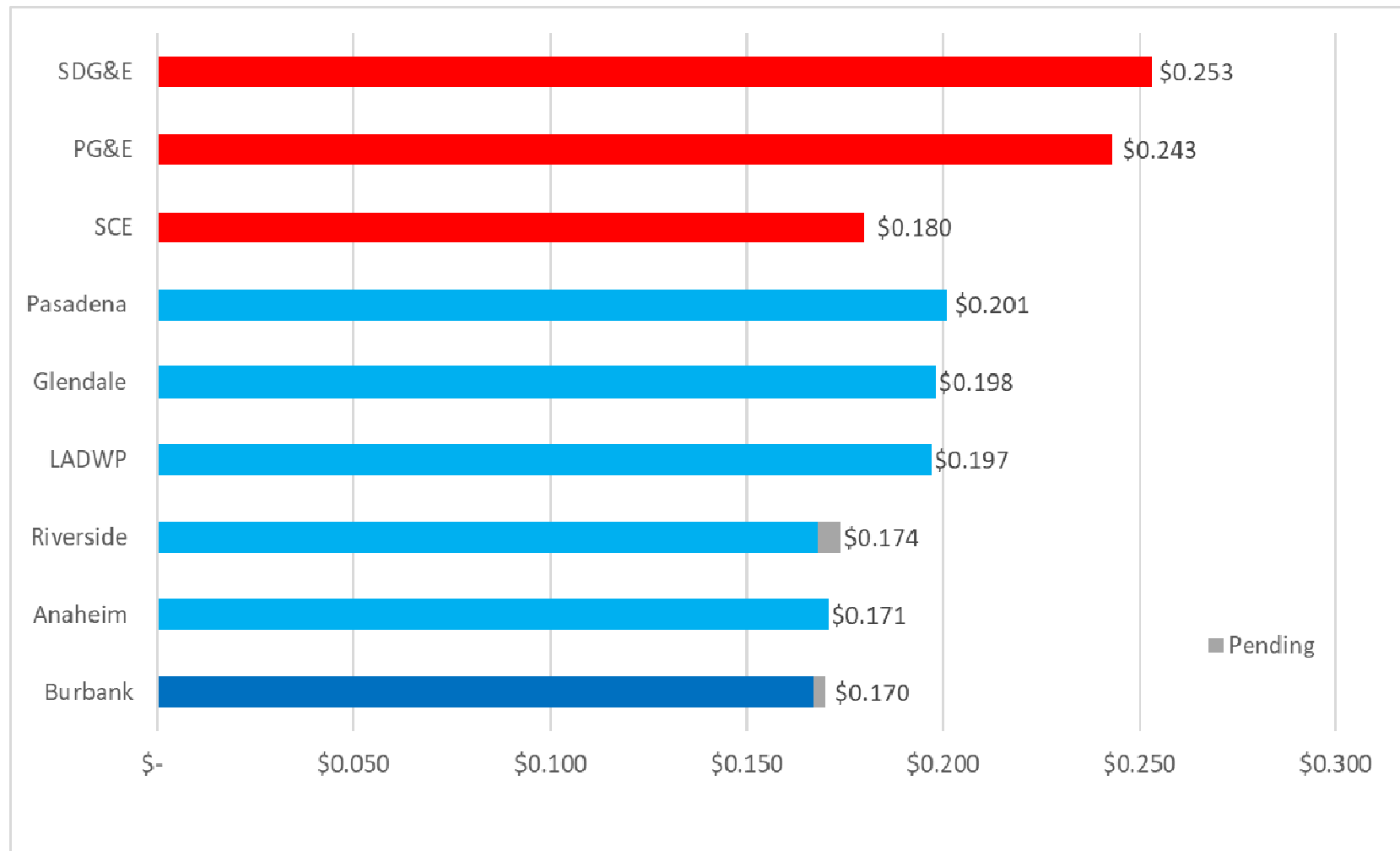
System Average Interruption Duration Index (SAIDI) 2018 Industry Benchmark



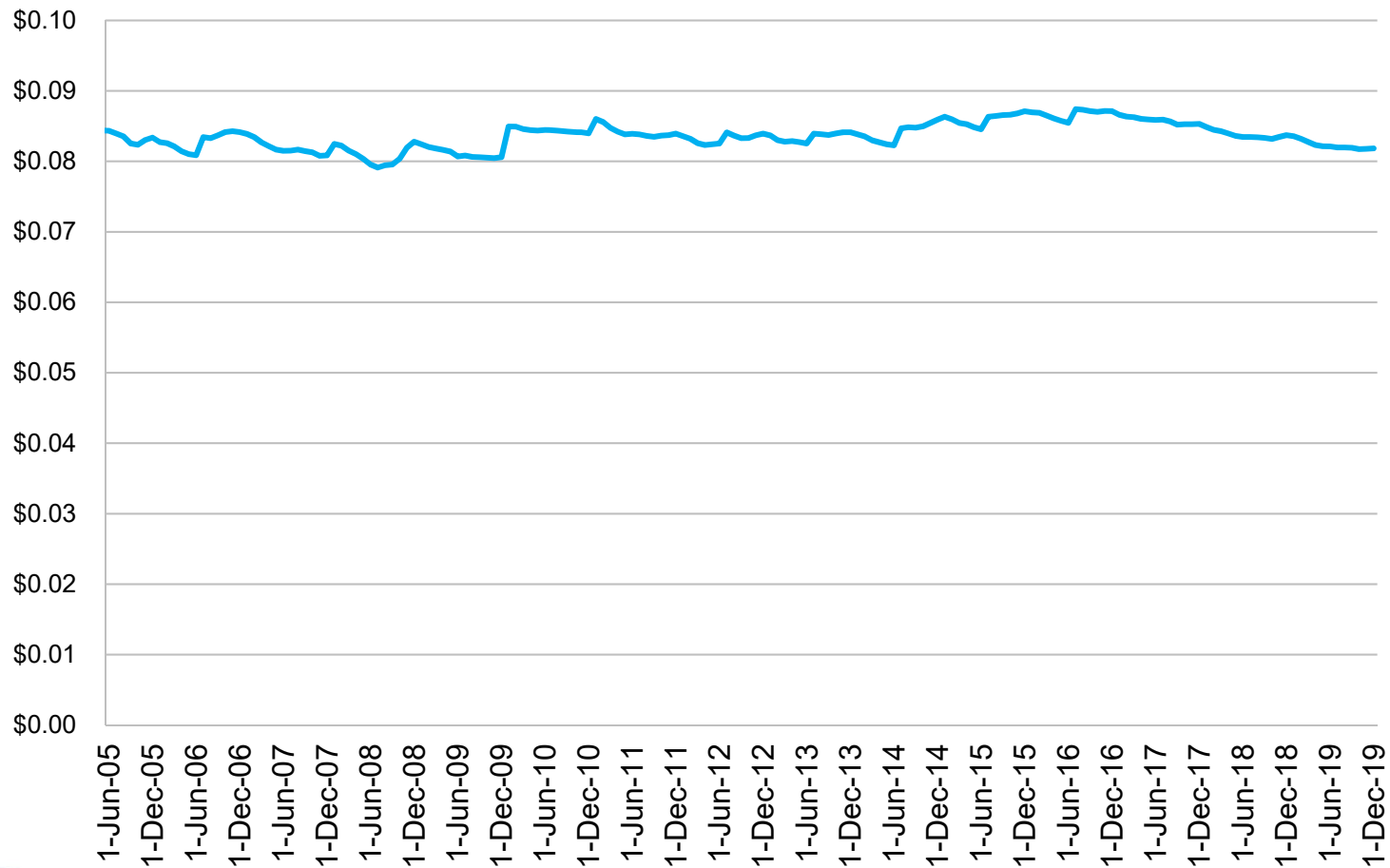
Benchmarking data sourced from PA
Consulting Group



Residential Electric Revenue per kWh



Residential Electric Rate Adjusted for Inflation (in 1990 USD)



Estimated Impact of Proposed 1.5% Rate Increase on Residential Electric Bills

(Small Service Size)

Change on a 350 kWh bill

| | |
|---------|---------|
| 2019-20 | \$52.46 |
|---------|---------|

| | |
|---------|---------|
| 2020-21 | \$53.24 |
|---------|---------|

| | |
|-------------------------|---------------|
| Estimated Impact | \$0.78 |
|-------------------------|---------------|



Estimated Impact of Proposed 1.5% Rate Increase on Residential Electric Bills

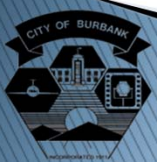
(Medium Service Size)

Change on a 550 kWh bill

| | |
|---------|---------|
| 2019-20 | \$86.63 |
|---------|---------|

| | |
|---------|---------|
| 2020-21 | \$87.93 |
|---------|---------|

| | |
|-------------------------|---------------|
| Estimated Impact | \$1.30 |
|-------------------------|---------------|



Electric Income Statement

| (\$ in thousands) | Adopted Budget FY 19-20 | Proposed Budget FY 20-21 |
|--|----------------------------|-----------------------------|
| MWh NEL | 1,143,543 | 1,120,666 |
| Total Operating Revenues | \$ 226,624 | \$ 227,134 |
| Total Power Expenses | \$ 168,485 | \$ 162,779 |
| Gross Margin | \$ 58,139 | \$ 64,355 |
| Total Operating Expenses before Depreciation | \$ 37,388 | \$ 39,289 |
| Depreciation Expense | \$ 18,895 | \$ 21,375 |
| Operating Income/(Loss) | \$ 1,856 | \$ 3,691 |



Electric Income Statement (cont.)

(\$ in thousands)

| | Adopted Budget FY 19-20 | Proposed Budget FY 20-21 |
|--------------------------------|----------------------------|-----------------------------|
| Operating Income/(Loss) | \$ 1,856 | \$ 3,691 |
| Other Income / (Expense) | \$ (3,994) | \$ (2,823) |
| Net Income | \$ (2,138) | \$ 868 |
| Capital Contributions (AIC) | \$ 2,905 | \$ 11,101 |
| Change in Net Position | \$ 767 | \$ 11,969 |

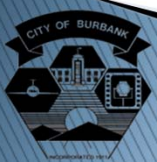
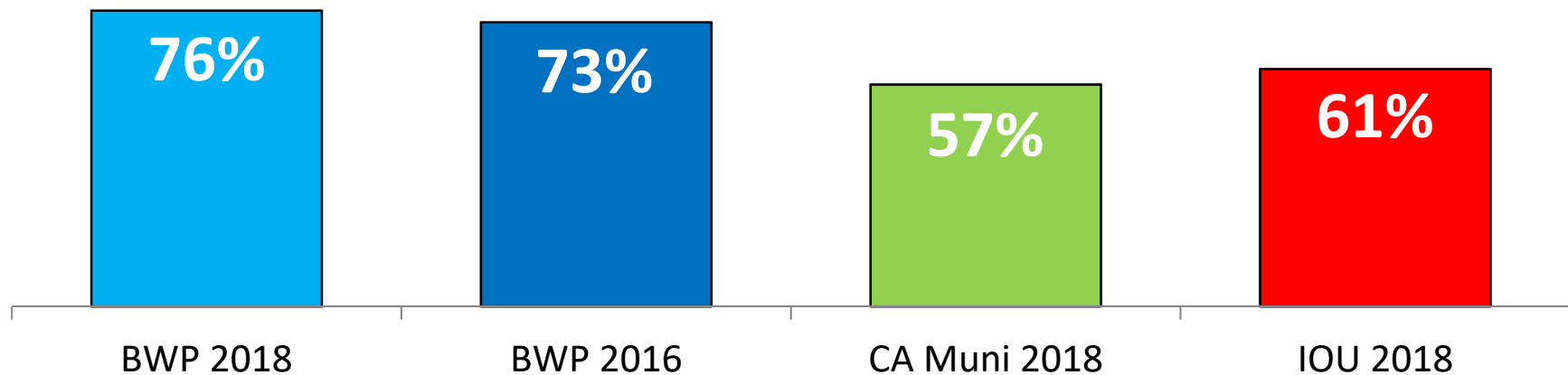


Residential Customer Satisfaction

2018 Independent Survey of Residential Customer Satisfaction

“Thinking about (your utility), please rate your overall satisfaction with them at the present time.”

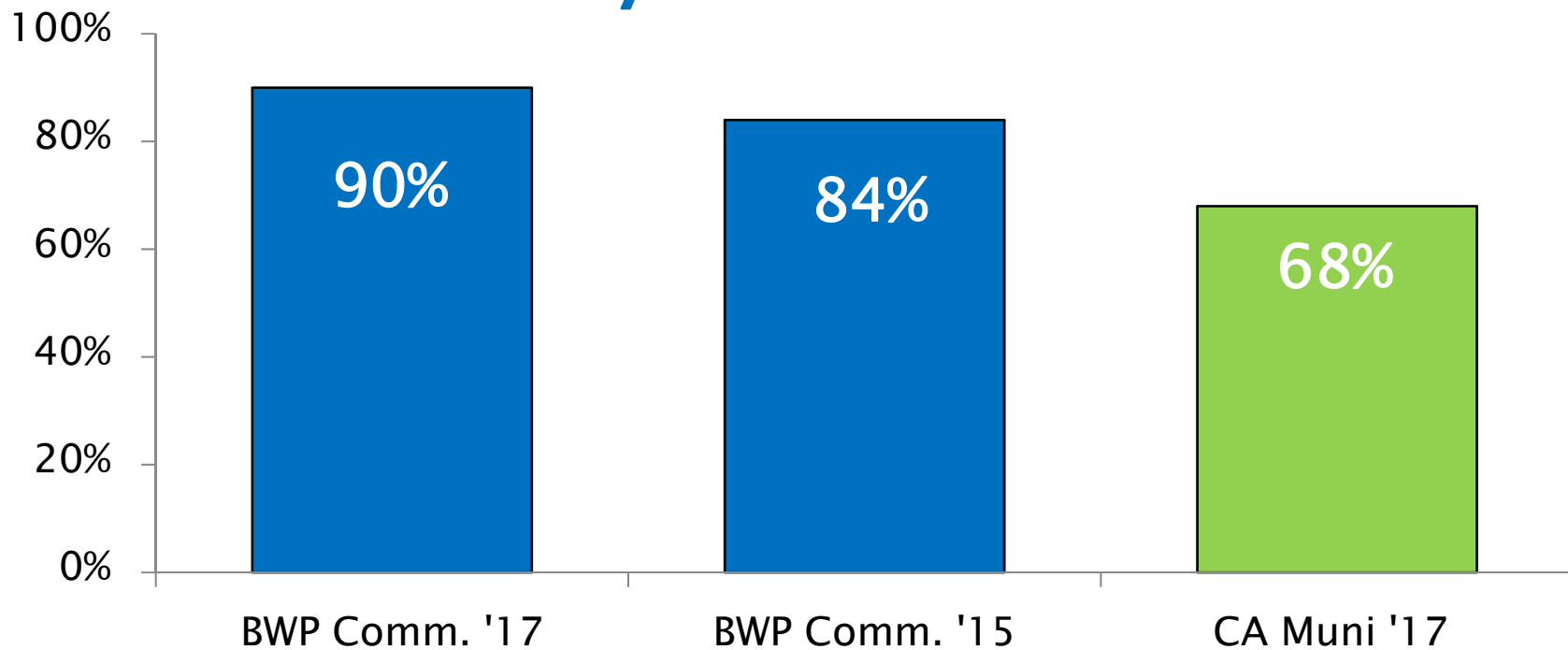
Very Satisfied



Commercial Customer Satisfaction

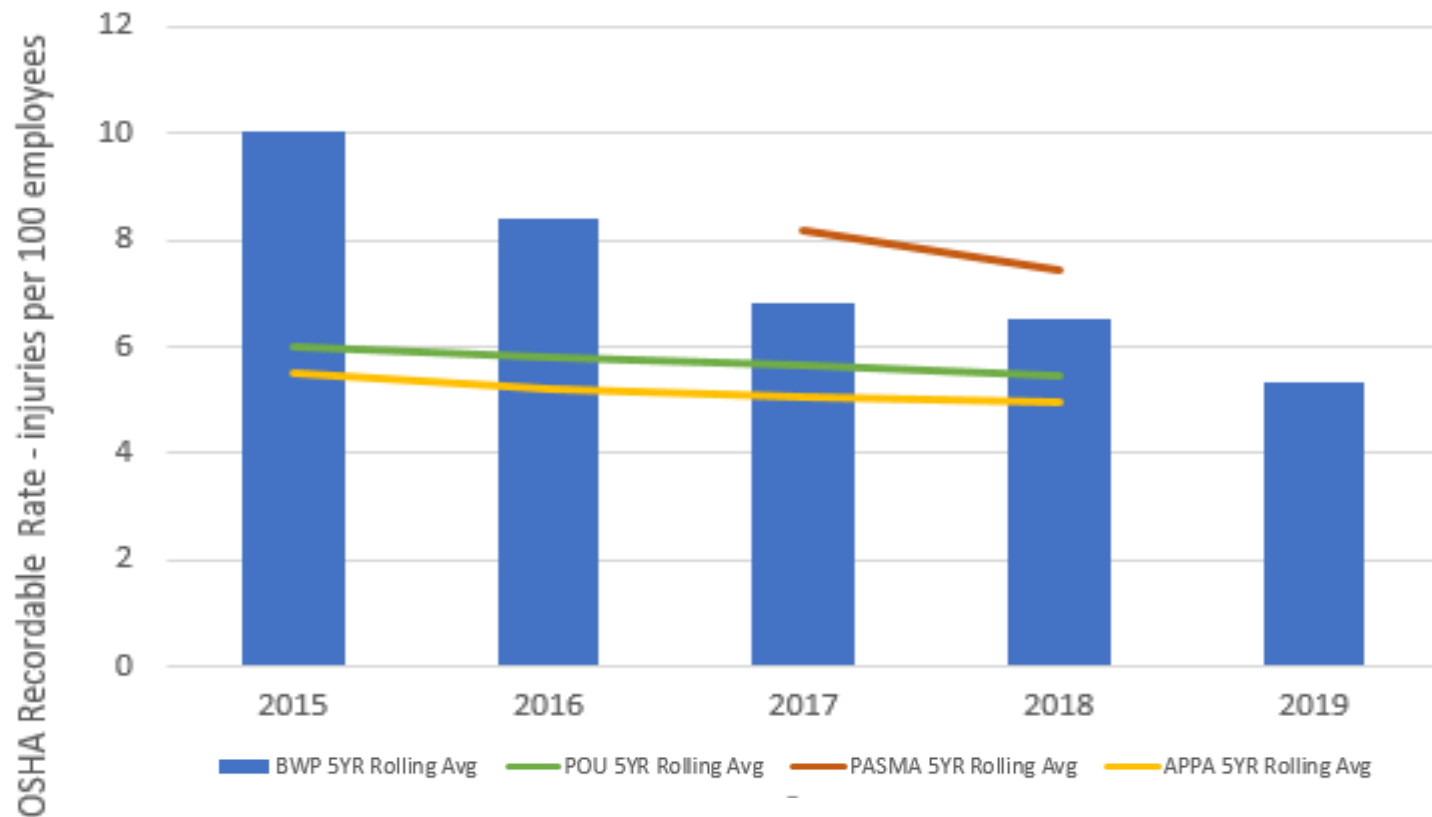
2017 Independent Survey of Commercial Customer Satisfaction

Very Satisfied



Safety

Total Recordable Injury Rate (TRIR)



POU – Publicly Owned Utilities (Bureau of Labor and Statistics)
PASMA – Public Agency Safety Management Association (Utilities only Data)
APPA – American Public Power Authority – All Members



Electric Fund 5 Year Capital Plan

| | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | FY 2020-21 to FY 2024-25 |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------------|
| | Proposed | Forecast | Forecast | Forecast | Forecast | Forecast |
| Power Supply Improvement Projects | 1,585,000 | 2,165,000 | 915,000 | 915,000 | 3,165,000 | 8,745,000 |
| Operations Technology | 450,000 | 550,000 | - | - | - | 1,000,000 |
| Distribution Expansion Projects | 3,310,861 | 2,896,817 | 7,146,739 | 6,017,515 | 6,305,685 | 25,677,617 |
| Distribution Replacement Projects | 11,072,087 | 15,996,419 | 16,130,000 | 9,744,589 | 9,240,000 | 62,183,095 |
| Facility Renovations | 487,800 | 290,600 | 333,400 | 344,100 | 343,900 | 1,799,800 |
| ONE Burbank | 1,160,000 | 640,000 | 450,000 | 400,000 | 400,000 | 3,050,000 |
| Finance, Warehouse and Fleet Facility | 105,000 | - | - | 730,357 | 1,410,000 | 2,245,357 |
| Customer Service | 825,000 | - | 600,000 | 500,000 | 4,300,000 | 6,225,000 |
| Security | 205,000 | - | 75,000 | 100,000 | - | 380,000 |
| Water Fund's share of common projects | (346,622) | (96,669) | (90,716) | (197,563) | (739,199) | (1,470,768) (A) |
| Total CIP | \$ 18,854,127 | \$ 22,442,167 | \$ 25,559,423 | \$ 18,553,998 | \$ 24,425,386 | \$ 109,835,102 |
| New Customer Projects/AIC | 11,101,217 | 7,034,650 | 5,230,800 | 2,530,800 | 2,500,000 | 28,397,467 |
| Total AIC | \$ 11,101,217 | \$ 7,034,650 | \$ 5,230,800 | \$ 2,530,800 | \$ 2,500,000 | \$ 28,397,467 |
| Total | \$ 29,955,344 | \$ 29,476,817 | \$ 30,790,223 | \$ 21,084,798 | \$ 26,925,386 | \$ 138,232,569 |

Note:

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



Electric Fund Capital Improvements (20–21)

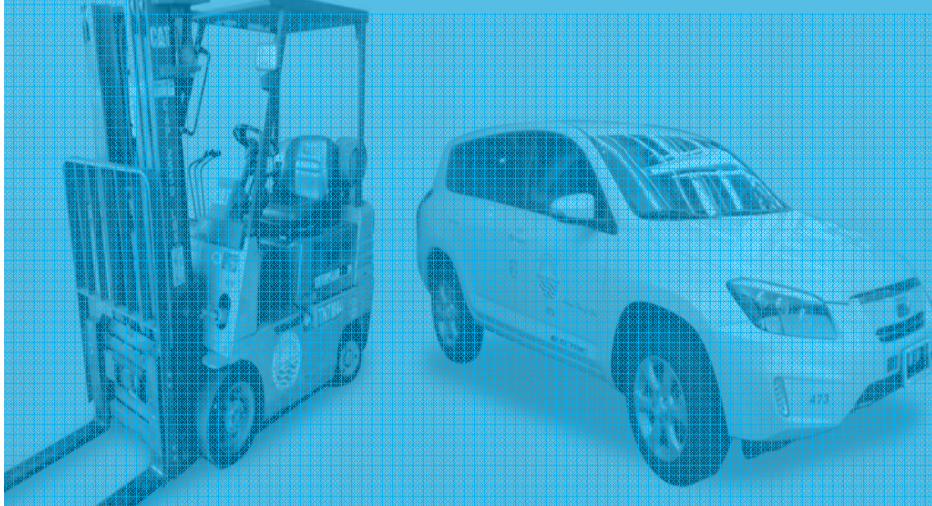
(S in 000's)

| | |
|--|----------------|
| 4 kV to 12 kV Conversion Projects | \$5,000 |
| Replace Deteriorated Overhead/Underground Electrical Dist. Lines | \$3,000 |
| Advanced Distribution Management System | \$1,000 |
| Ethernet Switched Services Network Infrastructure Replacement | \$750 |
| Distribution Substation Transformer Replacement | \$605 |
| Electric Vehicle Charging Program | \$604 |
| Replace/Upgrade Relays on 69kV Lines | \$556 |
| Replace Burbank Station Distribution Getaways | \$505 |
| Replace Electric Services | \$500 |
| Other Remaining Projects | <u>\$6,335</u> |
| Total CIP | \$18,854 |

| | |
|--|--------------|
| Media District 12kV Capacity | \$3,500 |
| Build Service to Large Project Over 1 MVA | \$3,000 |
| Build Facilities for Avion Burbank Development | \$3,000 |
| Build New Customer Transformer Stations, 750 kVA & Under | \$800 |
| Relocation of Facilities for Caltrans Burbank Bridge Replacement | \$500 |
| Other AIC Projects | <u>\$301</u> |
| Total AIC | \$11,101 |



Electric Fund 5 Year Capital Outlay

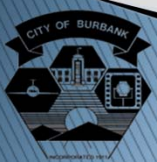


| | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | FY 2020-21 to FY 2024-25 |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------------|
| | Proposed | Forecast | Forecast | Forecast |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



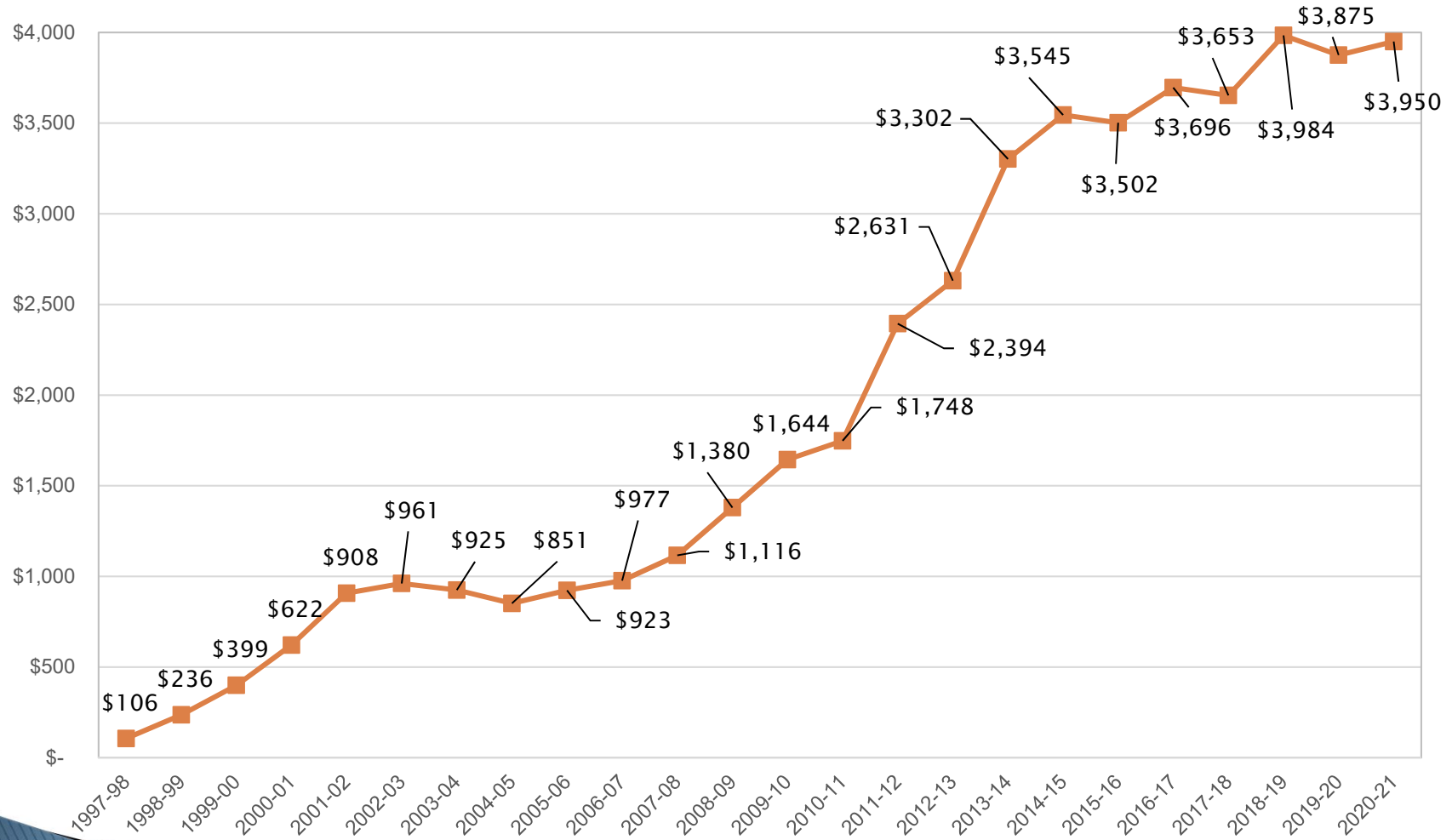
ONE Burbank Customers

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



ONE Burbank Revenues

(\$ in 000's)



Annual Broadband Benefits

BWP cost savings

\$440k

BUSD cost savings

\$396k

\$609k

City departments cost savings



Free City Wi-Fi



Electric Fund Staffing Summary

| Division | FY 2019-20 Approved Staffing Plan | FY 2019-20 Mid-year Adjustments | FY 2020-21 Proposed Adjustments | | FY 2020-21 Proposed Staffing Plan |
|--|---|---------------------------------------|---------------------------------------|----------|---|
| Administration and Safety | 6 | 0 | 2 | (a) | 8 |
| Customer Service, Electric and Water Public Benefits, and Marketing | 50 | 0 | -1 | (a), (b) | 49 |
| Electric Distribution | 100 | 0 | -1 | (b) | 99 |
| Power Systems, and Construction and Maintenance | 85 | 0 | 0 | (c) | 85 |
| Operations Technology and Security | 17.5 | 0 | 0 | (d) | 17.5 |
| Finance, Fleet and Materials | 27.5 | 0 | 0 | | 27.5 |
| Electric Fund Totals | 286 | 0 | 0 | | 286 |

(a) Two Field Service Representative II transfers from Customer Service to Administration and Safety for upgrades to an Environmental, Health and Safety Officer and Senior Administrative Analyst.

(b) Redevelopment Project Manager transfer from Electric Distribution to Customer Service, upgrade to an Energy Services Manager; upgrade of an Assistant Manager, Customer Service Operations to Manager, Customer Service Operations.

(c) Upgrade of a Metal Worker to a Power Production Engineer.

(d) Upgrade of an Administrative Technician to an Administrative Analyst II.



Water Fund Budget

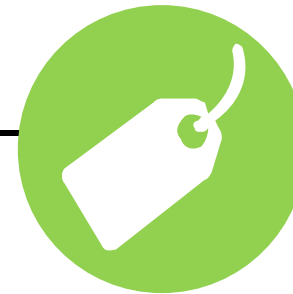
Water Budget Highlights

(2020 – 2021)

Increased
utilization of BOU



Competitive
rates



Continue rate plan
toward full cost
recovery



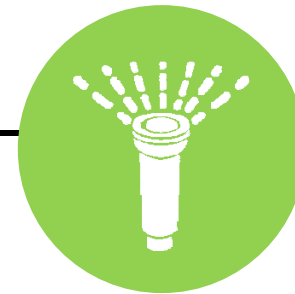
Water Budget Highlights

(2020 – 2021)

Higher MWD water
costs



Water conservation
is a way of life



Low cash reserves



Water Budget Assumptions

(2020 – 2021)

3 day per
week watering

Recycled water
sales

Maximize use of
groundwater



Water Budget Assumptions

(2020 – 2021)

System losses
at 4%



Continue capital replacement
plan and preventative
maintenance program



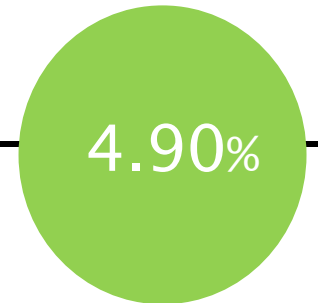
Increased
capital
spending



Implement the
planned water rate
increase of 4.90%



Unfunded
pension liability

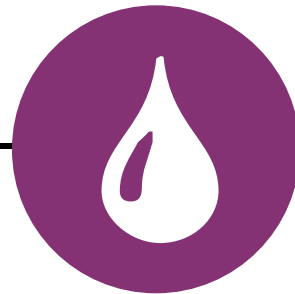


Water Forecast Assumptions

(Years 2 – 5)

1.1% potable
sales growth

+1.1%



Volumes below pre-
drought levels

MWD rate
increases



Utilize lower
cost cyclic
stored water



Water Forecast Assumptions

(Years 2 – 5)

Continue rate plan
toward full cost recovery



Continue capital
additions



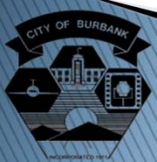
Unfunded pension
liability payment



Water Budget Drivers (20-21)

(\$ in 000's)

| | <u>\$</u> | <u>% of Oper. Rev.</u> |
|-------------------------------------|----------------|------------------------|
| 2019-20 Carry-over to 2020-21 | \$1,686 | 5.54% |
| Restore conservation programs to 2% | \$314 | 1.03% |
| Higher water supply costs | 123 | 0.40% |
| Higher operating expenses | \$600 | 1.97% |
| Planned recurring capital | \$1,000 | 3.29% |
| 2020-21 Rate requirement | <u>\$3,723</u> | <u>12.24%</u> |
| Unfunded pension liability | (\$133) | -0.44% |
| 2020-21 Rate increase | (\$1,491) | -4.90% |
| 2020-21 Carry-over to 2021-22 | <u>\$2,099</u> | <u>6.90%</u> |



Water Cash Reserves

(\$ in millions)



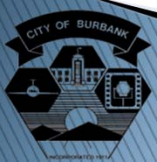
Actual and Planned Rate Increases



Water Fund Forecast Scenarios

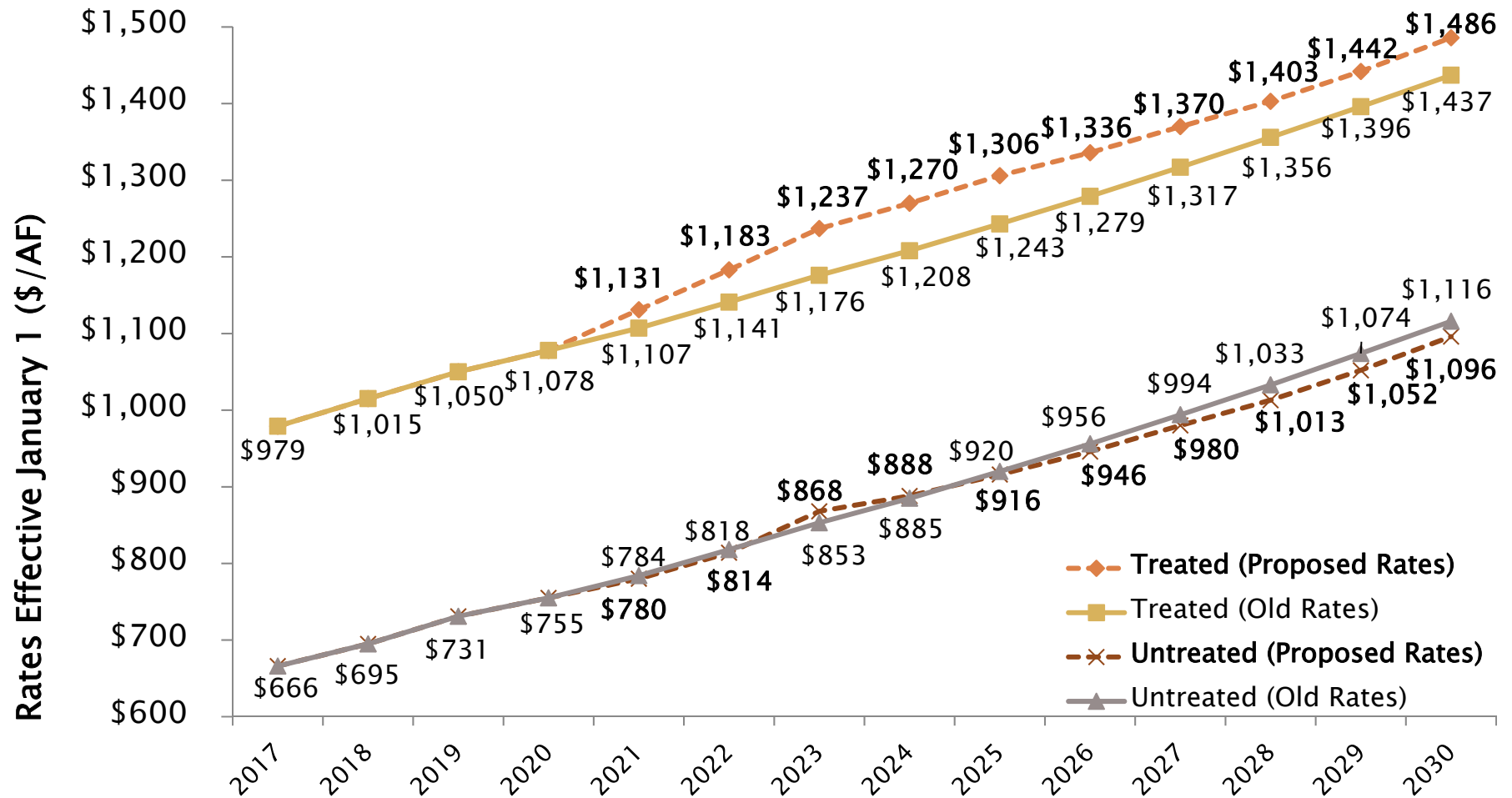
| Scenarios | FY 20-21 | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 |
|---|----------|----------|----------|----------|----------|----------|
| Recommended | 4.9% | 4.9% | 4.9% | 4.9% | 4.9% | 4.9% |
| Cash Balance | \$10,418 | \$11,764 | \$13,348 | \$12,583 | \$12,377 | \$14,822 |
| Full Cost Recovery by Year 1 | 12.0% | 2.3% | 2.3% | 2.3% | 2.3% | 2.3% |
| Cash Balance | \$12,434 | \$15,068 | \$17,160 | \$16,058 | \$14,604 | \$14,818 |
| Full Cost Recovery in Year 1 & Recommended Cash by Year 6 | 12.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% |
| Cash Balance | \$12,434 | \$15,291 | \$17,844 | \$17,451 | \$16,968 | \$18,434 |
| Full Cost Recovery in Year 2 & Recommended Cash by Year 6 | 7.8% | 7.8% | 3.0% | 3.0% | 3.0% | 3.0% |
| Cash Balance | \$11,242 | \$14,339 | \$17,142 | \$17,007 | \$16,790 | \$18,530 |
| Even Rate Ramp & Recommended Cash by Year 6 | 5.4% | 5.4% | 5.4% | 5.4% | 5.4% | 5.4% |
| Cash Balance | \$10,560 | \$12,205 | \$14,263 | \$14,164 | \$14,833 | \$18,387 |

Minimum Reserve \$9,370
Recommended Reserve \$17,830



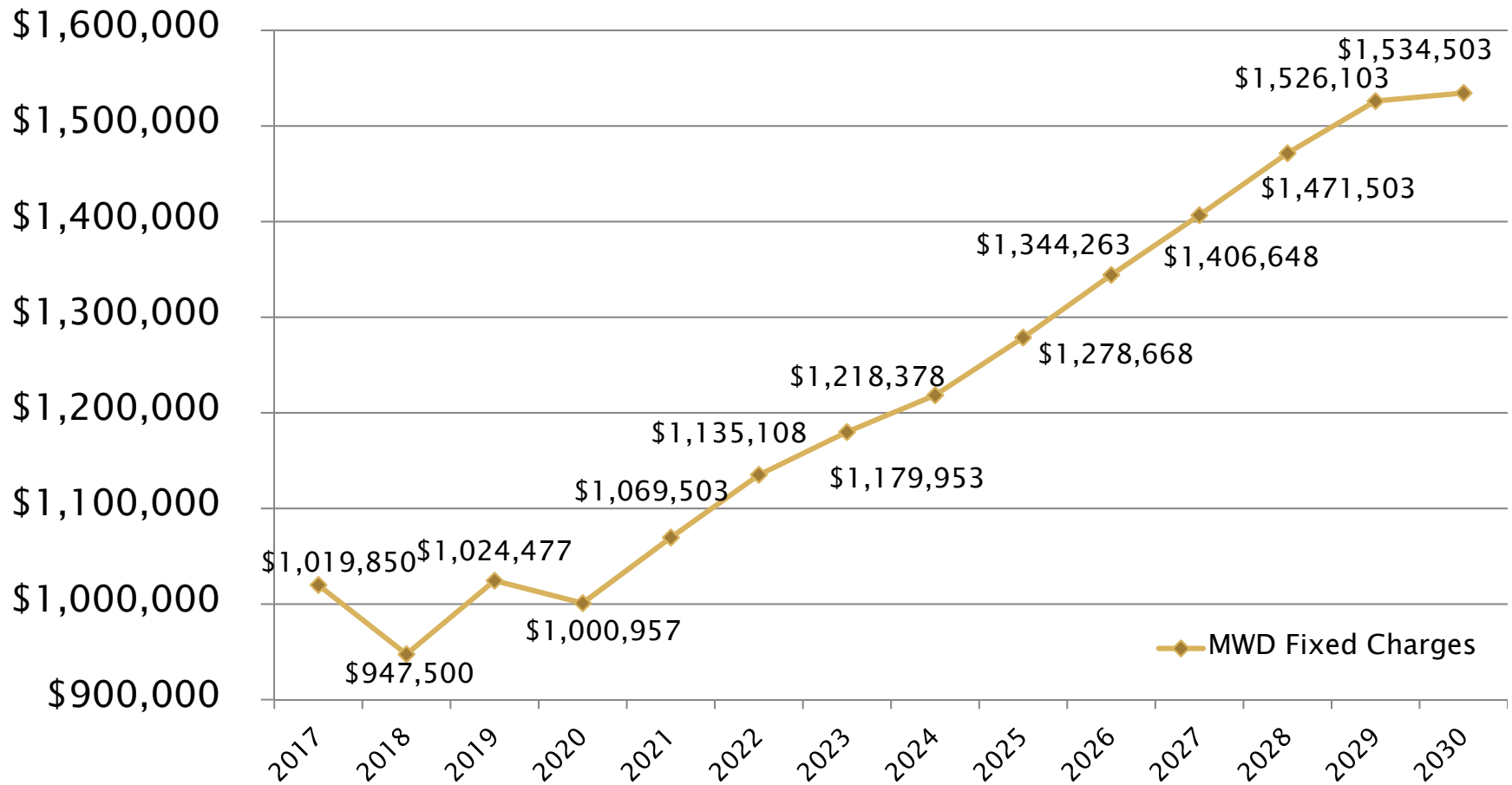
MWD Rate Outlook

Treated Water Costs and Untreated Water Costs Per AF

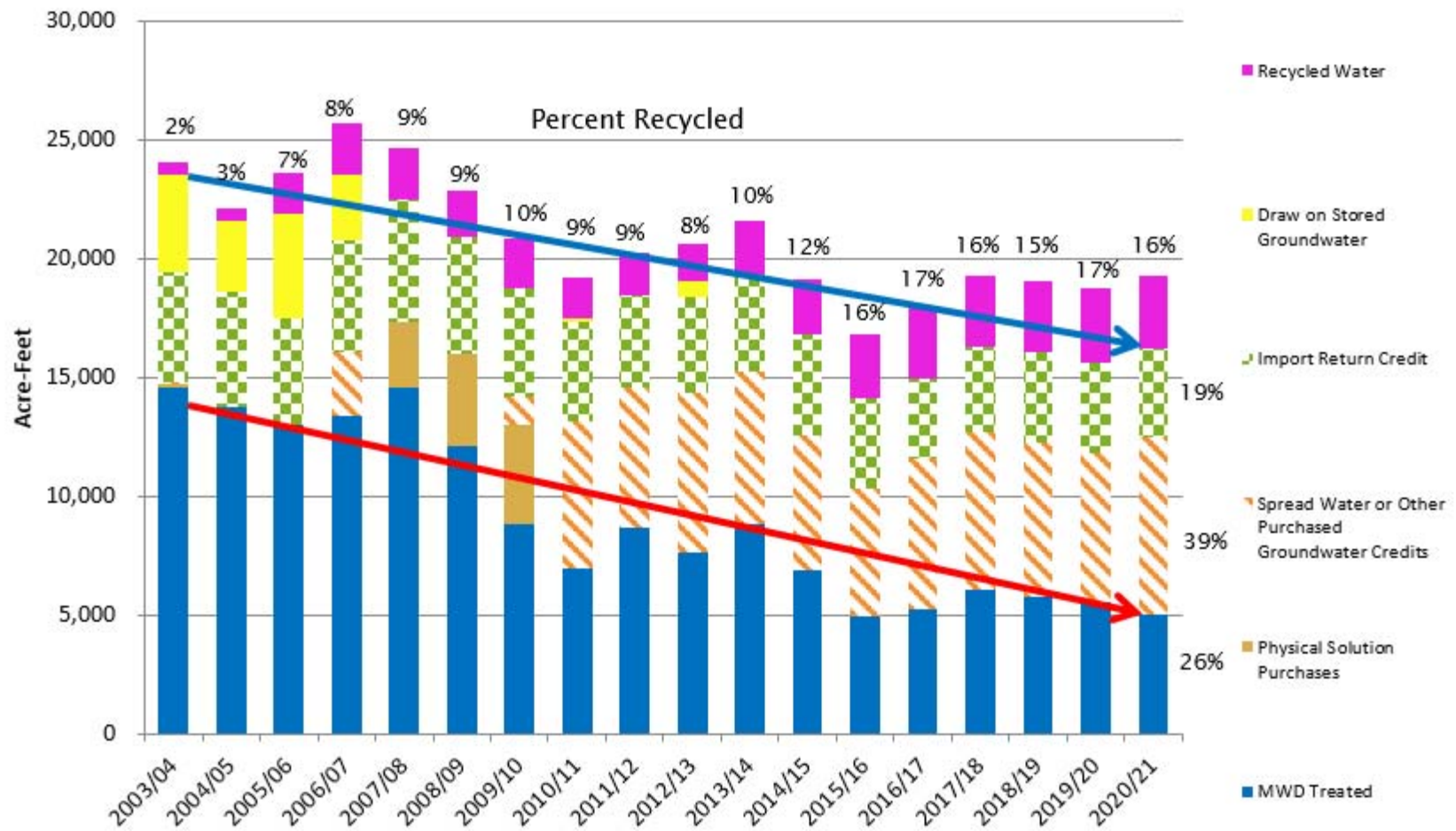


MWD Rate Outlook

Annual MWD Fixed Charges



Water Planning

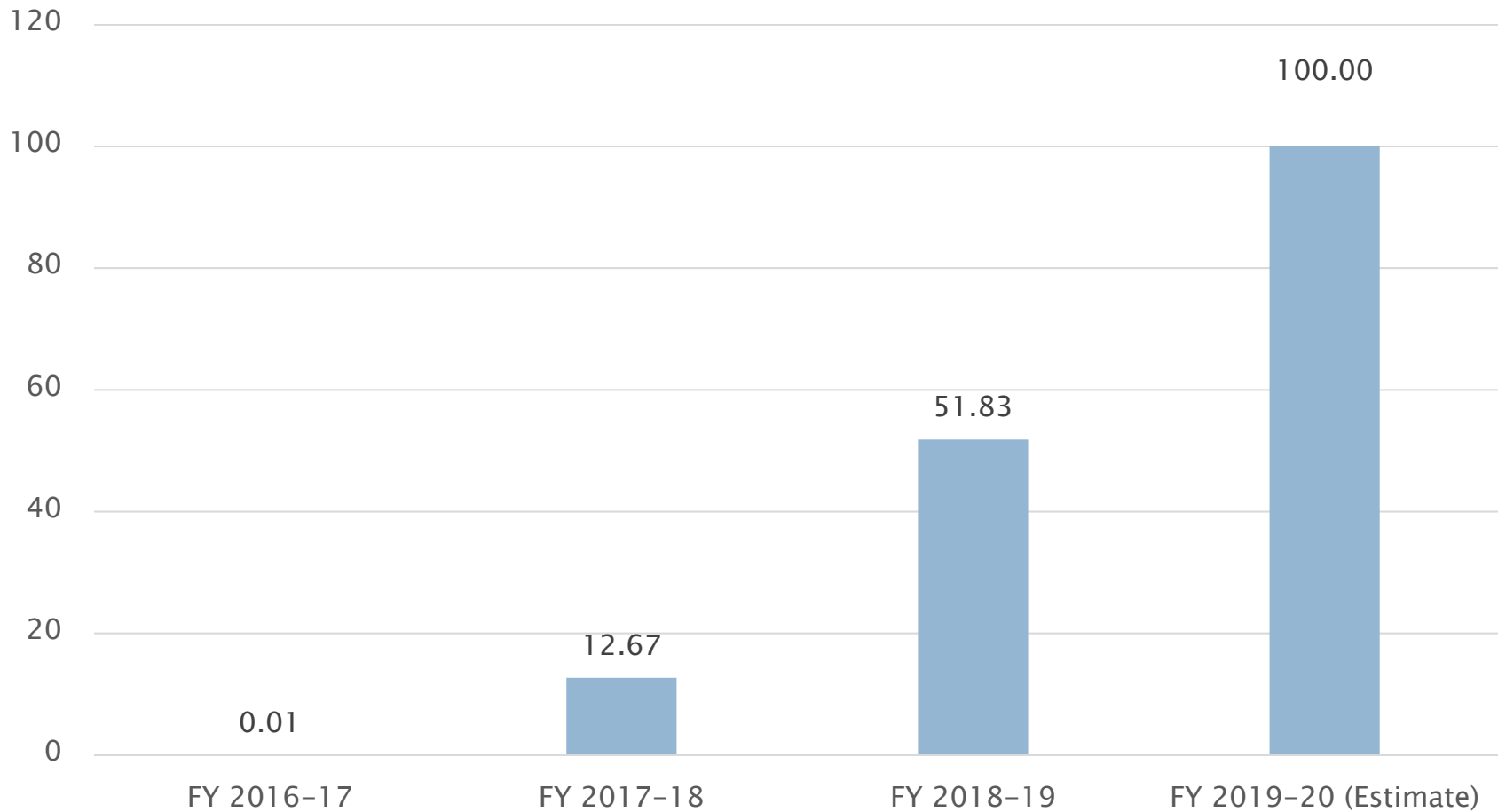


3 days per week watering



LA Exchange

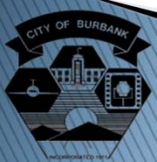
(Recycled Water for Groundwater Credits in AF)



Recycled Water Goals

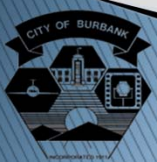
(in Millions of Gallons)

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



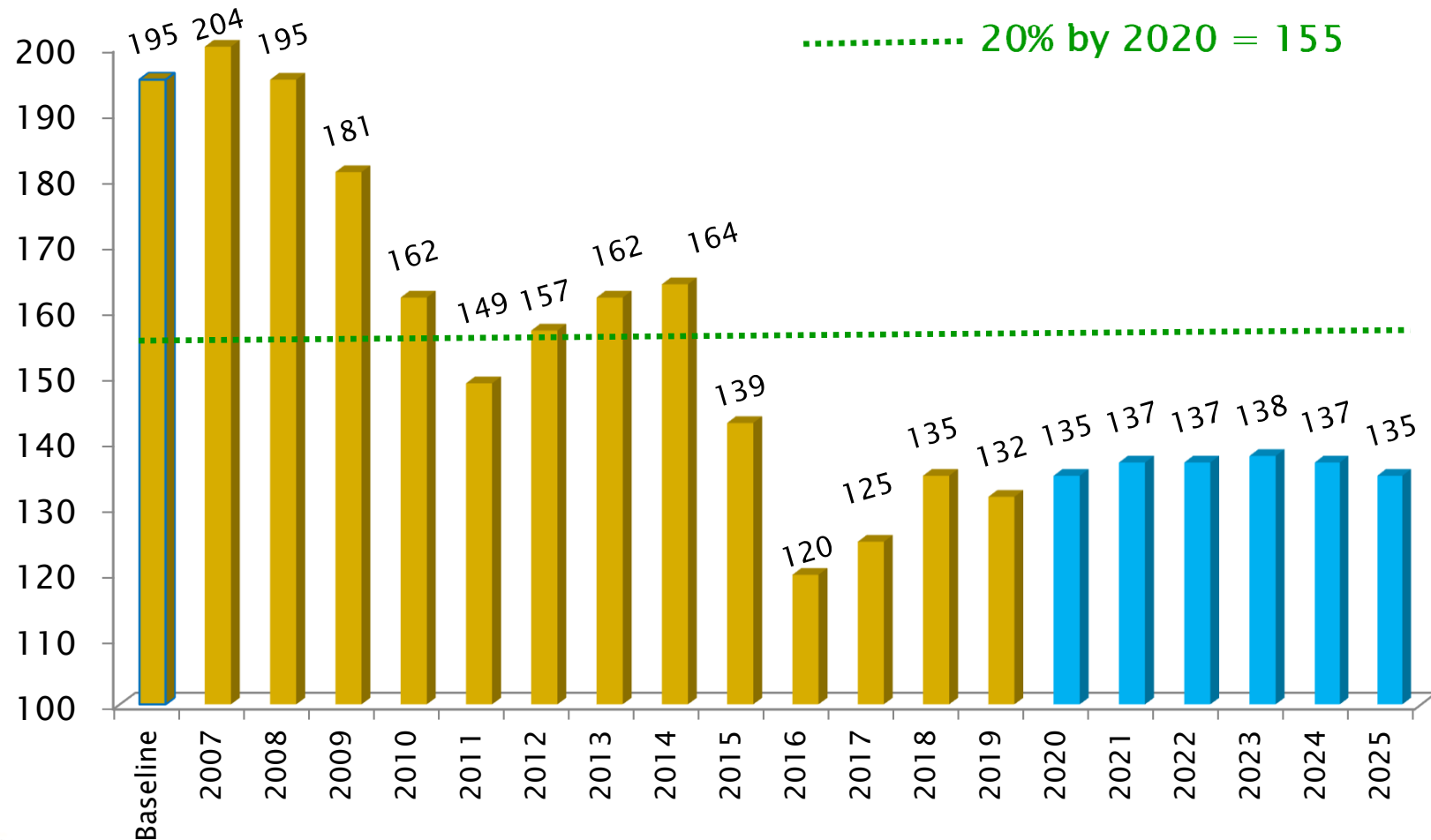
Recycled Water Conversions in Last 5 Years

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

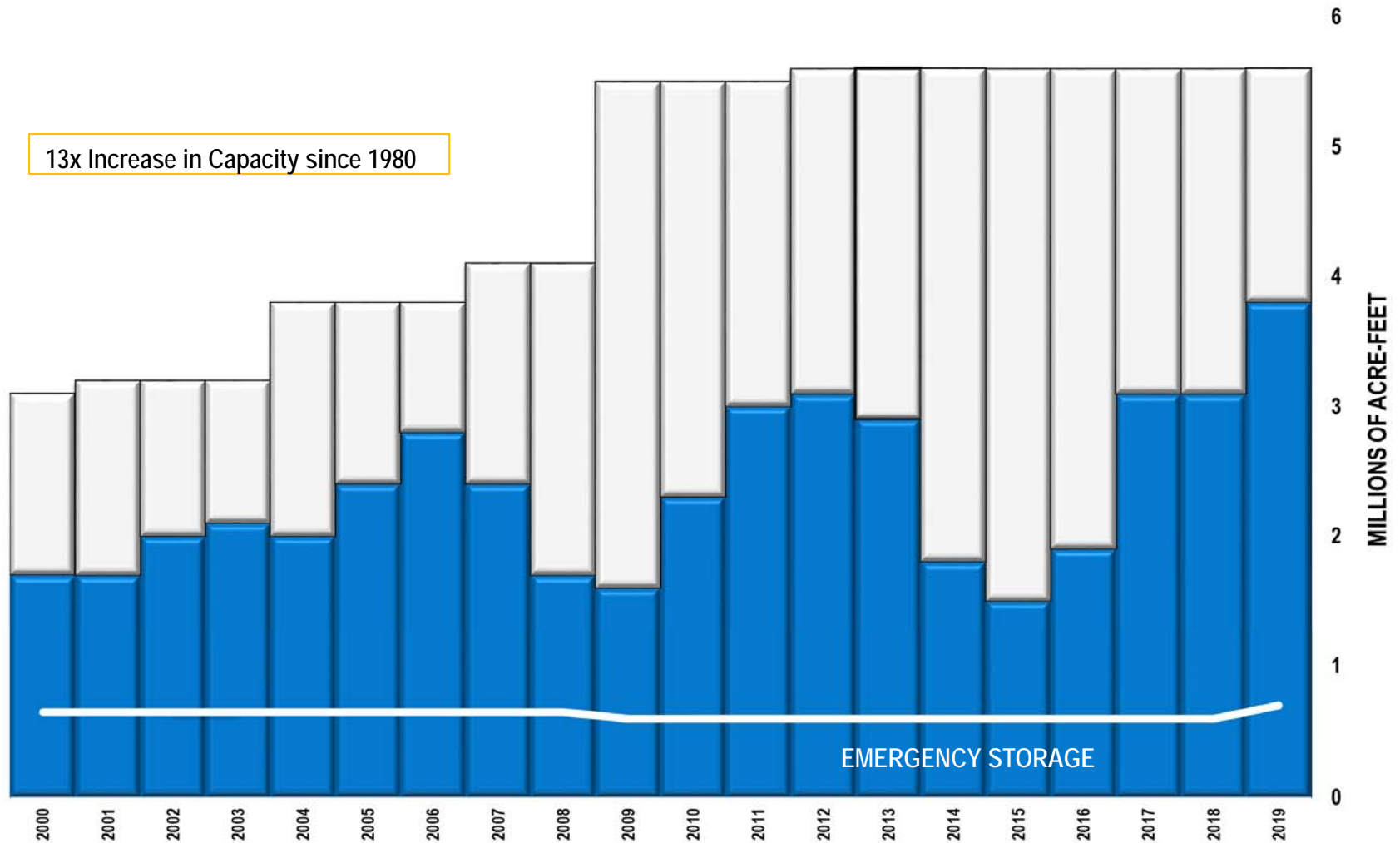


Water Use per Capita Under Order

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

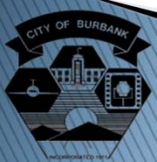
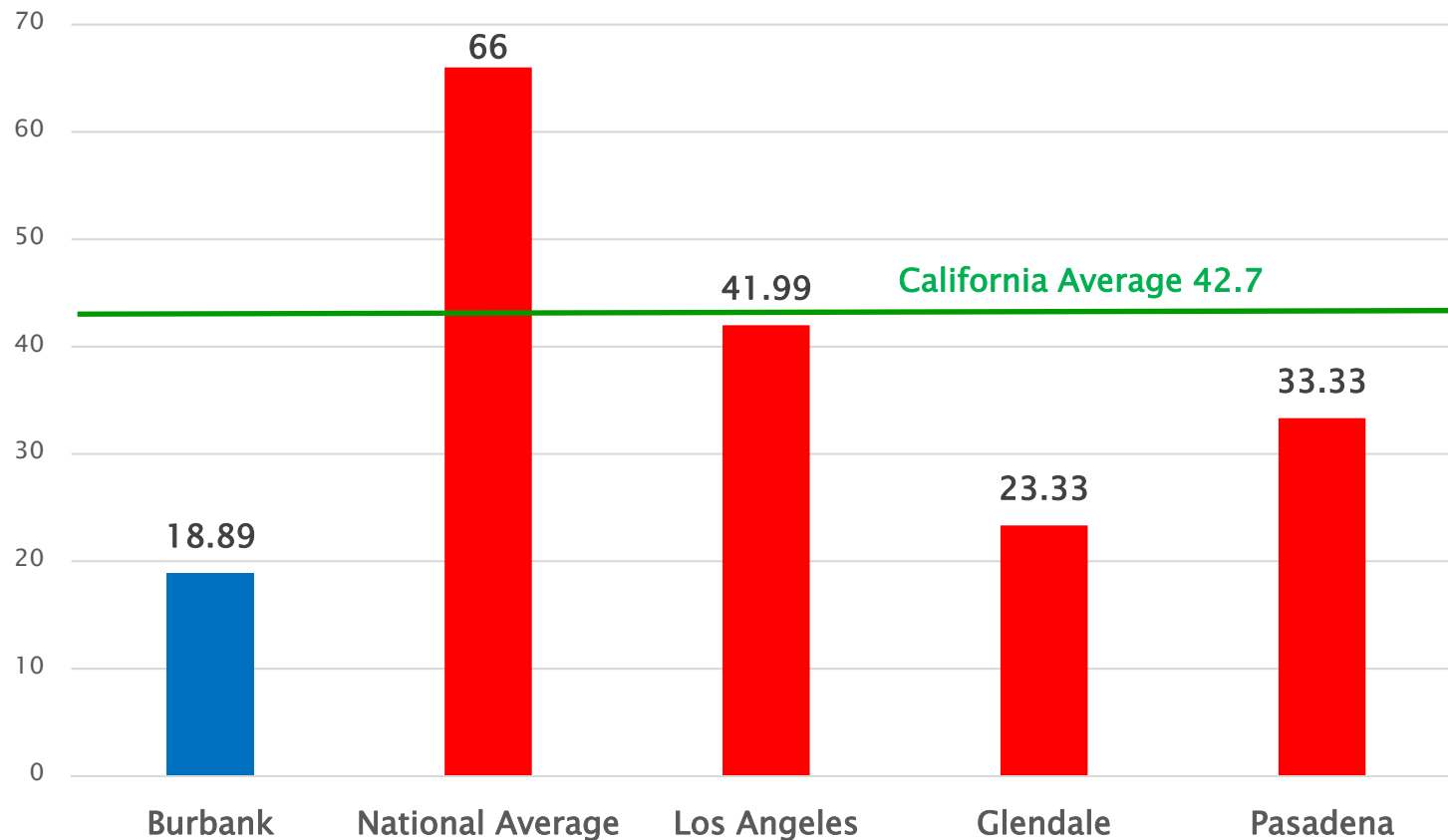


MWD's Water Supply Reliability



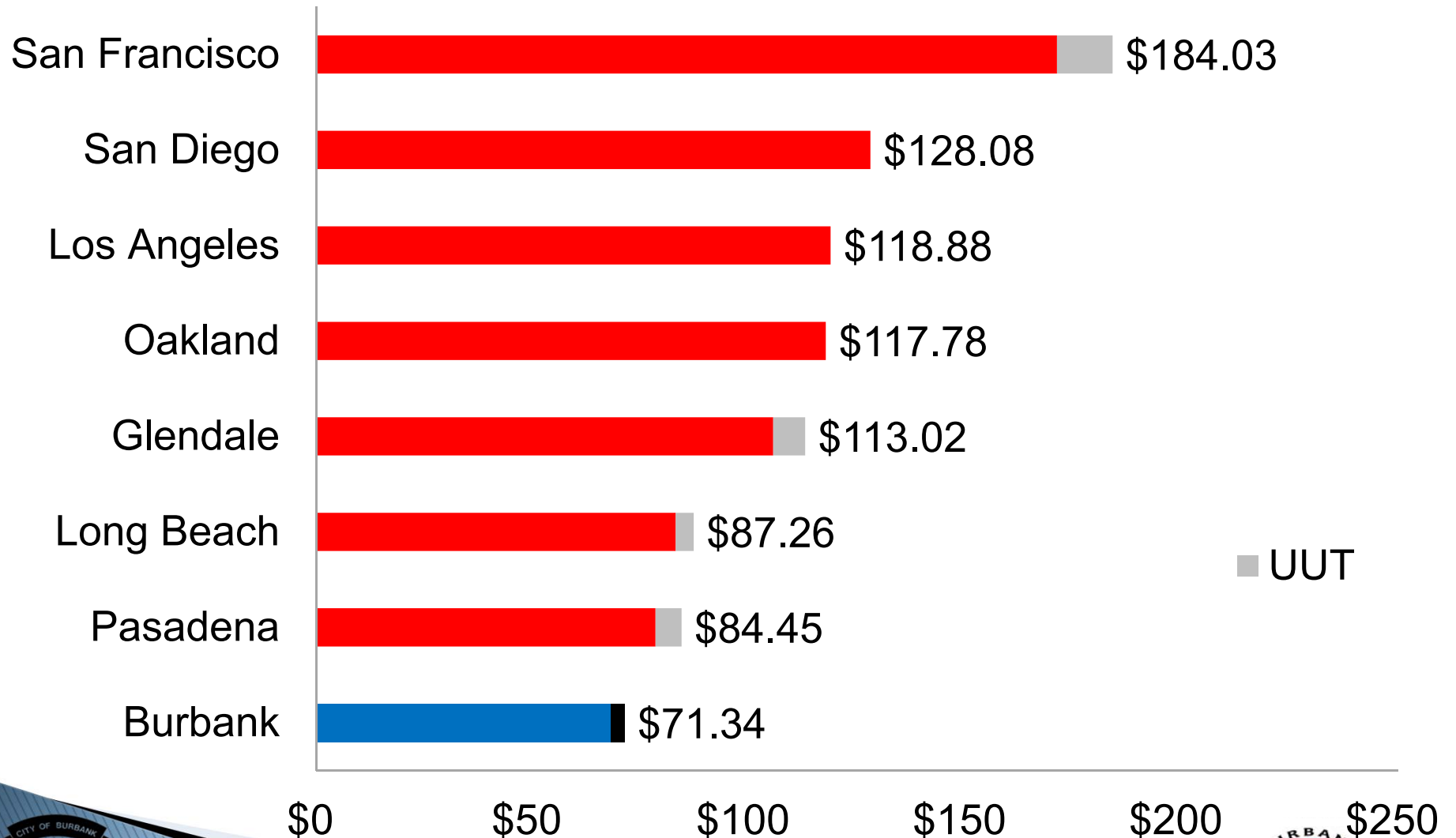
Water Losses

Per Service (GPD) – 2018–2019



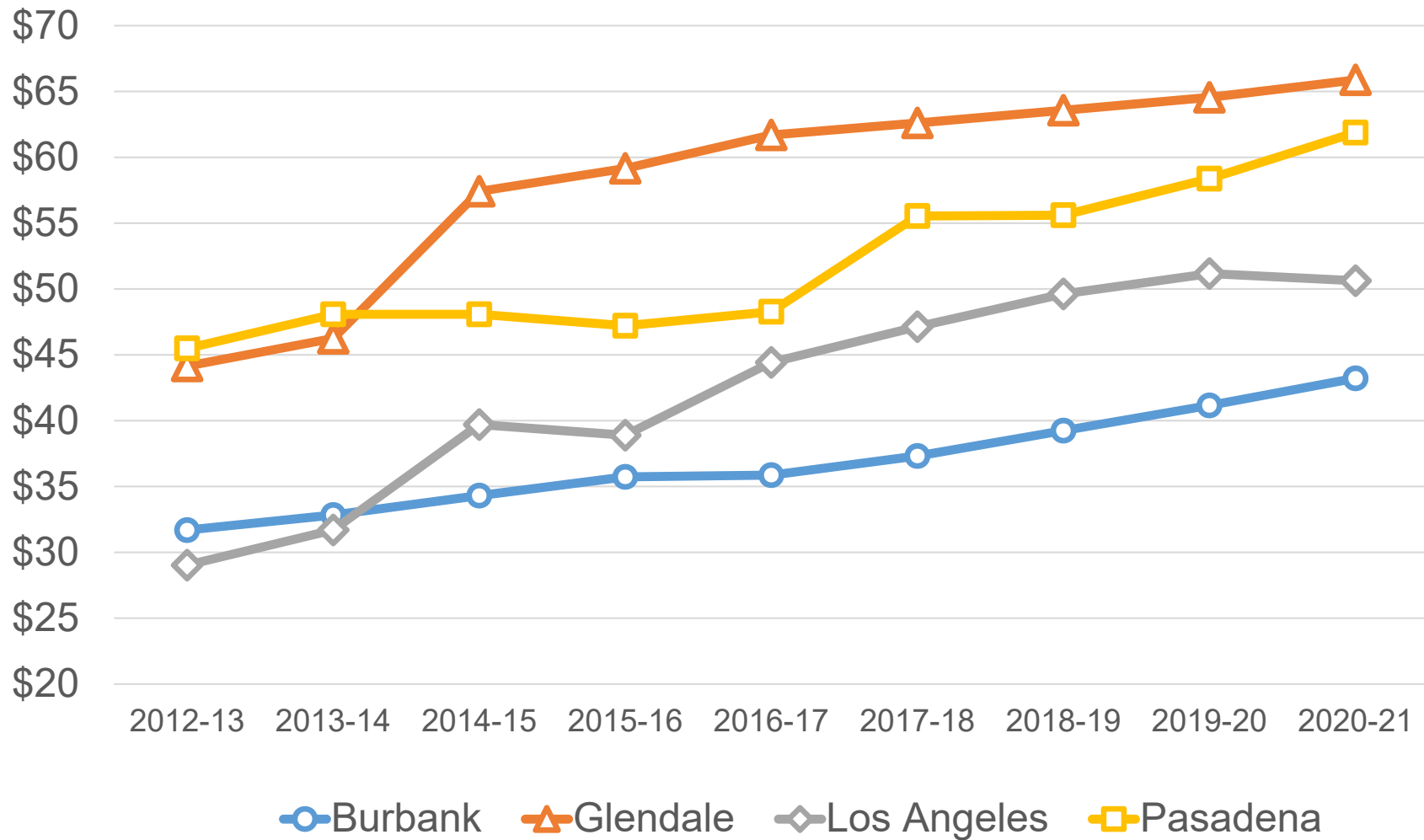
Water Bill Comparison

(12,000 gallons)



Historic Water Bill Comparison

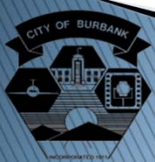
(6,000 gallons)



Estimated Impact of Proposed 4.9% Rate Increase on Residential Water Charges

(1" service below)

| Change on 6,000 Gallons | |
|-------------------------|---------------|
| 2019-20 | \$41.24 |
| 2020-21 | \$43.32 |
| <hr/> | |
| Estimated Impact | \$2.08 |

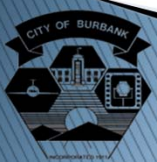


Estimated Impact of Proposed 4.9% Rate Increase on Residential Water Charges

(1" service below)

Change on 12,000 Gallons

| | |
|-------------------------|---------------|
| 2019-20 | \$68.01 |
| 2020-21 | \$71.34 |
| <hr/> | |
| Estimated Impact | \$3.33 |



Water Income Statement

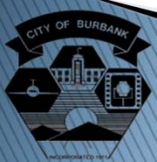
| (\$ in thousands) | Adopted Budget FY 19-20 | Proposed Budget FY 20-21 |
|--|----------------------------|-----------------------------|
| Potable Sales in Billions of Gallons | 5.089 | 5.089 |
| Recycled Sales in Billions of Gallons | 1.002 | 0.995 |
| Total Operating Revenues | \$ 33,572 | \$ 35,494 |
| WCAC Expense | \$ 12,622 | \$ 12,856 |
| Gross Margin | \$ 20,949 | \$ 22,638 |
| Total Operating Expenses before Depreciation | \$ 14,246 | \$ 15,163 |
| Depreciation Expense | \$ 4,437 | \$ 4,262 |
| Operating Income/(Loss) | \$ 2,266 | \$ 3,213 |



Water Income Statement (cont.)

(\$ in thousands)

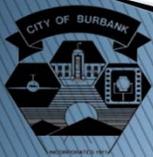
| | Adopted Budget FY 19-20 | Proposed Budget FY 20-21 |
|------------------------------------|----------------------------|-----------------------------|
| Operating Income/(Loss) | \$ 2,266 | \$ 3,213 |
| Other Income / (Expenses) | \$ (1,779) | \$ (1,639) |
| Net Income | \$ 487 | \$ 1,574 |
| Capital Contributions (AIC) | \$ 484 | \$ 1,124 |
| Change in Net Position | \$ 971 | \$ 2,698 |



Water Fund 5 Year Capital Plan

| | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | FY 2020-21 to FY 2024-25 |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------------|
| | Proposed | Forecast | Forecast | Forecast | Forecast | Forecast |
| Potable CIP | | | | | | |
| Small Water Mains | 1,652,911 | 2,342,911 | 2,297,911 | 2,674,211 | 3,081,563 | 12,049,506 |
| Large Water Mains | 1,295,000 | 1,100,000 | 1,710,000 | 1,595,000 | 1,410,000 | 7,110,000 |
| Plant Replacement | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 175,000 |
| Automation and Control | 20,000 | 20,000 | 65,000 | 20,000 | 20,000 | 145,000 |
| Boosters | 1,480,000 | - | - | 175,000 | 1,500,000 | 3,155,000 |
| Production Facilities | 45,000 | 190,000 | 325,000 | 1,800,000 | - | 2,360,000 |
| Miscellaneous Facilities | 410,000 | 70,000 | 70,000 | 130,000 | 50,000 | 730,000 |
| Storage - Reservoirs and Tanks | 225,000 | 785,000 | 955,000 | 285,000 | 170,000 | 2,420,000 |
| Water Fund's share of common projects | 346,622 | 96,669 | 90,716 | 197,563 | 739,199 | 1,470,768 (A) |
| Total Potable CIP | \$ 5,509,533 | \$ 4,639,580 | \$ 5,548,627 | \$ 6,911,773 | \$ 7,005,761 | \$ 29,615,274 |
| Potable AIC | | | | | | |
| New Customer Projects/AIC | 1,123,762 | 283,762 | 633,762 | 283,762 | 283,762 | 2,608,810 |
| Total Potable AIC | \$ 1,123,762 | \$ 283,762 | \$ 633,762 | \$ 283,762 | \$ 283,762 | \$ 2,608,810 |
| Recycled CIP | | | | | | |
| Recycled Water | 146,605 | 271,605 | 301,605 | 146,605 | 106,605 | 973,025 |
| Total Recycled CIP | \$ 146,605 | \$ 271,605 | \$ 301,605 | \$ 146,605 | \$ 106,605 | \$ 973,025 |
| Total CIP | \$ 6,779,900 | \$ 5,194,947 | \$ 6,483,994 | \$ 7,342,140 | \$ 7,396,128 | \$ 33,197,109 |

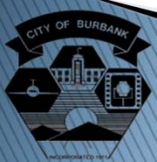
(A) Includes 15% for Safety, 12.5% for Customer Service, and 11.5% for Operations Technology, Facilities, and Finance when applicable.



Potable Capital Improvements

(S in 000's)

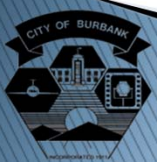
| | |
|---|----------------|
| Valley Pumping Plant (VPP) Booster Station Upgrade | \$1,480 |
| Magnolia, I-5 to 3rd, Potable Large Main | \$600 |
| Meter Replacements | \$520 |
| Empire Ave, Naomi to Ontario, Potable Large Main | \$485 |
| Monterey, Lincoln to Orchard, Potable Small Main | \$415 |
| Valve Replacements | \$400 |
| Water Facility Master Plan | \$250 |
| Replace Transmission Main Valves | \$210 |
| Other Remaining Projects | <u>\$1,149</u> |
| Total CIP | \$5,509 |
| System Expansion (AIC) | \$959 |
| Cypress, 3rd to Glenoaks (AC Hotel), Potable Small Main (AIC portion) | <u>\$165</u> |
| Total AIC | \$1,124 |



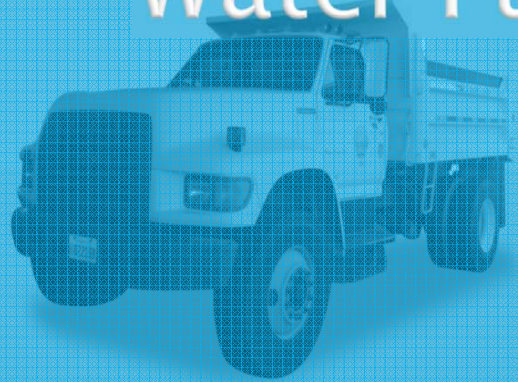
Recycled Capital Improvements

(S in 000's)

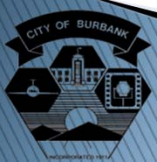
| | |
|--------------------------------|-------------|
| Painting Program - Steel Tanks | \$75 |
| Recycled Equipment Replacement | \$15 |
| Recycled Meters | \$14 |
| Other Remaining Projects | <u>\$43</u> |
| Total CIP | \$147 |



Water Fund 5 Year Capital Outlay



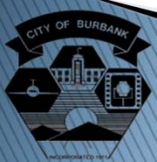
| | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | FY 2020-21 to FY 2024-25 |
|--------------------------------|----------------|------------------|----------------|----------------|----------------|-----------------------------|
| | Proposed | Forecast | Forecast | Forecast | Forecast | Forecast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



Water Fund Staffing Summary

| Division | FY 2019-20 Approved Staffing Plan | FY 2019-20 Mid-year Adjustments | FY 2020-21 Proposed Adjustments | FY 2020-21 Proposed Staffing Plan |
|------------------------------|---|---------------------------------------|---------------------------------------|---|
| Construction and Maintenance | 23 | 0 | 0 | 23 |
| Production | 11 | 0 | 0 | 11 |
| Engineering and Planning | 17 | 0 | 0 (a) | 17 |
| Recycled Water | 2 | 0 | 0 | 2 |
| Water Fund Totals | 53 | 0 | 0 | 53 |

(a) Upgrade of a Civil Engineering Associate-BWP to a Civil Engineer-BWP; upgrade of a Senior Clerk to an Engineering Technician.



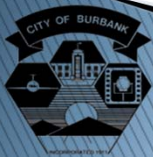
MPP Joint Power Authority Budget



MPP Joint Power Authority Budget

(\$ in 000's)

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

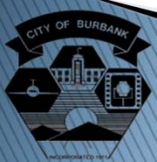


Tieton Joint Power Authority Budget

Tieton Joint Power Authority Budget

(\$ in 000's)

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



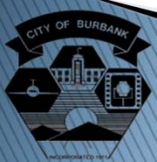
Street Lighting (Fund 129) Budget



Street Lighting (Fund 129)

(\$ in 000's)

| | <u>Adopted FY 19-20</u> | <u>Proposed FY 20-21</u> |
|---|-----------------------------|------------------------------|
| Operating Revenues | | |
| Transfer | <u>\$ 2,544</u> | <u>\$ 2,613</u> |
| Operating Expenses | | |
| Utilities | \$ 1,114 | \$ 1,080 |
| Maintenance | \$ 504 | \$ 495 |
| Other Operating Expenses | <u>\$ 214</u> | <u>\$ 214</u> |
| Total Operating Expenses | \$ 1,832 | \$ 1,789 |
| Net Income | <u>\$ 712</u> | <u>\$ 824</u> |
| Other Income | | |
| Interest Income and Other Income | \$ 285 | \$ 45 |
| Aid in Construction | \$ 180 | \$ 185 |
| Total Other Income | <u>\$ 465</u> | <u>\$ 230</u> |
| Net Change in Net Assets | <u>\$ 1,177</u> | <u>\$ 1,054</u> |
| Capital Expenditures | \$ 1,110 | \$ 1,140 |
| Final Loan Repayment to the Electric Fund | \$ 403 | \$ - |



Communications (Fund 535)



Communications (Fund 535)

| | Adopted Budget FY 19-20 | Proposed Budget FY 20-21 |
|--|----------------------------|-----------------------------|
| Revenues | | |
| Charges for Services | \$ 3,065 | \$ 3,065 |
| Total Operating Revenues | \$ 3,065 | \$ 3,065 |
| Operating Expenses | | |
| Operations and Maintenance | \$ 2,717 | \$ 2,677 |
| Depreciation | \$ 387 | \$ 896 |
| Total Operating Expenses | \$ 3,104 | \$ 3,573 |
| Operating Income (Loss) | \$ (39) | \$ (508) |
| Interest & Other Income | \$ 23 | \$ 52 |
| Total Operating Income (Loss) | \$ (16) | \$ (456) |
| Extraordinary Expenses | | |
| Pension Repayment Plan | \$ (70) | \$ (56) |
| Net Change in Net Assets (Net Income) | \$ (86) | \$ (512) |
| Capital Expenditures | \$ 385 ^(a) | \$ 150 ^(b) |

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

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



Staff's Resolution Recommendation

The Burbank Water and Power Board recommends the Burbank City Council approve the utility's Proposed FY 2020–21 Budget for Funds 496, 497, 483, 129, 133 and 535, including a proposed electric rate increase of 1.50%, a proposed water rate design, and a proposed water rate increase of 4.90% to be effective July 1, 2020.

